HOUSE OF REPRESENTATIVES—*Wednesday, March 20, 1991*

The House met at 2 p.m.

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

We open our hearts, O God, to hear Your voice and to express our petitions. May not the pace of daily life or the urgent concerns that are all about and take so much of our time and attention, keep us from the spiritual realities that are at the center of life. Help us, O God, in our headlong rush to do all that is before us, not to miss the lasting values of life, Your goodness to us or our respect and appreciation one for the other.

This is our earnest prayer. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentleman from New York [Mr. WALSH] to come forward and lead the membership in the Pledge of Allegiance.

Mr. WALSH led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1316. An act to amend chapter 54 of title 5, United States Code, to extend and improve the Performance Management and Recognition System, and for other purposes.

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

H.R. 1175. An act to authorize supplemental appropriations for fiscal year 1991 for military activities of the Department of Defense and for defense activities of the Department of Energy, to improve military personnel benefits and veterans benefits, particularly for members of the Armed Forces who served in Operation Desert Storm, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1175) "An Act to authorize supplemental appropriations for fiscal year 1991 for military activities of the Department of Defense and for defense activities of the Department of Energy, to improve military personnel benefits and veterans benefits, particularly for members of the Armed Forces who served in Operation Desert Storm, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NUNN, Mr. EXON, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. DIXON, Mr. GLENN, Mr. GORE, Mr. WIRTH, Mr. SHELBY, Mr. BYRD, Mr. WARNER, Mr. THURMOND, Mr. COHEN, Mr. MCCAIN, Mr. WALLOP, Mr. LOTT, Mr. COATS, Mr. MACK, Mr. SMITH, Mr. CRANSTON, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. SPECTER, and Mr. MURKOWSKI, additional conferees from the Committee on Veterans Affairs, solely for matters within that committee's jurisdiction; to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 419) "An act to amend the Federal Home Loan Bank Act to enable the Resolution Trust Corporation to meet its obligations to depositors and others by the least expensive means."

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

S. 213. An act to amend the Federal charter for the Boys' Clubs of America to reflect the change of the name of the organization to the Boys and Girls Clubs of America.

The message also announced that, pursuant to Public Law 101-363, the Chair on behalf of the majority leader, appoints Mr. PRYOR to the National Advisory Council on the Public Services.

GIVE PRESIDENT BUSH THE TOOLS TO DO THE JOB OF PEACE

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

Mr. MICHEL. Mr. Speaker, I have just returned from a visit to the Middle East, our third since the war began, and this visit included devastated Kuwait City. I will report on the result of that journey at a later time.

For the moment, however, I want to bring to your attention the failure of the Congress to help the President do the job of peace in the Middle East. I refer to the need to act quickly on the Operation Desert Storm supplemental.

The other body, and to a lesser extent, this one, got tough with our allies for not paying every last dime of the money pledged to Operation Desert Storm. But why are we not just as tough with ourselves?

It is not the Germans and the Japanese holding up the Operation Desert Storm supplemental. It is our own colleagues, primarily in the other body. They are trying to micromanage foreign policy through the supplemental. They are loading the supplemental with something akin to pork-barrel amendments, probably better characterized in this case as milk-can amendments. That is only part of what they are doing.

The President needs our help—now. Our troops need our help—now.

How can we tell our allies that we need the money quickly while we will not take action promptly and quickly ourselves? Let us cut out the politicking and get the Operation Desert Storm supplemental passed—fast and clean.

REPLACE DESERT STORM WITH TRAVEL THUNDER

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

Mr. TALLON. Mr. Speaker, it is time to start traveling again.

Every person and every sector of our economy have been affected in some way by the gulf war—the tourism industry as much, if not more, than most.

The fear was understandable, but that is over now.

Our Armed Forces placed the ball back in our court when they brought peace, neutralizing the backers of terrorism, and lifting the cloak of fear from our Nation.

The mother of all recoveries is at hand. The travel industry has the ability to lead this Nation's recovery back to normal, prewar, business-as-usual conditions.

Let us join forces to encourage a travel boom and replace Desert Storm with travel thunder.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

JOIN CAMPAIGN TO FIGHT INTRUSIVE REGULATIONS

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

Mr. COMBEST. Mr. Speaker, I hold in my hand today "dangerous dirt," according to the EPA. Although this soil nurtures one of the most productive agricultural areas in the Nation, the October 31, 1990, Federal Register carries a notice declaring that Lubbock, TX, is polluted—from blowing dust. The EPA claims the dust from just one March sandstorm is enough to designate the typically blue skies of west Texas as a pollution area.

According to the EPA, this menacing looking soil I hold in my hand is pollution. Because EPA air quality readings were taken during March duststorms, Federal regulations would force the city with normally pristine air quality to comply with a ribbon of redtape. If it can happen to Lubbock, TX, you better check the Federal Register for your town. This is the type of ridiculous Federal regulation which my fair campaign to fight against intrusive regulations will work hard to reduce.

Many of us have also heard horror stories about the severe burden of Federal wetlands regulations on farmers, real estate, construction, and other industries in our district. In some cases, over 65 percent of some cities and 80 percent of some States are subject to wetland permit regulation. The increased costs and delays from Federal wetlands regulations are overburdensome and they stagnate economic development. If you agree that regulations should be issued only when they are prudent and necessary to improve the quality of life for all Americans—I urge you to join my campaign to fight against intrusive regulations.

IRRESPONSIBLE BANK DIVIDENDS MAY SOAK THE TAXPAYERS

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

Mr. ANNUNZIO. Mr. Speaker, the Nation's banks have been telling us for quite some time that they do not have the money to recapitalize the bank insurance fund properly. But statistics released by the FDIC on March 14 indicate that banks have the income, they would just rather spend it elsewhere.

In the same year that their insurance fund was depleted by roughly $4.5 billion, banks paid $13.8 billion in dividends to their shareholders.

That's not the only bad news that the FDIC has for us. In 1990, 354 banks paid dividends to shareholders in spite of the fact that they had negative net income for the year. An additional 1,047 banks paid dividends that exceeded net income for the year, resulting in capital depletion. Another 2,801 banks had dividend payments that exceeded half their net income.

Banks and their shareholders alike benefit from deposit insurance, and they should pay to fix the fund right. Each passing day the bank insurance fund grows weaker, and it becomes increasingly likely that the taxpayers will have to bail out another Federal deposit insurance fund.

Mr. Speaker, Congress must require the banks to recapitalize their insurance fund, before their shareholders get what little is left of their dwindling resources.

INTRODUCTION OF TELECOMMUNICATIONS EQUIPMENT RESEARCH AND MANUFACTURING ACT OF 1991

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

Mr. OXLEY. Mr. Speaker, today I have introduced the Telecommunications Equipment Research and Manufacturing Competition Act of 1991. The bill parallels Congressmen SLATTERY's and TAUZIN's bill except for the omission of the domestic content clause.

I applaud the efforts of my colleagues in introducing their bill. Since the divestiture of AT&T, U.S. trade in telecommunications has deteriorated four times faster than the decline in the Nation's overall trade balance. Yet, a Federal district judge has summarily barred America's seven leading telecommunications companies from competing in the global marketplace. It is time to take the reigns of regulation from Judge Greene and restore them to where they belong—the duly elected U.S. Congress.

At the same time, let us not act in vain. If we are to make any meaningful steps in the promotion of U.S. telecommunications companies in the next century, we cannot leave the telcos fettered to our shores. If they are to truly compete in a global economy, they must be free to act globally. This includes the ability to buy the best components at the cheapest prices, thereby allowing our consumers greater selection.

So let us make a positive step toward the reconstruction of our infrastructure for the 21st century, and let our telcos expand into manufacturing in a global economy.

□ 1410

A RAW DEAL FROM THE IRS

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

Mr. TRAFICANT. Mr. Speaker, the Office of Management and Budget wants the IRS to do more audits, and OMB says it should do those audits on lower and middle income Americans, and they say so because "the poor and the middle income people are easier to collect from." It is a lot cheaper for the IRS to get that money.

Now, I don't know what is the big surprise. We should face it: The little guy has been getting a raw deal for years. The big guy usually is not hassled, is not audited. When they are, Members, they settle for pennies on the dollars.

I think the IRS has become too powerful. Everybody in America knows it. OMB is right about one thing. Lower and middle income Americans surely cannot afford a Philadelphia attorney. I think Congress should look into it. A raw deal is not the only deal that many Americans should be getting from the IRS.

PASS THE CRIME PACKAGE

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

Mr. RAMSTAD. Mr. Speaker, the front page of this morning's Washington Post tells a truly tragic American story.

One of our Persian Gulf heroes, Army Spec. Anthony Riggs, just safely returned from service in the Persian Gulf—was shot—and killed—right here on the streets of a major American city.

For weeks, we've seen reports that American citizens were more likely to be killed on our streets than on the front lines of Kuwait.

Just 2 weeks ago, President Bush spoke of this irony—and of the need to stop the killing here at home.

President Bush put forward a tough and effective crime package—and called on Congress to pass his package within 100 days.

Mr. Speaker, it is too late to help Specialist Riggs.

He could have walked safely on the liberated streets of Kuwait—but he died on the crime infested streets of America.

Mr. Speaker, Congress must act now to end the violence.

It is time to pass the Bush crime package.

ALL MEMBERS CAN CONTRIBUTE TO SELECT COMMITTEE ON CHILDREN, YOUTH, AND FAMILIES

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

Mrs. SCHROEDER. Mr. Speaker, we are going to, on the Select Committee

on Children, Youth, and Families, send every Member home over the break with a take-home exam. I think it is very, very important. It will be one of the times this Congress can do something really useful. We hope that every Member of Congress, while they are at home over the break, looks for the most innovative child care proposals in their area, and brings them back. The committee will then compile them and share them with each other, so that somehow we will become a clearinghouse of very creative new ideas where ideas are being used to try and get America's families back into the workplace. The workplace has not been family friendly, but there are some that really stand out.

Therefore, I hope when Members get this little kit in their office explaining what this child care challenge is all about, that the Members will participate, because the results will help everyone when we compile them and get the results back to other Members and America, who I think can use some of the great innovative ideas that we see, once we find out what they are.

AN IRAQI SUICIDE MISSION

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

Mr. BROOMFIELD. Mr. Speaker, the war in the Persian Gulf has just claimed one more victim. That is the guy that Saddam Hussein sent up in a fighter plane today knowing full well he would get shot down.

Since last August, Saddam has been testing America's resolve. You would think by now he would have learned.

He sent that warplane up in clear violation of the temporary cease-fire agreement. He knew what was in the agreement. His generals signed it. He has no excuse.

His Iraqi pilots should know that their fates rest in Saddam's hands. If he insists on sending more of them up on suicide missions, they will suffer the same outcome.

Some of the biggest losers in this whole struggle have been the Iraqi people. Saddam has played fast and loose with their lives. By now they should know who their persecutor has been.

HOMELAND FOR KURDS

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

Mr. BILBRAY. Mr. Speaker, as we sit here in relative comfort, the people in northern Iraq are suffering from bombardment. The Kurds who, in World War I, were promised a homeland, have been denied that homeland, and are fighting for their independence from a tyrant in Baghdad.

We now waffle whether or not we want to see the Iraqi republic broken into maybe two or three different countries. I say the Kurds, who have suffered so much over the last period of the last few years, need that homeland. They need a homeland where they do not have to worry about being gassed by a tyrant, their children killed, their women killed, and their men killed.

The Kurds have been there long before the Arabs came to Iraq, before the Turks invaded the Anatoly Plateau. As Alexander's armies marched out of Persia, they talked about being fought mile by mile by a tribesman called the Kurd. They have been there for 4,000 years, these people, and they deserve our help.

Mr. Speaker, the President of the United States should give to the Kurds, the people they need, and not only shoot down their fixed wing planes, but the helicopters being used to deliver that massive destruction against the Kurdish tribesmen.

POLICE CHIEF SHOULD RESIGN

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

Mr. RAVENEL. Mr. Speaker, back home, we know all about "judge not that ye be not judged" and the dangers of fingerpointing. But I have just got to express my folk's disgust and sadness over that two-legged pitbull attack on the man out in Los Angeles. If the victim had been a dog, it would have been an awful crime, but what the whole world is seeing is another terrible case of man's inhumanity to man in our country where it no longer should be, especially when it is practiced by government in which we all are collectively involved. It seems to us that if the chief knew about that streak of darkness and evil in his force, he absolutely should go; and if he did not know, then his ignorance is just as much of a reason for him to be gone.

HONOR COMMITMENT TO DEPOSITORS

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

Mr. BARNARD. Mr. Speaker, I want to urge my colleagues to support the conference report for S. 419, Resolution Trust Corporation funding, when it comes to the House floor tomorrow. The past several weeks have seen much controversy over this issue, but the conference report which has resulted deserves strong bipartisan support.

The conference report provides the $30 billion the RTC requires to pay off depositors and close down over 225 insolvent thrifts which presently serve no purpose other than to drive up the cost of funds for solvent institutions and increase the overall cost of the thrift industry cleanup by $8 million per day.

The conference report also provides vital reforms in the area of accountability and management that will speed up the resolution process which in turn saves taxpayers money.

It is easy to attack the RTC and none of us like to vote for $30 billion, but if we did not have the RTC we would have to invent something like it, just like we invented the Reconstruction Finance Corporation to handle failed institutions after the Depression. If we do not spend $30 billion now, we will spend much more later and all the rhetoric in the world will not hide that reality.

Finally, to those who think that they can partisanize this issue to some short-term political advantage, I think that it is clear that the voters just blame Congress in general, not Republicans or Democrats, which just makes all of our jobs harder.

I urge my colleagues to choose to govern and to honor our commitments to depositors and taxpayers by supporting the conference report.

□ 1420

IT IS TIME TO TRAVEL AGAIN

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

Mr. ROTH. Mr. Speaker, it is time to travel again. The war has been hard on the U.S. travel and tourism industry, but the war is over, and as President Bush said last month, "The American people should have confidence in travel and tourism."

The President is right. In fact, the entire world should have confidence in our tourism industry, because America is the safest place in the world in which to travel.

Congress must now stand shoulder to shoulder with the travel industry, which is launching a multimillion dollar tourism promotion campaign.

It is not only the travel and tourism industry that has a stake in the revival of our tourism industry. Tourism is a major component of our Nation's economy, bringing in some $53 billion last year, and it is not just the famous spots that benefit. Each one of our respective States benefits. In my home State of Wisconsin, tourism produced some $5.4 billion in revenue in 1989, and created some 115,000 jobs. The situation is the same in all our other 49 States.

So increased tourism is good news for all Americans. Now our message to the world must be, "Come to America. There has never been a better time in which to visit America."

INTRODUCTION OF H.R. 1406, RESTORING DEDUCTIBILITY OF IRA's

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

Mr. MAZZOLI. Mr. Speaker, last week I proudly became an original cosponsor of the bill, H.R. 1406, introduced by our friend, the gentleman from Texas [Mr. PICKLE] and our colleague, the gentleman from California [Mr. THOMAS] dealing with the individual retirement account. It was also introduced in the other body by the senior Senator from Texas.

H.R. 1406 would restore the universal deductibility of IRAs. Since 1986, when universal deductibility was dropped, participation in IRA's has dropped accordingly: some 50 percent. That, of course, has deprived us of a great deal of money that we need in the capital pool.

In addition, this bill, H.R. 1406, would establish what we call the Super IRA. Here the contribution is not deductible, but the interest earned if the IRA is held for 5 years is not taxable.

Furthermore, our bill allows the money, the proceeds of an IRA, to be used for medical emergencies without penalty, for tuition payments and for first homebuyers, all of this without penalty.

Mr. Speaker, I think that if we were to reinstitute the deductibility of IRAs, we would do a great favor not only to current Americans, but to future generations as well. It would encourage thrift, encourage savings, and create a capital pool that we very much need to make us competitive in the next century.

Let us do us and everyone a favor. Let us restore the IRA's.

THE REVIVAL OF TOURISM

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

Mr. GEKAS. Mr. Speaker, I would like to associate myself with the remarks of my colleague, the gentleman from Wisconsin, who talked about the renewed effort in tourism.

One of the natural dividends that would be paid to the world following the end of the gulf war is a new expansion of tourism by reason of the new freedom that tourists must now feel to travel all across the world.

We know for a fact that airport security, transportation security of all types, antiterrorism efforts that have been successful thus far, a new communion among the nations most visited by tourists across the world, all of that is falling into place in such a wonderful way that now is the time to encourage Americans to take their postponed travel plans again and to invite others to come to our country.

Tourism, as we said by the gentleman from Wisconsin, is part of our economy. It is part of our lives. The wonders of the world which we seek and which we endorse are at our doorstep.

TRIBUTE TO THE LATE JOHN J. DOOLING OF STAFF OF COMMITTEE ON RULES

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

Mr. MOAKLEY. Mr. Speaker, it is with a deep sense of sorrow that I rise to inform Members that Jack Dooling, the staff director of the Rules Committee, passed away this weekend.

Mr. Speaker, during our careers on the Hill, one of the greatest joys and privileges we enjoy is the relationships we develop with our staff. And sometimes we are fortunate enough to have staff that is willing to devote their career to Government service in the House.

One such person was Jack Dooling. Jack worked for me since 1973, first as a legislative assistant in my congressional office, and then as staff director and counsel on my Subcommittee on Rules. In 1989 Jack became the staff director of the Rules Committee.

Jack epitomized the career staff person. A master of the intricacies of parliamentary procedure, there was no major piece of legislation that reached the floor that didn't have Jack's imprint on it.

However skillful Jack was in the legislative process, Mr. Speaker, it was his friendship, his counsel, his caring for people, that made him a truly outstanding person. We will all miss his dedicated professionalism and his deep love for this institution.

Mr. Speaker, I will be holding a memorial service for Jack after the Easter recess and will let Members know of the details as that time draws near.

PROHIBIT SOURCE TAXES, SUPPORT H.R. 431

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

Mr. STEARNS. Mr. Speaker, taxes have been the focus of jokes, both good and bad, almost since the dawn of recorded time. But to the average taxpayer the subject is not funny. This is particularly true of a ridiculous little levy called the source tax.

A source tax is a levy imposed on income earned within a State. After an individual changes residence to another State, they are required to pay taxes to the previous State on any income received from a source in the previous State. Retirees who receive pensions are unfairly singled out this way.

There are many retirees who moved to States like Florida that have no income taxed only to find their pensions are taxed by their former State.

It is unfair that these people are being taxed by States where they receive no benefits and cannot vote. Retirees who had their incomes taxed the first time around while they earned them should not be taxed a second time.

I urge my colleagues to cosponsor legislation introduced by our distinguished colleague, Congresswoman BARBARA VUCANOVICH of Nevada.

Her bill, H.R. 431, will prohibit States from taxing the pensions of out-of-State residents. This measure would no longer allow States to impose an income tax on the pensions that retirees earned before moving to another State.

Mr. Speaker, we fought a revolution in this country over taxation without representation. People should not be taxed by States where they receive no benefits and cannot vote.

PROBLEMS CONGRESS MUST ADDRESS

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

Mr. SANDERS. Mr. Speaker, this Congress must begin, immediately, to address some of the very serious problems facing working people, the middle class, the elderly, and the poor. We cannot continue to ignore them. Let me just briefly mention three issues which must be dealt with in this session of Congress.

First, national health care. The current health care system is disintegrating before our eyes. The cost of health care is escalating far faster than inflation, and tens of millions of Americans no longer have any health insurance, or are only partially insured. The United States cannot be the last industrialized nation on Earth without national health care.

Second, rebuilding American industry. We must stop corporations from fleeing this country, throwing American workers out on the streets, and moving to the Third World where they are hiring desperate workers at starvation wages. It is a national disgrace that today, as the standard of living of American workers continues to decline, there are nine nations where production workers now receive higher wages and benefits than our workers.

Third, campaign finance reform. Wealthy people and large corporations cannot continue the process of buying elections. We cannot call ourselves a real democracy until all candidates play on a level playing field. The current disgrace must end.

VOTE "NO" ON COMMITTEE FUNDING RESOLUTION

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

Mr. HEFLEY. Mr. Speaker, today the House of Representatives will demonstrate once again that we are our own best constituents. We will reveal the true direction of our loyalties, and we will display our contempt for the American taxpayer, because today we will vote on House Resolution 92, the committee funding resolution.

Under this resolution, the 12 largest House committees will receive an average of a 12-percent increase. Considering the size of the Federal budget and the size of the Federal deficit and the record level of taxes we already impose upon our taxpayers, this increase is unacceptable, it is outrageous.

□ 1230

I urge Members of the House who are concerned about the Federal deficit, who are concerned about excessive Federal spending, to vote against this resolution. I know this is not a partisan issue, that people on my side of the aisle as well as the other side of the aisle will support this, and the reason is, on our side of the aisle, that we are willing to sell out cheaply for the crumbs that fall from the table and willing to say, "Well, now, that is progress; at least we are making progress." But it is not progress when we continue to enlarge our staffs and enlarge the congressional budget.

I support cutting spending, and I think this is the place we should begin to cut spending because this is the place we do not have any constituents lapping at our heels saying, "Please add more staff, please have more money spent on your congressional staff."

THE TRAGIC DEATH OF AN AMERICAN SOLDIER ON THE BATTLEFIELD OF AN AMERICAN CITY

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

Ms. DELAURO. Mr. Speaker, this morning we all began our day by reading of the tragic death of an American soldier who fought in the Persian Gulf. That soldier's name is Anthony Riggs. But Anthony Riggs did not die on the battlefields of Iraq or Kuwait. Rather, Anthony Riggs died on a much more dangerous battlefield—the streets of an American city. While loading a moving van that was to move his family to a new apartment, Anthony Riggs was shot to death.

This story fills me with indescribable anguish. If it is safer to be attacked by Scud missiles or to fight the Republican Guard than to walk the streets of an American city, it is obvious that something has gone seriously wrong.

The death of Anthony Riggs is not an isolated incident. It is, rather, a powerful illustration of a story that is repeating itself in cities across our Nation. In New Haven, a city that I represent, Christian Prince, a 19-year-old, was shot to death near Yale University campus, and Darrow Lewis, a 15-year-old, was paralyzed on Eastern Street. Our cities have been besieged by a pathological cycle of poverty, drugs, and violence. Innocent civilians are increasingly becoming victims of drug wars; in military terminology, they would be referred to as "collatoral damage" of a war that knows no morality, and is not fought with "smart bombs." Instead of simply shrugging our shoulders in dismay, let us draw a lesson from the lives of these innocent youths. Let's address the problems of our inner cities—handgun violence, rampant drug use, inadequate education, and lack of economic opportunity—so that Anthony Riggs will not have died in vain.

THE GREAT AMERICAN SPENDING MACHINE

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

Mr. WALKER. Mr. Speaker, the great American spending machine has been turned on, and Congress is about to go into its annual practice of spending more money than we know where to find it.

The Appropriations Committee in the Senate is now working their will, and sometime—probably today—they will complete their bill. Then it will go to a conference committee, and probably sometime around midnight tomorrow night they will come forth with a bill that has a whole bunch of pork and new policy initiatives in it, all being done under the guise of helping the veterans.

Then on Friday, just before we are to go home for recess again, the Congress will be presented with this document, not knowing, again, what is in it. What we are likely to find in it is another Lawrence Welk birthplace and a couple of other items that no one knows that they are there because no one has had a chance to examine the legislation. What we will know is that the spending will be for more than veterans, it will be for a whole series of initiatives that are Congress-related, not people-related.

It is high time the American people begin to focus on the fact that we cannot break the spending habit. We told the American people last year in the Budget Act that we would do something to begin to control spending, and we are right back at our old tricks again. The American people ought to look at that appropriations bill very closely when it comes here on Friday.

ORTON SALUTES HOME-FRONT HEROES

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

Mr. ORTON. Mr. Speaker, Operation Desert Storm has produced countless examples of bravery and sacrifice both on and off the battlefield. I join my fellow Americans in celebrating these wonderful patriots. I pray for their safe return home.

Today I want to share with the House another example of patriotism. On March 18 it was my privilege to present certificates of appreciation to 13 employers in Utah's Third District, 10 private and 3 public.

I am proud to honor the following home-front heroes: Carbon County, Delta Airlines, Deseret Medical, FHP Health Care, Novell, Orem City, Signetics, the city of Springville, Stouffers, U.S. West, West One Bank, and WordPerfect.

Rather than focusing on profits, losses, and accounting ledgers, these employers voluntarily took actions to alleviate the hardships of soldiers and their families. Not only did these employers hold open the jobs of our activated Reserves, but they continued health coverage and fringe benefits for their families and even supplemented military pay so that they would not suffer loss of income.

I want to once again express my appreciation and that of the people of my district to these corporate and public home-front heroes for their exemplary actions on behalf of the men and women of Utah Reserve and National Guard units.

POSTWAR RELATIONS WITH KUWAIT

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

Mr. WELDON. Mr. Speaker, I had the distinct honor this past weekend of accompanying 12 of my colleagues on the first freedom flight into Kuwait. We went to Kuwait with some specific objectives in mind. We will describe and discuss those objectives in a special order that we will be taking out this afternoon following the close of business.

One of the key things that we were able to do was to reach an agreement with the Kuwaiti Government on the ability and the requirement that every Kuwait contract that is let to rebuild the city of Kuwait as well as the country will contain a percentage requirement of American workers, a percentage requirement of American subcontractors and a percentage requirement of minority contractors.

There has been a lot of sniping around this body and the other body

about whether or not the Kuwaitis are really willing to share the fruits of our success in terms of the American people. We got that commitment this past weekend. Now we are in the process of working out the specifics of those agreements that in fact will benefit the American worker, the American small business person, American minority contractors, and the American country in general.

BUY AMERICAN, NOT FROM COUNTRIES SLOW IN PAYING THEIR SHARE OF WAR DEBTS

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

Ms. KAPTUR. Mr. Speaker, it has taken Japan longer to agree to provide financial support of $9 billion to the allied effort in the gulf war than it did for the American-led coalition to win the war.

The United States bore the greatest share of the burden in fighting for Kuwait's liberation, and it should be United States companies that get the greatest benefit in rebuilding Kuwait.

Rumors are that Kuwait may now be buying Japanese automobilies and vehicles. I certainly hope that this is not true. I have written to the Ambassador of Kuwait urging him to purchase American-made autos and goods.

The rule should be, "Buy American," and not from countries that are slow and reluctant to pay their fair share of the war's costs.

Let me add that all Americans are feeling especially patriotic of late. As we watch events in the Persian Gulf, it is also important to keep tabs on whether the promised allied pledges to buy American products are paid. I urge all the citizens of our Nation to buy American products and boycott goods from those nations who have not paid their bills. I will be posting a weekly grade card on who has paid and who has not.

This week's grade card shows Japan has only paid 6.9 percent of what she owes and Germany 62 percent. I urge Americans to buy American.

UPDATE ON THE SOVIET REFERENDUM

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

Mr. RITTER. Mr. Speaker, Helsinki Commission staff have been deployed in the various republics of the Soviet Union, one of whom has just come back from Latvia. I just wanted to share with my colleagues some of what he found out.

First of all, the Latvian Parliament and Government did not participate in the referendum. Soviet Communist authorities say 500,000 people voted. That is more than a quarter of the population. They say 96 percent of those people voted for union, the Socialist Soviet Union, whereas just a short while ago they voted for independence, to be sovereign in Latvia. It does not make sense.

The vote that had occurred did so under the auspices of the Communist Party, the military, and directors of the all-union factories loyal to Moscow. Eligibility to vote was granted on the basis of any identifiation attesting to Soviet citizenship but not necessarily Latvian residence. Polling places did not have voting lists, in the main. It was possible for one individual to vote many times. Indeed, one reporter said he voted five times in the space of an hour on Saturday, March 16.

There was evidence many people were coerced into voting either at their place of work or, in the case of the military people, at their garrison.

I mean, how many times did these people vote, given the vote stuffing we are hearing about?

Much more needs to be known, Mr. Speaker, about this March 17 referendum. I urge my colleagues to stay tuned before they jump to any conclusions about Mr. Gorbachev's popularity.

□ 1440

THE SUPPLEMENTAL COMPENSATION ACT OF 1991

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

Mrs. MINK. Mr. Speaker, today I have introduced the Supplemental Compensation Act of 1991, legislation to provide 26 weeks of additional unemployment compensation benefits to those workers in States with unemployment rates at or above 6 percent. Over the last year more and more workers in our Nation have been put out of work because of our slumping economy. Unemployment rates have risen from 5.3 percent in June 1990 to 6.2 percent by January 1991. In the midst of an admitted recession where layoffs have affected many sectors of our economy, it is time that we do something to ease the burden on the unemployed in this Nation.

The current program for extended unemployment benefits is not adequate. Under this joint Federal/State program, known as the Extended Unemployment Compensation Program, the calculation for eligibility has prevented many States suffering from high unemployment rates from taking advantage of the additional 13 weeks provided by the program. This is because of the use of the average insured unemployment rate [IUR] to calculate eligibility in the program. The average insured unemployment rate is based upon the number of people receiving State unemployment benefits, while totally excluding those who have exhausted their unemployment benefits or are not eligible for compensation. This results in a much lower unemployment rate.

During an economic downturn the problems of the insured unemployment rate is magnified. As the recession continues people who have exhausted their unemployment benefits will not be counted under the insured unemployment rate system, resulting in the unemployment rate actually decreasing as more people are out of work for a lengthening period.

Under the current system only two States, Alaska and Rhode Island, would be eligible for extended unemployment benefits. Mr. Speaker, as we all have seen in our own districts, the effects of the recession are certainly being felt in more than just two States. Some are worse than others, but with a national unemployment rate of over 6 percent, the majority of the States are being hit hard.

This legislation that I have introduced today would replace the current Extended Unemployment Compensation Program with a new, more fair and equitable program to address the widespread problem of unemployment in the Nation. Eligibility for an additional 26 weeks of compensation will be based on a State's total unemployment rate as reported by the Department of Labor, which takes into account those people out of work who are not receiving unemployment benefits. Those States with an average unemployment rate at or above 6 percent over 3 months would be eligible to participate in this program. To date approximately 20 States and territories in our Nation would qualify. The additional 26 weeks of unemployment compensation, to be funded by the Unemployment Trust Fund, would be administered by the States in accordance with each State's unemployment program.

In previous national economic downturns this body has enacted other legislation to provide supplemental unemployment compensation to its citizens. Today I ask that you support the Supplemental Compensation Act of 1991 and renew our commitment to the great working class of this country that its Government continues to be responsible, responsive, and reliable in the worst of times as well as the best.

SUGGESTION FOR THE EMIR OF KUWAIT

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

Mr. DORNAN of California. Mr. Speaker, this weekend I returned from

Kuwait, where, as part of a bipartisan delegation, I want to assess the devastation in that small Arab nation. The pillaging, the rape, the plunder, the utter destruction of this country boggles the mind. It truly has to be seen to be believed. Every day or hour that we had waited before liberating this country would have meant more inconceivable horror for the poor people who suffered this megalomaniacal attack of a dictator.

Mr. Speaker, all during the 7 months of Desert Shield and Desert Storm we heard "the lessons of Vietnam, the lessons of Vietnam, the lessons of Vietnam." We heard it ad nauseam. Well, the lessons of Vietnam are crammed into refugee camps all over the islands of the Indonesian Archipelago, Malaysia, the Philippines, and Hong Kong. I have suggested to the Emir and to the superb Ambassador that Kuwait has sent to the United States of America that Kuwait take some of these people who are unwanted in the countries of first asylum in Southeast Asia and let them come as guest workers to Southwest Asia to live in Kuwait and help rebuild that country until they can find a permanent home. If the Vietnamese-Americans, Cambodian-Americans, and Laotian-Americans in my district are any example of this type of skilled, hard-working, wonderful people, Kuwait will be lucky to have such guest workers over the next decade to undo the horror wreaked upon them.

PUTTING A WRENCH IN THE CRANKCASE OF FINANCIAL SPECULATORS

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

Mr. DORGAN of North Dakota. Mr. Speaker, for a number of years I have been standing in this House warning about the rampant speculation going on in our economy. I've repeatedly warned my colleagues about excesses in hostile takeovers, leveraged buyouts, and the use of risky junk bonds. Over the years, I have introduced legislation to try to put a wrench in the crankcase of these financial speculators who prey on the American public for financial gain and weaken this country's economy. Some of it has passed, but not nearly enough.

Mr. Speaker, we can now see the results. We see the long list of junk bonds that the Federal Government ends up owning.

Many S&L's that participated in this financial game went broke. The Federal Government has taken over those S&L's. Now the taxpayer ends up owning junk bonds in the Taj Mahal casino, Bally's Grand casino, Resorts International, Caesar's, and the list goes on. Well, some of these financial speculators are now doing 2 years of hard tennis in minimum security prisons. But there are others out there still engaging in hostile takeovers, still trying to figure out how they can float worthless junk bonds to finance those takeovers. I am going to once again introduce a package of legislation to try to stop activity that I think weakens the American economy.

Mr. Speaker, we don't need these financial games in this country. What we do need is greater investment in the kinds of economic activities that strengthen this country's economy and provide new opportunities for growth and long-term productivity.

INTRODUCTION OF RESOLUTION AGAINST RACIAL DISCRIMINATION IN COLLEGE ADMISSIONS

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

Mr. ROHRABACHER. Mr. Speaker, today I am introducing a resolution with 35 other sponsors. It puts the Congress on record against racial discrimination in college admissions.

Imagine what your children would feel if they received a form letter from a college to which they had applied that said they were on a blank waiting list with a blank filled in with a racial category. Form letters like that were received by an unknown number of Asian-American applicants to the University of California at Berkeley Law School.

Racial decisionmaking and quotas are illegal. Twenty-seven years of civil rights law is clear. Race-specific decisionmaking and quotas are illegal. They must not be allowed to occur for any reason with any motivation.

My bill calls on the colleges to ensure that their admissions policies are not discriminatory, and it calls on the Office of Civil Rights, and the Department of Education, and the Department of Justice to vigorously enforce the civil rights laws in regard to college admissions, especially for Asian-Americans. Unfortunately this has not been the case, and many Asian-Americans have suffered discrimination, especially when it comes to their children's attempts to go to our major universities.

INFANT MORTALITY: PROTECTING THE HEALTH OF AMERICA'S NEXT GENERATION

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

Mr. HOAGLAND. Mr. Speaker, the Bush administration, in the 1992 budget, proposes to divert funds from 1991 and 1992 community health centers grant program to combat infant mortality. The administration's fiscal year 1992 budget would redirect $24 million for fiscal year 1991 and fiscal year 1992 and target the amount to only 10 cities. I believe this is the wrong approach.

There is no question that infant mortality is a serious problem. Approximately 40,000 infants born in the United States this year will not live to celebrate their first birthdays. The statistics in America are alarming. Each day 105 children will die before reaching their first birthdays; 67 babies die within their first month of life; 689 women who have had inadequate prenatal care give birth; and 848 low birthweight babies are born. In my own district, a baby born to a woman living in an Omaha Housing Authority project is three times as likely to die at birth as babies born to other Omaha women. This is unacceptable for a country with the advantages of ours.

The United States has one of the highest living standards in the world. It spends more money on health care than any other nation. Yet, the infant mortality rate in the United States is among the highest of industrialized nations. To reverse these trends, attention must be given to prevention—prevention during pregnancy and prevention during the first months of the child's life.

It is wrong to take away funding from community centers because community health centers are one of the solutions to the problem. Community health centers serve over 5 million people annually. Of these people, 30 percent are women of childbearing age with nearly 1 in 10 pregnant. Two-thirds of health centers report teen pregnancy is the most urgent problem in their communities. The Charles Drew Health Center located in my district served 218 pregnant mothers in 1990. Pregnancy was their No. 1 diagnosis. More than 250,000 persons nationwide, including thousands of pregnant women, will be affected by the administration's proposal. Taking funds away from the Charles Drew Health Center is no answer.

Community health centers across the country have been providing access and affordable care for young mothers, young mothers who even if insured would remain isolated from traditional forms of medicial care because of where they live and who they are. Health centers have been exceptionally effective in reaching at-risk populations throughout the Nation and taking funds aways from these centers will be counterproductive.

Currently, access to prenatal care is exacerbated by the existing budget limitations on community health centers. Waiting lists are averaging 20 to 30 percent of current patient enrollment at most centers as the number of working poor and uninsured persons seeking health care continue to rise. Infant mortality is a problem found in

every community in the United States. It does not make sense to take funds away from a program which is successfully reducing infant mortality around the Nation in order to fund a program which will serve a narrower population. This is robbing Peter to pay Paul.

Community health centers deserve our support. What is needed is adequate funding for cost-effective prenatal care in every health care delivery mode. The future of this Nation lies in its children, but words will not save the lives of our children. Actions taken now can insure the health of our future generations.

URGING COSPONSORSHIP OF NATIONAL MILITARY FAMILIES DAY

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

Mr. ESPY. Mr. Speaker, for the past 3 years I have introduced a bill citing the first Monday before Thanksgiving as National Military Families Day. I rise today once more because we are about to introduce this bill once more, and I rise to invite original cosponsors for this effort.

At this time our Nation is particularly reminded of the fact of the sacrifices our 4 million military families make in times of war, but also, Mr. Speaker, in times of peace they endure separation, they make financial sacrifices, they tolerate frequent moves, and often must postpone education or other career goals. They give of themselves for all of us.

Mr. Speaker, this Congress has already acted to show its support for the men and women of our Armed Forces and their families, but we can never do enough. We can never say, "Thank you," too much. For the past 3 years Congress has marked this occasion, but I know that my colleagues will agree that this year National Military Families Day will be even more special.

□ 1450

DETROIT MURDER UNDERSCORES AGAIN NEED FOR THE BRADY BILL

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

Mr. SCHUMER. Mr. Speaker, I want to share with my colleagues two names: Those of Jim Brady and Anthony Riggs. Jim Brady is a man we all know. He was press secretary to President Reagan. He was shot by the same handgun that was used in the attempt on the President's life in 1981, and since that awful day Jim Brady and his courageous wife Sarah have fought with all their might to bring sense to this Nation's gun laws.

Anthony Riggs is a name very few of us know, but his story is just as horrific. An Army specialist, Anthony Riggs was ruthlessly gunned down on a quiet street in Detroit just 11 days after he returned from defending freedom in the Persian Gulf. Army Specialist Riggs survived the military confrontation but was not safe in his family's driveway.

What did these men share in common? That if we had the Brady bill as law, they both might have survived their injuries. We must, I say to my colleagues, enact the Brady bill.

The President has declared an analogy between our victory in the Persian Gulf and the war on crime. I would like to extend that analogy. The first thing we did in the Persian Gulf was take the arms away from our enemy. We must do the same thing in our cities, in our suburbs, and in our rural areas. We must take the guns away from felons, from mentally deranged people, from people who do not deserve to have them.

Mr. Speaker, the Brady bill will be a step in that direction. In the name of James Brady and in the name of Anthony Riggs, I urge the House to pass this legislation.

HAWAII'S VISITOR INDUSTRY

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

Mr. ABERCROMBIE. Mr. Speaker, I rise today to talk of the importance of the travel and tourism industries to the State of Hawaii. As you know, my State has the enviable position of being located in the middle of the Pacific Ocean. Yet, the recent war in the gulf made many individuals, both foreign and domestic, reconsider their travel plans and as a result caused a downturn in Hawaii's economy. But now that the war is over it's time for America and the rest of the world to start traveling again, especially to Hawaii.

In 1989, over 6.6 million individuals visited the Aloha State, and their expenditures added almost $11 billion to our economy. This amounted to over 44 percent of the State of Hawaii's total gross State product. Hence, I commend the efforts of individuals from the travel and tourism industries, as well as the U.S. Travel and Tourism Administration for their efforts to reassure the American public that it is safe to start traveling again. On top of this I applaud and support wholeheartedly, the Hawaii Visitors Bureau plan to launch a massive ad campaign, both in the domestic and international markets, to lure visitors back to Hawaii.

I look forward to better days for Hawaii's tourist and travel industries, and I invite the whole world to visit Hawaii and experience our aloha spirit.

EXIMBANK SHOULD CONCENTRATE ON CIVILIAN, NOT MILITARY EXPORTS

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

Mr. MOODY. Mr. Speaker, in a speech yesterday, the President of the International Monetary Fund urged that developing countries, especially in the Middle East, concentrate available import credits on productive investments and not on arms imports.

That is why a number of us are opposing the administration's proposal to subsidize arms sales through the U.S. Export-Import Bank. Cutting the Exim's already limited authority for promoting civilian industrial and farm exports by diverting that authority to subsidizing military exports would be foolish and would hurt our domestic industrial and machine tools base.

Furthermore, the production of arms items does nothing to raise the standard of living in those countries or raise the necessary revenue to pay off the loans. Hence, military loans have a higher rate of default overseas than domestic civilian loans. Civilian loans for items such as farm equipment, computers, machine building tools, and mining equipment, to name just a few, raise the buyer's standard of living in those countries and hence raise the demand for U.S. imports, later on increasing jobs in America.

Mr. Speaker, the head of the IMF is right on target. Over 50 of us have already cosigned a letter to Secretary of State Baker opposing this new proposal. I ask the Members to please support our upcoming legislation to prevent Exim bank from becoming an export arm of the Pentagon.

MURDER OF PFC ANTHONY RIGGS POINTS UP PROBLEMS ON THE HOME FRONT

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

Mr. BONIOR. Mr. Speaker, I rise with a deep sadness and a sense of outrage at the senseless murder of Anthony Riggs in Detroit. Private first class Riggs, as we all have heard in the last few days, came home from defending his country in the Persian Gulf to a neighborhood in Detroit where he was senselessly riddled with bullets and murdered.

Mr. Speaker, as a young boy I used to play on that street in that neighborhood. You could play in the alley there, and you could get a good education in the neighborhood school, and you did not have to worry about your health. But that is not the case any more.

We have 30 million people in this country who are illiterate, and many of them live in Detroit. The infant mortality rate in the city of Detroit is larger than the numbers in the country of Honduras. While we are policing the world, we cannot police our own streets. It is indeed an outrage.

Mr. Speaker, I hope the leadership of this body and our President will use their capital and their political leadership to address these issues here at home. We indeed have to start taking care of our own people here at home before we turn ourselves outward to the rest of the world.

A PLEA FOR A WORKABLE NATIONAL HEALTH POLICY

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

Mr. APPLEGATE. Mr. Speaker, I think most of us have heard these figures before, but there are 38 million working Americans making minimum wage who have no health insurance. There are millions more who have less than adequate health insurance, and 13 million of these people are little children. This is in the United States of America, a nation of, by, and for the people, and yet so many of them are brought down to begging to save their lives because it costs $100,000 or $150,000 for a bone marrow transplant or an organ transplant or even to care for ordinary illnesses. And one cannot go to see a doctor or go to a hospital or a pharmacist unless they plunk down a good portion of that money, or they do not get it.

These people have trouble putting food in their stomachs, clothes on their backs, and a roof over their heads, and yet they are asked to cough up $400 or $500 a month for a health policy.

Mr. Speaker, what we need is a national health policy that is going to be workable. How in God's name can we forget to take care of the very people who are the spirit of this country, the people who make up the United States of America?

THE FORGOTTEN WARRIORS

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

Mr. ANDERSON. Mr. Speaker, the brave men and women who fought so valiantly in the Persian Gulf deserve our praise not just today but each day in the life of this great Nation. Now that these veterans are returning home, they deserve to be compensated for the sacrifices they have made. The support for our troops should not falter upon the war's conclusion.

Although I am confident that these veterans will be provided for, one group of veterans has continued to be neglected throughout the years, the veterans of World War I. These men who fought in the bloodiest war in modern history seem to have escaped our collective memory. At the beginning of the 101st Congress, there were 119,870 World War I veterans. Now, there are only 77,468 left, and a majority of them reside in convalescent hospitals. Today, even as I speak, 120 World War I veterans will die.

When these men completed the war they received no financial aid to continue their education. There were no programs to foster the veteran's reintroduction into society. While it is not always possible to redress the mistakes of history, it is possible to ease the burden of those who are currently suffering.

My bill, H.R. 1918, would provide a $100 a month pension to the very few remaining World War I veterans. Although this pension might be too little to completely ease their suffering, let us make sure that it is not too late. Not too far into the future, Congress will mourn the death of the last veteran of World War I and celebrate his devotion to our country. Let us not make this an empty gesture. Instead, let us help the veteran now when it can still make a difference in his life. I urge my colleagues to support H.R. 1918 and send a message to all veterans that their sacrifices will never be forgotten.

AMERICA IS INVITED TO WASHINGTON'S CHERRY BLOSSOM FESTIVAL

Ms. NORTON. Mr. Speaker, I have just come from the Persian Gulf, having arrived in Washington at 2 a.m. this morning, from Kuwait, Saudi Arabia, and Israel, where our troops once again have done it for us. Now we must do it for them.

Let normalcy return. If Kuwait City and Baghdad show the signs of war, let Washington, DC reveal the emblems of peace. The best sign that we have won the war would be an outpouring of citizens from every State coming in the traditional way to the Nation's Capital at cherry blossom time.

Washington is not Washington and America is not America without its visitors from every State to this, the Capital City. Both official Washington and hometown Washington are safe and beautiful. We do not want to keep it all to ourselves.

Mr. Speaker, the troops are coming home again; may the visitors to Washington also return, here, and to every part of America.

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY STANDING AND SELECT COMMITTEES

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 92) providing amounts from the contingent fund of the House for the expenses of investigations and studies by standing and select committees of the House in the first session of the 102d Congress, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 92

Resolved, That there shall be paid out of the contingent fund of the House in accordance with this primary expense resolution not more than the amount specified in section 2 for investigations and studies by each committee named in such section, including expenses—

(1) in the case of a committee named in section 3, for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946; and

(2) in the case of a committee named in section 4, for provision of assistance for members of professional staff in obtaining specialized training under section 202(j) of such Act.

SEC. 2. The committees and amounts referred to in the first section are: Select Committee on Aging, $1,585,204; Committee on Agriculture, $2,262,951; Committee on Armed Services, $2,765,100; Committee on Banking, Finance and Urban Affairs, $4,872,880; Select Committee on Children, Youth, and Families, $828,650; Committee on the District of Columbia, $395,722; Committee on Education and Labor, $4,353,264; Committee on Energy and Commerce, $6,314,580; Committee on Foreign Affairs, $4,137,733; Committee on Government Operations, $3,739,197; Committee on House Administration, $1,971,550; Committee on House Administration—House Information Systems, $5,806,000; Select Committee on Hunger, $675,700; Permanent Select Committee on Intelligence, $242,600; Committee on Interior and Insular Affairs, $2,516,500; Committee on the Judiciary, $2,653,060; Committee on Merchant Marine and Fisheries, $2,482,819; Select Committee on Narcotics Abuse and Control, $824,004; Committee on Post Office and Civil Service, $2,084,490; Committee on Public Works and Transportation, $3,186,982; Committee on Rules, $722,497; Committee on Science, Space, and Technology, $3,060,323; Committee on Small Business, $1,055,000; Committee on Standards of Official Conduct, $500,000; Committee on Veterans' Affairs, $739,451; and Committee on Ways and Means, $4,744,000.

SEC. 3. (a) Of the amounts provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for consultant services under paragraph (1) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $40,000; Committee on Armed Services, $40,000; Select Committee on Children, Youth, and Families, $3,000; Committee on the District of Columbia, $10,000; Committee on Education and Labor, $106,785; Committee on Energy and Commerce, $25,000; Committee on Government Operations, $35,000; Committee on House Administration, $175,000; Committee on House Administration—House Information Systems, $400,000; Permanent Select Committee on Intelligence, $5,000; Committee on Interior and Insular Affairs, $5,000; Committee on Post Office and Civil Service, $150,000; Committee on Public Works and Transportation, $50,000; Committee on Science, Space, and Technology, $115,000; Committee on Standards of Official Conduct, $300,000; Committee on Veterans' Affairs, $37,500; and Committee on Ways and Means, $10,000.

SEC. 4. (a) Of the amounts provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for specialized training under paragraph (2) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $9,000; Committee on Armed Services, $8,000; Committee on the District of Columbia, $2,500; Committee on Education and Labor, $10,000; Committee on Government Operations, $2,000; Committee on House Administration, $25,000; Committee on House Administration—House Information Systems, $180,000; Permanent Select Committee on Intelligence, $10,000; Committee on Interior and Insular Affairs, $2,000; Committee on the Judiciary, $1,000; Committee on Post Office and Civil Service, $15,000; Committee on Public Works and Transportation, $30,000; Committee on Rules, $4,500; Committee on Science, Space, and Technology, $16,000; Committee on Standards of Official Conduct, $10,000; and Committee on Veterans' Affairs, $2,500.

SEC. 5. The Committee on House Administration—

(1) shall, through House Information Systems, develop, operate, maintain, and improve computer and information services for the House, including direct computer and information systems support for Members, committees, administrative offices, and other governmental entities, and shall conduct necessary investigations and studies of such services;

(2) is authorized to receive reimbursement for services under paragraph (1) and to expend amounts so reimbursed in accordance with policies of the committee; and

(3) is authorized to provide for professional development programs, office and personnel management consultation services, and periodic publication of handbooks, guides, bulletins, and other items necessary for the House.

SEC. 6. Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 7. Amounts shall be available under this resolution for investigations and studies carried out during the period beginning at noon on January 3, 1991, and ending immediately before noon on January 3, 1992.

SEC. 8. Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

Mr. GAYDOS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

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

There was no objection.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: Strike out all after the resolving clause and insert the following:

That there shall be paid out of the contingent fund of the House in accordance with this primary expense resolution not more than the amount specified in section 2 for investigations and studies by each committee named in such section, including expenses—

(1) in the case of a committee named in section 3, for procurement of consultant services under section 202(i) of the Legislative Reorganization Act of 1946; and

(2) in the case of a committee named in section 4, for provision of assistance for members of professional staff in obtaining specialized training under section 202(j) of such Act.

SEC. 2. The committees and amounts referred to in the first section are: Select Committee on Aging, $1,542,240; Committee on Agriculture, $2,257,937; Committee on Armed Services, $2,464,082; Committee on Banking, Finance and and Urban Affairs, $4,336,240; Select Committee on Children, Youth, and Families, $764,593; Committee on the District of Columbia, $342,035; Committee on Education and Labor, $4,110,649; Committee on Energy and Commerce, $6,287,459; Committee on Foreign Affairs, $3,840,825; Committee on Government Operations, $3,282,875; Committee on House Administration, $1,941,450; Committee on House Administration—House Information Systems, $5,711,100; Select Committee on Hunger, $654,274; Permanent Select Committee on Intelligence, $148,600; Committee on Interior and Insular Affairs, $2,192,434; Committee on the Judiciary, $2,430,018; Committee on Merchant Marine and Fisheries, $2,322,057; Select Committee on Narcotics Abuse and Control, $729,502; Committee on Post Office and Civil Service, $1,910,783; Committee on Public Works and Transportation, $2,893,963; Committee on Rules, $722,479; Committee on Science, Space, and Technology, $2,901,410; Committee on Small Business, $1,055,000; Committee on Standards of Official Conduct, $400,000; Committee on Veterans' Affairs, $739,451; and Committee on Ways and Means, $4,780,000.

SEC. 3. (a) Of the amounts provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for consultant services under paragraph (1) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $40,000; Committee on Armed Services, $40,000; Select Committee on Children, Youth, and Families, $3,000; Committee on the District of Columbia, $10,000; Committee on Education and Labor, $106,785; Committee on Energy and Commerce, $25,000; Committee on Government Operations, $35,000; Committee on House Administration, $225,000; Committee on House Administration—House Information Systems, $400,000; Permanent Select Committee on Intelligence, $5,000; Committee on Interior and Insular Affairs, $5,000; Committee on Post Office and Civil Service, $150,000; Committee on Public Works and Transportation, $50,000; Committee on Science, Space, and Technology, $115,000; Committee on Standards of Official Conduct, $300,000; Committee on Veterans Affairs, $37,500; and Committee on Ways and Means, $10,000.

SEC. 4. (a) Of the amounts provided for in section 2, each committee named in subsection (b) may use not more than the amount specified in such subsection for specialized training under paragraph (2) of the first section.

(b) The committees and amounts referred to in subsection (a) are: Committee on Agriculture, $9,000; Committee on Armed Services, $8,000; Committee on the District of Columbia, $2,500; Committee on Education and Labor, $10,000; Committee on Government Operations, $2,000; Committee on House Administration, $25,000; Committee on House Administration—House Information Systems, $180,000; Permanent Select Committee on Intelligence $10,000; Committee on Interior and Insular Affairs, $2,000; Committee on the Judiciary, $1,000; Committee on Post Office and Civil Service, $15,000; Committee on Public Works and Transportation, $30,000; Committee on Rules, $4,500; Committee on Science, Space, and Technology, $16,000; Committee on Standards of Official Conduct, $10,000; and Committee on Veterans' Affairs, $2,500.

SEC. 5. The Committee on House Administration—

(1) shall, through House Information Systems, develop, operate, maintain, and improve computer and information services for the House, including direct computer and information systems support for Members, committees, administrative offices, and other governmental entities, and shall conduct necessary investigations and studies of such services;

(2) is authorized to receive reimbursement for services under paragraph (1) and to expend amounts so reimbursed in accordance with policies of the committee; and

(3) is authorized to provide for professional development programs, office and personnel management consultation services, and periodic publication of handbooks, guides, bulletins, and other items necessary for the House.

SEC. 6. Payments under this resolution shall be made on vouchers authorized by the committee involved, signed by the chairman of such committee, and approved by the Committee on House Administration.

SEC. 7. Amounts shall be available under this resolution for investigations and studies carried out during the period beginning at noon on January 3, 1991, and ending immediately before noon on January 3, 1992.

SEC. 8. Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

SEC. 9. The Committee on House Administration shall have authority to make adjustments in amounts for investigations and studies under section 2, if necessary to comply with an order of the President issued under section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 or to conform to any reduction in appropriations for the purposes of such section 2.

Mr. GAYDOS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Ohio [Mr. GILLMOR], the ranking minority member of the Subcommittee on Accounts, for purposes of debate only, pending which I yield myself such time as I may consume with the understanding that any additional time which I may yield will be subject

to the specific limitation, for debate purposes only.

Before explaining this amendment, I wish to thank all of the members of the Accounts Subcommittee for their hard work in considering each budget request from the respective committees. Attendance at each of the sessions was very good. The product which I present to the House has the support of a united subcommittee, it is not perfect, but it does reflect the best possible agreement that could be crafted in the spirit of reasonable compromise among committee members.

In particular, I wish to thank the ranking minority member of the subcommittee, PAUL GILLMOR, and BILL THOMAS, the ranking minority member of the full committee for their diligent and thoughtful work. Additionally, I wish to thank Chairman ROSE for his consultations during the whole budget review process.

Furthermore, I wish to thank all of the chairmen and ranking minority members from the respective committees and their staffs. Their cooperation with the Accounts Subcommittee enabled us to evaluate all the budgetary requests in a thorough and timely manner. In a year in which most committees submitted requests for large budget increases, I wish to salute several chairmen for submitting budgets that were frugal and conservative.

The committee amendment in the nature of a substitute is the product of the deliberations of the Subcommittee on Accounts over each committee's budgetary request. The subcommittee's proposed amendment was subsequently adopted without change by the full Committee on House Administration.

Regarding the subcommittee's work product, the amendment in the nature of a substitute provides a total authorization of $60,761,456 for investigations and studies by all standing and select committees of the House of Representatives with the exception of the Committees on Appropriations and the budget for 1991. The total authorization for 1990 was $56,787,425. Therefore, the amount approved by the subcommittee represents a 6.99-percent increase over the 1990 authorization. In my judgment, this percentage increase is very reasonable when you take into consideration the 1991 pay comparability increase of 4.1 percent for Federal workers, the so-called Federal COLA, the projected inflation rate of 5.2 percent for 1991, and the raising of the cap on congressional staff salaries. Furthermore, it should be noted that the subcommittee cut the sum of all the amounts requested by the committees in their original expense resolutions for 1991 by $3,756,783.

In making its determinations, the subcommittee did not use any set mathematical formula. Instead, it evaluated each budget proposal on its own merits. Proposed spending levels in each of the respective budget categories were examined very closely. The final product attempted to direct most of the large increases to the major legislative standing committees with substantial workloads, such as Armed Services, Ways and Means, Energy and Commerce, Agriculture, Foreign Affairs, Education and Labor, and Judiciary. This year, the subcommittee was, also, able to assist two other committees, that have not received large average increases over the past few years. Specifically, the Committees on House Administration and Interior were granted large increases. In the case of House Administration, over the past 10 years House Administration has ranked 20th in average percentage increases and 18th in average dollar amount increase. The Interior committee during the past 5 years was ranked 16th in both average percentage increases and average dollar amounts. Both committees deserved the recommended increases for 1991.

Most importantly, I wish to emphasize that the subcommittee was very much aware of the pressures for staff salary increases resulting from the Speaker's recent pay order. However, there is just not enough funds to give every committee a large increase this year. The subcommittee over the years under my chairmanship has tried to be fair and to judiciously weigh all factors. If we fund a committee at a lower level in one year, we will try to be responsive to a reasonably large increase if submitted and justified in a subsequent year. However, all of our determinations are subject to the availability of appropriated funds.

On the subject of sexual discrimination in the determination of compensation for committee employees, I wish to indicate that the provisions of clause 9 of House rule 43 govern such determinations. Enforcement of this clause is within the jurisdiction of the Committee on Standards of Official Conduct. Additionally, House employees now have a detailed procedure for making discrimination complaints and resolving disputes. Specifically, the Office of Fair Employment Practices has been established in the House of Representatives to counsel, mediate, investigate and hear alleged violations of the House antidiscrimination policy. However, as chairman of the Subcommittee on Accounts, I have encouraged the committee chairmen and the ranking minority members to review their compensation practices on a continuing basis to assure that there is no prohibited discrimination. This encouragement was made during the hearings and in the preliminary meetings between the staff of the Accounts Subcommittee and the staff directors of the respective committees. During the past 7 years, improvements have been made. More and more women are occupying key policymaking positions at the subcommittee and full committee levels. For example, women hold the position of staff director on the Committee on Education and Labor, the Committee on Agriculture, the Committee on Post Office and Civil Service, and the position of general counsel on the Committee on Armed Services. On the Committee on House Administration, the minority staff director is a woman. These are but a few of many examples indicating substantial progress.

Finally, I urge my colleagues to vote in favor of the committee amendment in the nature of a substitute and the resolution.

□ 1510

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

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the amendment in the nature of a substitute to H. Res. 92, the committee funding resolution for 1991. Before I discuss the amendment, I would like to thank the Members which have contributed their time and efforts to producing a reasonable and bipartisan bill.

First, the subcommittee chairman, Mr. GAYDOS, deserves much credit for his leadership in bringing this bill to the floor. I would like to thank the chairman of the committee, CHARLIE ROSE, and the ranking Republican member, BILL THOMAS, for their help and support during consideration of the bill. All of the members of the Subcommittee on Accounts on both sides of the aisle deserve praise for their hard work on the resolution.

The resolution provides $60.8 million for studies and investigations for the standing and select committees for 1991, a slightly less than 7 percent increase over the 1990 funding authorization. House Administration Republicans support the resolution, because it continues the progress we have made over the last 2 years in increasing the Republicans' percentage allocation of committee funds, and the committee has made a commitment to examine reforms of the committee funding process.

In 1989, Republicans comprised approximately 40 percent of the membership of the House, yet were limited to 16.6 percent of standing committee investigative committee staff. Responding to this inequity, the Committee on House Administration agreed in principle in 1989 that at least 20 percent of each committee's investigative staff should be assigned to the Republican members, and that this percentage should increase annually until it reached 33 percent through both attrition and increased funding.

Since that time, we have made progress toward this one-third goal. I will mention a few brief statistics. In January 1989, twelve committees were

below the 20-percent floor for minority investigative staff. As of January 1991, only eight committees remained under 20 percent.

From 1989 to 1991, the average committee minority share of the investigative staff percentage increased 1.5 percent. For standing committees, the increase was closer to 2 percent, growing from 16.6 percent in 1989 to 18.5 percent in 1991.

Within this overall total, the minority staff percentage increase varied from committee to committee. The Foreign Affairs Committee deserves particular mention: the minority percentage share of staff grew 8 percent from 1989 to 1991. Several other committees increased by 4 and 5 percent including Merchant Marine and Small Business.

Unfortunately, despite this progress, the Democratic caucus recently adopted a rule which states that committees shall not be required to provide for more than 20 percent of investigative staff for the minority. This language can be interpreted as a ceiling of 20 percent rather than the House Administration policy of a floor of 20 percent.

Despite this negative response from the Democratic caucus, House Administration Republicans continued to press the minority allocation issue during the 1991 committee funding process. The goal was to use treatment of the minority as a factor in determining the relative increases for committees, and to ensure that committee increases were to be used to further the goal of the House Administration 1989 agreement. Generally, Republicans were able to make progress toward these objectives in this funding resolution.

The largest dollar increases were given to Energy and Commerce, Ways and Means, and Foreign Affairs. These committees testified that the additional funds will be used to increase the minority's percentage allocation of committee investigative funds, or have demonstrated their commitment to increasing the minority's allocation.

For example, the Energy and Commerce Committee received the largest dollar increase. Although this committee has a mere 11-percent minority investigative staff ratio, the chairman testified that the minority was slated to receive all of the increase above the current services budget. This allocation would increase the minority's resources to 19 percent of the committee's investigative budget and allow the Republicans to hire eight additional staff.

Progress has been made, but more remains to be done. In fact, for the House as a whole, the Republicans have not yet reached the 20-percent floor of investigative staff. As of January 1991, the minority investigative staff percentage for all standing committees was 18.5 percent. Even adding the select committees, this figure is only 19.3 percent. Within this overall total, the minority percentage on each committee varies widely. The Judiciary and District of Columbia Committees have only 9 percent, while the Veterans and Public Works Committees are above 30 percent.

These kinds of statistics reveal that minority resources should not be solely dependent on the sometimes tenuous relationship between the chairman and ranking member. Rather, the institution should provide adequate protections for the minority. Since 1977, Senate rules have contained a provision allocating committee resources to the minority in proportion to their membership on the committee. It appears that the Senate recognizes the value of a functioning and funded minority for the health of the institution. The House should follow this same standard.

We recognize that lack of adequate protections for the minority is not the only problem with the committee funding system. Funding for committees is from two separate accounts (statutory and investigative). Also, by requiring committees to justify their budgets each year, rather than on a 2-year congressional cycle, the process is cumbersome.

The Republican Policy Committee recently adopted a set of seven proposals which would reform the committee funding process to make it more accountable, equitable, and efficient. I am pleased that the report accompanying this resolution contains language stating that the Committee on House Administration will examine and report on reforms on the funding process, including those mentioned in the Republican policy statement on committee funding reform within the committee's jurisdiction. I would urge my Democratic colleagues on the committee to work with us to adopt these needed reforms.

Mr. Speaker, the resolution before us today deserves the support of my colleagues. It continues the progress we have made over the past 2 years by targeting resources to the minority in an effort to correct glaring inequities in resource allocation. In addition, the report states the intent of the committee to look at overall reform of the committee funding system. I urge my colleagues to support this bill.

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

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. ROSE], the distinguished chairman of the full Committee on House Administration.

Mr. ROSE. Mr. Speaker, the funding resolution which Chairman GAYDOS brings to the floor today is an excellent example of the cooperative spirit of bipartisanship, on an issue which should never be partisan, that is, the adequate funding of the committees of the House of Representatives.

In this era of declining resources we must still ensure that our committees have sufficient funds to operate successfully. At the same time, we must be certain that we do not exceed the appropriation. This difficult balancing act was accomplished carefully in an atmosphere of comity and fairness to the needs of both the majority and the minority.

The total aggregate increase which the Committee on House Administration is recommending today is only 6.99 percent over 1990's authorized level. This presents a fiscally responsible budget which is only a few percentage points higher than the 4.1 percent pay comparability increase approved by the President. I must stress that the 6.99-percent increase was approved unanimously by the Subcommittee on Accounts and the full Committee on House Administration.

Some of the major standing committees were funded at requested or higher levels. Some committees did not receive as much of an increase as they wanted. Many of those committees who did not fully receive requested increases, have received generous increases in the recent past. To those who were not completely satisfied, I say, please be patient. If you will today support the hard work and difficult choices made by the Accounts Subcommittee, I am sure they will try to address your needs in the near future.

□ 1520

Mr. GILLMOR. Mr. Speaker, I yield 2 minutes to the ranking member on the full committee, the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, I want to rise and compliment the chairman of the full committee, in one of his first major tasks, in making sure that the efforts of the Subcommittee on Accounts move forward. I want to compliment the gentleman from Pennsylvania [Mr. GAYDOS] and the gentleman from Ohio [Mr. GILLMOR] in working in what is sometimes an extremely difficult atmosphere.

For some people, they will never get enough. For others, whatever we agree to will always be too much. The difficult job is pulling all the rest of the Members in the center, together, into an agreement. This package is as good as any I have seen since I have been on the committee, which is over a decade, and it continues to do just that. As a matter of fact, in the 11 years that I have been on the committee, the average increase has been 3.45 percent. I am sure one who is either a freshman or who has not been following this process will look at the single snapshot of this year, and they will say that it is either too much or it is too little. I would ask those who have not focused on this process in terms of the last 4 or 5 years

to be slightly restrained in the criticism, in looking at a single year snapshot.

What we have is changing legislative duties, actual or greater demand for one committee over another from year to year. What we have done, I think, in as good a possibility as this committee can do, is blend the various interests over a period of time. So if there are Members who will raise up and say that it appears too much or it is not enough, I would ask most Members to take a look at their particular area and understand, it was last year, it was this year, or it will be next year. This is a process. This is a dynamic aspect of the funding process. I urge all Members to support the resolution.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the distinguished chairman of the Committee on Post Office and Civil Service, the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Speaker, I yield to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, having appeared, before the Subcommittee on Accounts for the first time as chairman of the Committee on Education and Labor, I am pleased to support House Resolution 92.

The chairman of the Accounts Subcommittee, the gentleman from Pennsylvania [Mr. GAYDOS], the chairman of the House Administration Committee, the gentleman from North Carolina [Mr. ROSE], and all the members of the committee deserve our appreciation for their skillful handling of some difficult decisions. The funding proposal has strong bipartisan support, received unanimous approval in subcommittee and full committee, and deserves strong bipartisan support in the House as well.

The House Administration Committee has done an excellent job of satisfying the funding needs of individual committees while keeping aggregate spending within a reasonable level. It is noteworthy that the total average increase in funding for all committees is 6.99 percent. This is just a few percentage points above the 4.1-percent change in the cost of living.

With respect to the workload of the Committee on Education and Labor, the funds approved by the House Administration Committee are necessary and most welcome. Our committee has a particularly heavy legislative and oversight agenda in this session of the 102d Congress. In addition to a major rewrite of the Higher Education Act, the committee will act on the family and medical leave legislation, striker replacement legislation, comprehensive reform of the Occupational Safety and Health Act, and the Davis-Bacon Act, and construction safety legislation. In addition, we have more than 15 primarily education statutes requiring reauthorization in this session alone.

In conclusion, I thought my colleagues would be interested to know that there has been an overall improvement in the employment of women in high-level committee staff positions. This is particularly significant in view of the recent action by the Education and Labor Committee in approving a major civil rights bill which calls for increased efforts to eliminate the so-called glass ceiling obstacle to the advancement of women in the workplace hierarchy. My committee's intensive work on the civil rights legislation is another reason we are grateful for the level of funding provided under this resolution. I urge my colleagues to join me in approving this resolution.

Mr. CLAY. Mr. Speaker, I rise in support of House Resolution 92. I want to commend the chairman and ranking member of the Subcommittee on Accounts and the chairman and ranking member of the Committee on House Administration for the leadership they have shown in developing this resolution. This resolution fairly and responsibly addresses the needs of this institution. Speaking for my own Committee on Post Office and Civil Service while we would certainly benefit from greater resources, the funding provided in the resolution is sufficient for the committee to meet its responsibilities to the Members of the House in the first session of the 102d Congress. I want to urge all Members, and specifically those who serve with me on the Post Office and Civil Service Committee, to support passage of House Resolution 92.

Mr. GILLMOR. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am happy to join in the widespread support for House Resolution 92, the committee funding resolution, which, I am convinced, represents a good-faith effort to be responsive to the needs of the minority on the various committees.

As the ranking minority member on the Post Office and Civil Service Committee, I can attest to the fact that the budget for our committee was developed in a bipartisan atmosphere. All members of the committee, majority and minority, had the opportunity to make their views known before the budget document was submitted to the Committee on House Administration.

I urge a favorable vote for a funding resolution where reason and common sense prevailed in the allocation of committee resources.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I thank the gentleman for yielding time to me.

Let me express my appreciation to the chairman and ranking member of the subcommittee, as well as the chairman and the ranking member of the full committee for their consideration of the budget of the Committee on Foreign Affairs. To say that the gentleman from Michigan [Mr. BROOMFIELD], who is the ranking member, and I have worked very closely together with regard to this budget, and the committee has responded to the best of their ability, considering all the problems they have in allowing Members to retain the same ratio with regard to salaries that we would like to maintain. That was not entirely possible at this point.

However, I agree with the distinguished ranking member who said that this is a continuum. One of the things I noticed about this committee and the subcommittee, particularly under the chairmanship of the gentleman from Pennsylvania, is that they have had a plan that they have worked out, an agreement with the minority party, that they have more or less adhered to over the years, and while we could not in the Committee on Foreign Affairs get everything we wanted at the time we wanted, they have paid attention to our concerns. Over a period of time they have addressed our needs.

Therefore, we see that process continuing. We are very pleased with that. We express our appreciation to the Members for recognizing our problem, our problem because of the lack of funds we have managed to take care of, either by attrition or not putting new people on, but we have managed. I think we have done very well, even with the addition of commitments we have in our work that needs to be done.

I rise in strong support of the amendment in the nature of a substitute, and commend my colleagues. The committee has done an outstanding job, considering the enormous difficulties they have in matching all of these budgets.

Mr. Speaker, I rise in support of House Resolution 92, as amended, which provides funding for the standing and select committees of the House of Representatives in the 1st session of the 102d Congress.

The amount authorized in this resolution for the Committee on Foreign Affairs falls significantly short of our original request. In particular, funds were requested to correct substantial disparities that exist between investigative and statutory salaries as a result of the Speaker's recent pay order. We will, of course, work within the amount allocated to us and hope it will be possible to address this issue at least partially this year.

I do want to express my appreciation to the gentleman from Pennsylvania [Mr. GAYDOS], the members of the Subcommittee on Accounts, and the chairman of the House Administration Committee, Mr. ROSE, for their hard work and perseverance in coming up with a compromise which must balance allocation priorities with the appropriation amount. In addition, the staff of the Subcommittee on Accounts should be recognized and commended for their thoroughness as well as their cooperation and assistance throughout the budget process. I also want to thank the ranking minority member of the Foreign Affairs Committee, Mr. BROOMFIELD, for his support.

Mr. Speaker, now that the military conflict in the gulf is behind us, we

must tackle with the same degree of determination the many problems and issues that still remain in this volatile region of the world. There are postwar issues such as a permanent cease-fire, peacekeeping operations, and economic reconstruction assistance that must be addressed in the short term. Just as critical, however, is an assessment of the opportunities and challenges that are aimed at the formulation, development, and implementation of future, long-term U.S. foreign policies toward this region.

Dramatic changes are taking place in other regions of the world at a frenetic pace. Restive populations in the Soviet Republics are clamoring for new economic and political rights, and the policies of President Gorbachev have been put to the test this week in the first democratic referendum in that country's history. Civil war looms perilously over Yugoslavia. Out trade deficit remains high against the background of sporadic progress—and some major setbacks—in the efforts to reform the world trading system. The problems of hunger and disease in the Third World remain as critical as ever. An enhanced awareness and broader understanding has brought about a critical concern and need for addressing environmental issues on a global scale. Other issues dealing with arms control and national security as well as international terrorism must also be dealt with on an equally priority basis.

As a result of a full review of U.S. foreign assistance programs during 1988, the foreign aid bill for fiscal year 1991 amended the basic Foreign Assistance Act to clarify and modify the objectives of U.S. foreign assistance programs. This was the first basic overall assessment and rewrite of the Foreign Assistance Act since 1973. This legislation was not acted upon by the Senate last year. We need to build on this important work, taking account of new discussions in the world's capitals about sharing the responsibility for creating and maintaining the new world order.

The Foreign Affairs Committee has a special and primary responsibility in formulating programs and policies to meet these new challenges and opportunities. I urge my colleagues to support House Resolution 92, as reported from the Committee on House Administration, so that the committees may move forward to discharge the respective responsibilities mandated to them.

Mr. GILMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BROOMFIELD].

(Mr. BROOMFIELD asked and was given permission to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I join the gentleman from Florida [Mr. FASCELL] in thanking the chairman of the subcommittee, the gentleman from Pennsylvania [Mr. GAYDOS], and the ranking miniority member, the gentleman from Ohio [Mr. GILLMOR], as well as the chairman of the full committee, the gentleman from North Carolina [Mr. ROSE], and the ranking minority member, the gentleman from California [Mr. THOMAS] for their understanding of the concerns of the minority.

Over the years, the gentleman from Florida [Mr. FASCELL] has been very willing to accommodate the minority and treat us fairly in the allocation of committee funds. A great deal of progress has been made in recent years in reducing the disparity in pay between the majority and minority staffs.

However, I have to call attention to one thing that troubles me very much, Mr. Speaker. It is probably the most frustrating issue I face. That is the assignment of committee office space. This is not really an issue for the gentleman from Pennsylvania [Mr. GAYDOS] to address, but I have to bring it up because I believe it is appropriate. Currently, our minority employees are scattered in offices all over the Hill. In addition, I have been forced to give up two of my personal storage areas in the Rayburn Office Building to house several minority employees. This arrangement is a continuing hindrance to our day-to-day operations, and affects our ability to support the minority members of the committee.

□ 1530

During my appearance before the Subcommittee on Accounts last month, the committee chairman, the gentleman from Florida [Mr. FASCELL] agreed to assist in trying to obtain more adequate space in the Rayburn House Office Building to house the full committee minority staff.

The gentlewoman from Ohio [Ms. OAKAR], a member of the subcommittee, and the gentleman from California [Mr. THOMAS], the ranking minority member of the full committee, have also indicated their assistance on this problem, which I deeply appreciate.

In closing, Mr. Speaker, I want to join the gentleman from Ohio [Mr. GILLMOR] and others in voicing my support for the Republican policy committee recommendation to reform the committee funding system. I strongly support this resolution and urge Members to support it.

Mr. GAYDOS. Mr. Speaker, very hurriedly, if I may respond to my friend, supposedly in the next year or two there will be some additional space in the Capitol. The problem, as we discussed it at the committee level, lies specifically with the administration leadership on the House side and the Senate, presumably, and I am sure they will be allocating space pursuant to that expansion here in the Capitol.

Mr. BROOMFIELD. Mr. Speaker, I thank the gentleman.

MESSAGE FROM THE PRESIDENT

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

PROVIDING FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY STANDING AND SELECT COMMITTEES

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI], the chairman of the Committee on Ways and Means.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in strong support of House Resolution 92, the House committee funding resolution. This resolution provides funding for House committees during the first session of the 102d Congress.

House Resolution 92 provides an overall increase in funding for all House committees of just under 7 percent. For the most part, funding increases for committees are needed in our ongoing effort to retain qualified staff in the House of Representatives. Many of the staff on my committee could command significantly higher levels of pay in the private sector. In order to keep these talented individuals in government service, we need to try to pay them competitive salaries.

The individual members of our committee are also experiencing difficulties retaining qualified staff to handle their Ways and Means workload. The Committee on Ways and Means is currently the only exclusive committee in the House of Representatives which does not have funds available to it for assistant staff positions. I am particularly grateful to Committee Chairman ROSE, ranking minority member BILL THOMAS and Subcommittee on Accounts Chairman GAYDOS for working with us to reach a compromise on the issue of assistant staff positions for the members of the Committee on Ways and Means.

House Resolution 92 includes funds which will allow us to provide an $11,000 salary supplement for a staff person specifically assigned to perform Ways and Means work for each of our members.

The resolution before us today provides necessary funds for the major committees in the House, allowing us to properly conduct committee business and fulfill our legislative obligations. I strongly urge all Members to support this important resolution.

Mr. GILLMOR. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Speaker, I rise in support of House Resolution 92, the committee funding resolution for 1991. I strongly support this resolution and urge my Republican colleagues on the committee to support it, and at the same time I want to compliment Chair-

man ROSE and Subcommittee Chairman GAYDOS, along with the gentleman from California [Mr. THOMAS] and the gentleman from Ohio [Mr. GILLMOR] for their leadership and consideration.

I am pleased to be able to say that thanks to their leadership, the minority budget request for the Energy and Commerce Committee has been fully funded.

For the first time ever, this funding will provide the minority counsel's office with approximately 19 percent of the total Energy and Commerce Committee funding. This constitutes significant progress toward an equitable allocation for the minority, given the fact that we were locked into an allocation of 12.28 percent for a number of years.

First, Chairman JOHN DINGELL is to be highly commended for submitting my request in its entirety with his strong support to the House Administration Committee.

I also want to commend the Republican leadership for its strong advocacy of the equitable allocation of resources to the minority.

I am pleased to hear that the House Administration Committee will be examining funding process reforms, including the specific reforms mentioned in the Republican policy statement. I am sure that changes can be made which would serve all of us well.

I urge my colleagues to vote "Yes."

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER], the distinguished vice chairman of the Committee on Interior and Insular Affairs.

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding time to me, and rise in support of this resolution and to thank the chairman and other members of the committee for the support that they have shown to the House Interior Committee.

I know that each and every year the House Administration Committee and the Accounts Subcommittee have to struggle with some very difficult choices between all the competing demands on the Members to try to allocate the resources necessary so that the committees of this institution can do their jobs, and I want to thank them for the effort they made on behalf of the Interior Committee.

The Interior Committee is undergoing some changes. We have a number of very difficult issues that are confronting us this year that have not been addressed for some time that came up again in terms of priorities, our national energy policy, the concerns of problems within the Indian nations, ancient forests, the spotted owl; the list goes on and on in the preservation of public resources and to try to develop coherent policies with respect to the resources of this Nation.

The resources that this committee made available to the Interior Committee will allow us to enhance not only a couple of the majority positions, but also minority positions and give the minority greater leeway in the handling of their staff and the resources available to them and give them additional flexibility and independence with respect to their staff and other resource allocations to them.

So I want to thank the chairman of the committee, and I would urge all Members to support this resolution.

I think the committee has been not only very fair with respect to the various committees of the House, but also has been very careful and judicious in its allocation of the public's money with respect to the running of these committees.

Mr. GILLMOR. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL], the distinguished minority leader.

Mr. MICHEL. Mr. Speaker, and Members of the House, I want to take a few minutes to talk about larger issues than simply committee funding—the need to reform the Congress, our committee structure and our process.

I am encouraged that the chairman of the committee has agreed to look at reform proposals, including the statement adopted by the Republican policy committee.

Some of our ideas for reform include a 2-year funding cycle, combining investigative and statutory accounts, and giving House Administration jurisdiction over both accounts, and providing resources for the minority proportionate to our membership.

Other issues also merit consideration. One of those items is oversight reform.

Under the Republican rules package, committees would be required to formally adopt and submit their oversight plans for that Congress, and at the end of the Congress, committees would be required to include an oversight section in their final activity report at the end of a Congress.

Now, what we have instead is the same oversight agendas year after year. It gets rather ridiculous.

The Banking Committee is just one example. Under economic conversions the world seems to have stood still. Last year's language reads:

> The rapid changes toward world democracy and the lessening of international tensions may provide future opportunities to divert defense funding to social programs.

What does it say this year?

> The rapid changes toward world democracy and the lessening of international tensions provide opportunities to divert defense funding to domestic programs.

Other oversight agenda items are alike, including Government-sponsored enterprises, condition of the depository insurance funds, and funding of the thrift assistance package.

Even more examples. The FIRREA oversight agenda last year reads:

> We will conduct hearings on how well the Financial Institutions Reform, Recovery and Enforcement Act of 1989 has succeeded in resolving the savings and loan crisis.

□ 1540

This year it reads:

> The subcommittee will conduct hearings on how well the Financial Institutions Reform, Recovery and Enforcement Act of 1989 has succeeded in resolving the savings and loan crisis.

The Resolution Trust Corporation agenda is the same this year as last. Even the travel agenda is the same. Last year, "Hearings on the issue of financial industry restructuring are scheduled for Chicago, Los Angeles, New York and Atlanta." This year, same issues, same cities.

Nothing has changed.

I have picked just one committee, and there are other examples if you really want to go through it line by line. But oversight means work, not words; it means following through on the legislation we pass, not just repeating bureaucratic cliches.

I must say that during the long period I served on the Appropriations Committee, one of the real positive things I thought we did was the yearly review of the appropriations process—we got oversight. But it ought to be the legislative committees who, frankly, are doing their own oversight.

This institution, in its periodic fits of moralizing, chastises public and private institutions for failures. Yet, when it comes to criticizing our own failure of oversight, all we can do is chant some magic words. Well, in my opinion, that is not enough. If this institution is responsible for seeing that the laws we pass actually operate in the public interest, we have failed, big time, in oversight.

It is time for some humility, some hard work and some pride in following through instead of just repeating last year's platitudes.

Mr. Speaker, for all the money we spend on committee budgets and oversight, who oversees the committees? Perhaps we should ask the General Accounting Office to review the operations of the Congress since, after all, we ask them to review the operations of all other Government agencies. That may be a little bit too extreme, because we like to think of ourselves in the legislative branch as somewhat omnipotent. But just a word to the wise ought to be sufficient here.

I thank the committee and its membership for the arduous task that they have to perform in hearing requests on a daily basis, yes, for more and more and more and, from time to time, you all have to take that position, "We can't say 'yes,' we ought to say 'no.'" And it is more difficult, in any case, in the political arena to say "no" than it

is to say "yes." I applaud you for what you have done.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I am pleased to support the funding resolution presented for our consideration by the Committee on House Administration and the Subcommittee on Accounts. Chairman GAYDOS and the members of the subcommittee are to be commended for their efforts to ensure that our committees have the resources to support the work we are undertaking in this session of the 102d Congress. I also wish to thank Chairman ROSE and all of the members of the full Committee on House Administration for their recognition of our funding needs.

The Committee on Agriculture will continue its tradition of careful management of the funds allocated by the Congress to support the extensive legislative and oversight responsibilities within our jurisdiction. This year, our agenda includes oversight of the 25-title 1990 farm bill, agricultural trade issues, food safety, alternative fuels from agricultural sources, nutrition, environmental issues, future regulation reform, forest management, farm credit, dairy program reform, crop insurance and disaster funding, income disparity between rural and urban areas, and numerous other important issues.

Through the years, the Committee on Agriculture has met its significant workload with modest but very able and equitably divided. We are fortunate to have a membership both majority and minority which is committed to a conservative use of the committee's resources without sacrificing the quality of our work. We have always endeavored to return funds to the Treasury and these unspent funds result in notable savings during the span of years. We have always endeavored to give, with the continued support of the membership of our committee on both sides of the aisle, and I can assure you that we will give the Congress and the people we represent full value for the money allocated to enable us to meet our legislative and oversight responsibilities.

I urge all of the members of the Committee on Agriculture and all of the rest of the Members of the House to support this funding resolution which is important to the legislative and oversight work of the Congress.

Mr. GILLMOR. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I thank my colleague from Ohio for yielding this time to me.

Let me say first of all that I do support this, and I urge on the Republican side that everyone vote "yes" this afternoon. I think, on balance, this is a significant continuing step toward a fairer relationship in the process of running the House. I want to single out, among others, the gentleman from California [Mr. MILLER] who did correctly point out that he is going to a much more appropriate method of allowing the Republican side to manage their resources.

We still have a long way to go in this House, I think, to get the full one-third funding that the committees should have for the Republican side. We represent about 40 percent of the seats, 47 percent of the vote. I think it is only fair that we get at least a third of the funding.

But this is a better funding proposal for staff than we have had in past years. It does indicate another step in the direction of fairness on the part of the Democratic majority. I would very strongly urge my colleagues on the Republican side vote "yes" on this proposal.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL], chairman of the Select Committee on Narcotics Abuse and Control.

Mr. RANGEL. Mr. Speaker, I rise in support of House Resolution 92, the standing and select committee funding resolution. I would like to commend the committee chairman and the ranking minority member, Mr. ROSE and Mr. THOMAS, for their leadership in crafting this funding package, as well as that of the chairman and ranking member of the Accounts Subcommittee, Mr. GAYDOS and Mr. GILLMOR.

Once again, the Subcommittee on Accounts had numerous committee funding requests in excess of previous-year funding levels. In this time of fiscal restraint, the subcommittee had the difficult task of assessing these requests and recommending funding levels for each committee. Mr. GAYDOS, the subcommittee chairman, and Mr. GILLMOR, the ranking minority member, did an excellent job in leading the subcommittee through this difficult process.

The narcotics problem has been an increasing priority of the American people and the Congress. The select committee's activities and responsibilities have dramatically escalated with few significant increases in resources.

The Select Committee on Narcotics Abuse and Control has a very serious mandate. It is the only congressional committee with comprehensive oversight responsibility for the drug problem. The drug trafficking and abuse crisis in this country has escalated to frightening proportions. A number of our major urban areas are experiencing drug-related violence at levels never seen before. Suburban and rural areas are experiencing drug-related tragedies that are usually associated with urban areas. The costs of drug trafficking and abuse to our society—the lost productivity health care costs, incarceration costs—are conservatively estimated at $60 billion a year, and concern about the drug crisis has been increasing around the world as international leaders have been calling attention to the problem, seeking multinational cooperation in narcotics control efforts.

Mr. Speaker, this funding resolution, while not granting the entire request of our Narcotics Committee, provides adequate funding for the committee to continue its vital work in the upcoming year. I urge my colleagues to support the resolution.

Mr. GILLMOR. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Speaker, I rise in opposition to the 7-percent increase in committee funding. The 7-percent increase is 3 percent above the rate of inflation.

At a time when we are asking our veterans, our senior citizens, and other people in Government entitlement programs to survive at a cost-of-living increase equal to the rate of inflation, we in the Congress tell the American people that we here in the Congress are the truly needy, that we need 3 percent above inflation to pay our committee staffs, to help us do our job.

A 7-percent increase is bad enough, but the actual increase is even more, thanks to one of the famous accounting tricks here in Washington, DC, which shifts over $1 million to another funding stream to make the increase look even smaller.

For those two increases, you need to look at the increase in the individual committee accounts. Those increases are roughly about 12 percent. At a time when we in the Congress should be setting an example for fiscal restraint, we are here again showing an already cynical American public that their cynicism is justified and the talk of fiscal responsibility is relegated to campaign brochures.

I will rise to ask Members to defeat the previous question in order that I may offer an amendment to cut the funding increase from 7 percent to the rate of inflation, which is 4 percent.

Please, let us set an example.

Mr. GAYDOS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER], chairman of the Select Committee on Children, Youth, and Families.

Mrs. SCHROEDER. I thank the gentleman from Pennsylvania for yielding to me.

Mr. Speaker, I wanted to say that I am very honored to be taking over this committee that GEORGE MILLER did such a great job with.

No. 1, I am very proud of the committee because one-third of the staff slots do go to the minority; we have a woman in charge of it; we have one-third of the space being allocated. I think you could not look at a more

model committee, and we also got the inflationary increase.

So I think it is a lean, mean, doing-the-right-thing committee. Let me say to Members also, we want to make a pledge that this very, very, very good staff that GEORGE MILLER has assembled are all experts in the areas of children, youth, and families. They are there to serve every one of you on both sides of the aisle because we are way behind in doing things for children in this country.

They are there to bring all sorts of expertise. This morning we talked about the first thing we want to do, which is a congressional challenge on innovative child care that you could find all over America, wherever it is. We hope all of you will participate and the staff will help you with that.

The staff will be getting to you tax tips for America's families that you can hand out in your districts. We want to make Government programs more family friendly, more user friendly, more focused on children and doing whatever they possibly can.

We are very, very proud at the expertise level, and we do not think children, youth, and families should be a partisan issue at all even though we have very carefully and astutely allocated everything across the board equally down to, I think, the last centimeter.

But I thank the gentleman from Pennsylvania [Mr. GAYDOS] and his subcommittee for helping us, and this committee, with its limited resources, wants to do everything it can to help focus this capital city, which gives lots of rhetoric to family and children but the gap between the rhetoric and the action has been great.

□ 1550

Mr. Speaker, we want to focus on that gap and see if we cannot close it and do everything we can with this staff to serve, not only us, but hopefully, the families of the taxpayers out there. I say to my colleagues, I think you're going to find this is one of the great bargains that Americans get because they really are going to try to work to make some changes, and I thank the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. GILLMOR. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT. Mr. Speaker, it is my privilege to take the floor today as the only freshman serving on the Committee on House Administration and on its Accounts Subcommittee in the 102d Congress. And I take the floor in support of the 1991 committee funding resolution, House Resolution 92.

I will admit that I was a bit apprehensive when I got the telephone call informing me that the minority leader was asking me to serve on this committee. After all, the work of House Administration is not widely known, nor easily explained to our constituents, and it is certainly not a committee assignment that generates headlines back home in our districts.

But I can rise today after working with the committee for the last few weeks, after watching the resolution before us today come through the process, and I can say to Mr. MICHEL and all my colleagues in the House, thank you for this privilege.

It was immediately evident that the members of House Administration, many of whom have done this duty for several years, care about this institution deeply. They are dedicated to seeing it improve and function fairly and serve the Nation to the best of our abilities and resources.

So I will take this opportunity to thank and commend Chairman ROSE for his leadership, and also Accounts Subcommittee Chairman GAYDOS for so expertly and diplomatically guiding the subcommittee through its hearings and the markup of the funding resolution.

My thanks also goes to the committee's ranking Republican BILL THOMAS: also PAUL GILLMOR, my ranking member on the Accounts Subcommittee. And I would be amiss if I did not recognize minority staffers, particularly Mary Sue Englund, Sarah Goddard, and Karen Parker. Thank you for being so helpful and so patient with this freshman and for the excellent material you provided to me and to my staff.

On the question of the resolution before us this afternoon, House Resolution 92, and the $60.8 million it authorizes for the investigations and studies of standing and select committees of the House, I urge its approval.

I especially want to speak to my freshman colleagues, particularly the Republican freshman. This may be a vote on which you are inclined to vote no. Perhaps no is the easy vote, but yes is the correct vote.

Committees play the central role in the House's discharge of its responsibilities for legislating and overseeing the activities of the Federal Government. Although we have a responsibility to abide by budget constraints we impose on other Federal spending, we cannot jeopardize the quality and professionalism of committee work by short-changing committee resources.

Overall, House Resolution 92, provides a 7-percent increase in funding over the 1990 level. This is more than I would like to see, but as a member of the subcommittee, I can tell you that the agreement brought to the floor was hammered out in full recognition of strict budget constraints. All requests, except those of four committees that happened to come in with very reasonable numbers, were cut, and some cut substantially.

But there is more than numbers to this resolution. Beyond just the dollar amounts, there is the issue of improving the treatment of the minority.

Despite the unfortunate decision this year by the Democratic caucus not to require committee chairman to provide any more than 20 percent of investigative funding to the minority, I am impressed that both majority and minority on House Administration remain committed and sincere in their effort to improve the inequities suffered by the minority and to more fairly allocate committee resources. The goal, of course for this side of the aisle, being an eventual one-third share of staff and budget.

This commitment is reflected in House Resolution 92 and, as such, I think it deserves the support of all Republicans. I strongly urge a yes vote.

Mr. GILLMOR. Mr. Speaker, I yield 1½ minutes to the gentleman from Missouri [Mr. HANCOCK].

Mr. HANCOCK. Mr. Speaker, I thank the gentleman from Ohio [Mr. GILLMOR] for yielding.

Mr. Speaker, at a time when many taxpayers are being forced to reassess their personal budgets in an effort to maintain their standard of living, set aside money to educate their children and save for their retirement, a 7-percent increase, I am sure, would help them get their house in order. It seems to me we in the Congress have an obligation, and this is said repeatedly, to lead by example by holding the line on all expenses of the Federal Government, and I believe the American people want us to get their House in order, the House of the people in order, and hold the line on all expenses.

Therefore, Mr. Speaker, I strongly oppose this increase. The House of Representatives will not collapse. The Union will not collapse. Let us demonstrate to the American people that the rhetoric we heard on the House floor last week, that we truly mean it. Let us quit talking about it. Let us do something about it.

Mr. GILLMOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have no further requests for speakers. Let me make two brief points as to what we were looking at.

First, in terms of the level of spending for committees, we wanted to reach a reasonable level, and that is subject to difference depending on the eye of the beholder, but I think in a bipartisan way we did reach what is a reasonable level of considering the needs that we have at this time.

Second, our major concern was that we get a more equitable distribution of committee resources for the minority, and I want to commend the majority leadership on the committee. We are definitely moving in that direction in this resolution, as in the preceding one.

Mr. Speaker, I urge my colleagues to join me in supporting this resolution.

Mr. Speaker, I yield back the balance of my time.

Mr. GAYDOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in asking my colleagues, particularly on this side of the aisle, to support this legislation, let me refer to just a few points that I want to make that I think are of grave importance. I think it is important to understand and to note that the committee needs fluctuate. They do not remain constant. In any one particular fiscal year the Committee on Ways and Means; for instance, the year they had the great Tax Code revision, the first in 10 years; they had great need that year, and the gentleman from Illinois [Mr. ROSTENKOWSKI], the chairman, came before our committee, explained the situation, and they received a substantial increase.

On the other hand, we had the Committee on Post Office and Civil Service when they put into place 2 or 3 years ago an entirely new retirement system for every individual Federal employee called FERS, which many of us belong to, and that was an exigency at the time that had to be addressed.

In addition, we also have the savings and loan problem and the housing problem, and those committees need, and rightfully demand, extra staff, and one of the biggest complaints we have before the committee is that, when they go into these very, very specific areas, they lack expertise.

Mr. Speaker, it is well known on the Hill that individuals come here, learn their profession, and then they leave us for higher pay downtown, or out in California, or New York, or wherever, and they learn here on the Hill. That may be well and good, I can accept that, but the fact remains that we have an obligation to keep these committees competitive and functioning. How can the Committee on Ways and Means function if it does not have expert staff to stand up and be equal to all the other staff that belong to all the big companies, small and big taxpayers throughout the whole Nation? So, my colleagues see that is a problem that stays with the committee, and we have to address it.

I want my colleagues to know that throughout all of these fluctuating periods which I referred to that the fact still remains, and the gentleman from Illinois [Mr. MICHEL], the minority leader, made this point: The fact still remains that over the last 11 years, from 1981 to include this year, the standing committees and the select committees on an average, the average annual increase has been 3.45 percent. What is wrong with that? This year happens to be close to 7 percent, 6.9. I do not know what it is going to be next year, but we take an average, and my colleagues can see the dedication of our subcommittee keeping it down to realistic figures. I do not know how we do it because I would challenge anyone to take over this committee, and gather unto themselves any personnel that they wish, and let them try to divide up six-point-some million dollars among all these committees where each one of them feels that their legislation is most important.

□ 1600

It seems to me the task is almost insurmountable, and that is why I have so much inherent respect for the committee for doing its job over the last 11 years. I have been on the committee for 22 years, and I know this job is not heralded in a lot of places. Many Members do not seek this job, for the primary reason that it is a very difficult job. It takes one's time from other things, and it does not get the notoriety that a lot of other committee assignments receive.

I just want to remind my colleagues that we have a 4.1-percent COLA in this year's budget, and everybody seems to forget that. That is 4.1 percent that the committees have a right to expect and that they do deserve.

So, Mr. Speaker, I think what the subcommittee and the committee have brought before the full House is very reasonable. It compares favorably, and it shows a track record of a very conservative consideration of all these various requests.

In closing, I urge my colleagues to think about these elements that I have reminded them of and to vote in favor of this resolution.

Mr. DINGELL. Mr. Speaker, I rise in strong support of House Resolution 92, the committee funding resolution for 1991. I want to thank and commend the chairman of the Subcommittee on Accounts, Mr. GAYDOS, as well as the ranking Republican member of the subcommittee, Mr. GILLMOR for their excellent work in crafting this resolution. The Energy and Commerce Committee is grateful to them, as well as to all members of the subcommittee and the full House Administration Committee, including Chairman ROSE and Mr. THOMAS, for the fairness and courtesy with which we have been treated in this process.

I am also pleased to note that with the resources provided under this resolution, our committee for the first time will be able to fulfill the minority's full request for funding. The Members should understand that virtually all of the real growth in the energy and commerce budget for 1991 will go to the minority. These funds will enable my good friend, Mr. LENT, and his colleagues to make significant progress in obtaining the additional resources needed to carry out their responsibilities.

We have always endeavored to recognize the minority's need for adequate funding. But we have also made the point for several years that this would require an infusion of new funds; that is, enlarging the pie, not enlarging the minority's share of the existing pie. The decision of the Accounts Subcommittee to adopt this approach will, we hope, put an end to the difficulties we have encountered annually on this point.

This resolution was adopted by a bipartisan consensus of the Accounts Subcommittee and the House Administration Committee. Mr. LENT and I have sent a joint letter to our colleagues on the Energy and Commerce Committee urging their bipartisan support for the resolution. I reiterate my support for the resolution today and believe that it warrants the support of every Member.

Mr. HORTON. Mr. Speaker, I rise in support of the resolution. I simply would like to state that, for the Committee on Government Operations, our entire request was accepted by the majority, a request that included the addition of another minority staff slot and a networked computer system for the minority.

I would emphasize, Mr. Speaker, that chairman CONYERS has accommodated every request of the minority this past year with respect to equipment, travel, personnel and salaries. I commend him for helping to improve the allocation of resources between minority and majority.

On the Government Operations Committee budget generally, I would point out to my colleagues that ours is primarily an investigative committee, whose jurisdiction encompasses all Federal departments and agencies and the programs they administer. Our committee's work produces results. We save money. Past Government Operations Committee bills have saved and continue to save billions of dollars: the Inspector General Act, the Brooks Act, and the Paperwork Reduction Act to name a few.

In the 101st Congress, under Chairman CONYERS' leadership, a bipartisan bill creating a Chief Financial Officer structure for the United States was developed and ultimately signed into law by the President. My time is short, but allow me to state this about the CFO legislation—its direct impact in terms of savings and improved Government efficiencies during this, its first year of operation, will exceed the $60 million price tag of the resolution under consideration. Couple this fact, with our ongoing investigative agenda, oversight of the laws mentioned above and the agenda Chairman CONYERS and I have planned for the 102d Congress, and I can assure you our results next year will be at least as impressive.

Mr. Speaker, once again, I support this budget, I commend my chairman and I enjoin my colleagues to support passage of this resolution.

Mr. KOSTMAYER. Mr. Speaker, I rise today in support of the committee funding resolution. I especially want to offer my support for the requested funding for the Energy and Commerce Committee.

This committee has one of the best records of accomplishment in the entire Congress, this is in no small part due to the leadership of our able Chairman JOHN DINGELL. In the last Congress, Energy and Commerce was responsible for the Clean Air Act Amendments of 1990. It brought bills to the House regarding AIDS policy, minority health care improvement, cable television regulation, and securities market reform.

Again this year the committee is working on legislation which will effect all Americans. The importance of the work this committee does can not be overstated.

In the coming year, the Energy and Commerce Committee will be considering several crucial environmental issues. These include the reauthorization of the Safe Drinking Water Act, reauthorization of the Resource Conservation and Recovery Act, legislation to expand the use of recycling, and the interstate transportation of solid waste.

This committee will also be involved in the development of a national energy strategy. The development of alternative fuels, the possibility of a reasonable review of CAFE standards in automobiles, new natural gas pipeline construction, and several other important energy issues will be considered by the committee.

I am sure that under the leadership of Chairman DINGELL, we can expect to see a level of efficiency and productivity which matches that of last year, but only if the committee is funded at an adequate level. It should be noted that in the past 5-year period, the increase in funding for energy and commerce trailed inflation by over 2 percent.

Mr. Speaker, I urge my colleagues to vote yes on this resolution.

Mr. GAYDOS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the committee amendment in the nature of a substitute and on the resolution.

The SPEAKER pro tempore (Mr. MCNULTY). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the "ayes" appeared to have it.

Mr. SANTORUM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 345, nays 76, not voting 10, as follows:

[Roll No. 52]

YEAS—345

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Baker
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Byron
Callahan
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Grandy
Gray
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jefferson
Jenkins
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kolbe
Kolter
Kopetski
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Olin
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Pallone
Panetta
Parker
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Poshard
Price
Quillen
Rahall
Rangel
Ray
Reed
Rhodes
Richardson
Ridge
Rinaldo
Roberts
Roe
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Serrano
Sharp
Shaw
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Solarz
Solomon
Spence
Spratt
Staggers
Stark
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—76

Allard
Archer
Armey
Ballenger
Boehner
Bunning
Burton
Camp
Clinger
Coble
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dornan (CA)
Dreier
Duncan
Fawell
Fields
Franks (CT)
Gekas
Gilchrest
Gradison
Green
Gunderson
Hancock
Hefley
Henry
Herger
Hobson
Holloway
Hopkins
Hunter
Hyde
Inhofe
James
Johnson (CT)
Kasich
Klug
Kyl
Leach
McCrery
McEwen
Meyers
Miller (WA)
Molinari
Moorhead
Myers
Nichols
Nussle
Packard
Petri
Porter
Pursell
Ramstad
Ravenel
Regula
Riggs
Ritter
Rohrabacher
Roth
Santorum
Sensenbrenner
Shays
Shuster
Snowe
Stearns
Stump
Taylor (NC)
Thomas (WY)
Upton
Walker
Weber
Zeliff
Zimmer

NOT VOTING—10

Bustamante
Jacobs
Kleczka
Levine (CA)
Lewis (FL)
Miller (OH)
Obey
Sanders
Stallings
Udall

Mrs. MEYERS of Kansas and Messrs. PORTER, BURTON of Indiana, MOORHEAD, STEARNS, KYL, and NICHOLS changed their vote from "yea" to "nay."

Messrs. COLEMAN of Missouri, GOODLING, and SLATTERY changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MCNULTY). The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 363, nays 58, not voting 10, as follows:

[Roll No. 53]

YEAS—363

Abercrombie
Ackerman
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Baker
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Byron
Callahan
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson

Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moran
Morella
Morrison
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Patterson
Paxon
Payne (NJ)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickle
Porter
Poshard
Price
Quillen
Rahall
Rangel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Serrano
Sharp
Shaw
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Solarz
Solomon
Spence
Spratt
Staggers
Stark
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—58

Allard
Archer
Armey
Ballenger
Boehner
Bunning
Burton
Camp
Campbell (CA)
Coble
Combest
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dornan (CA)
Dreier
Duncan
Fawell
Gekas
Hancock
Hefley
Henry
Herger
Holloway
Hopkins
Hunter
Inhofe
James
Klug
Leach
McEwen
Miller (WA)
Moorhead
Nichols
Nussle
Parker
Payne (VA)
Petri
Pursell
Ramstad
Ravenel
Riggs
Rohrabacher
Roth
Santorum
Sensenbrenner
Shays
Smith (OR)
Snowe
Stearns
Stump
Taylor (NC)
Upton
Weber
Zeliff
Zimmer

NOT VOTING—10

Bustamante
Dymally
Jacobs
Kleczka
Levine (CA)
Lewis (FL)
Miller (OH)
Pickett
Stallings
Udall

□ 1645

So the resolution as amended was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LEWIS of Florida. Mr. Speaker, due to an illness in the family, I was unable to participate in the business of the House of Representatives on the days of March 20 through 22, 1991. Had I been present, I would have voted as follows:

March 20, 1991:

Rollcall 52. Ordering the previous question, House Resolution 92, "yea."

Rollcall 53. House Resolution 92, House Committee funding, "yea."

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

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

There was no objection.

HOUR OF MEETING ON THURSDAY, MARCH 21, 1991

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. on tomorrow, Thursday, March 21, 1991.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. GINGRICH. Mr. Speaker, reserving the right to object, I reserve the right to object only to make the observation that if the leadership would appoint the conference committee on the Desert Storm supplemental today and would clean up the Desert Storm supplemental tonight, we could pass it tomorrow; and to make the observation that if, in fact, we wait for the second supplemental and the Senate continues to load up the second supplemental, and we try to rush to conference tomorrow to come back here on Friday, to spend Friday dealing with a second supplemental which will clearly be vetoed in the form that it is likely to go to conference on, that we will be in a muddle.

We have a very clear chance here to pass a supplemental on Desert Storm which everyone can agree to, which can be voted on tomorrow. The House could then go home, and we could come back after the recess and work out the second supplemental with enough time to conference. But if we send a piece of junk downtown, it will be be vetoed, and I do not see any way, by going to conference tomorrow night, that the Committee on Appropriations will clean up the second supplemental in 24 hours, or 16 hours, to be in here late Friday night to try to pass something which I think is very likely to be vetoed in the form it is going to come out of that conference.

I want to draw up a distinction. We could go Desert Storm. The actual supplemental we need. The one that has to be signed, the one that says to our allies that we are going to spend the money and we want them to pay up. That supplemental needs only a very small amount of work in conference. It could be conferenced tonight. We could pass it tomorrow, and Members could go home tomorrow night.

I urge the Democratic leadership to appoint the conferees to Desert Storm supplemental this afternoon and to allow Members to get that particular bill out of here.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

WOMEN'S HISTORY MONTH

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 149) designating March 1991 and March 1992 both as "Women's History Month," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I yield to the gentlewoman from Connecticut, the chief sponsor of this legislation [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I thank the gentleman from Ohio for prompt consideration of this matter.

It is my pleasure today to speak on the House floor about one of the first pieces of legislation I have introduced as a Member of the House of Representatives.

□ 1650

Today the House will vote on Joint Resolution 149, which my distinguished colleague, the gentlewoman from New York [Ms. MOLINARI] and I introduced. This resolution proclaims the month of March 1991 and 1992, as Women's History month.

Women's History provides a new perspective for looking at the past, a perspective which honors the richness and diversity of the lives of the many women who came before us. It also presents a vision for the future, a vision that shows us there are no limits to achievement.

From Susan Brownell Anthony, who led women to the voting booths in 1872, only to be arrested, and while awaiting trial tried to vote again in city elections, to Eleanor Roosevelt, who emerged as a striking symbol of democratic strength and good will during a tumultuous period of our country's history, to Rosa Parks, who defied a racist society and refused to move to the back of a bus, women have been at the forefront of revolution and change.

This is a particularly appropriate time to be honoring women, so many have served so proudly and with such distinction in the Persian Gulf.

I am also proud of the hard work that my mother, who is a senior member of the New Haven Board of Aldermen, having served 24 years in that body, the longest serving member, proud of her work over the years and the path that she paved for me.

I hope that all the avenues of opportunity will be open to my daughters.

I ask my distinguished colleagues to join me in the celebration of Women's History Month and to please vote for House Joint Resolution 149.

Mr. RIDGE. Mr. Speaker, continuing my reservation of objection, I yield to the gentlewoman from New York [Ms. MOLINARI].

Ms. MOLINARI. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I am in fact pleased and honored also to come before the House today to talk about House Joint Resolution 149 and I am delighted to join with my distinguished colleague, the gentlewoman from Connecticut [Ms. DELAURO] at this very special moment.

The House will vote on this resolution today which will designate this March and next March as Women's History Month. This bipartisan resolution has been proclaimed by Congress since 1980 and commemorated in classrooms and school halls throughout this country every March.

Each year the month of March is dedicated to the women of every race, class, and ethnic background who have made historic contributions to this Nation in so many ways, whether it be in securing suffrage rights, equal opportunity, the labor movement, civil rights, nurturing their individual families or fighting the world's wars.

Women's History Month is important because it recognizes these accomplishments, accomplishments that unfortunately have historically been ignored.

It also gives us the time to reflect and recommit ourselves to make sure that some of the omissions of the past will not be repeated in the future.

It is also a joyful celebration, and in that let me just make a personal reference by stating, Mr. Speaker, that a year ago today I was elected to this respected and august body, and I am delighted to celebrate this day of personal achievement by remembering all those women who struggled before me to make this magnificent career with all of you possible.

Mr. RIDGE. Mr. Speaker, on that very special note, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 149

Whereas American women of every race, class, and ethnic background have made historic contributions to the growth and strength of our Nation in countless recorded and unrecorded ways;

Whereas American women have played and continue to play a critical economic, cultural, and social role in every sphere of the life of the Nation by constituting a significant portion of the labor force working inside and outside of the home;

Whereas American women have played a unique role throughout the history of the Nation by providing the majority of the volunteer labor force of the Nation;

Whereas American women were particularly important in the establishment of early charitable, philanthropic, and cultural institutions in our Nation;

Whereas American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement;

Whereas American women have been leaders not only in securing their own rights of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor movement, the civil rights movement, and other movements, especially the peace movement, which create a more fair and just society for all; and

Whereas despite these contributions, the role of American women in history has been consistently overlooked and undervalued in the literature, teaching, and study of American history: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 1991 and March 1992 are designated both as "Women's History Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that month with appropriate programs, ceremonies, and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GREEK INDEPENDENCE DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 59) designating March 25, 1991, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Florida [Mr. BILIRAKIS], the chief sponsor of this resolution.

Mr. BILIRAKIS. Mr. Speaker, as the principal sponsor of the House companion measure to this bill, I would like to express my deep gratitude, particularly to Chairman SAWYER of the Census and Population Subcommittee, for bringing this measure to the floor in such an expeditious manner.

I would also like to thank the gentleman from Pennsylvania [Mr. RIDGE], the ranking Republican on that subcommittee, and Chairman CLAY of the Post Office and Civil Service Committee in this regard.

March 25 is a very special day to Greek-Americans and those who practice the Greek Orthodox faith—as well as freedom loving people everywhere, really. This year, it marks both the 170th anniversary of the independence of Greece and its role as the well-spring of democracy.

Mr. Speaker, it is a magnificent thing to see so many people the world overturning to democratic movements in the wake of fallen or overthrown dictatorships and tyrannies. The practice of democratic government, first seen in Athens in 510 B.C., is being sought out and implemented around the world, expanding the frontier of freedom farther and farther every day. Those democratic movements owe a great debt of gratitude to the ancient Greeks such as Aristotle and Polybius, who were democracy's pioneers, as do we here in this Nation. I am never more proud of my own Greek heritage—or of being an American—than on days such as this one.

As those ancient Greeks forged the very notion of democracy, placing the ultimate power to govern in the hands of the people themselves, the spirit of

March 25, Greek Independence Day, lives on in its defense. Over the course of history, many of the Free world's people have given their lives in that defense.

In fact, this year marks the 50th anniversary of the historic Battle of Crete during World War II, one in which Cretan, Greek, British, and other allied soldiers stood firm in the face of a Nazi airborne invasion. Many of those allied soldiers died defending Crete during that battle, making prophetic the Greek words, "eleftheria i thanatos"—liberty or death.

I thank all of my colleagues here today for passing this legislation in commemoration of the democratic heritage that all of us share and which is shared by the United States and Greece. Later today, I will have a special order in honor of Greek Independence Day, and I invite anyone who wishes to participate to do so.

Mr. RIDGE. Continuing my reservation of objection, Mr. Speaker, I yield to my colleague and friend, the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, the gentleman from Florida, who is the architect every year of this special occasion for all those Americans of Greek descent who celebrate March 25 as a patriotic coreligious American kind of holiday, this becomes a special moment for those of us who share all those cultures.

It is little known and should be pointed out again to the Members of the Congress that back in 1821 when the Greeks began the upheaval against the Ottoman Empire that led to its eventual freedom, when a brave priest in his clerical robes raised the flag of independence, risking his own life, which then began a sweeping set of events that led, as I said, to the liberation from the Ottoman Empire, it became a religious and ethnic holiday which is revered by our very presence here today in the well of the House; but here in the United States in 1821 during the administration of James Monroe, word of these events was coming through to the Members of the Congress, and the great orators of that day made eloquent speeches on the floor of the House and in the Senate echoing the sentiments of the gentleman from Florida, repeated here today back then; so now we have a complete set of CONGRESSIONAL RECORDS from 1821 until the present day of the pride and the drama that is implicit in the celebration of March 25 as Greek Independence Day.

I myself as a youngster going to church found that we were learning poems about independence and we learned that the greatest poet of that time, Lord Byron of England, not only wrote about Greek Independence Day, not only wrote romantic lyrics and verses, but himself appeared and went to Greece and fought on the side of the rebels for the independence of Greece and died from wounds in the Battle of Missolonghi in support of freedom and liberty, which were the keystones of his own literary works.

□ 1700

So here was a poet, who was not simply observing but, as an Englishman who was a Grecophile, went to the very country which he loved so much, fought for the inhabitants thereof, and gave his life in the defense of liberty.

So all of these beauties of history and recollection converge on us here today and allow us ample time, through the good will of the individuals who brought this matter to the floor, to permit us, especially those of us who came up and were raised in the same heritage about which we speak, to have this extra moment of self-proclaimed pride which I know you feel.

I thank the gentleman very much for yielding to me.

Mr. RIDGE. Mr. Speaker, continuing my reservation, I would first like to comment that the two gentlemen who spoke before us keep alive both proudly and beautifully the interests and the feeling of all Greek people toward democracy and participation in government through their presence among us today. But it is not only shared by those of Greek ancestry but by many other colleagues in this Chamber.

Mr. Speaker, I yield to one of them, our friend and colleague, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to rise in strong support for House Joint Resolution 58, the Bilirakis resolution designating March 25, 1991, as Greek Independence Day.

On March 25, 1821, the Greek people took arms against four centuries of Ottoman rule, fighting bravely and valiantly to achieve freedom from Turkish domination.

Greek Independence Day has special significance for all Americans. It is the ancient Greeks who formulated the concept of democracy which is the keystone of the American political system. Democracy is but one of the many contributions of the Greek people to the development of civilization. Art, philosophy, science, and law are but a few of the disciplines in which the Greek people have enriched our culture.

The contributions of Greek-Americans to the development of our great Nation are much too numerous to mention. Our distinguished congressional colleagues, GUS YATRON, OLYMPIA SNOWE, PAUL SARBANES, MICHAEL BILIRAKIS, and GEORGE GEKAS are just a few of the current examples of Greek-Americans who have excelled and contributed to our Government.

Through the commemoration of Greek independence, we have the opportunity not only to salute our own Greek-American community for their contributions, but to commemorate the independence of the Greek people.

I commend the gentleman from Florida [Mr. BILIRAKIS] for his work on this important measure and I urge my colleagues to support this important measure.

Mr. RIDGE. Mr. Speaker, I will withdraw my reservation of objection. However, I see the gentleman from Ohio seeks recognition. I yield to the gentleman from Ohio [Mr. SAWYER], our colleague, the chairman of the subcommittee.

Mr. SAWYER. I thank the gentleman for yielding. Mr. Speaker, I understand the gentleman's surprise; I do not often speak on commemorative resolutions. But this one in particular is of enormous importance. I really want to take the opportunity to thank the gentleman from Florida [Mr. BILIRAKIS] for his efforts again this year to bring this to the floor to remind us all that America is in fact not just a piece of land, we are not a distinctive race of people, we are a nation bound together by ideas and ideals, not a family bound together by blood but by belief.

Inasmuch as that belief is grounded for all of us who care about the rule of law and the sanctity of the rights of people, inasmuch as that belief is grounded in the celebration that we all join in together today, that all of us come, as Americans, to celebrate that heritage that is Greek in us all, in our love of this Nation that is ours.

I thank the gentleman very much for the opportunity to join in with those comments today.

Mr. LEVINE of California. Mr. Speaker, I rise today to commemorate Greek Independence Day: a national day of celebration of Greek and American democracy. I am pleased to join my colleagues in using this occasion to recognize the unique contributions to our civilization of Greece, and Americans of Greek descent.

On March 25, 1991, Greece will celebrate the 170th anniversary of its independence from the Ottoman Empire. As Americans, we cannot afford to forget the rich heritage we inherit from Greece or the tremendous contributions made by generations of Greek-Americans.

Greece has enriched our culture through the fields of science, art, medicine, and education, but no contribution was more precious than that of democracy. It was ancient Greece that established the traditions of individual freedom and justice that are the cornerstones of western civilization. The fundamental precepts of modern democracy, such as a belief in the rule of law, the supremacy of the individual as the basis for state power, and the equality of all citizens, originated in the land of Pericles over two millenia ago, and are still dear to us as Americans today. These ideals still provide the inspiration for millions throughout the world who continue to struggle for their basic human freedoms.

Just as the profound political principles of ancient Greece laid the foundation for American democracy, the American Revolution also inspired Greek patriots to fight for their freedom after nearly 400 years of Ottoman domination. Many Americans at the time traveled to Greece to join in the struggle, and Jefferson, Monroe, and Adams all proclaimed their support for the cause of Greek independence. Indeed, when their struggle of the Greeks ended in triumph, they chose our Constitution as a model on which to structure their own. As Americans, we should be grateful for the opportunity to share our democracy with the Greeks after inheriting it from them.

We also take this occasion to celebrate the many contributions of Americans of Greek descent to our Nation and salute them for their many achievements. In the early years of this century our Nation was blessed by the wave of emigration from Greece. The decendants of these immigrants have become leaders in every field of human endeavor, and have made Greek-Americans among the most successful ethnic groups in the United States.

Mr. Speaker, I ask my colleagues to join me in recognizing that, as Thomas Jefferson once wrote, "To the Greeks we are all indebted for the light which led ourselves out of Gothic darkness," and in sharing with them the joy of their independence on March 25, 1991.

Mr. OWENS of Utah. Mr. Speaker, today we celebrate the 170th anniversary of Greek Independence from the Ottoman Empire and the restoration of democracy to the very people who invented it more than 2,000 years ago. The ancient tradition of Greek democracy is enshrined in our monuments and public buildings, and finds expression to this day in the very underpinnings of our constitution and way of life.

I find it truly remarkable that, in spite of centuries of political tumult and occupation, the Greek people retained their national identity, their unique and rich cultural distinction, and their strong devotion to Democratic principles of self rule.

Today, in celebrating Greek democracy, we celebrate our own. For as Aristotle and Pericles handed down the principles of power emanating from the people and equality under law, so was the legacy of Thomas Jefferson and James Madison bestowed to the Greek republic in 1821. Adopting the American Declaration of Independence as their own, the Greeks sealed a bond which has endured between our two peoples ever since.

As comrades in arms during the Second World War and partners today in NATO, both Greeks and Americans have stood together in the face of adversity to preserve our fundamental freedoms and democratic ideals.

Nearly 1 million Greeks have immigrated to these shores and these children of the cradle of democracy have made America a better place to live. No ethnic group has done more to promote the principles of freedom and individual opportunity than has the Greek-American community.

I am honored to pay tribute today to the people of Greece, whose culture adds richness and stability to our country and whose commitment to democracy strengthens us all.

Mr. ROE. Mr. Speaker, I want to thank and commend the gentleman from Florida for organizing this Special Order on the 170th anniversary of Greek independence from the Ottoman Turkish rule and the restoration of democracy to the land in which it was born more than 2,500 years ago. It is indeed a pleasure for me to join with my colleagues in paying respect and homage to both ancient and modern Greece and Greeks, who fought and struggled to make liberty and "democracy"—the rule of the people—the hallmarks and the rallying cries of their civilizations.

In 510 B.C., the citizens of Athens overthrew the last of the tyrants who had ruled that city for years on end, and created a new political leadership, based on a limited democracy. They created an assembly of free male citizens, and elected magistrates to lead their city. These magistrates were fully accountable to the assembly. Shortly the world was to witness what was to become known as the Golden Age of Greece, where art, architecture, drama, literature, music, philosophy, political theory, and science were to flourish. Pericles, Plato, Aristophanes, Aeschylus, Democritus, and Sophocles are just a few of the illustrious Greek masters from that rich age who left their imprint on Western society. Their legacy to America can be seen daily in our monuments and in our public buildings, in our statues and in our theaters, and in our political institutions and in the very fabric of our Constitution.

The model of democracy that Ancient Greece bequeathed to the United States' founding fathers was returned in kind to modern Greece when the struggle for Greek independence occurred during the 1820's. The modern Greeks had been ruled by the Ottoman Turks for 500 years, and it was only toward the end of the 18th century that the fight for independence became a reality. The American revolution was the role model for the Greek one, and the Greek commander in chief, in 1821, made these remarks to America:

Having formed the resolution to live or die for you, we are drawn toward you, by a just sympathy, since it is in your land that liberty has fixed her abode, and by you that she is prized, as by our fathers.

On March 25, 1821, 170 years ago, the people of Greece declared their independence, and initiated a revolution against their Turkish rulers. After repeated successful battles against the Ottomans, the countries of Europe joined the Greeks in their war against the Turks. On September 14, 1829, through the Treaty of Adrianople, freedom and independence for Greece, after centuries of foreign rule, was regained.

Mr. Speaker, the Greek-American interrelationship has a long and illustrious history. The ancient Greeks left us a rich legacy, and in the modern era, Americans traveled to Greece to fight alongside Greeks against the Turks. The Greeks suffered tremendously under the rule of the Nazis, and United States troops helped liberate them from those tyrants. Following that defeat, we helped Greece stand up against the threat of communism. Today, Greeks and Americans are partners in NATO. Over the years, 1 million Greeks have immigrated to America, enriching and providing many contributions to the American way of life.

On this anniversary of the beginning of the struggle for Greek independence, it is only fitting and proper to pause to reflect on the magnificent achievements of both ancient and modern Greece, and to consider the legacy they have left to all Americans. Every time we think of the democratic way of life, we owe a debt of gratitude to the ancient Greeks, and when we teach our children about the values and ideals of the American Revolution and what they have meant for America, we should also focus on the accomplishments of the modern Greeks and Modern Greece in their struggle to be a free and independent nation.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 59

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States of America drew heavily upon the political and philosophical experience of ancient Greece in forming our representative democracy;

Whereas March 25, 1991, marks the one hundred and seventieth anniversary of the beginning of the revolution which freed the Greek people from the Ottoman Empire;

Whereas these and other ideals have forged a close bond between our two nations and their peoples; and

Whereas it is proper and desirable to celebrate with the Greek people, and to reaffirm the democratic principles from which our two great nations sprang: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 25, 1991, is designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy," and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the designated day with appropriate ceremonies and activities.

AMENDMENT TO THE PREAMBLE OFFERED BY MR. SAWYER

Mr. SAWYER. Mr. Speaker, I offer an amendment to the preamble.

The Clerk read as follows:

Amendment to the preamble offered by Mr. SAWYER: Page 1, insert after the third clause of the preamble the following new clause:

"Whereas 1991 marks the 50th anniversary of the historic Battle of Crete of World War II—one of many wars which have found Greece and the United States allied in the defense of democracy;".

The SPEAKER pro tempore. The question is on the amendment to the preamble offered by the gentleman from Ohio [Mr. SAWYER].

The amendment to the preamble was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL FORMER PRISONER OF WAR RECOGNITION DAY

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 53) to designate April 9, 1991 and April 9, 1992, as "National Former Prisoner of War Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I do so in order to yield to our colleague, the gentleman from Ohio [Mr. APPLEGATE] with whom I serve proudly on the Committee on Veterans' Affairs and in whom I know there is an abiding interest in veterans issues throughout his entire career, including among them an annual reminder that we not forget those who paid a fairly unique penalty in their commitment to this country, serving as prisoners of war. I yield to the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. I thank my friend and colleague on the Committee on Veterans' Affairs, the gentleman from Pennsylvania [Mr. RIDGE], and my colleague from Ohio, [Mr. SAWYER], chairman of the subcommittee, for allowing this resolution to be brought up.

Mr. Speaker, there are approximately 70,000 surviving former prisoners of war in America today, which is less than half the total number of Americans who were taken prisoner in the five major wars plus the Persian Gulf war that we fought during this century. This coming April 9 will once again be a day when we recognize America's surviving prisoners of war, the fifth year that this special honor has been established by Congress as well as the sixth year, April 9 in 1992. April 9, this year, will mark the 49th anniversary of the fall of Bataan in the Philippines during World War II. More than 30,000 American servicemen and civilians were taken prisoner, with many of them never surviving the infamous Bataan death march which followed, or the 4 years of captivity in deplorable prisoner of war camps throughout the Far East.

The survivors of these ordeals and the thousands of others who endured some of the worst treatment and conditions known to mankind deserve the recognition of our Nation as we pay tribute to their sacrifices and their survival. Everyone who wants to learn of the experiences of a prisoner of war should read the book "Chained Eagle" by Edward Alvarez, a former Deputy Administrator of the Veterans' Administration, who was held by the North Vietnamese for over 8½ years during the Vietnam war. And they should also recall the frightening accounts told by our former prisoners of war held in Iraq.

I want to thank my colleague, the gentleman from Ohio, the former vice chairman of my Compensation and Pension Subcommittee, Mr. BOB MCEWEN, for his assistance in helping to get this measure considered by the House.

Again, I want to give sincere thanks to my colleague, the chairman of the subcommittee, the gentleman from Ohio, Mr. TOM SAWYER, and the ranking member of the committee, the gentleman from Pennsylvania, TOM RIDGE, for their efforts, as well as the 218 cosponsors of the bill.

In closing, I want to recognize the American Ex-prisoners of War Association for their hard work in getting this measure passed. I especially want to honor their national commander, Frances Agnes of Everett, WA, as well as their executive director, Charles M. Williams of Maryland, and Dr. Charles Prigmore, the legislative officer of the organization. Their work on getting this measure passed for a fifth consecutive year was paramount to its success.

My everlasting thanks go to the former prisoners of war and all veterans who served in all wars to defend the very freedoms which we enjoy today.

Mr. RIDGE. I thank the gentleman from Ohio.

Mr. Speaker, I would like to commend and thank our colleague from Ohio, Mr. APPLEGATE, for his leadership on this matter and yield to our colleague, the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of Senate Joint Resolution 53 designating April 9, 1991, as "National Former Prisoner of War Recognition Day." This resolution is identical to House Joint Resolution 70, which I was pleased to cosponsor in the House. I commend our distinguished colleague from Ohio, Mr. APPLEGATE, for his tireless efforts to honor those who were held as prisoners of war and to resolve the fate of American servicemen currently held as captives of war in hostile nations.

As we honor our former prisoners of war, let us bear in mind that there is a great deal of evidence that the Governments of Vietnam, Laos, and Cambodia hold information which could help us fully resolve the status of many Americans who are still unaccounted for. Despite the difficulties and complexities of this issue, we are deeply committed to receiving an accounting of our POW's and MIA's. This issue is a humanitarian matter of such great importance that it is pursued without linkage to other issues separating the Government of the United States and the Governments of Indochina.

By supporting Senate Joint Resolution 53, we will be taking an important step in honoring Americans who have served in our Armed Forces, particularly those who were formarly held as prisoners of war, as well as those who may still be held in captivity.

We have recently had the opportunity to welcome those members of our military who were held captive in the Persian Gulf. We were especially pleased that our Nation was able to deliver them safely home to their families. Accordingly, let us observe April 9 as a day to commemorate their courage and determination in upholding the principles of freedom and democracy.

Mr. Speaker, as we honor our former prisoners of war for the courage they have demonstrated, let us not forget our service men and women who are still listed as missing in action in the Persian Gulf, as well as those who are still missing in Vietnam and in Korea. We must do all that we can to support our Government's efforts to reunite all Americans with their families and loved ones. For former and present prisoners who gave so much we can do no less.

Accordingly, I urge my colleagues to support this resolution.

□ 1710

Mr. RIDGE. Mr. Speaker, I thank my colleague, the gentleman from New York [Mr. GILMAN], for his very thoughtful and appropriate statement.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 53

Whereas members of the Armed Forces of the United States have been recently captured by the armed forces of Iraq and have been held as prisoners of war;

Whereas the prisoners of war held by Iraq have endured incredible hardships and the events surrounding the holding of such prisoners remind us of the thousands of members of the Armed Forces of the United States who served in past armed conflicts and were held as prisoners of war;

Whereas many prisoners of war have been subjected to brutal and inhumane treatment by their captors in violation of international codes and customs for the treatment of prisoners of war;

Whereas many former prisoners of war died, or were disabled, as a result of such treatment;

Whereas, in 1985, the United States Congress directed the Department of Defense to issue a medal to former prisoners of war recognizing and commemorating their great sacrifices in service to our Nation; and

Whereas the great sacrifices of prisoners of war and their families deserve national recognition; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 9, 1991 and April 9, 1992, are designated as "National

Former Prisoner of War Recognition Day" in honor of the members of the Armed Forces of the United States who have been held as prisoners of war, and the President is authorized and requested to issue a proclamation calling upon the people of the United States to commemorate such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DAY OF PRAYER AND THANKSGIVING

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 83) entitled "National Day of Prayer and Thanksgiving," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. RIDGE. Mr. Speaker, reserving the right to object, I do not reserve the right in order to object, but merely to extend some time to the gentleman from New York [Mr. GILMAN], as well as to make a few comments myself.

Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in strong support for Senate Joint Resolution 83, which authorizes the President to declare a day of national prayer and thanksgiving for the resolution of the Persian Gulf crisis. I commend our colleague in the other body, the gentleman from Indiana [Mr. COATS], for introducing this important resolution.

Mr. Speaker, every man, woman, and child in this country has been filled with overwhelming gratitude for peace in the Persian Gulf. While we as Americans can take great pride in our courageous service men and women, and in the brilliant strategy of our military leaders and the President, we must not forget the death and destruction that accompanies this victory. The price for fighting tyranny, aggression, and oppression is always great, and our Nation should take pause to reflect on the blessing of peace.

A national day of thanksgiving and prayer would be in the best American tradition, and I urge my colleagues to join in supporting this resolution.

Mr. RIDGE. Mr. Speaker, further reserving the right to object, I want to, first of all, commend our former colleague from the House, Mr. COATS, for the sponsorship of this particular piece of legislation, and I would hope that, when the National Day of Prayer and Thanksgiving is enacted and a specific date is set, that somehow there will be a commemorative service in the Nation's Capital and it would perhaps be fitting that Members of the House and Senate, those very much involved in the decision to use our military, to send our men and women in harm's way, might be able to participate. We have been overjoyed with scenes of our men and women, husbands and wives, sons and daughters, returning from the gulf. I am afraid from time to time that with the emphasis on their return and the incredible and perhaps historic military victory that we achieved, that, as a country, while not willfully neglecting the pain that has been experienced in the homes and communities around this country, we perhaps lose sight of it. It is certainly understandable. But the day we send or commit a single troop or group of troops to combat and the day that combat is over and we have lost but one, we have sustained an enormous loss to the heart and soul of our country.

Mr. Speaker, we are not a militaristic country, but we are a patriotic country, and I am sure all my colleagues believe and understand it. But gold star mothers and gold star fathers who have lost sons and daughters bear a pain that no one, no one but those who have lost men and women in combat in support of their President in promoting and defending the principles and objectives that this country feels so deeply about, and no one can ever truly appreciate that pain. So, I think it is truly appropriate that we in this Congress ask the President to declare a National Day of Prayer and Thanksgiving, if nothing else, to remind us of the enormous sacrifice and burden that is shared, not only by those that have died for us, but is borne by their families, by their wives, by their parents, by their sons and daughters, for the rest of their lives.

Mr. SAWYER. Mr. Speaker, will the gentleman yield?

Mr. RIDGE. I yield to the gentleman from Ohio.

Mr. SAWYER. Mr. Speaker, I thank the gentleman from Pennsylvania [Mr. RIDGE], my friend, and pause only to associate myself with his comments and to recognize that the gentleman from Pennsylvania is not without his own measure of sacrifice. So, he knows whereof he speaks.

The events of this year has bound this Nation together in, first, debate, then common purpose, and now shared thanksgiving and prayer for an effort that has been unprecedented in its support of the highest values of this Nation, and so I particularly want to join in thanking the leadership on both sides of the aisle for their effort to bring this message before us today and to the President subsequently.

Mr. MONTGOMERY. Mr. Speaker, the forces which responded to the brutal occupation of Kuwait left no room for doubt about America's resolve to defend our sovereignty and that of our friends worldwide. The victory was swift, decisive, and resounding. Still, no war is waged without a human toll.

I am pleased to support the joint resolution authored by the distinguished Senator from Indiana, DAN COATS, which calls upon the President to declare a National Day of Prayer and Thanksgiving. The Senate has approved this measure.

The joint resolution would demonstrate our collective gratitude for the magnificent performance of the fine United States and allied military personnel who served in Operation Desert Storm; would express appreciation for the hardships and sacrifices they endured in the process; would remember those who are missing or who gave their lives, and would thank God for watching over our great nation and for sustaining it as a steady and brilliant beacon for freedom and human rights worldwide.

This resolution further calls upon our citizens to develop and participate in appropriate ceremonies and activities that express the nation's deep gratitude for the brilliant leadership and foresight of the President, and the remarkable accomplishments of the members of the Armed Forces of the United States and the other allied nations in liberating Kuwait, whether in combat or support positions.

This day is for the families as well. They too served this just and noble cause.

Mr. Speaker, America and its allies have once again quelled a serious threat of tyranny. It is simply the right thing to do, to pause and give thanks for the blessings, bestowed on our people and our Nation.

Mr. RIDGE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 83

Whereas the United States responded decisively to the crisis in the Middle East created by the invasion of Iraqi troops into Kuwait and the unlawful annexation of that sovereign state by Iraq;

Whereas a worldwide coalition was forged to preserve international order and stop Iraqi aggression;

Whereas President Bush pursued his strategy against Iraq with foresight and purpose from the moment Kuwait was invaded;

Whereas our military leaders planned their campaign on air, land and sea, with innovation and precision;

Whereas American troops have served bravely in the Middle East at great personal risk in the defense of freedom;

Whereas we have seen a stunning triumph of American leadership, military strength and technology;

Whereas the families of American military personnel stationed in the Middle East or held captive by the Iraqi government have faced great anxiety;

Whereas the families and friends of those who have fallen bear the greatest, most tragic loss of all;

Whereas Americans have traditionally recognized the importance and strength derived from prayer at such a difficult time;

Whereas our Nation has always trusted in a Providence which vindicates the oppressed and defends the right: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States declare a national day of prayer and thanksgiving to express our gratitude for the heroic efforts of our troops and to offer our thanks to God, the ruler of men and nations, the source of justice, and the author of true peace.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several joint resolutions just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ANNUAL REPORT OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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

(For message, see proceedings of the Senate of today, Wednesday, March 20, 1991.)

□ 1720

UTAH BLM WILDERNESS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. HANSEN] is recognized for 5 minutes.

Mr. HANSEN. Mr. Speaker, today I am introducing a Utah BLM wilderness bill.

Wilderness, and the protection of our Federal lands, is very important to me. In designating Utah's wilderness the Forest Service portion of wilderness was considered first. Through a process of thorough study, deliberation, compromise, and finally, consensus, 744,240 acres were found to fit the true definition of wilderness and were so designated by Congress with the passage of the Hansen/Garn Forest Service wilderness bill in 1984.

Within Utah's boundaries is some of the most spectacular scenery in the world. I believe that all Utahns want to protect for themselves and for future generations these unique and particularly beautiful landscapes found on BLM lands. There is no question that some BLM land in Utah fits the definition of wilderness as defined in the 1964 Wilderness Act, and should be designated as wilderness, but not all designated BLM lands fit the definition of wilderness and therefore, should not be included in a BLM wilderness bill.

Wilderness is widely misunderstood, Congress has the obligatioan to decide which special pieces of the Earth are so beautiful in their unspoiled condition that they should be kept that way for future generations. Quoting from the 1964 Wilderness Act,

> A wilderness, in contrast with those areas where man and his own works dominate the landscape, is hereby recognized as an area where the Earth and its community of life are untrammeled by man. An area of undeveloped Federal land retaining its primeval character and influence, without permanent improvements or human habitation.

Wilderness does change current use. Access is restricted to foot and horse transportation. There can be no temporary road, no use of motor vehicles, no motorized equipment or motorboats, no landing of aircraft, no other form of mechanical transport, and no structure or installation within any such area. Where a rancher was once able to transport his cattle by truck into an area, under wilderness designation he must take the cattle in on foot or use a horse to herd them in. Where someone disabled or less athletic used to drive on unimproved roads to view a scenic area, he must now walk up to 7 miles over treacherous landscape in order to gain the same access.

The question therefore becomes, what areas are truly wilderness? What areas are untrammeled by man?

In 1978, the Bureau of Land Management conducted an initial inventory of over 22 million acres of BLM lands in Utah to determine which of those came closest to fitting the wilderness criteria set by Congress. Over the course of past several years, the BLM has spent countless thousands of hours and more than $7 million reviewing each wilderness study area to determine which lands fully qualified for wilderness designation. Of those original 22 million acres, those BLM lands which obviously lacked these congressionally outlined wilderness characteristics were dropped from consideration.

Each step of the BLM process included extensive public involvement. During the 12-year history of the wilderness review, more than 16,000 written comments were received, 75 formal public meetings or hearings were held, and hundreds of face-to-face discussions were set up by the BLM for interested groups. In addition, a number of formal appeals of various decisions were heard by agency officials in Washington, by the Interior Board of Land Appeals, and the Federal courts. Every U.S. citizen has ample opportunity to give input into the final recommendation. The BLM has completed their study and has determined that 1.97 million acres qualify for wilderness designation.

At the same time the BLM was concluding its study, an interim Utah Joint House/Senate Study Committee has been conducting its own study to determine what wilderness recommendation the legislature should make to Congress. They, too, have completed their study and have made their recommendation that is identical to the bill that I am introducing.

It is my sincere belief that the State legislature is the government closest to the people and best represents the will of the citizens of Utah. The interim study committee has looked not only at hard data in making their recommendation, but has also listened to the people. I believe the recommendation which the State legislature has made is the best representation of what the people of Utah—the people most affected by this decision—want as wilderness. Land that fits the true definition of wilderness.

Now that the facts are on the table and the public and State of Utah have been heard, it is time for Congress to act expediently and judiciously to desginate BLM wilderness in Utah. To do otherwise and ignore the people most affected by the decision is to obstruct and hold hostage the ability of those most affected by wilderness designation to make long-term plans for their communities. It is now time for Congress to squarely face the issue and bring a final resolution to the BLM wilderness issue in Utah.

REAUTHORIZATION OF HIGHWAY TRUST FUND

The SPEAKER pro tempore (Mr. PARKER). Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 60 minutes.

Mr. LIPINSKI. Mr. Speaker, our topic this evening is going to be on the reauthorization of the highway trust fund. I am being joined here tonight by two Members from the State of Illinois, Mr. SANGMEISTER and Mr. POSHARD, who are going to both speak on this very important issue that is facing our Nation.

Mr. Speaker, first I would like to recognize and yield to the gentleman from Illinois [Mr. POSHARD].

Mr. POSHARD. Mr. Speaker, I would like to thank my friend and colleague, Congressman LIPINSKI, for organizing this special order on the reauthorization of Federal surface transportation programs.

When we compare the transportation needs of his urban Chicago district with those of the rural southern Illinois area which I represent there are some similarities, and there are also striking differences.

As a whole, the State of Illinois represents the whole range of transpor-

tation needs, and so I am pleased to be here today to give my southern Illinois perspective.

For southern Illinois, one of the most important Federal public transportation programs in section 18, the program which provides Federal funds for rural public transportation. Without section 18 financing, many rural residents would not be able to get around. In my 21-county district, section 18 makes it possible for men and women to get to work, to the grocery store, to a doctor, to town, or to see a friend.

It is easy to forget how much most Americans take their cars for granted. But, for rural residents who either cannot afford a car or are unable to drive, section 18 programs give them the freedom to get to work and go about their daily lives.

Another equally important Federal transportation program is the section 16(b)(2) program which is specifically designed to serve older and disabled citizens. Numerous studies have shown that rural areas have populations of elderly and disabled people at least as high as the national averages.

In rural areas, though, they are far more isolated. In many cases it is very difficult for them to be as mobile as they need to be. Any help with transportation greatly improves their quality of life, and section 16(b)(2) programs can provide those services. For many of the elderly and disabled who are fortunate enough to be served by this program, a ride is only a telephone call away.

For the elderly, the disabled, and all rural residents, public transportation can offer an important service. Although it is a small slice of the total surface transportation funding pie, it is very important for all of us outside the cities and suburbs.

In fact, I have joined my friend and colleague from West Virginia, NICK JOE RAHALL, as a cosponsor of H.R. 1079, the Mobility Assistance Act of 1991. The bill would increase funding for all public transportation programs, including the Urban Mass Transit Program, and programs which serve suburban, rural, and small urban areas.

One program in my district which could certainly use the kind of extra funding which H.R. 1079 would provide is the RIDES transportation project. RIDES currently serves a six-county area in southern Illinois and uses more than a dozen vehicles. The program is fully available to the public, and works in close partnership with a variety of local programs, schools, and services.

Some of those agencies include: the Golconda Job Corps, JTPA, the Illinois Department of Children and Family Services, developmentally disabled centers, Southeastern Illinois College, housing authorities, and nutrition programs. The RIDES program is an excellent model of how transportation can be made available to a wide range of rural residents. The program is successful, but is constantly in need of funding to maintain its services.

Programs which offer transportation to the disabled are also expanded under H.R. 1079. The bill would provide funds to help achieve the transportation accessibility goals which became law last year when the President signed the Americans With Disabilities Act. This increased funding is a firm step in the right direction, and I believe it offers real hope to millions of rural disabled Americans who need to be able to use public transportation.

In southern Illinois, we have several programs which specifically serve the disabled, including one which serves Saline and Franklin Counties in my district. Like all other similar programs, it too is in need of increased funding.

Mr. Speaker, rural public transportation is important to improving the quality of life outside our Nation's large metropolitan areas, but there are other major issues of concern. One of the biggest issues for us is access to the marketplace, and access depends on a high-quality network of roads and bridges.

According to the U.S. Department of Transportation, 42 percent of the Nation's highway bridges are structurally deficient or obsolete and much of our noninterstate highway system is in urgent need of repair. Although my region offers a skilled work force and affordable business locations, the quality of our highways is slowing our economic expansion. I believe that in this year's surface transportation reauthorization, we will have an opportunity to take a comprehensive approach to improving the quality of the country's roads and bridges.

Since we have almost entirely finished the Interstate System, we will have a chance to look at surface transportation from a broad perspective. We will be able to examine how to use the interstates in the most efficient manner possible and see how the highway system can complement our noninterstate highways, State, county, and local roads. A person cannot drive anywhere in the Nation without quickly realizing that we have many unmet infrastructure needs.

Improving our transportation system is on the top of the agenda for the Public Works Committee this year. My colleagues here today and I are working to craft a package which will improve the quality of surface transportation for all Americans.

Mr. Speaker, our committee has a lot of work ahead in the coming months. We also have the opportunity to work for the common good of the Nation. I am confident that we can meet that challenge. I am pleased to have been included in today's discussion and I would like to again thank my friend, Congressman LIPINSKI for organizing this special order.

□ 1730

Mr. LIPINSKI. Mr. Speaker, I want to thank my colleague from Illinois [Mr. POSHARD] for participating in this special order. As he said, we are working on a reauthorization bill at the present time. It is a very important bill to this country, and I want to particularly thank him for talking about mass transportation in rural areas, because I think many people are not aware of the fact that mass transportation is very important to rural areas. People associate it somehow simply with large metropolitan areas. So I am happy that the gentleman has brought that to our attention.

I also want to welcome Congressman POSHARD to the Committee on Public Works and Transportation. He is our most recent arrival, and I know, based upon my past experience with him, that he is a very reflective individual, a very conscientious individual, and he will do an outstanding job on that committee.

Mr. Speaker, I would like to turn now to another member of the Committee on Public Works and Transportation from the State of Illinois, my very good friend, Congressman GEORGE SANGMEISTER, and I yield to him at this time.

Mr. SANGMEISTER. Mr. Speaker, first I would like to thank Representative LIPINSKI for organizing this special order tonight. It couldn't be more timely as we consider the 5-year highway reauthorization proposal in the Committee on Public Works and Transportation. Since my friend and colleague will undoubtedly touch on the importance of mass transit, I'd like to take a few minutes to talk about bridges, and in particular, as they relate to the State of Illinois.

Illinois has a total of 25,572 bridges. Of these, roughly 28 percent or 7,126 are inadequate for current loads. When these figures are broken down, we find 20 percent of Illinois' highway bridges on the Federal-aid Highway System, and 33 percent of State and local bridges off the Federal-aid System, are deficient. Nationally, the number of structurally inadequate bridges is even higher. The newspapers periodically tell the sad stories of major bridge collapses and highlight why these deteriorating bridges should be a National public safety concern. I share their concern.

It's easy to attach substandard labels to these structures but what this means in real terms is perhaps more crucial. Just last September a major bridge in my congressional district was closed for safety reasons with virtually no warning. The 135th Street Bridge, located in Romeoville, IL, was shut down by the Chicago Metropolitan Water Reclamation District due to

missing metal and corrosion. This 91-year-old bridge served as the only link between the east and west sides of Romeoville.

I am especially concerned about this bridge closing because emergency teams (including firefighters, police, and rescue squads) are having difficulty responding to calls in a timely fashion. The substitute route for emergency vehicles requires a 9-mile detour across an alternate bridge in Lockport, IL. When traffic is heavy, the trip sometimes takes up to 75 minutes. Put simply, the safety of the residents and businesses on the east side is being compromised.

This problem is compounded by the location of a major oil refinery, also on the east side which would require an immediate response in the event of an emergency. Clearly, the refinery facility is in a vulnerable position.

Coupled with these safety concerns are the tremendous economic consequences of bridge closings. To continue with the example of Romeoville, the Panduit Corp., which employs 218 people, reports that employees are chronically tardy because their commute time has doubled or tripled since the bridge closed. Since most traffic has been shifted to the State Street Bridge, drivers have been reporting up to 35-minute delays just to cross the alternative bridge. Lost time translates into lost money.

The situation in Romeoville is just one small example of the impact our deteriorating infrastructure will have on our economic productivity. We are, without a doubt, moving closer to a crisis stage. There is no question that the state of our bridges affects the operation of our highway network as a whole. Throughout the Persian Gulf war, it came as no surprise that the coalition air forces concentrated many of their efforts on destroying the bridges in Baghdad. They knew this would further incapacitate Saddam Hussein, and it did.

Contained within the President's highway proposal is a separate bridge rehabilitation program. This program funds the replacement or rehabilitation of highway bridges when here is a finding that a bridge is important, that it is unsafe, that it poses a safety hazard to highway users, that its replacement or rehabilitation would improve traffic, or that its replacement or rehabilitation program would improve emergency services.

Currently, the money apportioned from the Federal Government to States for bridges is based on the cost to rehabilitate or replace all deficient bridges in each State. Since the State of Illinois has been aggressively working to correct their bridge deficiency problems by funding bridge projects with State money alone or from other Federal program categories, this system actually works against them in terms of Federal formula money. According to the State of Illinois, "If the regular bridge formula were based 50 percent on bridge extent—the total area of all bridge decks—and 50 percent on bridge usage—vehicle miles of travel on bridges—as opposed to current deficient bridge cost basis, Illinois would receive approximately 136 percent more in Federal bridge funds."

President Bush, in the administration bill, wants to change bridge program eligibility and distribution formula to a level of service approach. Under this kind of approach, bridges would be eligible for Federal funds based on their ability to meet minimum acceptable levels of service for the functional class of service on which it is located. Again, this will hurt Illinois. In this case, the State of Illinois estimates that under this new level of service approach, the number of eligible bridges would be cut by 53 percent compared to the number of bridges that currently qualify under the current formula method. Thus, Illinois would be penalized in terms of formula money in the President's bill because they have consistently invested resources in preventive maintenance.

The discretionary bridge program traditionally has provided supplemental funding for high cost projects in many States. Under President Bush's proposal, the Federal Government will continue to make these discretionary funds available for nonlocal bridges that cost a minimum of $10 million for the National Highway System and $5 million for others.

Another important change in the President's proposal that shouldn't be overlooked is the match ratio maximum. Traditionally, the match ratio for projects on local roads is 80 percent Federal-20 percent State. The President wants to change this to 75 percent Federal-25 percent State with a 10 percent local match minimum.

Ideally, I would like to see a continuation of a separate Federal bridge program that takes into account the total extent of bridges and the degree of use in each State—rather than the cost to replace or rehabilitate deficient bridges. In terms of Federal discretionary spending, I believe the Federal program for high cost bridges should be continued.

□ 1740

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman from Illinois [Mr. SANGMEISTER] for his contribution to this special order, and particularly his insightful comments pertaining to the bridge situation and the bridge program.

As we all know, bridges are of enormous importance to transportation not only in this country but throughout the world as the gentleman so obviously put it when he was talking about Saddam Hussein. I thank the gentleman.

Mr. Speaker, it was only two weeks ago when the President of the United States stood on the floor of this House and addressed a joint session of Congress.

At that time he was delivering his words to the American people on the conclusion of the war in the Persian Gulf. And it was a warm moment—a time when we could feel unified as a nation and thankful that the war had been swift and decisive.

But it was also a moment in which he laid out before this body a challenge on the domestic front.

He included in that challenge the passage of a surface transportation bill that would renew our Nation's infrastructure.

I totally agree with that idea. By infrastructure, we mean, bridges, roads, highways, and other modes of transportation.

There are few political leaders in this Nation who do not agree that more money and more attention must be focused on these neglected needs.

But infrastructure also includes mass transit. And when it comes to the President's transit proposal, especially in cities like the one I represent—Chicago—what Congress is faced with is not a challenge. It is a threat. It is a threat to the viability of mass transit systems across this Nation.

It is a threat to our Nation's energy policy. It is a threat to the thousands of people who rely on mass transit each day to remain mobile in a society that demands mobility.

I am by no means alone in my contention that the President's mass transit proposal is feeble. Far from it. Day after day I have people from across this Nation coming into my office and telling me of the damage the President's proposal would to their community. There is not a mass transit system in this Nation which does not feel that mass transit has once again been treated as an ugly sister to the Federal highway program.

I believe it is appropriate to describe in greater detail what is wrong with the President's mass transit program.

To see the President's lack of commitment to mass transit, one need look no further than his program's bottom line. Let me read you some figures. In 1991, $14½ billion are going to be spent on the Federal highway programs. By 1996, that figure will reach $20 billion, according to the President.

Compare that to mass transit. In 1991, the Federal commitment will be $3 billion. What does the President suggest we spend 5 years from now? Only $3.3 billion. That's right. Over the course of the next 5 years, the President suggests that we do not spend enough money on mass transit to keep up even with inflation. Meanwhile, the President proposes that money for

highways increase 39 percent over the next 5 years.

I do not make this point to suggest that less money be spent on our highways, bridges, and roads. In fact, the surplus in the Federal highway trust fund tells us we should be investing more, especially in our urban areas. What I am saying is that mass transit funding is pathetic when compared to what we spend on highways. And when one considers the needs of mass transit and the people who rely on it for transportation, there is simply no excuse.

The President's proposal on mass transit is nothing new. Republican administrations of the past seem to have been aiming at getting out of the mass transit business. Since 1981, Federal assistance to mass transit has been reduced 50 percent when the money is adjusted for inflation. Fifty percent in just 10 years. And in fact, the President's funding proposal for 1996 would not even match the $4.6 billion that was spent when Ronald Reagan took office in 1981.

What is clear is that spending money on mass transit is not a priority for this President, as it was not for his predecessor. What is not clear is, Why not? And the question becomes even more unclear when one considers the experience our country just went through in the Middle East. There is no question that the war in the Persian Gulf was about more than oil. But there is also no question that oil was a factor. Oil in today's world means power, and it was power that Iraq's dictator was after.

The only reasonable conclusion we can draw is that our Nation must reduce its reliance on foreign oil. And that means we should be reducing consumption. What is wrong, I ask, with making mass transit a part of our solution? What is wrong with trying to entice more people to get out of their cars and ride buses and trains to work? The answer, of course, is that nothing is wrong with it. In fact, it makes a great deal of sense. It would help reduce the dangerous habit we have of relying on imported oil. And besides that it would help relieve the traffic congestion which is choking the economic vitality of our Nation's urban and suburban centers.

But there is also another factor to consider. Last year, we spent a great deal of time and effort on passing a Clean Air Act to make our Nation's cities more liveable. We have an opportunity to help make cleaner air a reality with this year's surface transportation bill. Increased use of mass transit would help relieve our Nation's cities of the smog which currently plagues more and more of them.

Mass transit can be part of the solution to several of our Nation's problems. But we must have a commitment that starts at the top. And that is going to take money.

Objections to this bill go beyond the meager funding level. There are, in addition, many provisions within the President's proposal which makes it unacceptable to cities across this Nation. Perhaps the loudest criticism has been created by the proposed elimination of operating assistance for regions over one million in population. That criticism is well-founded.

The administration says that it should not be in the business of providing assistance to help mass transit agencies operate. That philosphy, I believe, is shortsighted and indicative of a lack of commitment to increase mass transit ridership in this Nation. Transit systems have come to rely on Federal operating assistance to help keep fares low and provide a real alternative to the automobile.

Some idealogues in the Republican Party say that transit fares must be raised if those fares are too low. They say the Federal Government's only role is to help purchase expensive equipment. But that argument ignores the fact that transit is not competing on a level playing field with the automobile. Gas prices in this Nation are already remarkably low when compared to other countries. And employers can provide parking spaces worth hundreds of dollars to their workers without it being considered taxable income. In that environment, mass transit fares must be kept as low as possible to encourage people to ride buses and trains. Otherwise, there is no incentive for them to get out of their automobiles. And yet the administration proposes to eliminate operating assistance to those areas which need mass transit the most—regions with over 1 million people.

The President has proposed that the money formerly used by local agencies for operating expenses be shifted for use on capital expenses. He says the proper Federal role in mass transit is to help buy hardware. But I know that within my own community, the elimination of operating assistance is going to hinder the local transit agency's ability to spend more on those very capital needs.

The Regional Transportation Authority, the transit agency in the Chicago area, receives roughly $40 million per year in operating assistance. At the same time the RTA has issued $100 million in debt to help address its tremendous capital needs. The complete and sudden elimination of operating assistance would force the RTA to use its discretionary funds as a replacement. That would hinder the RTA's ability to pay its debt and continue improving its capital—the very same capital improvement the administration says it wants to help fund. At the same time, mass transit in my community is going to have to deal with another cutback proposed by the new Republican Governor of Illinois. His plan calls for the elimination of $36 million which help subsidize student, elderly, and handicapped fares. The result is a double whammy which is going to make mass transit either much more expensive or much less available. And possibly both.

But if the news about the President's proposal on operating assistance is bad, the news on his ideas for capital assistance is not much better. The President has said that the proper Federal role in mass transit is to help pay for capital expenses. But at the same time, he has proposed that the Federal share in capital projects be reduced. The current formula matching ratio for capital costs is 80–20. That is, in projects in which the Federal Government participates, the Federal Government pays 80 percent of the costs, and the locality pays 20 percent. The administration says that the Federal share should be reduced to 60 percent, with the localities making up the difference.

Once again, mass transit systems across the Nation will be forced to absorb the impact. The RTA currently receives $4 for every local dollar contributed to a formula capital project. The President's proposal would reduce that ratio to $1.50 for every dollar contributed. This sharp reduction simply should not be allowed to stand.

What is particularly troublesome is that not all highway programs share the matching-ratio set-aside for transit. This creates a problem because the President has also proposed greater flexibility between transit and highway money. The President has suggested that a portion of highway money be allowed to be used for transit projects, and vice versa. One problem with that idea is that a portion of the Federal highway system would be funded at a 75–25 ratio, while transit would be at a 60–40 ratio. The only incentive the administration would be providing in such a case would be for money to be transferred away from transit and toward highways.

But the discrepancy between matching ratios is not the only problem with the President's co-called flexibility concept. The proposal is tilted toward highways in other ways as well. The administration would allow 100 percent of the transit program to be transferred to highways. But it would allow less than a third of highway funds to be used on transit projects. It seems only fair that there should be an equal percentage of availability if the system is to work on a level playing field.

But the issue of transferability raises another question as well. I can use my own State of Illinois as an example. My State department of transportation has no real stake in funding mass transit in the Chicago area. That is not the State's responsibility. So what is the incentive for Illinois' Department of Transportation to use money on transit projects in Chicago? Why would it possibly want to transfer money away

from highway projects when it always has a long list of such projects that need funding. The administration says that it is merely trying to facilitate cooperation—that it is trying to create some reasons for transit and highway interests to work together. But if flexibility is the goal, I must say that the administration must try harder, because its current proposal simply provides no incentives to Illinois and other States across the country. Right now, it seems little more than a diguise behind which the administration can say more money is being made available to mass transit.

Finally, I would like to comment upon the President's suggestion that all Federal money for transit come out of the Federal mass transit account. For years, many of my colleagues and I have been saying that the Federal Government must spend down the multi-billion dollar surplus in the mass transit account. We have been saying that the money must be used for its intended purpose—improving mass transit.

Well, the President's proposal certainly spends down the money. But it does this because it eliminates the other major source of funding for mass transit—general revenues. That means the money in the trust fund will be spent down very rapidly—so rapidly in fact that there is a possibility that by 1996, the total amount of money in the trust fund may be only a little more than $1 billion. That amount of money would not be enough to support even the meager transit program the President requests.

Several times I have described the impact some of the President's proposals would have on the RTA in my community. I would like to mention as well the tremendous number of problems the President's plan would create for the Chicago Transit Authority, the mass transit agency operating only within the city limits.

When combined with cuts planned by the State, the President's proposal would mean the loss of $69 million worth of funds for the CTA. The only way to compensate for those losses is to cut service—and that means an additional loss in farebox revenue. In total, the CTA would have to cut $113 million out of its budget—that is about 45 percent of the segment of the budget which is variable.

What would the cuts mean? An elimination of owl service in many areas, for one. That means people who work at night and depend on the CTA would be out of luck—compliments of the President. For another, it would mean the elimination of entire rail lines which would be too expensive to operate. And it would also mean about 1,500 layoffs—that's 1,500 out of a work force of 12,000.

And still, the cuts would not be enough. Fares would also have to be raised—by about 40 percent. And that higher fare would be to provide the commuter with a lower level of service.

And as I have said, the CTA is far from unique. In fact, its situation may be better than it is for many. The worst off may be Philadelphia, which already has the highest fares in the Nation. And other large cities like New York and San Francisco are going to be hard hit as well.

By now, I hope my point is clear. Mass transit in this Nation cannot afford to have the President's proposal enacted.

I began this speech by reminding us of the President's challenge 2 weeks ago on the domestic front. I say we accept the President's ante, and raise the stakes. I say we challenge him back—challenge him to support a mass transit bill that will help those who rely on transit systems, and will encourage more people to do the same.

The head of the Urban Mass Transit Administration was recently quoted as saying that if people want more money for mass transit, what is needed is a public outcry. I say he is going to get that outcry during the next few months of our debate. And I also say that if we believe in mass transit, we should be providing the leadership. That is why the people elected us, not to sit back and wait for poll results to come in.

We have an opportunity to improve mass transit in this Nation. We have an opportunity to strengthen our energy policy, to reduce congestion, and to make the air cleaner. And we have an opportunity to help those who depend on mass transit every day and who have no alternative. I say we seize the opportunity.

□ 1800

SALUTE TO U.S. ARMED FORCES IN PERSIAN GULF

The SPEAKER pro tempore (Mr. PARKER). Under a previous order of the House, the gentleman from Georgia [Mr. THOMAS] is recognized for 60 minutes.

GENERAL LEAVE

Mr. THOMAS of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. THOMAS of Georgia. Mr. Speaker, I yield to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Speaker, I thank the gentleman for yielding to me and appreciate him having taken out this special order.

I am the ranking member on the Subcommittee on Military Personnel and Compensation of the Committee on Armed Services, and as such feel it is particularly important that I join in paying tribute to those American forces, the Active Forces, as well as the Reserves and the National Guard who were called upon to serve their country in connection with Operation Desert Shield and then Desert Storm.

This country has been benefited and privileged by having people from each generation come forth to protect our freedom and to preserve our national security. It has never been done better than by those people who we called for and sent to the Persian Gulf.

We boast of the tremendous technological capabilities of our armed services, but I hope we will never cease to be mindful that all those Smart bombs, all that wonderful technological capability would be wasted if we did not have the people with the technological capability, the training and the dedication to use it. Never has America been better served than by those forces which we sent to the Persian Gulf.

Those of us in the Congress who on January 12 undertook the awesome responsibility to authorize their deployment in the use of force, I think are especially called upon to say thank you for a job so tremendously well done. From the Commander in Chief to the commander of our forces in the Middle East, General Schwarzkopf, down to the recruit and the private, no one could have served us better.

Mr. Speaker, I thank the gentleman for the time and for his initiative in taking out this special order.

Mr. THOMAS of Georgia. Mr. Speaker, I thank my good friend, the gentleman from Virginia [Mr. BATEMAN] for his comments.

Mr. Speaker, I yield to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, today I rise to salute the men and women of the U.S. Armed Forces, who so bravely and successfully brought home a resounding victory for the allies over Saddam Hussein's ruthless aggression.

All Americans are proud of our troops for their outstanding service to our country and freedom-loving people throughout the world.

We must also be grateful to the people of the United States, who showed such enthusiastic support for our troops throughout Operation Desert Storm.

The strong, unified support of the American people made possible the quick and decisive victory over Saddam's aggression.

As Army Lt. Steve Lisle, of Plymouth, MN wrote from Saudi Arabia, "Tell the folks back home their support means a lot to all of us over here on the front lines."

A special note of gratitude goes out to the families of our troops, whose love and sacrifices contributed significantly to this great victory.

Throughout Desert Storm, I had the privilege of meeting regularly with families of Minnesota troops in the gulf, thanks to the family support organizations SOCM and BACM [Support Our Country's Military and Back America's Courageous Military]. The leaders and members of these groups deserve our praise for their major role in the war effort.

The pride throughout our Nation can be attributed to the success of our courageous troops, our strong and wise military leaders, and our great President.

Our Nation's renewed spirit of patriotism is also a result of President Bush's effective communication with the Congress and the American people, telling us from the outset that our mission was to repel Saddam's invasion of Kuwait and stop his further aggression.

Now that the war is over, we cannot forget our close friend Israel. In the midst of 39 Scud attacks against her own civilians, Israel refrained from retaliating, and consequently, the Arab coalition united against Saddam held together.

In negotiating a postwar peace settlement, we cannot allow Israel's borders to be more threatened than they already are. This war has shown us how crucial it is that our solid alliance with Israel remain strong. This war has also shown us how important it is to maintain stability in the Middle East.

And this war has shown once again that we are a great nation blessed with brave and strong military men and women. Congratulations to all of our troops for representing the best of America.

□ 1810

Mr. THOMAS of Georgia. I thank the gentleman for his comments.

Mr. Speaker, Mr. FAZIO was scheduled to be here, but was unable to be present and will submit his remarks.

Mr. Speaker, I yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. I thank the gentleman for yielding.

Mr. Speaker, I think it is excellent that the gentleman from Georgia [Mr. THOMAS] has taken out this special order, and I am going to follow him with a 1-hour special order of my own on the devastation and the havoc that was wreaked in Kuwait as that country was torn apart.

But the key word that applies to all our young men and women and some not so young, the Vietnam vets and even a few at the highest levels who go back to the Korean war, the word that I heard over and over again was "professionalism."

The decision, the bravery, the glory, that applies to the American fighting men and women in every conflict that we have ever been involved in, and it certainly applied in this one. But there has always been some postmortems about professionalism. "Were our troops trained as well as they could have been?

In 1942 our torpedos were not working, our planes were inferior to the Japanese planes and the best of the Luftwaffe planes. But in this case the American aerospace industry, the naval shipbuilding industry, the electronics industry, everywhere up and down the line, the weapons were so superior that it was awesome. The news media seemed to be enthralled with the fact that in spite of their doomsday talk for years about the defense industry, everything was working. But it was really the training.

In two trips over there, this is what has been brought home to me by the commanding men and women who were over there, over these excellent people, young people in the field.

Red Flag in the Air Force, blue flag, green flag, those other flag operations not as well known as Red Flag at Nellis Air Force Base, training fighter pilots, training the electronic people. Also, the National Warfare Center, the Warrior Preparation Center in Europe, American idea, American-run. The National Training Center at Barstow for our tank troops, integrating them with air.

All of these training programs and the dedication of those young people to get the best they could out of those training programs, it has just been amazing to see how these people performed.

So it is only natural that people would do what the gentleman from Georgia is doing, paying honor to them on the floor of this great deliberative body.

I hope the parades go beyond what our fine President has called for on July 4. I hope there are pre-parades on Memorial Day, I hope building up to Veterans' Day till the end of the year. As Life magazine's latest issue says, "The greatest Thanksgiving in our lifetime was the Thanksgiving of November 1945, V-E Day in Europe, on Harry Truman's birthday, May 8, and then V-J Day on the deck of the *Missouri*, September 2, 1945. A few months later, this was the greatest Thanksgiving of all time. I hope we equal, if not go beyond, that Thanksgiving this coming November and then let us take it right into Christmastime. Let us make it from now on, on this House floor and throughout this country a year of appreciation to these young men and women and their great leaders of prior wars of every age for a superb job that goes beyond the expression "Well done." They seemed to be only to be able to reach out to the words that young people love the best and that sportscasters love the best, like "awesome."

Again, I thank the gentleman for taking this special order.

Mr. THOMAS of Georgia. I thank my colleague from California, Mr. DORNAN, for his as usual comments which were eloquent and well put.

I would point out that the parades have already started. This past Saturday, in my own First District of Georgia, which is the home of the 24th Infantry Division, some 300,000 Irishmen—all were Irishmen on that day—gathered for St. Patrick's Day celebration, one of the largest in the country.

On that day, the highlight of the parade was to have back some of the very first forces to return, the 24th. Let me tell you they were well received.

I was back down somewhere in the parade, and by the time I got there I was convinced that everyone was very tired from having applauded the troops as they came by. But it was a great experience.

So the parades have indeed begun already.

Mr. Speaker, I yield to the gentleman from California.

Mr. DORNAN of California. I thank the gentleman for yielding.

I was not aware, Mr. Speaker, that the point of the spear, as some of the people have called the 24th Infantry Division, mechanized, is in the gentleman's district. The gentleman is one lucky congressman. I visited with them in November with a big bipartisan delegation, about 20 of us. I met their great commanding general, an Irishman, Barry McCaffery. He is still over there with the remainder of his troops; and I will bet he is there in spirit.

But McCaffery fought hard and long in Vietnam as a younger officer. One of his daughters is an officer, one of his sons is an officer over there, another one is about to go to one of the service academies. His daughter just graduated from Bishop O'Connell High School over here in Virginia, because he was at the Pentagon right before he went down there. Last year I had the honor of speaking at her graduation at the National Shrine, America's biggest church.

So he said, "I was in the church that day, and come on, I want to talk to you a second." He talked to me about those young men and women. This is one of those lucky things; people talk about Schwarzkopf, the right man in the right place, Colin Powell, Dick Cheney, everybody, the President himself, right down to our division commanders. Barry McCaffery was the right man at the right time at the right place, and what a point to have on his spear. His father-in-law watches the proceedings of this House regularly, and he is watching this special order right now.

So to the great father-in-law of that great general and Mrs. McCaffery and

all of that Army family's gang, beyond "Well done," but simply "Awesome."

Mr. THOMAS of Georgia. I thank the gentleman again. I also point out that we are very proud of the 24th and my comments will lean in that direction in a few moments. But at the same time I would also reminisce that when I first took over the office back in 1982, Gen. Jack Galvin was in charge of this command. He is now the supreme allied commander in NATO. His change of command was turned over to none other than General Schwarzkopf himself, who commanded the 24th. It went right on down to the great succession of outstanding generals to our current commander, General McCaffery, who of course has been recognized in numerous articles as perhaps our finest battlefield commander to date.

I thank the gentleman for his comments. I see others of my colleagues who have joined us at this time.

Mr. Speaker, I yield to the gentleman from Texas [Mr. LAUGHLIN].

Mr. LAUGHLIN. I thank the gentleman for yielding, my good friend, for taking out this special order.

Mr. Speaker, I think it is important that we are here today to pay tribute to the men and women of the U.S. Armed Forces who recently served our country in the Middle East. It is indeed fitting that we recognize their dedication and accomplishments of these brave sailors, soldiers, and airmen. These men and women answered the call of our Commander in Chief to fight for the just cause of liberating a tiny country from the hands of an aggressive neighbor, an aggressive dictator. The military operation to free Kuwait was extremely successful, and much credit must be given to General Schwarzkopf for his excellent leadership during Operation Desert Storm.

As an Army Reserve officer, however, I know that credit for such a successful military operation must ultimately be given to the soldiers who executed the orders of their leaders.

The speed and vigor with which our troops performed exceeded even the expectations of our military commander. Therefore, it is appropriate that the success of Operation Desert Storm be laid squarely at the feet of the military personnel who participated in this most successful operation.

For the bravery and selflessness that the U.S. soldiers, sailors, and airmen displayed in Operation Desert Storm, we in Congress offer a salute.

As the gentleman from Georgia and the gentlemen from California were talking about the 24th Infantry Division, I could not let this moment pass and let them hog, take personal credit for, their connection with the 24th because my classmate from Texas A&M, Brig. Gen. Terry Scott, is the deputy commander of the 24th Infantry Division.

What a thrill it was last week to be sitting in my breaksfast room watching television and to see them interviewing my classmate from my Texas A&M college days and to witness General Scott pay tribute to the service given to our country by the men and women serving under his command.

So that I must tell you, as a Texan and as a graduate of Texas A&M University, I am extremely proud of my classmate from Coleman, TX, who has now risen to the rank of brigadier general. I must say the Defense Department has recognized his leadership ability because he has been notified that he is on the promotion list for a second star to serve in the ranks as a major general.

On that note, I must also add there were over 200 officers who served in Desert Storm who were graduates of Texas A&M, and, as a graduate of that school myself, I must confess I am extremely proud of the continuing dedication of the young Texans who attended Texas A&M and gave of their time and commitment to serve our Nation.

They can talk about all the great generals from West Point, and there have been many who graduated from West Point and I am proud of the service I give to this body as a member of the board of visitors at West Point, but I must note there were more officers served in the military of the United States of America in World War II from Texas A&M University than served from the U.S. Naval Academy or the U.S. Military Academy.

□ 1820

So, we are proud of the commitment and dedication of all Americans that served in our Armed Forces, and I rise and also express some pride in the service by so many young Texans.

Mr. Speaker, I thank the gentleman for including me in this special order.

Mr. THOMAS of Georgia. Mr. Speaker, I thank my colleague, the gentleman from Texas [Mr. LAUGHLIN], and I will just give him an upgraded word on General Scott.

I was there on the Thursday evening when the first forces who had participated in Desert Storm returned here on a Thursday evening and touched down at Hunter Army Airfield, and the first soldier to step off that airplane at 1:41 on that evening was none other than General Scott, and it was a great pleasure to see him embrace his wife and his two young daughters that were there, and then this Saturday morning, again at the St. Patrick's Day celebration, he and I celebrated the start of that day with green eggs and green grits there on that St. Patrick's Day celebration. So, I appreciate the comments of my good friend from Texas.

Mr. Speaker, at this time I yield to my colleague and good friend, the gentleman from Georgia [Mr. RAY].

Mr. RAY. Mr. Speaker, I thank the gentleman from Georgia [Mr. THOMAS] for yielding time to me, and I want to thank him for initiating this special order tonight in honor of our brave, brave soldiers in the Persian Gulf war. I salute the men and women for a job well done, and I rise today to comment then on the superb job, both over in the Middle East and here at home that they accomplished in this magnificent and historic victory. It is my impression that we have sent the Saddam Husseins of the world a message that the Vietnam syndrome has gone and that they better be careful how they initiate any further action such as has just occurred in the Middle East.

Mr. Speaker, this special order takes place on the same House floor that helped the President's victory address to the Nation just 2 weeks ago. In that speech President Bush paid tribute to many of the participants who are responsible for the success of Operation Desert Storm, and I pay tribute tonight to additional participants, and I would like to refer to Robins Air Force Base in Fort Benning, GA, located in the Third Congressional District of Georgia, which I represent, and my colleague, the gentleman from Georgia [Mr. THOMAS], represents Fort Stewart in the First Congressional District and knows firsthand the trauma that affects families and communities when all of a sudden a firing base that is just a beehive of activity is kind of quiet, and we all praying for the return and safety of those loved ones that have gone to the Middle East. These installations, Fort Stewart, Fort Benning, Robins Air Force Base, and others, served important roles in that victory.

Two weeks ago I had the pleasure, such as the gentleman from Georgia [Mr. THOMAS] has mentioned, at Fort Stewart to honor and to welcome home members of the 197th Mechanized Infantry Brigade and the 36th Combat Engineer Group at Fort Benning, GA. Fort Benning, the home of the infantry, has a distinguished history, and its participation in Operation Desert Shield and Desert Storm will continue this prestigious line.

As these infantry soldiers came off of two airplanes on Saturday night about a week ago, this huge crowd of relatives, of family and children were there, about to tear down the fence to get to them, and, when they were forced to form a brigade and march like soldiers due to be honored and as the patriotic music played, I heard three little children singing, crying out, "I want daddy. We want daddy." I will tell my colleagues that it just really got to me.

Each of Fort Benning's tenants served honorably in the gulf, offered the needed support at home. These tenants—I would just like to mention them—include the School of the Americas, the Rangers, the 97th Mechanized

Infantry Brigade, about 4,000 of them, the 36th Combat Engineer Group, the 34th Medical Battalion. All 76 doctors at Martin Army Hospital went to the Middle East, and our reserves filled that void there and took care of the situation, and they are still gone. The military police activity left Fort Benning, the Lawson Army Airfield made a heavy contribution, and the U.S. Army Research Institute did also.

And over on the eastern side of my district, the largest payroll in Georgia, Robins Air Force Base and Robins Air Logistics Center in Robins, GA, helped to organize and carried out much of the logistics support for the massive movement and positioning required for Operation Desert Storm. In just 1 week 17 C-141 loads of F-15 parts took all the supplies for an F-15 wing, just 10 days after the Desert Storm began. Robins Air Force Base is an excellent example of the superb logistics capability that the Air Force has developed and must maintain in the future.

The loved ones left at home also are due a lot of credit. They gave the critical support needed for that campaign; prayers, letters, and gifts from home which made life in the desert just a little bit easier and increased the desire to come home quickly.

Lastly, Mr. Speaker, I salute the American people, and we can be proud of the response which America overwhelmingly gave to the criminal act of Saddam Hussein in his overrunning, raping, and plundering of Kuwait. It gives us a renewed sense of patriotism. Eighty percent of Americans fully backed the President and continue to do so and approve the manner in which the war was conducted. I am pleased to have been on board from the very beginning. I did not have one bit of trouble with my philosophy in that case. The United States came together in this cause, and the spirit of patriotism today is more alive and well in America than it ever has been, and, thank God, we have all these young children, and young people and teenagers who now know what patriotism is all about. The Vietnam syndrome, as I said, I think, is gone. It is behind us, and victory would have been impossible without this deep and nationwide support. It brought this country together. It let us know that we can tackle other problems: The deficit and some of the moral deterioration of this country which can now be dealt with because we know we can come together and deal with these situations.

Mr. Speaker, the gulf crisis and the unrest in the Soviet Union demonstrate that we must always maintain an adequate defense capability. In addition, we must keep in mind that there has never been a single year in our recorded history that there was not a serious conflict brewing or a war under way in the world. So, it is important that America maintain a state of readiness and have the ability to always deter aggression, but war and remaining in a readiness state is very expensive. Sometimes it is not very popular when other programs that are badly needing money are suffering also. The high-technology weapons that were so effective in the Middle East worked well, and, thank God, they saved a lot of lives and prevented casualties. However they are costly and require years of research and development. Many of the weapons which worked so successfully were almost killed time and time again right here on this floor of the House of Representatives, but many of us in Congress and on the defense committees were criticized for supporting the weapons that were so successful, and that tells us that we have got to continue to face up to such criticism, and probably in the next few weeks when we have more controversial weapons systems that have to be discussed and debated on the floor of the House of Representatives and should be approved. In the future adequate military spending will be driven by realistic defense requirements and budget constraints, and I hope it is not by political posturing. Our very serious national debt mandates that we budget our defense dollars very seriously, but the war in the Middle East demonstrates that we cannot be lulled into an imagined world where actually aggression would no longer occur or an adequate defense is no longer needed. Unfortunately such a world will not occur in our lifetimes, and we must be prepared for future dictators as bad or worse, if there can be one any worse, than Saddam Hussein.

Mr. Speaker, I am grateful for the time that has been given to me by the gentleman from Georgia [Mr. THOMAS], and I thank him very much for this special order which he has arranged tonight.

□ 1830

Mr. THOMAS of Georgia. I thank the gentleman from Georgia, and also want to thank him for the leadership he made in defense issues and the role played on the Committee on Armed Services here, as well as thank him for coming to take his time this evening as well.

Mr. Speaker, I now recognize my good friend, the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Mr. Speaker, I would like to thank my distinguished colleague from Georgia for yielding me time. While I certainly lend my voice in honoring all the coalition troops who served in the gulf, today I would like to pay tribute to two special individuals.

Much has been said, and rightly so, about the skill and bravery of our troops, the technical wonders of our weapons, and the bold brilliance of our leadership. Let us not forget, however, that although our casualties were miraculously light, there are more than 200 American families grieving the loss of one of their own.

Future historians may indeed mark this conflict as the beginning of an era of lasting peace, of a new world order, but these families will remember it as the war that killed their son or daughter, their father or brother, their wife or husband.

The city of Long Beach, in the 32d Congressional District of California, has suffered the loss of two of its outstanding young people. To the parents and families of Army Sgt. David R. Crumby and Army Sgt. Cheryl L. O'Brien, I wish to offer the gratitude and support of this Congress and of our entire Nation. You have given of yourselves for your country, and in respect for this sacrifice, we now embrace you, sharing both your sorrow and your pride.

Not so many weeks ago I stood in this Chamber and cast my vote to authorize the use of force to restore freedom to a sovereign people. I prayed that force would not be necessary. Today I pray the nations of the world will see how highly Americans value freedom, and that we stand resolutely to defend it wherever it may be threatened. We have always paid dearly for our freedom and the freedom of peoples around the globe. Whether it was on a battleship in Havana Harbor, on the historic battlegrounds of Europe, on the far-flung islands of the South Pacific, in the fields of Korea, in the jungles of Vietnam, or in the deserts of the Persian Gulf, our valiant soldiers have fallen in the name of freedom, just as if they had fallen at Lexington or Valley Forge. If we do not continue to stand fast, the sacrifices of our troops in the gulf, as well as all of our American soldiers who have gone before them, will have been in vain.

Throughout the course of these events, I have often found myself reminded of the words of Winston Churchill. Although spoken in a different time, they hold special meaning for us today: "Never have so many owed so much to so few." We owe much to David and Cheryl.

Mr. Speaker, my wife Lee joins me in offering sincere sympathy to the families and friends of David Crumby and Cheryl O'Brien. Our hearts and prayers go out to the families of all our fallen heroes. We are a greater nation because of them, but a poorer nation because of their loss. God bless them and their memory.

Mr. THOMAS of Georgia. Mr. Speaker, I thank the gentleman from California for his very eloquent and sincere comments. Certainly we all associate ourselves with those comments, with our thoughts and feelings. I have often thought of what we could do for the families and loved ones of those who lost a loved one or relative in the

Desert Storm operation. I guess the best we can do is let them know that we care and share their burdens as best we can, and that those lives, for the future, for those of us who have a role in determining these things, their lives will not have been in vain.

Mr. Speaker, I requested this time to give Members the opportunity to honor the men and women of our Armed Forces for their service to our country and for service in Operation Desert Storm.

I will be the first to admit that our words, no matter how eloquent, cannot measure up to the performance of our troops.

But there are some events in the life of our Nation that demand a special record. And that is our purpose today.

Mr. Speaker, there were thousands of accomplishments in Desert Storm—some were widely noted in the media and some were lost in the cascade of events.

I am very proud of the fact that one of the units that won universal accolades is the 24th Infantry Division—mechanized—from my congressional district.

This is the Nation's heavy infantry Rapid Deployment Force. It is especially trained for the unique dangers of heavy combat in the desert. On only a few days notice, more than 16,000 soldiers of the division and their equipment poured out of Fort Stewart and Hunter Army Airfield. They were deployed by air and through the deep water port of Savannah.

More than 200 longshoremen worked around the clock to load some 130,000 tons of division cargo. Ship loadings that ordinarily take 2 to 3 days were accomplished in 1 day. The ships passed under a new bridge which we built to accommodate just such a contingency.

The calm force in the eye of this storm was Maj. Gen. Barry McCaffrey, the division commander. I had the honor of visiting with him just before his troops were to deploy. He is a man in the mold of Gen. Norman Schwarzkopf, who is himself a former commander of the 24th.

Like General Schwarzkopf, General McCaffrey is no lover of war. He has been wounded in combat three times. He was leaving the United States with the full expectation that the division could be in combat shortly after they arrived in Saudi Arabia.

Even with that expectation, General McCaffrey was a picture of calm determination. Like the men and women of his division, he had a job to do, he knew how to do it, and he was determined to fight and win.

On its arrival, the division was quickly moved to the Kuwait border and made ready to fight. Theirs was to be a long ordeal of training and waiting and more training.

They were the first heavy infantry division to arrive in the area. For many weeks they were the only real ground defense of heavy infantry that stood between the Kuwait border and Saudi Arabia. Until the U.S. buildup reached its peak, the troops of the 24th literally lived under the gun. If an attack came, they would be the target.

We saw very little of the division on television in those days because they were deployed so far forward. But when the time for combat came, it was the Victory Division that was thrust into the heart of the battle.

In just 4 days, the 24th Division conducted what U.S. News and World Report recorded as "the greatest cavalry charge in history."

Their arsenal included 270 Bradley fighting vehicles, 290 Abrams tanks, 72 155-mm howitzers, 9 multiple-launch rocket systems, 18 Apache attack helicopters, and 6,000 wheeled vehicles.

But the most dangerous weapons in that division arsenal were the more than 16,000 soldiers who make up its heart and soul.

The 24th is known as the "Victory Division," and its motto is "First to Fight." The truth of those words were to be burned again into the proud history of the 24th by their actions in Iraq.

Their mission was to race some 250 miles across Iraq in darkness, rain, and sand storms, and then destroy the strongest units in the Iraqi military.

As U.S. News reported, before they were finished, the 24th Division had destroyed two airfields, 200 first-line T-72 tanks, a brigade of special forces, the second-echelon 45th Infantry Division, and at least two divisions of Republican Guards. They even trapped on the ground and destroyed 10 enemy jet fighters and a dozen helicopters.

Mr. Speaker, there are thousands of stories of heroism that will come to light about the exploits of the division. We will learn of those events as our withdrawal from the Persian Gulf is completed.

But for now, it is enough to say that the young men and women of the 24th did everything that was asked of them, and more.

As I said earlier, eloquent words cannot match the courage of the 24th.

But in my district, we have tried hard to match their fighting spirit with our spirit of welcome in their homecoming.

There has been an explosion of human joy in the First District as the division begins its journey home. And the party is just beginning.

Mr. Speaker, we ask God's blessings and mercy for the soldiers who were killed and wounded, and for their families. We thank God that our prayers of a short conflict were answered.

And we thank God that when duty demands it, this country can turn for help to the 24th Infantry Division.

Mrs. PATTERSON. Mr. Speaker, many eloquent words have already been spoken to honor the tremendous courage, performance, and sacrifice of our brave service men and women who participated in Operation Desert Shield and Operation Desert Storm.

I could not hope to surpass those remarks. However, I do rise today to add my heartfelt gratitude to the men and women of all races, backgrounds, ages, and specialties who have made our involvement in the Persian Gulf war a victorious commitment. It is easy for us to stand on the floor of the House and make speeches of praise for the tremendous skill and determination our troops have shown. It is easy for us to go home and be lauded for supporting our military force and to stand gloriously in a receiving line upon their return. However, it has not been easy for the approximately 540,000 men and women who, under combat situations most of us can only imagine, have seen the thrill of a mission accomplished and experienced the horror and devastation that war inevitably brings.

I salute our service men and women, the airmen, seamen, ground troops, active duty, reservists, Guard units, and all persons who have made and continue to make Desert Shield/Desert Storm a success. In addition, I would like to express a tremendous sense of appreciation to Gen. Colin L. Powell, Jr. and Gen. H. Norman Schwarzkopf, whose military prowess is surpassed only by their commitment to protect the life of each soldier to the maximum extent possible.

Finally, Mr. Speaker, I would just like to thank all of my constituents who have conveyed their support for the decisions I have made throughout the Persian Gulf crisis and, more importantly, who have given their unequivocal support to all U.S. troops, many of whom are from South Carolina, who have participated in Operation Desert Shield/Desert Storm.

Before the war began, I urged my colleagues and all persons to pray for peace. We have been blessed with the brevity of a conflict, which though tragic in each life that has been lost or scarred in some way, has been far less worse than any of us could ever have imagined. Let us learn from the lessons of this war and pray that peace can become lasting in the troubled regions of our world and that the light of promising young lives will not again be darkened and extinguished by the terrible perils of war.

Mr. FAZIO. Mr. Speaker, I am honored to rise today to pay tribute to the brave Americans who served our Nation in Operation Desert Shield/Operation Desert Storm. It was a swift and decisive victory, and I am proud to be able to express my gratitude for the courage and dedication exhibited by the men and women of the U.S. Armed Forces. We are particularly heartened by the safe return of many of the troops and we look forward to that day in the near future when all of our Persian Gulf veterans will return home.

We also pause to remember those who died during this war. Our prayers and wishes go out to their family and friends in this difficult time. Their sacrifice was honorable, courageous, and will long be remembered.

There were many heroes in this effort, from the professional soldiers to the Guard and Reserve members who were called up; their families; those civil servants who make up the lo-

gistics and support network vital to any military endeavor; and, finally, the American public who came together, united in purpose, to support the troops. It was truly a national effort that led to the overwhelming victory of United States and allied forces.

I do not think it is possible to overestimate the roles played by men and women in local communities throughout the Nation. But today, I want to acknowledge the particular contributions that people from the Fourth Congressional District of California made to Operation Desert Storm. There are two major bases that must be commended for the exceptional operational and support system performance they achieved during the gulf war. McClellan Air Force Base and Travis Air Force Base both played vital roles in Operations Desert Shield and Desert Storm.

From the beginning of the Persian Gulf crisis, the people who work at McClellan contributed significantly in supporting the allied multinational force. The Sacramento Air Logistics Center, based at McClellan, manages the F–111, A–10, and F–117A aircraft, all used extensively in the gulf war.

More than 300 Air Force men and women, Active duty and Reserve, were deployed from McClellan in support of operations in the gulf. Of these, 154 were members of the 2951st Combat Logistics Support Squadron, who performed aircraft battle damage repair on F–111's and A–10's in the gulf region. They also performed various supply and transportation functions. Twenty-six members of the 2852d Security Police Squadron were deployed, as were individuals from other base units. Those units included the 406th Combat Logistics Support Squadron, Headquarters Air Rescue Service, 1400th Military Airlift Squadron, Air Force Commissary Service, Human Resources, Disaster Preparedness, and the Technology and Industrial Support and Aircraft Management Directorates.

Aircraft workers, civilians and reservists—many brought in from around the country—worked around the clock preparing aircraft and spare parts. Center workers produced more than 18,600 items in support of Operation Desert Shield/Desert Storm. The center's worldwide supply function shipped more than 9,600 tons of material, including medical supplies, clothing, food, aircraft parts, and engines. More than 160,000 hours of overtime were used to support gulf operations, in addition to several hundred thousand hours of regular production time.

Travis Air Force Base personnel, both Active duty and Air Force Reserve, were among the first in the Nation to be deployed in August. They provided military airlift support that was vital to the initial and subsequent deployments to Saudi Arabia. Approximately 2,500 Travis personnel were deployed to more than 40 locations around the world. Some of these individuals have been deployed for more than 7 months.

As many as 1,700 support personnel were deployed at any one time, and upward of 140 air crews. The base flew Desert Storm missions as many as four times the normal peacetime rate, with mission capable rates and utilization rates consistently the highest or among the highest in the Military Airlift Command.

The two primary airlift organizations at Travis AFB are the 60th Military Airlift Wing, which flies the gigantic C–5 Galaxy—37 aircraft—and the C–141 Starlifter—33 aircraft—and the 349th Military Airlift Wing, a Reserve unit which also flies the C–5. The 22d Air Force Headquarters is also located at Travis.

Just as the Desert Storm airlift mission required Travis to send people out ahead of the flow, the Travis personnel will be required to remain in the system until the very end to help bring back the troops and cargo that were deployed as part of Operation Desert Shield/Operation Desert Storm.

In addition to the many individuals in the 4th District of California who were directly involved in military operations associated with the Persian Gulf war, there were thousands of people in my district who worked just as hard to support the troops. I am speaking of groups like Operation Desert Support, a locally based support group made up of individuals who wanted the troops to know of the widespread support they enjoyed back home. Operation Desert Support collected goods such as books, food, toothbrushes, toilet paper, and sunscreen, from the general public, packaged these items and shipped them to the troops in Saudi Arabia. The letter writing campaigns that many people undertook were also big morale boosters for our service men and women. Most of these people will never receive recognition for these efforts, but they should know that the time, energy, and care that they demonstrated were a contributing factor in the successful prosecution of the war.

I know I join my colleagues in commending all of our service men and women, their families, the civilian workers who performed vital support functions for the war effort, and the hundreds of thousands of Americans who worked in support of the troops. We can all be proud of the strong national effort that led to the outstanding achievements of the U.S. military in Operation Desert Shield/Desert Storm.

Mr. SCHAEFER. Mr. Speaker, Operation Desert Storm was the first major conflict fought by an All-Volunteer, professional U.S. military force. From the top commanders to the soldiers in the field, professionalism was evident throughout the ranks of our Armed Forces.

I salute the superb political leadership shown by President Bush. He brought together an unprecedented multinational coalition which united against Iraqi aggression. I also salute Secretary Cheney, and Generals Powell and Schwarzkopf. Their planning and execution of the war effort was brilliant.

But this brilliant war effort would have come to nothing without the dedicated, skilled, and courageous men and women who serve in the U.S. Armed Forces. Whether flying combat sorties over the skies of Iraq, running sensitive reconnaissance missions deep behind enemy lines, or cooking for the troops, their professionalism and bravery made Operation Desert Storm a resounding success.

I am thankful that the war produced so few casualties, but mourn the 125 Americans who gave their lives in the line of duty. Their sacrifices were not in vain, though, for brutal aggression was turned back and the prospects for peace in the region are better than ever.

On behalf of the citizens of Colorado's Sixth Congressional District, I want to thank all of the troops who served with Operation Desert Shield and Operation Desert Storm. Your deployment demonstrated American resolve to the world; your actions demonstrated American values.

Welcome home to a proud and grateful country.

Mr. MACHTLEY. Mr. Speaker, I am honored to participate in this very special tribute today to demonstrate the great honor and respect we feel—and all America so deeply feels—for the brave men and women of Operation Desert Storm.

Thanks to the work of these courageous American soldiers, we won this very important battle against unprovoked aggression. And as the President said in his recent address to Congress, Kuwait is once again free.

We as Americans, and certainly the Kuwaitis, recognize that the restoration of Kuwait and the termination of Iraq's ruthless goals could not have been achieved without the amazing endurance, intelligence, and pure spirit of our troops.

Having just returned from Kuwait, I have witnessed the pure environmental devastation of that country, and I have seen firsthand what could have become of that country had not America led the allied coalition to oppose this violent takeover.

Indelible images of commercial clothes dryers used as toture chambers to force confessions from Kuwaiti children;

Iraqi plans to kill all male Kuwaitis;

Hundreds and hundreds of burning oil wells fill a sky so dark, Dante's inferno in daylight;

This is the nightmare Iraq held for Kuwait, and this is the evil that American troops have driven from Kuwait, in a victory for all the free world.

Americans stand united in our profound feelings of gratitude and admiration for the troops who took the greatest of risks and experienced the fierce hardships of both the desert and the enemy to win freedom.

To those who served both abroad and at home, to our Reserve and National Guard Forces, and to the families who have experienced the rigors and uncertainty of the homefront: Thank you. You could not have served your country better.

I have here a list of the many Rhode Island service men and women who participated in making this important victory possible. I ask that their names be made a part of the RECORD.

AMSC Leslie V. Law, Jr., TSgt. Kevin F. Parker, Specialist John Clifford, SSgt. Ronald R. Rapoza, Private Lisa M. Nicholas, SJ G2 Michael Roberge, SSgt. Steven L. Parker, AIC George A. Santos, L/Cpl. David Shifflet, Sergeant Joseph F. Torres.

L/Cpl. Jeffrey M. Martin, Sergeant Pedro L. Ilidan, Corporal David W. Remington, Specialist Sean P. Antaya, E4 James L. Antaya, STG.-3 Michael T. Hodge, Pfc. Brian J. Maloney, SSgt. Ronald H. Cook, Private Raymond Costa, Lieutenant Christopher Fournier.

Edward Scott, SSgt. Robert Sylvester, Sergeant Robert LaFountaine, Airman Appr. Russell J. Masse, SFC. Mark Facha, GSgt. Jose H. Pina, L/Cpl. Kenneth King, Corporal Robert E. Marois, TSgt. Stephen Pelletier, Sergeant David Vary.

Captain Russell P. LaChance, Corporal Steven Stout, USMC, S.A. Joseph Arnold, Jr., Corporal Robert LeFort, Sergeant Francis G. Bergeron, Captain Michael J. Pollitt, CW3 Robert P. Heaton, Jr., SSgt. David Langlois, Jennifer Hanely Earnshaw, Corporal Aldemar Diosa.

Sergeant Jay D. Corry, Pfc. Jeffrey F. Kelaghan, FR. Karen Tetreault, L/Cpl. Mark Brennan, Specialist David Blanchette, L/Cpl. Eduardo A. Guzman, Lt. (jg) James Covington, Pfc. Robert J. Lemieux, Specialist Lisa M. Bergeron, Marvin R. Marshall, Jr.

Corporal Augusto Rojas, Sr., L/Cpl. Robert J. Falvey, Jr., L/Cpl. Frank A. Lussier, L/Cpl. John W. Collins, Jr., Specialist Mark D. Booth, Sergeant Gilles LaPointe, Major Charles A. McWilliams, Sergeant Brian D. Yaghoobian, Sr. Airman Michael Gagnier, Corporal Erik W. Jones.

FC3 Richard H. LaBadie II, AR Jonathan C. Davis, Sergeant Roland J. Levesque, Pfc. Peter Baptista, PV2 Mark J. Fontneau, Sergeant Patrick M. McDermott, L/Cpl. Christopher R. Dion, L/CPl. Scott DiPietro, Sergeant Jerrold Peterson, CWO Ray Grundy.

Mr. Enrique Cortez, SSgt. Virgilio Pires, Corporal Joseph J. Walach, Jr., Sergeant Deborah Yelle, Mr. Ralf Alves, AT2 Michael Fleury, SSgt. Kevin Ziegelmayer, Sergeant Jason Siatkowski, Specialist Michael J. Scovel.

□ 1840

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order this evening.

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

There was no objection.

IN CELEBRATION OF GREEK INDEPENDENCE DAY: A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 60 minutes.

Mr. BILIRAKIS. Mr. Speaker, it is my great privilege to rise today in this, the most democratic of institutions, to honor those ancient and modern Greeks who offered the precious gift of Democracy to the world.

In just 5 days, people of Greek heritage and the Greek Orthodox faith, along with freedom-lovers the world over, will celebrate the 170th anniversary of Greek Independence Day.

On March 25, 1821, the Greek people rose in rebellion, igniting a 7-year struggle for independence from more than 400 years of foreign domination by the Ottoman Turks. The series of uprisings touched off on that historic day soon led to a widespread revolution that quickly attracted international support and respect.

Mr. Speaker, the Greek people sought only the right to govern themselves, to determine their own future, to firmly grasp their destinies. There are few more precious rights than this, and it is one treasured no less highly around the world than it is here today in the United States.

We are seeing a great resurgence of democratic movements around the globe. Unquestionably one of the most significant events of the age was the fall of the Berlin Wall and the reunification of the two Germanys. On every continent we see popular movements calling for the right of self-governance: In Eastern Europe, in Asia, in the Baltics, in Central and South America.

Everywhere we turn, people yearning only to live free are sending for copies of our Constitution. They want a true and proven road map to Democracy.

We share with these people a great debt of gratitude to the ancient Greeks, who forged the very notion of Democracy. Of course, our Founding Fathers drew heavily on this concept—on the political and philosophical experience of ancient Greece—in forming our Government and in drafting our Constitution and Declaration of Independence. These documents now will carry that message abroad again.

In many instances, that message will be delivered to individuals still struggling for freedom, still placing their lives on the line in their quest for Democracy. It is my hope that these individuals will take inspiration not only from the ancient Greeks, but from the Greeks who rose in revolt in 1821 and persevered for 7 arduous years.

Theirs is a perfect example of the ability of mankind to overcome all obstacles—obstacles that often appear insurmountable—if the desire to succeed is strong enough. Theirs is an example that oppressed people throughout the world may look to and gain strength from in their struggle to overcome their oppressors.

The United States, along with a coalition of forces from the community of nations, has only recently concluded a struggle with a modern-day oppressor. Saddam Hussein, bent on domination of his smaller, weaker neighbor, Kuwait, was forced to relinquish his dream of conquest.

It took the point of a gun to ensure freedom from oppression this time. Next time it may not because of the willingness of this coalition of nations to stand firm in defense of the rule of law. Another would-be oppressor at another time may not be so quick to launch his armies knowing the value the international community places on freedom.

Like Operation Desert Storm, the Greek war for independence was filled with remarkable events by many peoples in a common cause. The roles played by the Philhellenes—friends of the Greeks—were instrumental to Europe's recognition of the importance of the struggle.

The legacy of Lord Byron remains indelibly inscribed in the history of the Philhellenes. Byron's name—carved boldly into a column of the Temple of Poseidon at Cape Sounion—is testimony to his brave words that awakened not only his home country of England to the plight of the Greeks, but France, Russia, and other nations, as well.

The pages of history speak as boldly of other Philhellenes, too. The Klephts swept down upon the invaders from their mountain strongholds. The sea captains of Hydra broke the Ottoman naval blockade of the Greek coast, and today, generations of Greek merchant seamen learn their trade appropriately at the Academy of Hydra.

It was all these people—and the Greeks themsevles—this coalition, if you will, of like-minded individuals who saw clearly what was right and who followed the flag of freedom raised by a Greek Orthodox priest that very special March day in 1821.

Mr. Speaker, more than a century later, Greece was again engulfed in conflict—this time along with the rest of the globe during some of the darkest days of World War II. Indeed, in the spring of 1941, Nazi domination of the European continent was nearly complete. Following a valiant struggle against overwhelmingly superior German forces in and among the mountains to the north, Greek forces had been pushed entirely off the Continent and were taking refuge on the Island of Crete.

German forces looked covetously across the sea to Crete. If captured, it would provide them with air and sea bases from which they could dominate the eastern Mediterranean and launch air attacks against Allied forces in northern Africa. In fact, the Nazi high command envisioned the capture of Crete to be the first of a series of assaults leading to the Suez Canal.

On May 20, the largest German airborne attack of the war commenced against Greek, Cretan and British forces, battle-weary and crippled after the withdrawal from the mainland. Waves of bombers pounded the Allied positions followed by a full-scale airborne assault. Elite paratroopers and glider-borne infantry units fell upon the rag-tag Allied soldiers, who valiantly stood firm in the face of certain defeat.

Watching death descend upon them from above, the brave defenders of Crete—having endured hours of vicious bombing—decimated the crack Nazi troops at two key airfields. However, the Germans managed to gain a foothold at a third airfield and soon were being resupplied and reinforced by air.

Seven days later, the defenders of Crete—though clinging to their rocky defensive positions—knew that they

would soon be overrun. The evacuation order was given, and nearly 18,000 men were rescued. These valiant survivors had bought the Allies a week's precious time free of Nazi air and sea attacks based from Crete. More importantly, they inflicted severe losses on the German airborne forces, the showpieces of the Nazi Army. Nearly 2,000 German soldiers were killed and more than 4,000 were wounded or missing. So injured were the German units, in fact, that they never again attempted an airborne assault of the magnitude of that launched at Crete.

Mr. Speaker, this year marks the 50th anniversary of the Battle of Crete, a proud day in the defense of liberty and self-rule; when the sons of Greece and Crete along with their British Allies firmly answered the Nazi challenge to freedom.

We in America feel a special closeness to the democratic ideal born in ancient Athens and fought for and secured by the Greeks and their Allies centuries later. Only here in this Nation is this ideal defended so ardently.

Indeed, Operation Desert Storm was but the latest proof of the United States long history of support for foreign nations faced with the threat of losing their independence.

Because of our allies' assistance, we are in a position to help other struggling nations preserve their freedom and home rule. On March 25, we can join our Greek neighbors in celebrating Greek independence.

It is fitting that we do so, Mr. Speaker, for through this act we reaffirm the democratic heritage to which our two nations are so proudly linked.

□ 1850

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. BILIRAKIS. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I appreciate the gentleman who is so proud of his Greek heritage setting the record straight on this 50th anniversary, because American and European news sources almost glorified that first major airborne assault.

Our own airborne forces were only founded in 1940, and were still embryonic 50 years ago in 1941.

One of the temptations to glorify this was the only heavyweight fighter who had ever beaten Joe Lewis, Max Schmeling, had met him in a rematch, and Joe Lewis in his very humble and soft-spoken way said the fight would only go a round, and his prediction was correct. He knocked out Schmeling just barely a minute into the first round, and Schmeling went back, and not to take anything away from his courage, went into the German military, qualified as a paratrooper, and bailed out over Crete, but because of Schmeling's honorable participation in the raid, everybody failed to talk about Greek courage and how in most of the battles they did prevail. It was only a shortness of supplies; logistically they were beaten. The Germans did win on one of three airfields. They poured in military and supplies. The British were trying to help. They were, by that point, evacuating people. It added to this feeling that the German military juggernaut was unbeatable, in spite of the Battle of Britain where the English Hurricane fighter pilots and Spitfire fighter pilots had prevailed. It fed on American isolationism, more cuts in our defense budget, more talk about, and misquoting of, President George Washington, our first President to say stay out of world affairs, to shrink back, to become a fortress America, and we were not even doing a good job of that.

If we had helped the Greeks in this moment of air trial and backed up the courage of the Greeks, it was Greek soldiers fighting so well that actually turned the course of the war, and it does not torture logic or have to be a student of military history in a proper way to say that if the Greeks had not fought so well against Mussolini's invasion of Greece, where it required the Germans to put off by 6 or 7 weeks their invasion in June 1941, their invasion of the Soviet Union, because the German Panzer divisions had to come down and save the Italian forces under Mussolini from an ignominious defeat by Greek heroism and Greek military skill and courage, that 6 weeks that the Germans had to come in with massive force and crushed Greece, that 6-week delay in Operation Barbarossa which began 50 years ago this coming June 22, that would have put the Germans literally in binocular distance of the Kremlin 6 weeks before their actual arrival, which was the eve of Pearl Harbor.

On December 6, 1941, advanced German units near the international airport of Sheremetyevo, today when any of us from the Congress and the Senate go in, you can see the big blown-up 10, 15 times, tank memorial exhibits on that north road out to Sheremetyevo Terminal; they could see the Kremlin in their binoculars, and it snowed that next day, and the Germans got bogged down outside of Moscow.

If the Greeks months later had not beaten Mussolini's forces and that German assault had been launched as planned, in spite of the evil Stalin-Hitler pact between these two mass killers, they would have been looking at the Kremlin not on December 6 but the last week in October, and it was a mild fall but a vicious winter. They would have probably taken Moscow, and the whole course of the world would have changed, and by December 7, when we were hit by the Japanese war lords, would we have been so bold to respond if Moscow and Leningrad had both fallen to Hitler's might? So it is proper and fitting that the gentleman call on this anniversary of the Crete airborne invasion, recall to our memory the courage of Greek forces against the Germans in the land war upon Greece itself, first the Italian, Mussolini, forces, and then this courageous stand in Greece where with a little support Greece would have prevailed and the birth place of democracy would not have gone behind a 3-year, 4-year terror campaign where so many thousands of Greece's Jewish citizens were slaughtered and so many died in that brutal Nazi occupation of Greece.

The Greeks today, flying F-104 Starfighters which they have all retired, and then F-4 Phantoms, and now F-16 Falcon fighters, they are working with us as a key member of NATO, finally getting rid of this political tragedy of Papandreou and renewing their friendship with us through Prime Minister Mitsotakis, with his support, and he is a strong friend of America. I met him with one of our friends, Paul Wyrick, back in 1985, when he did not make it on his first try to retire the Andreas Papandreou regime.

Now Greek-American friendship is solid. Greece also did what they could to help in Operation Desert Storm.

I join the gentleman in not setting history straight, because history speaks for itself, if you study it correctly, but in recalling the facts as they were in the battle for Crete that unfortunately went the wrong way and thereby protracted the war and certainly the struggle in the Mediterranean, and gave a lot of time to Rommel to wreak havoc along the north coast of North Africa with his Afrika Corps.

Mr. Speaker, I thank the gentleman for allowing me to participate.

Mr. BILIRAKIS. Mr. Speaker, I certainly thank the gentleman from California, whom we call a walking history book of knowledge, and I guess we can all see why, and for reminding us, for reminding us during these days, of the role that the people, the courageous people, of Greece have played throughout history and certainly during World War II.

Mr. Speaker, because of our allies' assistance, we are in a position now to help other struggling nations preserve their freedom and home rule, and on March 25, we can join our Greek neighbors in celebrating Greek independence.

Mr. Speaker, it is fitting that we do so, for through this act we reaffirm the democratic heritage to which our two nations are so proudly linked.

Mr. FAZIO. Mr. Speaker, I am pleased to support today's special order in recognition of Greek Independence Day. As an original cosponsor of Senate Joint Resolution 59, a joint resolution designating March 25, 1991 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy," I am proud to join my congressional colleagues in recognition of this important day

which marks the 170th anniversary of the beginning of the revolution that freed the Greek people from the Ottoman Empire. This struggle for independence began more than 400 years ago on this historic day when the Greek people began a series of uprisings against the Ottoman Empire, uprisings that soon turned into a revolution that attracted international support and admiration.

Greece and the United States share a rich and commingled history. The ancient Greeks forged the very notion of democracy, placing the ultimate power to govern in the hands of the people, and we are indebted to the Greek nation for bestowing on us such a wise philosophy. America's Founding Fathers, when drafting the Declaration of Independence, drew heavily upon the political and philosophical experience of ancient Greece in forming our Government. And, in the 1820's, it was the United States that served as a role model for Greece during its fight for independence from the Ottoman Empire. The Greeks translated our Declaration of Independence and used it as their own.

Since our pioneering years, Greece and the United States have come to enjoy close, friendly relations which is evident in world affairs and the growth of the Greek-American community in this country. In every walk of life, we find Greek-Americans making invaluable contributions to the advancement of our own society. It is fitting that we celebrate this day together with Greece in order to reaffirm the democratic heritage shared by the United States and Greece.

Mr. Speaker, I look forward to the celebration of Greek Independence Day on March 25 and to the United States' continued and special relationship with the people of Greece.

Mr. RINALDO. It is fitting for this House to pay tribute today to Greek Independence Day. Our democracy is based on a system that the Greeks developed over a thousand years ago.

In the aftermath of the war in the Persian Gulf, it is only proper for us to remember that the great ideals that our Armed Forces fought for were first expressed by Greek philosophers. Although Greece was eventually conquered, and lived under tyranny for several thousand years, the ideals of freedom and democracy continued to be cherished.

In 1821 Alexander Ypsilanti, a patriot, and Archibishop Germanos of Patras, unfurled the standards that sparked the revolt leading to Greek independence. Greek Independence Day, March 25, is a national event celebrated both in Greece and in America.

Although a number of other nations have sought to dominate her, Greece remains free. After fighting off the Nazis in World War II, Greece was the first country to resist Communist domination.

Today, Greece is one of this Nation's strongest allies, a full partner in NATO and a proud participant in the fight to free Kuwait. I am honored to join my colleagues in saluting Greece on her Independence Day.

I also would like to salute all Greek-Americans as they celebrate this special day.

Mr. BATEMAN. Mr. Speaker, one of the most welcome developments in the foreign relations of the United States in the recent past has been the rebirth of the historically warm relations between our Nation and Greece. All of us are pleased that the ties between the two Governments now mirror the affection which the American and Greek people have always felt for one another.

Today, therefore, it is with special delight that I join with my colleagues in saluting the 170th anniversary of the beginning of the successful struggle by the Greeks for liberation from the dominance of the Ottoman Empire.

One of the sources of inspiration for the Greek patriots of the 19th century was the example of the American Revolution. How fitting that was, since it was in the city states of pre-Christian Greece that philosophers and statesmen first enunciated and acted upon the principles of democracy. Those thinkers and leaders first lit the torch which the American colonists were to carry in their own struggle for independence beginning in 1776.

The struggles of the valiant people of Greece did not end with the achievement of independence in 1829. The Greeks suffered heavy casualties in their courageous stand against the Nazi legions in World War II. They were forced to fight once more to turn back communism in the late 1940's—a battle in which President Truman came to the aid of Greece. This American support was the origin of what was to become the Truman Doctrine of containment of communism around the world.

No nation has contributed more to modern Western civilization than Greece, and no nation has had to struggle harder or more often to preserve its liberties. In recognition of all that Greece means to the world, and in tribute to its patriots through the centuries, we salute our friends in Greece—and our many fine Greek-American citizens—on this Independence Day.

Mr. EDWARDS of California. Mr. Speaker, March 25 has been declared as "Greek Independence Day" not only in recognition of Greek and American democracy but also as a celebration of one nation's incredible history linked with our own. Americans may look at Greece and see a mirror image of the qualities that made both countries great. It is a time of celebration for the Greeks' great contributions to the world, one of the most valued of which is the creation of democracy. Our own founding leaders were greatly influenced by the Greek philosophers and Greek democracy when creating our own democratic Government.

Unfortunately, the democracy of Greece that inspired humankind was crushed by the Romans who took power by 146 B.C. Their control soon broke leading to more foreign invasions with the final victors being the Ottoman Turks. Just as Americans declared independence from British rule in 1776, the Greeks cried for their independence from 400 years of Ottoman rule on March 25, 1821.

Their declaration for freedom plunged them into another decade of political struggles. Many Americans, understanding the urgency of this cry, quickly joined Greece's revolution for freedom through political and personal means. Men fought and Presidents supported this fight until freedom by democracy was restored after World War II.

Yet, the peace of the free government was short lived. On the night of April 21, 1967, less than 25 years ago, Greece was pulled into military junta control. A violent dictatorship deprived its own people the freedoms of speech, voting, and assembly; freedom created by its own people.

Being deeply committed to protecting the rights of the individual guaranteed under a democracy, the plight of Greece was of paramount importance to many of us here in Congress. As founder and chair of the "U.S. Committee for Democracy in Greece" I joined with those who fought for the termination of the Nixon administration's program of economic aid and political recognition to the vicious military junta and supported the return of democracy.

Today, I am pleased to say that democracy was victoriously returned to the Greek people. Freedoms once denied them are now secured.

Let us remember this day of celebration should also be a day of reflection. Democracy is every individual's guarantee to freedom. Yet, it is a right that not every man, woman and child possess. Today, as the nations of Eastern Europe strive to take their first steps toward the road of democracy and as people around the globe struggle to obtain the freedoms inherent with a democratic system, let us commemorate the spirits and ideals that have not only made Greece a great nation but have also contributed to making our country a beacon of hope to all those who yearn for democracy.

Ms. ROS-LEHTINEN. Mr. Speaker, on Monday, March 25, the Greek people will be celebrating the 170th anniversary of Greek independence. Inspired and encouraged by freedom-loving Americans such as Samuel Gardley Howe of Massachusetts, George Jarvis of Washington, and Jonathan Peckham Miller of Vermont, a small group of determined people declared their independence from the powerful Ottoman Empire. The Greek Revolution of 1821, and its success, resounded to the four corners of the world. These gallant freedom fighters derived strength from the slogan and song: "It is better to live 1 hour of freedom than 40 years of slavery and imprisonment."

The Primate of the Greek Orthodox Church of the Americas, Archbishop Iakovos, has designated Greek Independence Day as a day to be celebrated in prayer and doxology. The Greek-American community of southeast Florida, under the leadership of Dr. George Palatianos and Dr. Basil Yanankakis, will come together to remember this significant event in human history.

In light of the many changes the world has witnessed during the past few years, the many men and women who have worked so hard for true freedom in Romania, East Germany, Poland, Czechoslovakia and Nicaragua, we should also remember those who so many years ago did the same for Greece.

By their revolution, this small band of Greek patriots renewed the spirit of freedom that so long ago had its earliest beginnings in ancient Greece, the cradle of democracy. The legacy of democracy which began so many years ago in Athens continues today as an inspiration to us all.

Mr. Speaker, it is an honor for me to congratulate the Greek community of southeast Florida during this celebration of the spirit of

freedom and justice that March 21, 1821, exemplifies.

Mr. BONIOR. Mr. Speaker, March 25, 1991, marks the 170th anniversary of Greek Independence Day. On this day in 1821, the Greek people declared their independence from the Ottoman Empire after 400 years of foreign domination.

We in America, and freedom-loving people around the world owe a great deal to the ancient Greeks who conceived our democratic principles over 2,500 years ago. The ancient Greek ideals guided our Founding Fathers as they wrote the Constitution. In turn, it is the freedoms that we enjoy in America that provide inspiration for the millions of people who have demanded their rights in Eastern Europe and the Soviet Union.

The remarkable events of the last 2 years illustrate the enduring power of the brilliant ideas that sprang forth from ancient Greece. These ideas are toppling dictators and transforming societies to this day.

But the Greeks have not only given us their ideas, they have made major contributions to communities across America. In Detroit, Greektown is a vital section of the city that attracts a multitude of visitors every year who enjoy the fine food and entertainment available there.

In Macomb and St. Clair County, we are served by St. John's Greek Orthodox Church and Assumption Greek Orthodox Church who perform tremendous service to the community and contribute to the rich diversity of the area.

Mr. Speaker, I join the people of Greece and those of Greek ancestry around the world celebrating Greek Independence Day. I salute all of them for the tremendous contributions to freedom and human dignity that they have made.

Mrs. LOWEY of New York. Mr. Speaker, I rise to join my colleagues in support of Greek Independence Day. This special day commemorates the 170th anniversary of the revolution that freed the Greek people from the Ottoman Empire, and I commend my colleagues for taking time to participate in this special order.

Today, we celebrate the Democratic heritage shared by the United States and Greece and the contributions ancient Greeks made to the concept of democratic government and contemporary Greek-Americans have made to many aspects of our society. I hope every American will take time out on March 25 to appreciate the important role of the heritage we have gained from Greece and the steadfast relations between the United States and Greece.

Certainly there are many significant reminders of the contributions of ancient Greece here in our Nation's Capital. For it was in ancient Greece that democracy was born. What a decisive moment it was for all of mankind when the consent of the governed first became the principle which led to the formation of governments. Every day that the House of Representative meets, we are acting on a concept created in ancient Greece.

Architecture is yet another of the many important contributions that ancient Greece has made to America and the world. The columns outside this very Chamber are from a design developed in ancient Greece. Many of buildings and monuments that we treasure so dearly here in the District of Columbia and throughout the Nation are based on Greek design. One can not help but be reminded of the glorious Parthenon when gazing upon these many symbols of American democracy. Everywhere we look in our Nation's Capital, we see structures that reflect the grace and design of ancient Greece.

It was a tragic time when the democratic government of Greece was toppled, and Greece was conquered by the Turkish Empire. 400 years ago, the Greek people began a series of uprisings against their Turkish oppressors, uprisings that soon turned into a general revolution that attracted international support and respect. Today, oppressed peoples around the world look to the Greek struggle for independence as a success to be emulated. Just as ancient Greece has contributed to our democracy, modern Greece is contributing to the image of democracy that many people around the world are currently striving to attain.

Mr. Speaker, on this day it is fitting that all Americans look back and remember the many contributions that Greece has made to our great Nation. More importantly, it is a time to look forward to many years of cooperation and mutual support between our nations.

Mr. DWYER of New Jersey. Mr. Speaker, I would like to thank my colleague, Mr. BILIRAKIS, for arranging for this special order today so that we may once again reflect on Greek independence and its importance to our own history.

The civilization of ancient Greece is known to all of us; and that our Founding Fathers drew heavily on the principles of democracy espoused by Plato and Pericles, showed the foresight of those charged with setting guidelines for the young Republic.

Greece, and its people, have been closely tied to the United States from those early contributions through the 20th century. Greece has stood as a friend and an ally through war and peace. It has been a leader in the region and an important NATO member. The relationship between Greece and the United States has been strong because it was built on a mutual acceptance of the rights of people to the basic freedoms guaranteed in a democracy. The commitment to these goals will keep the relationship strong for many years to come.

Mr. BROOMFIELD. Mr. Speaker, I commend Congressman BILIRAKIS for this initiative. His special order marks a truly momentous occasion in the history of democracy, both for Greeks around the world and for Americans.

During this country's infancy, Jefferson and other great Americans admired the ancient Greeks and brought many of their philosophical concepts to this new land. America's great Constitution has a strong classical ancestry and today, in this Chamber, we follow a concept of representative government that has its roots in ancient Athens.

Years after the Greek thinkers gave democracy to their people, the Greeks were called upon to fight and die for the freedom that they cherished. In 1821, they finally gained independence from their Turkish overlords. Their quest for freedom was heard throughout the world and inspired others to struggle for democracy.

Today, as democracy spreads around the globe, the inherent strength of our form of government becomes more and more self-evident. As communism and totalitarian systems are rejected around the world, the value of the "gift of the Greeks" becomes more apparent than ever before.

I am honored to be here on this historic occasion and salute the Greek people and all Greek-Americans as we mark this important celebration of freedom.

Mr. KOPETSKI. Mr. Speaker, today it is my great pleasure to join my colleagues in support of Greek Independence Day. In Oregon, we have a proud and active Greek community. Each October the Greek Community in the Portland area, which includes portions of my district, sponsors a Greek Festival to celebrate Greek Culture. This Sunday, March 24, the Greek Orthodox Community of Oregon will sponsor a banquet featuring Greek dancing and poems. University of Oregon Professor of Romance Languages Emmanuel Hatzatonis will be the featured speaker. On March 25, Greek Independence Day, Greek restaurants throughout Portland will mark the event in joyous fashion. I am honored to work with Oregon's Greek Community and take special pride in our relationship.

As we are on the verge of celebrating 170 years of Greek Independence, I would like to make several important observations about Greek-American relations.

Over 2,000 years ago, democracy—the foundation of American Government—was developed in Greece. These ancient ideas have shaped the values of our country and have contributed to the strong bonds between contemporary Americans and Greeks.

On March 25, 1821, after 400 years of Ottoman rule, the Greeks took up arms in the name of freedom. Following the end of Ottoman rule, Greece turned to the Declaration of Independence and modeled a version of its own.

Today, in honor of this independence, we must remember that in World War II, 600,000 Greeks, almost 9 percent of the population, gave their lives in the fight against fascism.

Today, we must remember that Greece is a long-time ally and trusted NATO member. In addition, the strategic location of Greece to world shipping in the Mediterranean, Aegean and Black Sea is a valuable resource to the free world.

Today, we must commit ourselves to maintaining a strong Greece, free from oppressive foreign force and further that people of Greek heritage may live free of oppression, regardless of where they live.

Today I join with my colleagues in saluting Greek-Americans across the country and join you in celebrating Greek Independence Day.

Mr. ANNUNZIO. Mr. Speaker, I rise to join my colleagues in celebrating Greek Independence Day. Today's salute is appropriate because of the tradition of democracy that binds our two countries.

On March 25, the people of Greece will commemorate the 170th anniversary of their declaration of independence from the Ottoman Empire of Turkey.

Greece officially marks its independence day from March 25, 1821, when a series of

armed uprisings began against the Sultan of Turkey.

Seven years before the revolt began, a group of Greek patriots had established an organization called the "Society of Friends." The goal of the group was to seek full autonomy for Greece. In 1827, the Greek drive for independence took a major step forward with the defeat of the Turkish fleet in the battle of Navarino. Two years later, the Treaty of Adrianople ended nearly four centuries of Ottoman rule.

A turning point in the struggle for Greek independence came when several European governments lent their aid in the fight against the Ottoman Empire. The Greek revolt against Ottoman rule had enflamed European public opinion, and this helped draw Britain, France and Russia into the war. Volunteers from Europe joined the Greeks in battles such as Missolonghi, where the British poet Lord Byron was killed.

We in Congress can look proudly on the modern struggle for Greek independence, but we also should praise her democratic tradition, which stretches back to ancient Athens in the sixth century before the birth of Christ.

In addition, I would like to commend the many accomplishments of the tens of thousands of Greek-Americans who have enriched the life of our Nation.

In honor of these many contributions, I cosponsored House Joint Resolution 58, which designates March 25, 1991 as Greek Independence Day. Mr. Speaker, as we look to the future, I am confident the tradition of friendship and shared traditions between our two nations will continue to prosper and grow.

Ms. SNOWE. Mr. Speaker, March 25 commemorates the 170th anniversary of the beginning of Greece's struggle for independence from the Ottoman Turks. After 400 years of foreign domination, and after 11 years of struggle against the despotic rule of the Ottoman Empire, Greece's independence was an astounding event in European affairs. Europe was composed mainly of autocratic empires and states whose borders had little relation to their composite nationalities 170 years ago. Outside of Britain and France, the ideals of self-determination and national independence were weak.

The incredible accomplishment of the Greek people acted as a catalyst in transforming the aspirations of Europeans. During the last 170 years, the ideals of national independence and democracy which were first expounded by the ancient Greeks, have spread widely throughout the world. Greece's achievement of independence helped to spread not only the belief in the inherent right of national independence, but the belief that it is possible for a nation to assert its rights, despite seemingly impossible odds. That notion continues to be achieved in our own time in Eastern Europe, and it will continue to be a powerful symbol to those around the world who are still struggling to be free.

I am pleased to support House Joint Resolution 58, which designates March 25 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy." The finest traditions of our two countries are embodied in this resolution, and symbolized by this day.

Mr. GILMAN. Mr. Speaker, On March 25, 1821, the Greek people took to arms against four centuries of Ottoman rule, fighting bravely and valiantly to achieve freedom from Turkish domination.

Greek Independence Day has special significance to all Americans. It is the ancient Greeks who formulated the concept of democracy which is the keystone of the American political system. Democracy is but one of the many contributions of the Greek people to the development of civilization. Art, philosophy, science and law are just a few of the disciplines in which the Greek people have enriched our culture.

Mr. Speaker, the contributions of Greek-Americans to the development of our great Nation are too numerous to mention. Our distinguished congressional colleagues, GUS YATRON, OLYMPIA SNOWE, PAUL SARBANES, MICHAEL BILIRAKIS, GEORGE GEKAS, and John Brademas are just a few of the current example in the many fields of endeavor in which Greek-Americans have excelled and contributed to our government.

We welcome this opportunity afforded to us through this special order arranged by the gentleman from Florida. [Mr. BILIRAKIS] not only to salute our own Greek-American community for their contributions, but to commemorate the independence of the Greek people.

Ms. PELOSI. Mr. Speaker, I would like to thank my colleague from Florida, Mr. BILIRAKIS, for calling this special order to commemorate Greek Independence Day.

Monday, March 25, marks the 169th anniversary of the beginning of the revolution which ultimately resulted in independence for the Greek people. In 1822, the Greeks bravely rose to free themselves from the shackles of foreign oppression and the reign of terror. Proclaiming independence and declaring a liberal Republican Constitution, they eventually turned the tide on their oppressors by gaining international support and demands for ending the war.

After more than 400 years of foreign domination, democracy was restored to Greece. On this anniversary, it is fitting to reflect on the historical bond between our two countries. Just as our Founding Fathers modeled our democracy on the system of the Greeks, in rebuilding their democracy the Greek people looked to the United States as the model for modern Greek democracy.

The Greek culture is inextricably linked to our own. The development and success of western civilization is rooted in fundamental principles set forth by Greek civilization. In their concept of government, their high regard for the arts, architecture, and philosophy, they provided the foundation on which our culture proudly rests.

The relationship between Greece and America is not bound by history alone. Over 3 million Greek immigrants have come to the United States where they have generously contributed to our culture. The Greek community is a vital part of the city of San Francisco's diverse community. We in San Francisco have a special gratitude because of our mayor and his Greek heritage. I look with pride at the Greek community's successful participation in all facets of American life—cultural, economic, political, and artistic.

Again, I thank my colleague for calling this special order to recognize the significance of Greek Independence Day. On this day it is particularly fitting that we take pride in celebrating the enduring relationship between our two countries.

Mr. COBLE. Mr. Speaker, I rise today to join this commemoration of Greek Independence Day. This year, on March 25, Greeks and Americans should remember that 170 years ago on this date a revolution began that freed the Greek people from the Ottoman Empire, which had ruled Greece for almost 400 years.

Greece and America have shared a natural affinity for centuries. We owe an enormous debt to the Greek cultural traditions of freedom and democracy, expression, and thought. Our Founding Fathers looked to ancient Greece for philosophic guidance in crafting the U.S. Constitution. In fact, Aristotle's influence on Western development predates our republic. Ancient Rome, 18th century England, and the early State constitutions all drew on the early teachings of this great master. In turn, the American Revolution became one of the ideals of the Greeks as they fought for their independence in the 1820's. Our nations and peoples retain strong ties.

Today, there are nearly 3 million Greek-Americans living in the United States. Through their extraordinary compatibility with the people of America, Greek-Americans become very successful in the United States. Many present and former Members of Congress, including one of this resolution's primary sponsors—my friend from Florida, Congressman BILIRAKIS—are proud Greek-Americans. This community not only excels in public service, but in medicine, music, and the arts in particular.

I am honored to serve a strong and vibrant Greek-American community in Alamance, Davidson, and Guilford Counties in North Carolina. These citizens have added greatly to our local way of life, educational system, and economy.

As all Americans are Irish each St. Patrick's Day, so too should all of us celebrate our ties to Greece on Greek Independence Day. Percy Bysshe Shelley once reflected, "We are all Greeks! Our laws, our literature, our religion, our art, have their roots in Greece."

Mrs. VUCANOVICH. Mr. Speaker, March 25 marks the 170th anniversary of the outbreak of the Greek war for independence from the Ottoman Empire. Americans were quick to recognize the Greek's struggle as equivalent to their own struggle against the British Crown only a half century earlier. Therefore, we traditionally observe Greek Independence Day as a time to honor the historically warm relations between the United States and Greece. It is also the time to honor the contributions of Greek-Americans to the development of the United States, and, most of all, the contributions to American ideals made by Greeks throughout history.

The history of the modern world is in many respects simply the application of the great human truths first discovered by the Greeks. It was in the democracy of Athens that mankind first learned of the nobility and majesty that inheres in the individual. For the first time in history, individuals learned that their existence

was not simply to serve the needs of the group, the collective, the state. Athenians discovered that they could do the most for their country by concentrating their efforts where their talents and inclinations were greatest.

The result was the flowering not only of the form of government we hold so dear today, democracy, but also of art, architecture, literature, medicine, and science. No people at any time in history ever gave so much to future generations.

Yet there is as much to learn from the darker days of Greek history as there is from the Golden Age of Athens. The decline and eventual fall of Greece to Alexander the Great showed how easy it is for people to take democracy for granted. The real lesson of ancient Greece is that democracy is not a natural state of affairs that automatically comes to exist in absence of a dictatorship. It is not synonymous with freedom. Democracy requires constant effort and commitment on the part of its participants.

Greece fought, 170 years ago, for the great traditions of freedom and liberty. This is a great source of pride and happiness for the people of the United States, and the reason that we celebrate Greek Independence Day every year on March 25. But Greece and Greek freedom means so much more than the independence of a particular country in a particular time and place.

It would be fair to say that today the measure of a nation is the extent to which it has learned the lessons of Greece. The United States, Greece, and the other nations of Western Europe have known these lessons for a long time, and are building on them to lead the world to a brighter future. The nations of Eastern Europe have known these lessons for some time as well, but only recently had the opportunity to put them into practice. The Soviet Union and other nations are learning these lessons at long last.

Some 2,400 years after its invention, Athenian democracy is blossoming around the world. Mr. Speaker, that is something we can all be grateful for as we celebrate Greek Independence Day on March 25.

Mrs. MORELLA. Mr. Speaker, I want to thank the gentleman from Florida for calling this special order to commemorate the brave men and women of Greece who began the fight against 400 years of oppressive rule on March 25, 1821. It is with both pride and gratitude that we remember the many invaluable contributions which Greeks and Greek-Americans have made to our society, not only through the ancients but also through the positive impact which their immigration has had on our country. The magnificent buildings in which we stand, and the laws made here, are testimonials to the importance of Greek culture on America.

Thomas Jefferson once observed that "To the Ancient Greeks, we are indebted for the light which led ourselves out of the Gothic darkness." If Jefferson were with us today, I believe that he would also recognize the debt which we owe to Greek-Americans, whose continued leadership and participation in instrumental roles in our society assists us in developing a representative democracy reflective of the people.

Today, as we are hopeful for the continued success of peace, we look to the cradle of democracy, Greece, to be reminded that justice and right will prevail over those who would rather be a domineering power over the people instead of an instrument of, for and by the people.

So, it is with great pride that I join my colleagues to salute the Greek people who, after 400 years of foreign control, won their liberation from Turkish domination.

Mr. YATRON. Mr. Speaker, I commend the gentleman from Florida, Congressman BILIRAKIS, for initiating this very special order on Greek Independence Day. On March 25, 1821, after four centuries of Ottoman rule, Greeks rose up in arms, fought valiantly, and finally achieved a dream centuries old—freedom from Turkish denomination.

The ancient Greeks created the very notion of democracy, in which the ultimate power to govern was vested in the people. As Aristotle said:

> If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be attained when all persons alike share in the government to the utmost.

It was this concept that the Founding Fathers of the United States of America drew heavily upon in forming our representative government.

Constitutional democracy has made the American way of life possible. For that contribution alone, we owe a heavy debt to the Greek people. But the contribution of democracy was not the only contribution made by Greek patriots to American society. The ancient Greeks contributed a great deal, both to our cultural heritage, as well as to European culture, in the areas of art, philosophy, science, and law. In the preface to his poem "Hellas" Shelley wrote: "Our laws, our literature, our religion, our arts have their roots in Greece."

Greek-Americans have followed the rich tradition of their ancestors. The have made their mark in many professions including medicine, science, law, and business, among others. The welfare and progress of the Greek community, both here and abroad, is of great importance to all of us.

Mr. Speaker, Greek Independence Day was a model for a new nation, and continues to be an inspiration for all those living in the darkness of oppression.

Mrs. BENTLEY. Mr. Speaker, I thank the gentleman from Florida for yielding, and I want to commend him very much for taking this special order in order to commemorate Greek Independence Day.

Mr. Speaker, it is a pleasure for me once again to join with my colleagues in the Congress to commemorate Greek Independence Day. This is, as my distinguished colleague from Florida, Mr. BILIRAKIS points out the anniversary of the return of democracy to the land that gave the world the very concept of democracy so long ago. I might point out, Mr. Speaker, that Mr. BILIRAKIS is one of the prides of the Greek-American community.

It was on March 25, 1821, that the Greek people, under the banner and leadership of the Bishop of Patras, rose in insurrection against the Ottoman Turks who had held the Greek people in both physical and cultural slavery for nearly 400 years.

This day of revolution was not chosen randomly, Mr. Speaker. In the Greek Orthodox faith, March 25 is the feast of the Annunciation, that holy event for which the Greek Orthodox mother parish in Baltimore, the Cathedral of the Annunciation, was named.

For Orthodox Christians, this feast marks the beginning of the plan of salvation that we celebrate during this Lenten season, culminating in the feast of Easter in 3 weeks.

The Greeks turned this religious feast into a civic one by launching the insurrection that would bring salvation to the country on the day when they also commemorated the Archangel Gabriel bringing his good news to Mary of Nazareth.

It gives me great pleasure to join with our own Greek-American community in this country and with people of Greek descent around the world in celebration of the return of freedom and democracy to the Greek people.

And I send special greetings to the parishioners of the Greek Orthodox Cathedral of the Annunciation in my district, the church in which my husband Bill and I were married, as they celebrate jointly their religious feast day and this feast day for democracy that Greeks the world over will celebrate this weekend.

Mr. GUARINI. Mr. Speaker, on March 25, people of Greek heritage all over the world will celebrate Greek Independence Day. On this day in 1821, the Greek nation began its brave and arduous struggle in pursuit of independence from foreign rule. March 25 also marks the celebration of the annunciation of the Blessed Mother, a day of feasting and celebration for members of the Greek Orthodox religion. Many of my distinguished colleagues have spoken about the political and religious significance of this day to Greek people, however, I wish to point out that March 25 also offers a wonderful opportunity to all Americans to celebrate the important role that persons of Greek origin play in our country.

There are approximately 3 million Americans of Greek origins living in America today. Approximately 245,000 of the 12 million immigrants who passed through Ellis Island during its 62 years of operation were from Greece. Many settled in the New York metropolitan area, drawn by the hope of cultural acceptance and financial success. This pattern continues today, as over 4,000 Greeks, many of them newly arrived, populate the Jersey City area in my district. As Father Karloutsos, of the Greek Orthodox Archdiocese in New York puts it, "wherever you find the marketplace, you will find Greeks."

In fact, Greek immigrants to the United States have always embraced the American dream. Most major American cities boast a thriving Greek community, active in economic, political, and cultural areas. Individually, Greeks rank higher in number of years spent in school than any other ethnic group. Not surprisingly, many prominent Americans are of Greek origin.

In my district on March 25, members of the Evangelismos Greek Orthodox Church, led by Father Paul Koutoukas, and the St. Demetrios Greek Orthodox Church, led by Father George Economos will meet at the old court house building in Jersey City. They will be joined by

Mayor McCann of Jersey City, the consul general from Greece and Cyprus, and members of AHEPA, the American Hellenic Educational and Progressive Association. The group will celebrate Greek Independence Day with a flag raising ceremony at 12 noon, followed that evening by an ethnic festival with traditional Greek food, music, dancing, and poetry recital. The celebration will be highlighted by singing from the children and choirs of the Evangelismos Greek Orthodox Church and St. Demetrious Greek Orthodox Church.

Mr. Speaker, March 25 is a day when Greeks and Greek-Americans celebrate their culture, their religion, and their heritage. Let us join them in celebration, for Greek Independence Day is an opportunity for all Americans, not only those of Greek origin to rejoice.

THE FIRST FREEDOM FLIGHT TO KUWAIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennyslvania [Mr. WELDON] is recognized for 60 minutes.

Mr. WELDON. Mr. Speaker, I rise today to take out this special order, and will be joined by several of my colleagues as we discuss what was a most historic trip for 13 Members of Congress who joined Ambassador al-Sabah and our Commerce Secretary, Bob Mosbacher, in the first freedom flight to Kuwait this past weekend.

We left Andrews Air Force Base on Wednesday evening and flew to Manama, Bahrain, and then we flew into Kuwait City on Friday morning and spent a day touring Kuwait City with some very specific objectives in mind.

While the bulk of the delegation flew back to Manama, Bahrain, Friday evening, I, along with two of my colleagues, stayed over in Kuwait City for an extra evening of meetings with Kuwaiti citizens and a full day on Saturday of additional meetings and briefings and additional efforts to meet the objectives that we had laid out in planning this trip.

The attendees on the first freedom flight to Kuwait were broad and diverse. The 13 Members of Congress included Democrats and Republicans alike, junior Members and senior Members. The entourage included such notable figures as Gen. Alexander Haig, former Ambassador Andrew Young, the former Secretary of Defense, Frank Carlucci, and a number of other notables including Governor Schaefer from Maryland, Mayor Suarez from Miami, and former Member of Congress Tony Coehlo.

The general purpose of the trip to Kuwait was to bring in this broad coalition of leaders from this country to personally assess the devastation that had been wrought upon these innocent people by Saddam Hussein and his military, and that we did on Friday. We will discuss that in great detail this evening.

□ 1900

In addition to the Friday schedule of activities, we spent the additional day following up in several specific areas that I would like to outline briefly here at the beginning, and in doing so, list five specific objectives that I laid out for myself before going to Kuwait on this first freedom flight.

The first step was the whole issue of human rights. As the chairman of the Congressional Ad Hoc Task Force on Occupied Kuwait, a sub-task force of the Human Rights Caucus, my effort and request to Ambassador al-Sabah was to get in as quickly as possible and document the human rights abuses and atrocities that were perpetrated on the Kuwaiti people by the Iraqi military. We did that through a series of visitations to, one instance, the major location, the Yarma Palace, where a lot of the torturing was done to innocent Kuwaiti citizens. We also interviewed several Kuwaiti citizens. One, a young schoolteacher in her early twenties who was taken out of her home to Baghdad and was kept there for 45 days, and repeatedly tortured by a number of Iraqi troops. All the while, her young son was kept back in Kuwait City. She, not knowing the status of his health and well-being. We also had occasion to interview children who had not seen their fathers, and in one case a mother, for extensive periods of time because they, too, had been taken away by the Iraqi forces.

All during our visitations to the torture chambers and the overview of some of the techniques that we visited and we saw and had demonstrated, we documented all of this with extensive media footage that we will hopefully be able to play here in Washington at a to-be-announced human rights hearing, to provide documentation, that hopefully will lead to the evidence that will allow the United States to pursue Saddam Hussein for war crimes.

The second objective I laid out for myself as a member of the Committee on Armed Services, to look at and assess the forces that were in the Kuwaiti theater, my second visit to the region, and to write back and share with my colleagues as a part of the debate and discussion a long-term presence or, exactly what length of time we should maintain our military presence in that theater.

Mr. Speaker, one of the notions I have come back with is that this body should seriously consider maintaining a multinational force in Southern Kuwait to control the Iraqi oil fields, to sell off and bring out some of that Iraqi oil, and use the proceeds for the sale of that Iraqi oil to pay reparations to Kuwait, to pay some of the costs or all of the costs that the allied nations have incurred, and to finally, also, provide limited funding for the Iraqi people in terms of rebuilding their economy, but not for military use.

The third major objective dealt with the issue of the Kuwaiti contracting the extensive amount of rebuilding work that will occur inside of Kuwait. A Wall Street Journal front page story a week or so ago alluded to the fact that several contracting firms in this country who had been given letters of understanding for Kuwaiti contracts were saying that they did not plan on hiring American workers, that it was just going to be the employment of primarily foreign nationals. We confronted Ambassador al-Sabah on this issue on the way into Kuwait City. I had with me the president of the Building and Construction Trade Council for Eastern Pennsylvania, Pat Gillespie, and we received from Ambassador al-Sabah a public commitment that any Kuwaiti contract that is let, and 85 percent of these contracts we expect to go to American firms, but any of these contracts that are let will have four specific provisions contained in each of these contracts. One will require a specific percentage of American workers that will, in fact, be required to perform the work inside of Kuwait. So American workers will benefit. The second will require a specific percentage of the American small businesses to do subcontract work. So American small businesses will benefit. The third point is that the small businesses will be broad and diverse, and across the country, and not in any one geographical area. The fourth provision that was committed to by the Ambassador will, in fact, have a percentage of minority contracting that will be required for any contracts that are let. So despite all the sniping that we have heard primarily from those who oppose the President and his policy, we have, in fact, received solid commitment from the Government of Kuwait that, in fact, our workers, our small businesses, and our American firms are going to benefit substantially from the rebuilding work inside of Kuwait.

Mr. COX of California. Mr. Speaker, will the gentleman yield?

Mr. WELDON. I yield to the gentleman from California.

Mr. COX of California. I would just like to congratulate the gentleman for his personal efforts on this point. I was privileged to travel with the gentleman to Kuwait on that trip with the Ambassador, and I think it is important to point out that, but for the efforts of the gentleman from Pennsylvania, that commitment by the Ambassador to hire American workers specifically on these contracts would not have been made. I think the American people owe the gentleman a debt of gratitude for that work.

Mr. WELDON. Mr. Speaker, I appreciate the gentleman's comments, and I appreciate the fact that the gentleman, too, was a member of the delegation and helped in that effort. There was serious discussion on the plane by all 13

Members involved. Several of my colleagues are in this room, and the delegation was headed, I might say, by our distinguished colleague, the gentleman from Ohio [Mr. WYLIE]. All the Members were committed to seeing that, in fact, the Kuwait Government would, in fact, do what we knew it would do, and that was to hire American workers and to have our work force in this country, and our small businesses benefit from this operation.

The fourth major objective that I had set out, and I think all Members had set out, was to look at the Kuwaiti Government itself, to see what kinds of changes, perhaps, were occurring, and to try to get an assessment as to what the mood was inside of Kuwait toward the Amir, toward the family, and toward the Government and the Constitution that has been in effect in that country for some 25 years. To help accomplish that task, we were able to set up four deuanias, being equivalent in our country to a town meeting, where we met in one case with 80 leaders of the democratic movement inside of Kuwait, including 9 former members of the Kuwaiti Parliament, people who were senators, like Mohammed Al-Risheed, Khalio Al-Sultan, Meshari Al-ojemi, and Ahmed Baqer.

We listened to these people talk about their persons as former members of Parliament, and discussed with them the commitment that the Amir and the Crown Prince have made, as well as the Ambassador of Kuwait, to reinstate the Parliament as quickly as possible, and to live up to the requirements of the Constitution. That issue is also being sniped at by some of the Members of this body, and I think once again, we have gained some firsthand experience that we can share with our colleagues, in terms of what the mood of the Kuwaiti people is in terms of the reinstatement of Parliament.

The fifth major objective I had, and I will turn to some of my colleagues in a moment, deals with the issue of the fires in the oilfields, and the whole issue of how we in this country can assist the Kuwaitis as quickly as possible, control these devastating fires, and rebuild the emergency response network in occupied Kuwait. On this point, I was again able to get a commitment from the Ambassador to bring over some of the leading national experts in this country, including the National Fire Protection Association, including the National Association of Fire Chiefs, the Fire Fighters, and the volunteer accounts of some of our major manufacturers, in what will be a training session in Bahrain to assess the damage from fires, and the emergency response needs to that country, and put together a list of the kinds of services that we can offer from America to assist Kuwait in controlling these devastating fires. Then, perhaps, more importantly in the long term, rebuilding the emergency response network inside of Kuwait, and specifically, Kuwait City.

Mr. Speaker, I would say that all five of those major objectives that we laid out, we accomplished. We came back with some real tangible evidence of some success that we can report to our colleagues, and that hopefully we can build upon to allow Kuwait very quickly to rebuild, to allow America to share in that rebuilding process, and to make sure that we are properly representing the interests of our country, as well as freedom-loving people around the world.

Now that I have gone over those general objectives, I would like to turn to some of my colleagues that were on the trip with me and ask them for some additional thoughts and experiences that they shared from that trip.

Mr. INHOFE. Mr. Speaker, I would like to share with the gentleman from Pennsylvania an experience that I had that the rest of the Members on the trip did not share in. When I was coming back, and we had gotten off at Andrews Air Force Base, I was going back to Tulsa, OK. I shared a ride and sat next to a young captain, Brad Powell, from the 58th Fighter Squadron. I asked the young captain the same question as the other Members asked all the ground troops we saw, and he came back with the same answers.

□ 1910

I said, "What were the three major concerns that you had?"

The first concern, and I will just mention two of them, I know the gentleman is going to get to this and will elaborate, but I have to leave and I did one of these last night and we had a chance to get into a lot of detail. The first one was this fear they had that Congress would not vote to support the President, which would in effect put us in the same situation we were in Vietnam in fighting a war that did not really have the full support of the American people through the Congress.

The second one I thought was really interesting. He said, "My concern that almost rivals that is the concern that our country would have gone along with Gorbachev on February 21 when he wanted to have what I refer to as an extension or a pause for 21 days, giving them time for an orderly withdrawal."

It was when we were over there in that same time frame that they came up with this incredible document that the American people have to know about. It is difficult to talk about and it sounds hysterical, but it was on February 21st that we saw the document signed by Saddam Hussein that called for the extermination of all Kuwaiti males in the country and the raping of all Kuwaiti females in that 21-day period, that same 21-day period and it is obvious that Saddam Hussein was assuming that we in this country were going to go along with the Gorbachev peace initiative, as he called it.

In essence, the only conclusion you can come up with is that he was trying to wipe out an entire nation in 21 days that would fall after the next generation, and that is the day they started the oil fires.

One thing about the oil fires, and I know the gentleman is going to get into that, I am a boy from Oklahoma, and we figure if we get in an oil well and we produce 50 barrels a day, we have cut a fat hog. We watched one well go up that was burning 30,000 barrels a day. The combined cost of this thing is $3 billion a month, and that was such an incredible thing just to destroy a nation. He was not going to do it just with fire, he was going to do it with the population.

Mr. WELDON. The gentleman referred to letters. I assume they are the letters that were on display at the palace which had been the home of the Governor of Kuwait, that Saddam Hussein's brother that turned into the command headquarters for the Iraqi military in Kuwait City. They are the same letters that we have asked to have copies brought over here at an appropriate time so that Members of Congress can see the physical evidence, the signings by Saddam Hussein of the kinds of decrees and actions that the gentleman has just outlined. Am I correct in that?

Mr. INHOFE. That is correct, and it is because there are still a lot of people in this country who do not really understand what a barbaric animal Saddam Hussein is. It is hard for us to think the way they think. Our job as Members of Congress is to be the eyes and ears of about half a million people, and I think we did a good job in that and hopefully we can communicate to the American people what really went on there.

Mr. WELDON. At that same palace, Dr. Hamadi, who is a medical doctor operating out of the largest medical center in Kuwait City, also confirmed to us that he himself would come back to America and testify before appropriate committees as to the physical torture that he saw on bodies that he was able to keep in the morgue that had been abused, people who had been abused by the Iraqi military.

Mr. INHOFE. Mr. Speaker, if the gentleman will yield further, I heard the gentleman invite him to testify before the Human Rights Caucus, and I think that is necessary because for us to say it does not have the impact that they have.

You can read about torture, but when you see the devices they used, how they could split a head open, remove the brain and keep the body alive until the very last minute, the screams that were taking place, the screams that merely provided background music for the generals on the next floor down

who were making their decisions, it is an incredible experience that is awfully hard to communicate.

Mr. WELDON. Would the gentleman agree with an assessment that many of us were criticized for making in December and January, that Saddam Hussein was in fact a Hitler in the making. There were many who criticized us saying that was a gross exaggeration.

I came away for one from this trip thinking and believing full well that in fact Saddam Hussein was in some cases worse than Adolf Hitler with some of the atrocities that he perpetrated on the Kuwaiti people.

Mr. INHOFE. I can remember, in response to the gentleman's question, yes, I can remember when in December just the week before Christmas I was over in Saudi Arabia in Riyadh talking to General Schwarzkopf, and he characterized Saddam Hussein as somewhere between Charles Manson and Adolf Hitler; but again, you have to be there and see it to understand that. It is an incredible thing.

I really commend the gentleman, because I would not have had an opportunity to be there if it had not been for the gentleman from Pennsylvania.

Mr. WELDON. I thank the gentleman for his participation in this special order, and also for his substantial contributions to the effort and to the trip itself. I know the gentleman will be an outspoken Member of this body in bringing forth the facts that we witnessed while we were there, and I thank the gentleman.

Mr. Speaker, I now yield to my distinguished friend, the gentleman from California [Mr. COX], who also played a very important role in this mission and was very active on the floor of the House, and as a Member of this body in supporting the President's effort and the path that we took to liberating Kuwait.

Mr. COX of California. Mr. Speaker, I thank the gentleman for yielding to me.

It is perhaps true that the single purpose of our trip was to witness firsthand the extent of this destruction. There were a number of other purposes which the gentleman has ably outlined. Certainly important among those was ensuring that American workers have the opportunity to get a crack at this business of rebuilding Kuwait; but frankly, what impressed me the most, and I know all the other Members of our delegation, were seeing firsthand just how bad the situation is in Kuwait. None of us were prepared for what we saw.

It is one thing to watch the films on television of that two-dimensional TV picture, reading about it in the newspaper, but that does not convey what it looks like when it is spread all around you, when day is turned into night, when that black smoke gets in your nostrils when you sneeze and when it comes out just soot. It is in your eyes. It is in your teeth, all over your clothes.

The health problems that our troops face there and that the people who live in Kuwait face are going to make the agent orange problem pale in comparison, and yet it goes on and on. Each day with these oil fires, 600 of them are ongoing. We have got 6 million barrels of oil every day going up in smoke. Now, that is compared, for a benchmark, to 2 million barrels per day of production when Kuwait was at its peak.

Mr. WELDON. That is a very important point the gentleman makes. He might want to re-emphasize that.

Mr. COX of California. That is 6 million barrels a day going up in smoke. There are these vast lakes of oil that are on fire at random places. It looks for all the world like Dante's Inferno. I felt as if I had died and gone to hell. There is no way to convey this surreal surrounding that we found ourselves in.

One man who is still at large is responsible for all this. It extends beyond, of course, the oil field fires to the dumping of oil into the Persian Gulf, the looting that took place, just absolutely extraordinary.

We flew in, of course, with Kuwaiti citizens, the pilots, the crew, the Ambassador himself, none of whom had been to their homeland since before the occupation and the war. They had not been there since July, so this was called the Freedom Flight, the first commercial flight back into Kuwait.

The gentleman remembers how upbeat everyone was. They were all excited to get back to their freed homeland. At the end of that day after each stewardess and pilot had the opportunity to return to his or her home, they came back, some with tears in their eyes, the pilots were all hangdogged. Their homes had been utterly destroyed and that little vignette was repeated all over Kuwait.

Still one-half of the population are refugees, and when they return they will find that all their furniture has been taken away. They will find that all their clothing is destroyed. They will find that whatever is left behind has been desecrated, and worse.

The Ambassador whose home we visited was shocked to find not only that his entire home had been looted, but that his daughter's bedroom had been turned into a torture chamber.

This is what Saddam Hussein has done, and now what Saddam Hussein continues to do inside Iraq, over 7,000 Kuwaitis are held prisoner in Iraq.

I think more than anything the Kuwaiti people asked us while we were there, "Please do what you can to see that our relatives are returned." Between 7,000 and 8,000 of them are held prisoner right now in Iraq.

I would like to conclude by mentioning how important it is for America to lean on the government of Kuwait, such as it is at this moment, to rebuild Kuwait as soon as possible, to get those oil fires out. To my way of thinking, the process is proceeding too slowly. There are American firms and other firms around the world that are competent to do this task. The Kuwaiti government actually has the assets with which to hire and pay for these kinds of services; but when we visited there, and still today, the first oil well fire has yet to be put out.

This problem requires much more energy and much more attention from all the world. If we have learned anything on this trip it is the vital importance, not just to Kuwait, not just to the region of the Persian Gulf, but to America and the rest of the world that we get this problem under control immediately, not tomorrow, not next month, but today.

□ 1920

Mr. WELDON. I thank the gentleman for his comments. I agree with the gentleman.

I just add to that what we saw as we traveled through the oil fields. It was broad daylight, and yet we had to use the headlights on our buses because of the darkness caused by the intense smoke above us. What we saw in all of the oil wells that we saw on fire, which are obviously under natural pressure—the oil does not have to be pumped out, it just comes out because of the pressure underground in these oil fields. But what Saddam Hussein did so well is he brought his engineers out and they placed the dynamite charges below the valve, the lowest value on each of the wells so that basically we would have no way to shut the supply off, coming out of the ground. So what you have to do is you have to dig around each of those wells, clear the minefields around them in order to get to them, and then we have to be able, before we can put the fire out, to be able to make sure that we have a way of capping that well once that is done, which adds to the difficulty.

So this was no accidental operation. I think the gentleman would agree with me that this was a deliberately well-thought-out plan of mass destruction in terms of these oil wells which occurred during the final days and during the ground war itself.

I yield to the gentleman from California.

Mr. COX of California. If the gentleman would yield further, I will offer one additional vignette that exemplifies what kind of a person we are dealing with.

After the liberation of Kuwait, the Iraqi Embassy in Kuwait City was occupied by American and French soldiers. I had the opportunity to walk through that embassy. It was in tat-

ters. But I noticed that on the walls there were framed pictures, not as we would in our foreign embassies have pictures of Niagara Falls or Mount Rushmore or the Statue of Liberty, but pictures of atrocities, pictures of Iraqi soldiers standing smiling over their kill. One picture showed a victim who did not appear to be a soldier at all but a civilian with blood running out of his mouth and his ear, laying dead on the ground and the soldiers standing over him just like hunters over a lion.

These kinds of pictures, many, many of them, graced the walls of the Iraqi Embassy. One has to ask what kind of an ethic, what kind of a culture, if one could call it that, does Saddam Hussein think he is promoting by glorifying those kinds of atrocities? I do not think there is any question but that his method of governance is terror. He is an armed criminal in charge of a country. He is still at large, and he has got to be stopped.

Mr. WELDON. I thank the gentleman for his comments and for his insights, and would just add that I think the whole issue of the abuses that Saddam Hussein perpetrated on these people have to be brought to the attention of the American people. I think of that palace that we visited, which had been the governor's mansion, which he turned into his headquarters; Saddam Hussein's brother lived there. In the basement, we all went down and saw the operational center for the Iraqi military in Kuwait. That operational center consisted of a large sand map, I guess it would have been approximately 30 feet by 50 feet, laid out very precisely, all of the locations, the entire waterfront area where Saddam Hussein expected an amphibious assault to occur, and a grid system in place that would allow him to place his military very strategically to respond to the attack that he expected from the American military.

But what further bothered me was that on the third floor of that same building, where all of the Iraqi military commanders were headquartered, was the torture chamber, the torture chamber where we saw a metal bedspring that had been placed on four chairs and had two electric wires attached to it. We heard Kuwaitis tell us the very personal stories of Kuwaiti citizens, women and children being laid on this metal frame and then having a rheostat turned up so that the shock would bounce them off of this metal frame as a source of torture.

In an adjacent room on the third floor of this command center we saw two large dryers, the traditional industrial-size dryers that we see in America. We heard stories, very personal stories, of families being brought in, of a father's being seated across from these dryers and their children being placed inside of the dryers while the dryers were turned on to attempt to get that relative to tell some story or to provide some type of information that the Iraqi military wanted, while the children were being tumbled mercilessly in these dryers.

We saw scores of examples of devices that were used to rip skin and salt being poured into the wounds, We saw devices that were used to crimp the neck to gouge the eyes, to slice the ear, devices that were used to provide electric shocks to the head, all of these very real examples.

Mr. Speaker, we have got to get this documentation here in America. We have got to show the world what the American media did not show up until Kuwait City was liberated.

One of the things that offended me most was the coverage by some of the networks in Baghdad, that the American people and the world community was seeing what was happening in Baghdad, yet no one was seeing what was happening inside of Kuwait City.

Now that story has to be told.

One of the most important missions, most important objectives of our trip to Kuwait City, was to make sure that we, Members of Congress, have the documentation visually, we have it through photographs and through the film footage that we took, and we have it through the personal experiences and stories that were told to us.

We have come back with a commitment that we are going to hold this body accountable for all of those stories to understand and then to act upon the atrocities that Saddam Hussein placed upon the Kuwaiti people.

I yield to my friend and also a colleague who went along and provided extensive insight into the entire operation, the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Curt, I will follow this special order with an hour of my own and our good colleague, the gentleman from Ohio [Mr. WYLIE], senior member of the delegation of 2 Democrats and 11 Republicans, the gentleman from the great President-creating State of Ohio. The gentleman has an hour special order following mine. If he wants, depending on his time constraints, maybe we could just continue and mix all three together.

But I want to comment on two things. One, there were many journalists with us on this trip, male and female journalists. Some of them have produced excellent work product in the Washington Times in this city and in other papers around the country. Several of them were syndicated national columnists. One of them was Nate Adelman, who has a column in today's Washington Times which I would like to quote from and get the gentleman's reaction to it.

But let me touch on a rather unfortunate note. I do not know his name, but I will learn it soon; there was an AP reporter with us, a guest of the Kuwaiti Government on the Freedom Flight, who made light of our trip and ridiculed the Freedom Flight. He called us "war gazers." He said we went into the palace—and I would like to, with the gentleman's permission, downgrade the palace. It was more like a large home, a mansion, not the way people think of the Tower of London or even an ancient palace or a modern palace of today, even some of the palaces the wealthy oil people built around the Arabian or Persian Gulf. It was just a big, three-story home.

Mr. WELDON. I think it was the home of Nasser Mubarek Sabah, who was the governor.

Mr. DORNAN of California. Yes, right. And certainly it was no more extensive than any Governor's mansion in any of our 50 States.

Mr. WELDON. The gentleman is correct.

Mr. DORNAN of California. There was one chandelier that they did not have time to trash, but the rest was no different than the model you see in every modern hotel produced today, with its cutglass, brass rails, beautiful marble, some of it imitation marble.

Now, this AP reporter who was with us said that in the lobby as we came in, like in a department store at a sale, we were told, "Step right up, step this way, the torture rooms are upstairs. Here is the photograph. Come in." And that after we were shown these intruments of torture—and I do not know about you, but for months now—and I hope it will fade—I cannot walk into the garage and look at garden tools and normal carpentry tools like hammers and mallets and a plane, which was used to plane the skin off of people's backs. I cannot look at those simple tools, given the way these bestialities were worked out of man's inhumanity to man.

This AP reporter writes that I held up one of the instruments of torture and said—turning to the camera—said, "We must get this back to the Congress." And the gentleman has already said it tonight, and my recollection is that I turned to the gentleman in the well, not the cameras because the gentleman and I are on the Human Rights Caucus, and said, "We must get these protected." And with the kind permission of the government, before they put them in a holocaust museum, which they are certainly entitled to do, we can get them back as exhibit A in a congressional hearing.

Mr. WELDON. The gentleman is correct. Part of our purpose was to provide visual documentation of these devices in case someone would take them. We came back I know in my case we came back, I know, with 10 videotape cartridges of footage of all of the torture devices and all of the inhumane treatment that was done to innocent citizens.

□ 1930

Mr. DORNAN of California. Exactly.

Now I had a call from a reporter tonight from my hometown paper, the Orange County Register, Gary Warner who wanted to apologize to me, that an interview I gave to him by phone about what we had seen. We were all doing that, letting our papers share, because there were many journalists on the trip, and they were filing immediate stories, and we were using AT&T to call home and say, "Here's what we're seeing. This has to be seen to be believed." This was the reaction of all of us.

This reporter, Gary Warner, called to apologize to me that a few of the quotes which I had given to him were fine were worked into this cynical, immature, asinine story by this AP reporter who flew over a guest of the Kuwaiti Government to ridicule us.

Now one of the instruments of torture that I was not familiar with, like garden tools, and hot plates and carpentry tools, was a cleaning device used to clean Soviet RPG rocket-propelled grenade RPG missiles. The gentleman will recall that, when we went up to the Highway to Hell, or what Ken Adelman calls Highway USA Won, only spelled not o-n-e, but w-o-n. I had not heard that. It was what we among ourselves called Looters Ridge. We were cautioned quite properly, "Don't leave the roadway," and you could see unexpended ammo, rocket-propelled grenades and everything all laid out in front of us.

So, we were all very circumspect, and we all obeyed what we were told by our military guides. They had a military peripheral line there of trained soldiers to make sure that we did not hurt ourselves or anyone else, but at my feet, as I stepped off the bus, was an object that is used to clean rocket-propelled grenades, and I would not have known what this thing was, but I would have just kicked it off the road, or moved on by it, but I had learned, not an hour and a half before, that this device was used, and I am going to be very delicate here in the way I describe it, to rip open the body orifices of men and women, and I will leave it at that, and I leaned down and looked at this device. This was a brandnew one lying next to its rocket-propelled grenade, and I looked at this thing, and of course to those, Mr. Speaker, who follow the House by radio and read the proven record, as a lawyer in court, and I am not a lawyer, you have to describe something. It is about 12–13 inches long, and it has a screw device on one end that you put in a bigger tube, and it is constructed, about an inch across the mouth, to go inside a rocket-propelled grenade where three springs with rugged, serrated pieces on them would go in small and expand inside the rocket-propelled grenade to clean it out. You would turn this and grind it out. This devide was held up by this Air Force colonel and doctor saying this was used to torture men, and I asked them, you will recall, "and men?"

"Yes, to tear their bodies apart."

So, they were using Russian-supplied military cleaning equipment, and some seeing it said, "Oh, well, this will be great to tear people apart."

So, I took this back, and I guess that AP reporter would call it a souvenir. It is not a souvenir. It is a vivid memory to me of this horror that left us all just dumbstruck of man's inhumanity to man. I said walking out of there the same thing that Ken Adelman had said. Obviously he has been to Auschwitz. Only in a tour of six German extermination camps: Chelmno, Treblinka, Belzec, Auschwitz, and the bigger camp next door to it, Birkenau, Maidanek; only in these extermination camps of Nazi Germany did I ever see this type of cruelty, and most of the Germans, the Nazis, the SS guard that ran the camps, they were able to bury, destroy, throw in rivers and lakes, most of their weapons of torture. Here we have it all in one house, and to have an AP reporter make light of it is too bad, but it is part of the bigger picture.

I understand the New York Times wrote a cynical story, reserved judgment. My own use of the word is not cynical. That is other's until I read that story. But the resistance that we got to make this trip, as though it were somehow or another a golfing tournament in Hawaii, that Kuwait or Fluor and other corporations who paid for the 13 Members of Congress, as though this were some sort of delightful weekend that we were taking our wives on when we are standing in the middle of this acrid smoke, tears running down our faces, our noses involuntarily running, and looking at these tiny, beautiful children living in oil towns that is sucking in these nightmare pollutants hour, and hour, and hour of every day, and we all recommend that they take the children out of there, which I understand they started doing in 2 days after we left. To look at this nightmare is something that, as I said to everyone when I said that it was like Dante's Inferno, that like very few things in life; I mentioned the Grand Canyon, the Taj Mahal in India, and the Niagara Falls; there are very few things that you have to see that cannot even be captured in three-dimensional image photography or in beautiful color films, Cinemascope, Panavision, Ultra Panavision, Cinerama. There are things that you cannot capture even in sight sound motion on color film. You have to get that surround around sensation, 360 degrees, where we saw over a hundred, some of them disappearing in the black smoke and reappearing again, a hundred burning wells out of the 580-plus that are burning. And we got so close to the roar of the oil coming out of the world's second highest pressure field. It was just almost deafening. You could not get close enough from the heat of the fire, and it would actually hurt your ears to see the black oil coming out of the ground, which only a very few Texans, or Alaskans, or Louisianans get to see in our country. And then it was torching on the side where the air is mixing with the oil, totally on fire about 15 feet up the air, going up in some cases, as the plumes of fire, 22 stories in the air, and to see this surrounding you in the blackness where headlights are on cars at 11 o'clock in the morning, and we arrive. The Sun is an orange orb looking like an autumn moon. This unbelievable, as the gentleman from California [Mr. COX] said, a feeling that you had died and was seeing the fringes of hell.

This had to be seen to be believed, and I was sorry to hear that the smoke got so bad when the delegation of 17 or so Senators arrived, and the gentleman saw them because he stayed overnight, and I admire him and the gentleman from Ohio [Mr. KASICH], also our colleagues on the majority side, Mr. PETE GEREN who knows oil, being a Fort Worth Texan. In fact, you three people stayed overnight, went to the town hall meetings, which I hope you will mention in a second here, and then did a microinvestigation of Looters Ridge, the Highway to Hell, and please tell us about the hotels that we slowly drove past, Meridien with tank shells in the front, the Sheraton, a burned-out hulk, the big Love Boat hotel ship that some entrepreneur businessman had created. I say to the gentleman, "Tell us about what you did the second day after staying overnight to see it in close-up detail what we had seen on that terrible tour of the oilfield hell, the torture chambers that that—I will call it a mansion instead of a palace or a large home—and then the ridge where the looters were caught with the booty that they had stripped from this ripped country and got caught by the Navy A-6's at night and the Air force A-10 Thunderbolts, and Marine F-18 Hornets, and Marine Harriers, and the Army Apaches that the next day talk about justice, and then, if I can, I would like to read a couple of stunning paragraphs by Ken Adelman. But please tell me because I did not get a chance to pick your brain on the flight home. Tell me what you did overnight and the next day."

Mr. WELDON. I thank the gentleman from California [Mr. DORNAN] for his comments, and I would just add to that that I did not see the AP story, but I can just say this. I am not going to comment on what a reporter did or did not write, but I talked to a female AP reporter in Bahrain who called me at the hotel when I got back Saturday evening before we left to come back to America, and she was incensed that the

AP network worldwide—she had written a story and filed a story on the trip and its implication in what she saw happening, and, instead of taking her story, AP made a decision to use the trivial story written by this reporter that the gentleman from California mentioned. So, the criticism that I heard was not from a member of the delegation. It was form another AP story and another AP writer whose name I have back in my office who told me that she was incensed that they picked up this superficial story written by this reporter who used this one instead of the one that she had filed about the trip itself in what she had seen in terms of accompanying the delegates and the attendees on the trip.

Part of what we did after the delegation arrived and spent all day Friday and the delegation left to go back to Bahrain was my colleague mentioned the gentleman from Ohio, Mr. KASICH, and PETE GEREN from Texas and I stayed behind with a film crew and with a constituent of mine, Ernest Alexander, who was a hostage inside of Kuwait City up until mid-December of last year.

□ 1940

Ernest married a Kuwaiti woman. They have two children. The two families that he married into are the al-Sadoun family and the al-Harbi family. They reside in Kuwait City. Up until September, Ernest, his wife, and two children were captives in that city. In September the wife and two children were allowed to leave. They came to America and took residence in my district in Media with Ernest's family. But Ernest was kept inside of his home, confined there, until mid-December, when he was finally able to leave through Baghdad to come back to America.

We had Ernest with us for a very important reason. Ernest knows the city. He knows the country. He speaks the language and was able to help us facilitate a more in-depth trip overnight and through Saturday than the one we were provided as a part of this larger delegation. In fact, we were able to link up with one of Ernest's good friends, Jhukri al-Hashem, who speaks fluent English and fluent Arabic, who is a graduate of I believe Cal Tech, and who is now a businessman inside of Kuwait City.

We spent all the evening of Friday night traveling by bus throughout Kuwait City visiting with Ernest's in-laws, talking with people who were involved in the resistance movement during the Iraqi invasion and Iraqi occupation, and listening firsthand to their stories, one of them told by a brother-in-law of Ernest who had been shot in the back by the Iraqis.

We listened to the story told by the family of having the Iraqis come into their house and threatening to take the 12-year-old son out of the house, and almost did it, except for the two younger daughters who started crying when their brother was about to be taken out of the household.

We went from Ernest's family house to two what are known as Diwaniyahs. The Diwaniyahs was a tradition only evidenced, as far as I know, in Kuwait as a country. It is like a mini town meeting. They are held throughout the country. There are hundreds of them. It is a place where people come together and talk about problems and concerns that they have in their neighborhood, in their country. They talk politics. They talk whatever the issue happens to be at that particular time.

We spent 3 hours in two Diwaniyahs that evening. One of them was in the home of Fahad al-Majed, who is a leader in Kuwait City and has one of the most active Diwaniyahs in the city.

The second was in the home of Mishari Osemi. Mishari Osemi is the chairman of the Lawyers Association for all of Kuwait, which would be the equivalent to our Bar Association. So he held this Diwaniyah in his home, where he brought in ordinary citizens to give us their feelings about what the Iraqis had done to them, and also to allow us to have a better flavor for what was on the mind of the Kuwaitis.

In addition, both men helped set up for us at 1:30 on Saturday afternoon, the next day, a Diwaniyah with 80 leaders from throughout Kuwait. These were the former members of the Parliament, again former senators, two former ministers, and a number of other prominent citizens, where we had a chance to really get an in-depth glimpse of what the Kuwaitis thought about the occupation by Iraq, the democratization of Kuwait, and the reforms necessary to go back to the Constitution and the reinstitution of the Parliament that was disbanded in 1986. So we got a chance to get a substantial amount of information and feeling from ordinary Kuwaiti citizens.

Also on Saturday we had a unique opportunity to witness some of our own troops. All of us on the trip were, as we have always been, extremely pleased and proud of our American forces. We met with troops from the Delaware Air National Guard as they were cleaning up what we referred to as the Killing Fields on the highway that runs from Kuwait City to Basra. We met with groups from CINCOM, including a constituent of mine from Haverstown. We met with individuals from Army units, Navy personnel who were staying in the hotels where we were in Bahrain and also met us at the Embassy compound in Kuwait City, to get a glimpse of our own military.

We had a chance to spend an hour with a detachment of marines from France that was doing a very delicate maneuver of defusing what they estimate to be 1 million land mines that had been placed all along the waterfront of Kuwait City. We could actually see the prongs of these land mines sticking up, and were able to watch and have explained to us by the French marine force the process that was being used to defuse these mines.

We also had a chance to get out among the average Kuwaiti citizens. We visited a gas refilling operation where Kuwaiti men and women were bringing their bottled gas containers to a central facility, and had a chance to interact with them.

Some of them spoke English, but I can tell you the one common feeling that we all came away with was this overwhelming love for America. It seemed as though the ones who could not speak English only knew one word, and that one word was "Bush." They kept chanting, "Bush, Bush, Bush."

One thing that I wish I had taken more of with us on this trip was American flags, because they all wanted American flags. They all wanted to show us their appreciation for America having led the effort to liberate their country.

We also were able to visit a school where we saw evidence of the occupation of the Iraqis living in that school, as they did in every public school throughout Kuwait City. We saw the damage and destruction that was done to classrooms and these public facilities, where the Iraqis just took over these public institutions.

We visited one of the most prestigious museums of its kind in the Arab world, the Kuwaiti National Museum, the cultural center of Islam, where we saw the absolute destruction by the Iraqi military, the burning of historical artifacts, the destruction of plates and artifacts dating back to the 11th and 12th century, and the absolute burning of this monstrous facility in Kuwait City, for no reason, except I think to allow the Iraqi military to just demonstrate their absolute uncontrolled outrage in occupying Kuwait City.

We also were able to visit a cooperative, where we saw evidence of the Kuwaitis distributing food to all of the Kuwaiti families, and allowing them to have the kind of staples that are necessary to maintain their family units, because approximately 40 percent of the Kuwaitis stayed through the occupation and were able to live some type of a life during the time that the Iraqis occupied their nation.

We also saw evidence of Kuwaitis being able to get access to petroleum products to run what few cars were operational. I say what few cars were operational, because all of us were struck by the absolute magnitude of vehicles that were strewn all over the city, in the streets, on the sidewalks, in the parking lots. Every car that we saw, every vehicle that we saw, had all of its wheels and its tires stripped off

and had the hood popped open with the engine removed, where the Iraqis just went through like a bunch of common bandits and looters and just took everything they could get their hands on. Much of it was strewn along the highway from Kuwait to Basra as the Iraqis were trying to leave Kuwait City when the land offensive started.

We also were able to visit one of the fire stations in Kuwait City, to see the destruction caused on the emergency response network. Only two apparatuses were still operational, because the Iraqis had confiscated the ambulances and the fire apparatus and used them as vehicles to leave Kuwait City in a mass exodus that occurred in the final 2 or 3 days.

Just a day after we left Kuwait City, we heard the evidence of a massive fire that was burning in a hi-rise building in a downtown area that could not be controlled because the Kuwaitis had lost the bulk of their emergency response equipment.

We also were able to visit the largest medical facility in Kuwait City, Ibn Sina Hospital. At this medical facility on Saturday we met with Dr. Jaleh Abdul Latif al-Ateegi, who was the top medical professional in this hospital. It was an unannounced visit. When we stayed over on Saturday we had no representative of the State Department and no representative of the Kuwaiti Government. We were on our own with the Kuwaiti escorts we had brought over with us.

When we went into the hospital, Ernest Alexander, the hostage from my district, knew the head of the hospital, because his wife had worked there as a medical professional. So we, unannounced, walked into his office and met with him and had him share with us his stories in terms of what the Iraqis did to the medical facilities inside of Kuwait when they occupied the country on August 2.

□ 1950

I heard Dr. al-Ateeji tell the story of three of his top physicians and his top administrative assistants in managing the medical center having been shot in cold blood for no reason except that they had come up with some contrived excuse that they had treated Kuwaiti citizens when they were told not to, shot and killed on the spot, and these were three instances that the doctor had personal knowledge of. And he said there were hundreds of other examples where the Iraqi military came in and just wantonly killed medical personnel, ripped babies from incubators, took patients out of their hospital beds. In one case in a hospital that was specifically designed to handle the invalids and those people who are handicapped, they pushed all the handicapped patients out onto the sand where they were replaced with Iraqi military personnel.

So there is a continuing pattern of evidence and a continuing pattern of abuse that, as BOB DORNAN and other colleagues have said, CHRIS COX and JIM INHOFE have mentioned, are just beyond our comprehension in this country. All of these efforts and all of the actions that we were able to take part in during the 2 days that we were in Kuwait City have all been documented and this information is now being compiled. We will, in fact, prepare and are preparing a written report that we will submit to the Congress by the end of this week that will document much of what we have been talking about. It will contain names, it will contain locations, and it will contain specifics of the kind of thing that we saw and we evidenced while we were in Kuwait City. In addition, we have film footage of all that we will make available to the Human Rights Task Force chaired under the able leadership of TOM LANTOS and JOHN PORTER so that we in fact can follow up on all these horror stories that we were able to bring back from Kuwait City.

Mr. Speaker, at this point I see that my distinguished friend and the ranking member of the delegation who led us into Kuwait City, CHALMERS WYLIE, is here, and I would like to now turn this over to CHALMERS WYLIE and ask him to perhaps make any comments that he would like to at this point in time.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding and appreciate his contribution to what I regard as a very significant moment in the history of Congress.

The trip to Kuwait, billed by the Kuwait Ambassador, Fahd Nasir al-Sabah, as the first freedom flight into Kuwait after the occupation by the Iraqi forces, was one of the most memorable experiences of my entire life. I was on the front lines of an infantry unit in World War II and I saw death and destruction firsthand, and not much phases me. But I will have to say that our trip to Kuwait made a firm imprint on my mind which I will never forget, and I stand in awe of the gentleman from California's ability to describe in such detail what we saw. I want to say also that I admire the gentleman from Pennsylvania, Mr. WELDON, the gentleman from Ohio, my colleague from Columbus, Mr. KASICH, and Mr. GEREN from Texas who stayed all night in Kuwait, and even got a more vivid or more realistic view of what went on in Kuwait than perhaps some of the rest of us did.

But we were a little late in getting out of the House session on that night because I had to manage the bill on the Resolution Trust Corporation, and fortunately for us the Ambassador held up the flight almost an hour, which indicates the importance to this Member that the Ambassador held for Members of Congress being on that First Freedom Flight.

When we arrived in Bahrain on Thursday night, I will take a little different approach here for a minute, I made arrangements to have dinner with John Hall, who is the chairman of the board of Ashland Oil. I wanted to talk to John Hall because Ashland has a big presence in my district with their Ashland Chemical Plant. I also had dinner with Jack Murphy, the chairman of the board of Dresser Industries. Dresser has a big interest and presence in central Ohio. They have an office in Columbus, in my district, and several years ago they bought Jeffrey Manufacturing Co. And I am sure Dresser Industries is going to be directly involved in the rebuilding of Kuwait, and that is the point I want to make here. We did go over with a lot of businessmen whose expertise and experience and background are certainly going to be needed in the rebuilding of Kuwait, and lord knows Kuwait needs rebuilding.

Also at that dinner was the chairman of the board of the largest waste management corporation in the world, Mr. Dean Buntrock, and it was most appropriate that he be invited on the trip because Kuwait has a monumental waste management problem right now.

I also spoke with Mr. Bill Agee, the chairman of Morris Knudson, and John Harbert IV of Harbert Corp. All are going to be involved I think in some way in the rebuilding of Kuwait.

The discussions at the dinner with these important businessmen as to why they were there and what they hoped to be doing was most interesting, fascinating, and informative to this Member.

I might say that evening I had a little happy moment, too. I met Lt. Sandra Even who is a constituent of mine and lives about a mile from where I live in Worthington, OH. She brought some of her Air Force buddies over, and they were absolutely thrilled and pleased that American Congressmen were there to see what was going on, and she said it was most, most exciting indeed for us to be there. So I thought for that reason also it was good that we were there.

Much mention has been made of the 600 oil wells that were on fire, and Mr. COX said it was like Dante's Inferno. I mentioned that at the time I imagined what it might have been like, and what I read as a youngster in school. I remember reading a book at an early age, and others may have mentioned this, but sometimes I believe it is important to repeat because I think others would have a hard time believing what we really saw unless we reaffirmed each other's view of what we saw there. It would be hard to imagine, for example, without seeing it, flames shooting up in the air five and six stories high all over the place, the awful stench and oiliness of the air that goes with this

nightmare. Really, it is so unimaginable that you have to see it to believe it.

Kuwait is losing about 6 million barrels of oil a day as a result of this catastrophe, which is almost the total production in the United States in the lower 48 we were told. Experts are talking in terms of up to 2 years before anything resembling normalcy can be achieved.

Oil was blowing out on the ground, as someone else mentioned I think, and we had to go through a lake of oil on the road to get to our destination, just unbelievable.

I think someone mentioned the fact that as we were going into Kuwait on the Kuwaiti Airline 747, the pilot came on and said the air traffic control system was out and that he was going to have to try to find a runway. At that point in time, we went into a very thick cloud, if you will remember.

Mr. WELDON. A cloud of smoke, I believe it was, and we could not even see the ground.

Mr. WYLIE. You could not see anything, you could not see 6 inches out the window at that point in time. It was like midnight, it was like the worst midnight that I have ever seen. There was absolutely no light out the window, absolute jet black darkness.

Mr. WELDON. The Ambassador almost called the flight off at that point in time.

Mr. WYLIE. I know he did.

THE FIRST FREEDOM FLIGHT TO KUWAIT

The SPEAKER pro tempore (Mr. PARKER). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

Mr. DORNAN of California. Mr. Speaker, I yield to the gentleman from Ohio [Mr. WYLIE] and the gentleman from Pennsylvania [Mr. WELDON] to continue their discussion.

Mr. WYLIE. As I was saying, but fortunately for us and for the pilot, I guess, at that point in time we were landing, and the first thing we saw on the ground was the runway, and he was right on line. Obviously he had been there many times before.

Another point that I think needs to be made and reemphasized and reemphasized is when we went out to see these oil wells, we were issued surgical masks because of the acrid smell and the fumes which irritated our eyes and nose and throat, and I could not help but be concerned about the long-term effects on the people in that area. We were told that most of the people in the immediate area had been moved out.

□ 2000

But on days when the wind changed, this awful acrid smoke went over the city of Kuwait, and I cannot help but imagine that it will have a long-term health effect on those people living there, and that we are going to have a monumental health problem on our hands.

I think that is a good enough reason for us to try to speed up the process of putting these oil well fires out to try to help these people cope with the long-term possible health effects it is going to have on them and the environmental damage that is obviously taking place. Maybe we can get some people who are concerned with environmental protection to help in this regard.

Mr. WELDON. Mr. Speaker, the gentleman might note for the record that the fields we visited were the Burgan fields at Ahmedi. That was the specific location of where we were, just for the record, so that we have that additional documentation there.

Mr. WYLIE. The gentleman is correct, and we do want to have that available for everybody to see.

I think that it bears repetition that we also went through torture chambers. I was there. I went through the torture chambers and saw some of the instruments of torture which have been so vividly described by our friend, the gentleman from California, and it really takes a sick mind to think up some of these instruments of torture that we saw.

We saw the pictures of the Kuwaitis who had been tortured taken by a Kuwaiti citizen who worked at the morgue as the gentleman mentioned a little earlier. He took the pictures at the danger of his own life actually and brought them out and depicted a horror story one would not believe.

Mr. WELDON. Dr. Hamadi.

Mr. WYLIE. Dr. Hamadi, that is right.

I thought at the time if the Iraqis had spent as much time thinking about ways that they could better fight the war than they did developing these instruments of torture they might have done a better job of fighting the war, but in any event, it depicts the sick mind of the people who thought up these instruments of torture.

I am very apprehensive that there were a lot of people who had to carry these tortures out, a lot of Iraqi soldiers, and what has happened in that nation which has created this kind of an atmosphere where you have many, many people who are living in a country who would inflict this kind of inhumane torture on other human beings.

Well, as we left the torture chambers, as the gentleman mentioned, we saw the huge sandbox layout which was quite dramatic of Saddam's war plan. One can see how completely wrong he was. He was outfoxed by General Schwarzkopf and American fighting men and women.

Then after that we went on through the city, and as the gentleman from California mentioned a little earlier, in an act of final evil, in a final act of evil, I guess is a better way to describe it, we could see the giant holes in the buildings which were put there by artillery shells for no reason, for no apparent reason. I mean, they were leaving town or trying to leave town in their vehicles, but in any event, I thought to myself, "What kind of a man could have the kind of a mentality and what kind of people live in a country where such inhumane treatment is practiced?"

After the meeting there, I went back that night, and the next morning I talked to some other businessmen. I was able to talk to some Kuwaiti citizens firsthand when we visited Kuwait, but I was able to talk to some Kuwaiti citizens at the Kuwaiti Embassy in Bahrain.

I went to the Kuwaiti Embassy in Bahrain to get a Kuwaiti flag, because my granddaughters wanted to be able to take a Kuwaiti flag to school and share it with their fellow students. I was not able to get one when I was in Kuwait, but when I went there to get a Kuwaiti flag for my granddaughters and was identified as an American Congressman, and the place was heavily guarded, but almost immediately, people came around me, and as some of the rest of the Members have said, "God bless George Bush. God bless Americans." They took me inside the Kuwaiti Embassy in Bahrain and there showed me where I could go and get a flag. I offered to pay for it. They kept saying, "Thank Bush. Thank Bush." And they gave me the Kuwaiti flag and asked me if I certainly would take that back to the United States and brag about it and share it with my granddaughters, which I did, of course. They took it to the school and shared it.

But on another point that I wanted to make, as far as the businessmen being there, they had a legitimate concern. Their way was funded by the Kuwaiti Government.

There was some question as to whether the trip for American Congressmen could be funded by the Kuwaiti Government, and I guess there is a rule against that, that a foreign government cannot fund a trip for Members of Congress, so the Fluor Daniel Corp. funded our way. Someone suggested to me that that might be a conflict of interest, and I cannot see where there is any conflict of interest.

How could there possibly be a conflict of interest? We were all there for the same purpose. I mean, we could be a member of the chamber of commerce for American businessmen. And it seems to me, are we not there to try to help American businessmen get some business?

Mr. WELDON. If I am not mistaken, the ethics committee ranking member and chairman both ruled on that before we left and said that the arrangement

was, in fact, totally within the guidelines of the ethics act.

Mr. WYLIE. I appreciate the gentleman's contribution in that regard. But the point I wanted to make is: I do not know how the issue could have come up in the first place.

I talked with some Kuwaiti businessmen and some people from Saudi Arabia. I talked to a gentleman who was the chairman of the board of trustees of American University in Beirut, Lebanon, before that fine university was destroyed, and I might say that Manama, the island or the State of Bahrain, is now the banking center of the world in that particular area of the world, I should say, in the Mideast, having replaced Beirut, Lebanon.

But these businessmen were saying that American businessmen are needed to help put this country back together. The Kuwait businessmen that I talked to said, "We do not want grants. We do not want handouts from Americans. We have plenty of financial resources. We might need a little temporary credit," but I also found out that there was a huge Kuwaiti bank in Bahrain which had an enormous amount of assets. I was told that they have assets probably in the neighborhood of $100 billion.

Mr. Robert Mosbacher, I think we should say, the Secretary of Commerce, was also on this trip, and he actually led the delegation for the United States. He was around at various meetings, too, with all of us, and attended and spoke to business leaders in the Arab community as well as business leaders of the United States and gave us information which can be provided to businessmen in the United States as to how they can better put themselves in juxtaposition to try to get some business from that part of the world.

I think it behooves us to try to do something in that regard, too.

But I talked to some Arabs who were about to celebrate Ramadan the next day, which was a Sunday, and they could not understand how a Saddam Hussein could have been created. I mean, they talked to me about it; one of them said he was to be a celebrant the next day, and he indicated that actually their religious upbringing is not too far different from ours, that they believe in the Golden Rule, do unto other as you would have others do unto you, provide for the poor. He said that most people in the Arab world have an underlying belief in a Supreme Deity, and that what happened in Iraq with Saddam Hussein is a aberration. I certainly hope so.

But I think the opportunities for America to intervene to provide stability and lasting peace in that part of the world cannot be overstated. I think we do need to thank President Bush again, thank Dick Cheney, thank Colin Powell, thank General Schwarzkopf and all of our fighting men and women for what they have done to make America a respected country all over the world again and especially in the Middle East.

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

Mr. WELDON. If the gentleman will yield further, I thank the gentleman for those excellent comments and his insights and leadership as a senior member of the congressional delegation and also his insights as the ranking member on the very important Committee on Banking, Finance and Urban Affairs and his role that he played especially in terms of interacting with the corporate leadership that was a part of this delegation.

I am sure the Kuwaitis will benefit substantially from his insights, as will American corporations.

I would just like to reiterate two other objectives that I see for us still on the horizon before I turn it over to my good friend and colleague, the gentleman from California [Mr. DORNAN], things that I think we have to pursue.

I mentioned at the outset of this special order that I had five specific objectives that I went to Kuwait, in the 2 days that I was planning to stay in Kuwait City, which I had arranged prior to leaving America, with the ambassador, and I was able to accomplish all five of those objectives dealing with human rights, and as the chairman of the Kuwaiti task force, Armed Services assessment, as a member of the Committee on Armed Services; the issue of American jobs and small businesses getting a piece of the action which we were able to negotiate with the ambassador, the specific insights of the Kuwaiti citizens and the leaders of the opposition inside of Kuwait that we were able to gain from the attendance at the four gatherings that we were able to set up, especially in terms of listening to the former members of the senate, the Parliament, as well as the foreign ministers and the citizens who want more of a say in their government.

□ 2010

The fact that we have to recognize that, and that we have to in our interactions with the Ambassador and with the al-Sabah family, continue to work with them in their pledge to reinstate the parliament and fully implement the constitution.

The fifth objective being that the response requested by me, by the National Fire Protection Association as the chairman of the Congressional Fire Caucus, to provide assistance from American interests, nonprofit, and corporations, to get in and assist Kuwait in dealing with these terrible fires in the oilfields, and then in the rebuilding of Kuwait from an emergency response standpoint. Two additional things that I think we have to look upon now that are personal feelings of my own, one is that we have to bring the documentation to the forefront of this institution, to pursue an international tribunal that will hold Hussein accountable for the war crimes that he committed. Even some of our POW's that are now telling their stories are talking to the world about some of the very devices that we saw in the facility inside of Kuwait City, the same techniques and devices that were used on Kuwaiti citizens were, in fact, used on American pilots, that became POW's and were under the control of the Iraqi military.

We have to hold Hussein and his military leadership accountable for these atrocities, and even if we have to try him in absentia, it is important that we do that. We did it in the past following World War II in the case of two Nazi leaders, and I think it is imperative that we proceed along this same line in terms of Saddam Hussein.

The second idea that I will pursue with my colleagues is trying to discuss the possibility of maintaining a multinational force and a presence in southern Iraq, much the way we have it there now, to allow the Iraqi oil to be extracted from the oilfields that border Kuwait, to sell off that oil, and to use the proceeds from the sale of Iraqi oil to pay the reparations to the affected countries, especially Kuwait, and to pay pack those nations, primarily America, that spent so much of our resources in going in to liberate Kuwait.

Third, to provide a limited amount of funding to the Iraqi Government to be used for quality-of-life concerns and issues, but not to be used for the Iraqi military machine. I think that is a legitimate request to make. I think the American people would support that kind of initiative. I ask my colleagues to consider that, as we move forward in the rebuilding and the restructuring of Kuwait as an independent and sovereign nation.

Mr. DORNAN of California. As we normally say here, reclaiming my time, before I yield to another distinguished Ohioan who was on the trip with other Members, Mr. OXLEY, and then somebody that should have been with the Members, and wanted to, but he had already committed to something else, another gentleman from Ohio [Mr. MCEWEN], I hope that people enjoy my special orders as much as I enjoy the gentleman from Ohio, Mr. MCEWEN's. We have done a few together, and I look forward to his contribution. I know the first time there is another trip going over there, and I intend to go back, I tell my liberal friends in the news media now. Again, this is not some vacation place in Tahiti or the Hawaiian islands or the Caribbean, not a London-Paris-Rome. This is a hellhole on earth, like Managua or Hanoi. Some Members go to ugly places in the world, around the world, to try to alleviate a little of man's inhumanity to man.

Again, I am thinking about this little weight immature AP reporter, the male reporter, who tried to make light of a deadly serious trip, and how he could do that, standing himself in the midst of this worst ecological nightmare I guess since a meteor or volcanic eruptions or other unknown catastrophe drove the planet Earth's largest mammals from the scene, dinosaurs, 60 million years ago. I don't know of any other ecological nightmare to equal the pollution of the gulf, and 580 burning oil wells, as we speak, polluting the environment.

First I want to start with somebody who also had his problems with liberal press, the greatest Western politician of my lifetime, Winston Churchill. On February 3, 1943, and I meant to read this on that very date, and other aspects of the desert war were pressing in, I neglected to. Churchill, 48 years ago last month, spoke to his desert army, and the words he spoke are so appropos, perfectly applied to what we all are trying to say to our young men and women and their great officers and leaders over there, that all I have to do is change two or three words, and I will put them in as little addendums as I read this. This is Winston Churchill at Tripoli on the Libyan coast, speaking to the great British 8th Army, and, of course, it also applied to Generals Patton and Bradley and all the men that had fought at the Catherine Path landing on November 9, 1942, in Operation Torch, and joining up as the British under Montgomery and formerly the Eighth Army under Alexander, had driven from the actual border of Egypt at Al Alamein to the tremendous victory: When we push the Germans up through Tunisia and off Cape Bond and Basirti, back to Sicily and Italy where General Patton was to land July 10th, 5 months after this, and within a matter of weeks take Sicily and move on to Italy, here is what Churchill says on February 3, 1943: "The days of your victories are by no means at an end, and with forces which march from different quarters"—that's us—"we may hope to achieve the final destruction or expulsion from the shores of Africa"—Kuwait—"every armed German or Italian"—Iraqi. "You must have felt relief when after those many miles of desert you came once more into a green land with trees and grass"—for our American forces that means home, USA—"and I do not think you will ever lose that advantage. As you go forward, on further missions, that will fall to your lot, you will fight in countries which will present undoubtedly serious tactical difficulties, but which nonetheless not have the grim character of desert war which you have come now to endure and how to overcome"—our victory here, my footnote, was so swift, maybe we won't have to do this again, although there are severe killings in northern Iraq, the Kurds claiming they have taken the largest northern oil area in Iraq, and the Shiite Moslems claim they have taken two medium-size cities just south of Baghdad, in middle Iraq, as we speak, and the napalming and helicopter gunship attack, Soviet supplied, are tearing up people still around the Basra area. Here is the part I really treasure, in Churchill's words: "Let me assure you, soldiers and airmen"—and I add sailors of the gulf—"that you fellow countrymen regard your joint work with admiration and gratitude, and that after the war when a man is asked what he did, it will be quite sufficient for him to say, 'I flew, I sailed, I marched and fought with the desert army.'" Our troops will say, "I was part of Desert Shield and then Desert Storm."

"And when history is written and all the facts are known, your feats will gleam and glow and will be a source of song and story long after we who are gathered here have passed away."

When history looks at the debate of the Congress of the United States on January 10, 11, and 12, or reads the RECORD of that momentous debate, I wonder if they will think that it would have been immoral if the Congress of the United States had failed our President, failed the men and women on the battlefront of Desert Shield, and had voted to the left, to the liberal left, far left of the United Nations.

□ 2020

What kind of a situation would we be in now with this man who was passing orders to the south, Saddam Hussein, to continue raping Kuwaiti women and to start killing every male that they could see.

The night we came back from the destroyed and devastated Iraqi countryside and the city of Kuwait, I noticed two young men in the lobby. I was with the gentleman from Rhode Island [Mr. MACHTLEY] at the time and one of our colleagues from across the aisle, the gentleman from Ohio [Mr. LUKEN], and I said, "are you gentlemen Bahraini or Kuwaiti?"

They said, "We are Kuwaiti."

"What are your names?"

Common names. They were Ali and Musab.

I said, "I have a feeling you were in the country the whole 7 months."

They said, "We were."

I said, "Every month must have seemed like a year."

"Precisely," Ali said, "7 years of hell and every night with every corner we turned, we thought it might be the end of our lives, so many of our friends were picked up and are now missing or their tortured dumped bodies were found," not by the way the miraculous way that one of the Kuwaiti doctors had saved the tortured remains of a hundred or so people in the main city hospital morgue. The Iraqi torture masters never dreamed that anybody would want to save the wretched human remains of their victims in a refrigerated drawer somewhere to be brought out and photographed for the whole world to see.

I looked at Musab, he is about 6 foot 2 and very powerfully built, and I said, "Would you travel around with your friend here?"

"Never. The only time I would go outside was with my mother or his mother or our children, younger brothers and sisters. They would be merciful if it was a family unit. Never would we travel with one another at night."

Musab said, "I had a motorcycle. They coveted that motorcycle of mine. Every corner I turned I expected to hear a rifle shot and feel myself killed, knocked off my motorcycle."

They said, "It was terror, but we recognize you and other Congressmen from CNN."

Now, this adds a dimension to this modern world that is unbelievable, out there on the highway to hell, what I call Looters' Ridge, a lawyer, a Kuwaiti lawyer comes up to me and said, "I know you. I know you from television."

I said, "Where were you, down in Bahrain watching CNN or C-SPAN or something?"

"No," he said, "Mr. Congressman," he said, "I watched you for 7 months in the apartments where we would keep some of the dishes hidden on the roofs. They tried to confiscate or destroy one of them."

And as a matter of fact, we go around and see the posts where the Iraqi conquerors had torn off the satellite so they could not communicate with the rest of the world.

He said, "I saw you on the House floor." I could not get my time until about 2 o'clock in the morning, but that is pretty good time over there in the gulf. It is 10 o'clock in the morning.

"No," he said, "I saw you pleading for my country to help us." His name was—not hard to remember, Nader, as in Ralph Nader.

Nader says, "I watched you all the time. I thank all your collegues that we watched for fighting for my country. Where would we be if it were not for President Bush?"

In the Rayburn Room over here on Monday, Mr. Speaker, I told the President of the United States, the Commander in Chief of Desert Shield and Desert Storm, President George Bush, I said, "Mr. President, do you know what the main streets in Kuwait are called? As in Jerusalem, the way they have named the gates, Damascus Gate, Joppa Gate, they have named their cities, Monama Gate from Bahrain, Cairo Gate, Damascus Gate, Amman Street—I mean streets.

And I said, "Do you know what Baghdad Street has been renamed?"

He said, "What is it now?"

I said, "Bush Boulevard."

The President's response was, "Go on."

I said, "No, Mr. President, Bush Boulevard, and I quite seriously beg you to go and visit Kuwait City before the beginning of reconstruction takes place."

And I do not think it is wrong to say hopefully with American dollars from the same families that put their sons and daughters over there to free this country.

I said, "You must go see the oil fields."

As I said earlier, incapable is the normal human being of describing this hellish nightmare from Dante's Inferno and the torture chambers and the road of looters' destruction going out of the city to show vividly the rape of this country.

I said, "Your conviction will never falter. You have known you were right. You have been decisive from day one, but if you want to reinforce it, burn it into your brain, go and see this, Mr. President, before it changes."

Mr. Speaker, I yield to my friend, the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, I thank the gentleman from California for yielding to me and thank him for his leadership in this trip.

I think all of us share a common bond now, having made that trip, to have seen what we saw.

I was particularly interested in the comments about the oil fields. I know my colleague, the gentleman from Pennsylvania, earlier mentioned it, as well as described it as Dante's Inferno, and clearly it was.

It occurred to me that one of the potential loopholes in the Geneva Convention is very little, if any, mention of ecological terrorism. This is really the first time when you think of it that you have had a concerted effort by a country against another country to despoil its own environment, essentially to eliminate that country's wealth and to poison the atmosphere, first with the dumping of oil into the Persian Gulf and then, of course, when they were ready to leave the igniting of over 600 wells. We saw that for ourselves, and it occurred to me that it would be a good idea if the Geneva Convention were to reconvene to take a look at what has developed in these last few weeks and the environmental damage that is not just to Kuwait, not just to the Middle East, but is indeed an environmental crime against all of us as citizens of this globe.

It seems to me that one of the areas that the Geneva Convention can be strengthened is to provide for the kind of outlawing of this activity in the future.

I do not think any thinking person, and obviously we had some very brilliant people working on the Geneva Convention in the past at the times that they have come together, but I do not think even those brilliant people could have envisioned the kind of destruction, the kind of environmental disaster, the kind of environmental terrorism that was wrought on the people of Kuwait in that region. It is just unbelievable, unforgivable, and something that all of us will carry with us for a long, long time.

I hope that when the Geneva Convention does reconvene that our country takes the lead in providing the kind of impetus toward that end. I think it will hopefully deter that kind of thing in the future.

Mr. DORNAN of California. Will the gentleman hold for just one second. I have got an Ohio front in front of me. I have a line from WYLIE to OXLEY to MCEWEN.

The gentleman from Ohio [Mr. MCEWEN] has to go in just a second. I did not realize that. He was walking out the door. Let me catch him before he escapes and get his contribution.

One of the sad things about the trip is that I did not have the gentleman with me, as we will be witnessing the scene in Yugoslavia and Albania over the weekend.

Yes, Liberal Press, I am prattling again. You can find out what I am going to do and listen to my special orders when I get back.

Mr. Speaker, I yield to the gentleman from Ohio [Mr. MCEWEN].

Mr. MCEWEN. Mr. Speaker, I thank the gentleman and I appreciate very much what my colleague, the gentleman from Ohio [Mr. OXLEY] was saying. The gentleman can proceed. I can wait for his contribution. Having been there and having seen it, I am appreciating this time, and please proceed.

Mr. OXLEY. Mr. Speaker, I thank the gentleman.

I guess the point that I would like to make, I sit on the Energy and Commerce Committee. One of the things that I wanted to get in my mind was exactly the extent of the damage over there in the oil fields. They are losing 6 million barrels a day over there with the fires in the oil wells.

Mr. DORNAN of California. They were producing under normal times 2 million barrels.

Mr. OXLEY. Yes.

Mr. DORNAN of California. So they are losing triple what they were trying to take out.

Explain a little bit, too, what our Democratic colleague from Fort Worth, an oil man, knowledgeable on this, about how when that much oil comes out so quickly how it can collapse or damage a field.

Mr. OXLEY. Well, it is important because the threat, obviously, is because of the huge fires, because of that pressure that you are getting now, the potential for brine to come in to mix with the oil and in fact to render that oil field inoperable, even if they are able to put out the fires. A lot of people think that just simply by putting out the fires they can restore the oil fields. Most of the experts over there told us that if they were to put out those fires tomorrow that those fields would have to sit a minimum of 6 months before they could produce the first drop of oil.

It was also interesting because this was not just one of those things that some of the soldiers in Kuwait thought up.

□ 2030

There was clearly a planned effort on the part of Saddam Hussein sending some of his experts in the oil business down to Kuwait to instruct the army down there as to exactly where to put those charges so it would not only ignite the well but would in fact destroy the wellhead and essentially leave nothing but an open pipe gushing oil.

Mr. DORNAN of California. If the gentleman would permit, I would like to relate what their engineer—same name as the younger Kuwaiti man I met in the hotel with Mr. MACHTLEY that night, his name was Mushab, and he said, "U.S.A. with an M at the front and a B at the end."

Well, Mushab said to us that these Iraqi engineers who came down there destroyed the wells in such a way that they are not easily capped. In other words, it was to defy the skill of a Red Adair, who was one of the companies that are going to go over there and survey this damage. He also said that at one point the Iraqi people they were ordering at gunpoint to assist them, and children, went back and defused all of the dynamite devices but left them there to make it look like they were ready to go. They caught it, unfortunately, and made them go back and rewire them. However, there was one source that they are going to use now that goes out to the sea, near the source going out to Sea Island, that they did not know about. It was a contingency for a minor little emergency, and that escaped their attention, the attention of the Iraqi destroyers, or the whole field would be utterly destroyed like the Burdan field.

They took us by the manifolds where F-16F's out of Lakenheath, England, same ones that caught Kadafi's attention and put him off the world scene as a major terrorist, they went in and destroyed these manifolds because they said if they had not done that, the whole area, the northern area of the Arabian or Persian Gulf would be absolutely even more of an ecological nightmare than it is right now.

Mr. OXLEY. I just think that that message clearly has to go out. There are people who find it hard to believe the kind of destruction that has gone on. Perhaps our visit and the media being with us, really showing that and us talking about it, will give people a better understanding of exactly how bad it really was.

I must admit that I have never seen anything like this before.

General Haig, who was with us, who has seen four wars, who was commander, Supreme Allied Powers in Europe, said he never had seen anything like that before. I think that message now is starting to get across.

If there is any justice in this world, someone is going to have to pay for that kind of barbarity throughout Kuwait.

Mr. DORNAN of California. They may be paying reparations. I noticed the Washington Times has a front-page second-section article on "The Nightmare of Versailles," where we broke Germany's back trying to make them pay reparations, which just hardened their will and they came right back for part 2 of the World War within less than a quarter of a century. But certainly there has got to be a way. You know, we spared their ministry of petroleum building up there in Baghdad, a 15-story jackpot Christmas turkey target, and we let it go because out of that building will be managed the reparations, and, hopefully, skillfully. The amazing thing is, since they were giving a third of the sweat off the brow of the Iraqi people to armaments, if we gave 10 percent to the coalition forces to reimburse their expenses and 10 percent to Kuwait, a future Iraqi oil product, the second oil producer in the world, and 10 percent back to the people of the third that they were giving to armaments, they would still be a third off in Iraq better than they are. It is just the politics of envy and greed over there, they are going to have to subside because they are not going to look like Saudi Arabia for the rest of this century and another decade to come; and they are not going to look like a rebuilt Kuwait in 5 years or even Bahrain or the Emirates. They are not even going to look like Iran, because Iran, as it rebuilds, is rebuilding for all of its own self-inflicted wounds from Iraqi terror inflicted upon them on September 22 of 1980, which turned their borders into a killing field for 8 years.

So Iraq is going to have to, unfortunately, stay a Third World nation now, which he has reduced it to for the next 20 years, but they are still going to be better off than they were under him and their young men will not be dying at the same rate.

Mr. OXLEY. Exactly. And the tragedy is that the Iraqi people, in many cases, had to suffer those indignities. The failure of leadership that could have brought them to the kind of wealth and the kind of well-being that many of those countries have enjoyed. The gentleman is absolutely right, it is the politics of envy and greed writ large in this whole context. And it is difficult to understand the cruelty. You hear about the Arab unity and the Arab brotherhood, and then you see what one Arab country and one Arab people did to another. It just shakes you to the very foundation to think what happened over there.

So I appreciate the gentleman taking the time tonight to discuss this. Clearly, the memories of what we saw over there will linger for a long, long time, and it is going to linger a long, long time in America's memory as well.

If we can make something out of this, if we can get that message across of "never again," perhaps the work will not have been in vain.

I suggest that we continue that fight. I thank the gentleman for yielding to me.

I know my friend, the gentleman from Ohio, also has some remarks. We are all so sorry that he was unable to join us because of a previous commitment. I know his commitment has been a strong one. We are very proud, by the way, of our delegation from Ohio which participated and have made this a very, very major issue in our home State. We are very proud of that. I thank the gentleman.

Mr. DORNAN of California. I know that you all got positive coverage. I must admit I envy you because we all have to take the areas in which we grow up or our parents moved us to, just take it and do the best you can.

Before I yield to the gentleman from Ohio [Mr. MCEWEN], let me tell the people two things that are right in my office and I'll bet, right in your office. I say: How can we get an early history of the war? How can we understand something about this equipment that obviously most newspeople did not educate themselves about, our various air, naval, land assets, or however we were training? Just as an opening—and I have no stock in McGraw-Hill, who owns Aviation Week and Space Technology. Most Congressmen get this in their offices. But if somebody wants to get an initial reading on what transpired over the last 7 weeks, if you write to Aviation Week and Space Technology, they are going to be continuing a series over the next few months, and if you subscribe, I am sure they will send you the last few months and post-date your subscription. They are probably going to come out, as is always their wont, with some excellent monographs where they put together all of their key articles. But this is why I was not shocked at the speed of the land war and why I was not shocked—I had no greater insight from the Armed Services Committee than I could have gotten by subscribing to Aviation Week and Space Technology. I did not learn anything on the Intelligence Committee to cause me to say on the eve of the war that if their knights, their educated, their best, their highest-skilled technological warriors, fighter pilots, if they all flee like cowards to the north, and then when we bring our units from the U.S. Air Force in Europe and pound them, that it would cause them all to flee to Iran, if their fighter pilots would flee, the knights of the sky, why did we believe their army was anything but hollow and hammered unmercifully and that we would blow right through them?

It was the mysterious fact to me through all of this to know that Saddam Hussein was not the cunning, clever desert fox, the expert at chess and brinksmanship who was going to take us right up to the U.N. vote and then cave, going to take us right up to the Bush line in the desert on January 15 and then cave, who was maybe going to wait a few hours, claim victory and then cave, or after the land war started would cave. Maybe he thought the Soviets would bail him out.

But here is one other series I recommend. I feel sorry for the rest of America. They do not have a paper like this excellent Washington Times that Arnaud de Borchgrave is the quarterback of.

This Washington Times newspaper, one of our two local newspapers, has been running something called Desert Hall of Shame, by one of their critics, Don Kowet. And to show the utter class of the Washington Times, they even did not edit out Don Kowet making the Washington Times the subject of some very interesting quotes as the Hall of Shame goes on day after day. Here is my good conservative friend Joe Sobran, my good conservative-liberal or liberal-conservative or moderate Democrat Mark Shields in the Hall of Shame. Here is Barbara Reynolds, unbelievable quotes in the Hall of Shame. This has been going on for 2 weeks. I am going to put these all in the CONGRESSIONAL RECORD next week if I can get Arnaud de Borchgrave to get them all together for me.

Here is one of the most respected liberal Senators by the liberal media, the New York Times. Listen to this quote. After a series of 10 or 12 quotes, he ends with, in italics, "And the envelope, please. Today's prizewinning Hall of Shame remark." Then he always characterizes them with a little paragraph opening, and this one is called "Nasty, nasty." Here is the quote, the New York Senator: "Nothing large happened. That nasty little country invaded a littler, but just as nasty, country." That was my good friend DANIEL PATRICK MOYNIHAN, "Nothing happened." All this ecological nightmare, these torture chambers, the death, destruction, the rape that went on there.

□ 2040

It is just one nasty country attacking another nasty country.

Here is today's Hall of Shame: BARBARA BOXER and PAUL WELLSTONE. I will let the Senate take care of their own freshman Member and all of his brilliant pre-Desert Shield, and then

pre-Desert Storm, remarks. But listen to this. Here are three quotes from my colleague. I hope to engage her in a dialog in the well here. This is January 10, the opening day of the 3-day debate where we could have dropped the ball miserably. The gentlewoman from California [Mrs. BOXER], my colleague and pal:

What will the casualties be? Civilian? Military? I got some answers from the Israeli intelligence people, who, putting together what they thought could happen in the very-best-case scenario, a two-week war where everything goes right—

And it is this:

said that we would have about 15,000 American casualties, about 3,000 or 4,000 dead, the rest wounded. That is the best-case scenario."

This is the best-case scenario said Congresswoman BOXER on the 10th. Then later on on the same day she says,

I had a community meeting in my district. I had two in one day. A thousand people came out. I have never seen anything like it. We voted. The vote was on how they would vote on a resolution to go to war, and 95 percent voted "no." That is my district in California.

Mr. Speaker, I am glad that it is not my district in California, and here is the next day. She got the floor again. Don Choate titles it "raping the truth."

A woman from Kuwait was in the audience, and she was very effective. She stood up and said, "America, you need to help us. We are already at war. We are a tiny country. You need to help us. Saddam Hussein and his people are hurting my people." She said, "They are raping our women."

Then she sat down and a gentleman in my district stood up with a pain in his face and he said to her, "Ma'am, I feel in my heart for you, I hurt for you, but I want you to understand that people are being raped in this country every day, every hour and we don't have the resources to prevent it or to treat it or to stop it."

Then the place was silent.

What? Is this the kind of American that travels, and, when he sees a rape in London, He goes, "Can't help you, lady. Got raped back in the United States." No, this is the kind of guy that is talking crocodile tears here, that, if he sees somebody being raped in his own district, he is the kind of person, like Kitty Genovese's starting this "I don't want to get involved generation" in America, March 26, 1964, when all the blinds went down as the raper killer sees this and goes back to murder Kitty Genovese who he had just raped and whose screams were not being listened to by anybody. Well, on this delegation we did hear the screams of Kuwait, and we went over there knowing we would.

On our trip was Ken Adelman.

I am going to start to back off here, but I do want to recommend People magazine; I guess it is last week, if you see it around or in the beauty parlor, I have never seen a better picture in any of the more serious news magazines of the Highway to Hell and Looters Ridge than this one in People magazine on March 18, page 41. Check that out, and then I wanted to read from Ken Adelman's column, who was with us, and ask my other friends to share in this special order, and I will wait for the special order of the gentleman from Ohio [Mr. WYLIE] to begin.

Ken Adelman in today's Washington Times—Ken used to be head of the Arms Control Agency, and he is now a nationally syndicated columnist, and he slaved over every word here as word masters will do, and I think it is worthy of being quoted in our special order. He says: "Dateline Kuwait City," so he must have written this just last weekend on the trip.

Ken says, "Seeing evil up close is a chilling yet engrossing experience. Something rivets, yet repulses.

"Coming here on the first 'Freedom Flight'—with top government, business and public policy leaders—opened a window on evil."

Now keep in mind, my colleagues, that "evil" is a word that most liberals reject. They say it is not a scientific word. It is a concept that involves transcendent values, moral, theological values. That is why all these rapists are running around this country loose, because liberals control the court system and the jurisprudence system of this country so long, and since they do not acknowledge evil, everybody is redeemable, and everything is putting killers back out on the street, and rapists, trying to find some good in them and not acknowledging that there is a force in this world called evil.

Ken Adelman continues, "We heard chilling tales of barbarism. We saw the shadows of a jeweled city and a pampered people"—because it had the highest standard of living in the world, traded back and forth with the emirates, Oman, and the Brunei, a little tiny piece of Borneo which also is small, an Islamic country, gifted with great natural resources and oil. I think they are No. 1 now, Brunei of Borneo, said, "This pampered people who, as if in some grade-B horror movie, were thrust into a sudden unimaginable calamity. We smelled the fumes of massive oil fires.

"Evil came first in the form of physical destruction. Kuwaiti streets are ghost-townish—'traffic is usually jammed this time of day,' one local said—and sidewalks void of strollers. Lacking electricity, water and basic services other than centrally distributed food, Kuwait feels dead. Most buildings stand, though many are said to have been ravaged within.

"Soon, we felt evil in the form of ecological devastation. As we drove to the oil fields on the city outskirts, a Kuwaiti engineer"—that is our new friend, Musab. He said, "I spent my whole life working to prevent one oil fire. We knew if one erupted, that would be an ecological disaster."

As we are gathered here, Mr. Speaker, there are still 580 burning, minus one that a brave sergeant went and turned off the valve with his bare hands. That may be the only one out of 580 that was so little destroyed you could do that.

He goes on to say, "The effect is scorching in all senses. 'We are talking about an unprecedented ecological catastrophe, the likes of which the world has never seen.'"

One cannot imagine seeing people with their car lights on at 11 o'clock in the morning when we first entered after we had flown through them and then entered a bright little bit of sunlight on top of the airport as we burst out of final with about 100 yards almost doing a go-around in this giant 747. We landed finally in sunshine, got in our cars and drove right back into this evil-looking cloud, a wall of black fumes.

"The burning oil creates darkness at noon. When the wind blows from the south, oil fumes turn the capital pitch black."

By the way, the day after we left they turned back on the capital. The few rain storms that they had have taken this once-white and shining city; I have been there twice in the last decade, and I was telling my colleagues that, when one looks at Bahrain, that is the way I remember Kuwait. But the black acid has now put smears of black in every hotel, every home, mostly white buildings. The whole city looks trashed and filthy because of this ecological nightmare.

"Still lacking electricity, its citizens need flashlights at 10 a.m."

The three Congressmen we left behind used flashlights to go into the Intercontinental Hotel and sleep in dirty beds with their clothes on, beds that have not been made up in 7 months, except for the few rooms the press used in the Intercontinental Hotel across the street from our Embassy.

"Breathing Kuwait's air is said to be as dangerous as smoking five packs of cigarettes a day."

Maybe Ken and I got a different briefing, but I heard it is like smoking 3 packs a day times 100. In other words, 300 packs a day, Who cares? Five packs a day will kill you.

"Respiratory ailments have risen."

I repeat: All of the Congressmen said to our host, "Get these children out of these little oil towns." They are all there with little American flags like this one that we brought with us and distributed to the children, and they had flags of their own. They are standing there waving the little flags, their eyes red with and choking on these acrid fumes. I hope they are all taken out of there and moved south to Saudi

Arabia to live in some of the tent cities that our military is going to leave behind so that their lives are not shortened and they do not all die of lung cancer 20 to 30 years from now. We know this war is still going to be killing people.

"Here they burn, more than 500 of them, creating a sight never seen on Earth before. Here burns 6 million barrels of oil a day, worth $120 million daily. When flying from Kuwait, passengers can spot from the plane window more than 100 oil field fires, each emitting reams of black smoke.

"Here they burn, set for no military, political or practical reason. Just out of pure spite. Symbols of evil."

□ 2050

Later we felt evil in the form of human annihilation. We toured a home used by Saddam's brother-in-law, that is Majid, the family name, Takriti is the city they come from, they use that as a family name too. Hussein Kamil Majid. He is chief of one of the four Iraqi intelligence units, and he used this place as his local headquarters.

On the basement floor, third floor down, was a huge strategic map of the front, ludicrously featuring children's Lego blocks to represent buildings in the city, some of them troops. He says paper arrows, and I picked one up, wooden arrows, that were to show the route of the expected marine amphibious landing. To represent sand was sand, blue sand was the sea, and so on. It was a very complex operation, as big as this whole well area here, with a grid of cord over it with each grid line intersecting about 6 inches above this sand and village, was 2 kilometers. Very complex thing.

Upstairs, two floors, echoing throughout this marble mansion, you could hear the screams of the tortured people as the generals are planning strategy. A phenomenal thing.

Let me skip forward here. It was all so wrong, our main thrust coming ashore. They did not figure out anything correctly, that we would not hit them with a marine frontal assault, that we would make the end-around that Schwarzkopf talked about. Just as primitive, though far more ludicrous, was the equipment upstairs, tools of human torture, what I mentioned earlier, irons, hotplates, carpenter's planes, screwdrivers, hammers, nails, mallets, springs, electrical devices of every kind. Incredible, simple devices which we see in everyday life, used for torture.

Why did this villain house his strategic headquarters and torture chamber in this same place? Why? Was the torture to amuse him in his spare moments? You know Majid went upstairs. This is the man that was given credit, quote-unquote, in Baghdad for breaking the backs, quite literally after what we saw, of the Iraqi resistance. It is unfathomable, the whole business. Gazing at photographs of torture victims, four big panels, with 50 first generation, I hope they are not destroyed, they are starting to curl up, Polaroid pictures of the mutilated corpses cleverly saved by the main mortician in the main hospital there in Kuwait City.

Looking at all these pictures was worse than the warnings we got on Ted Koppel's "Nightline" or CNN that if you have a weak stomach, do not look at this. They would show you two or three bodies. You would see picture after picture of people's eyes gouged out, ears cut off, noses broken and twisted, heads opened up with cleavers that we had just seen upstairs. Faces gone from acid, bodies burned with acid from the waist up, bodies destroyed with acid from the waist down. Corpse after corpse of people that had been living human beings, yes, in a rich city, high income, all of them just destroyed.

I remember one of the two Kuwaiti young men that worked in the resistance, one was 31, the other about 32, I don't remember if it was Ali or the big tough guy, that said one thing we didn't understand. We never knew they hated us so much. That is puncturing this myth of Arab brotherhood.

The Kuwaitis think, we are Kuwaitis, they are Iraqis. You know, if they did not make war on our Persian brothers, non-Arabs, but still Moslem brothers, across their northern border, at the north end of the gulf, if they did not make war on them, they have as much oil as we have, slightly more. Although they have got 17 million, 5 million Kurds, they are not trying to improve their standard of living, so it would have been 12 million, as opposed to about 12 million in Saudi Arabia, but they have twice as much oil.

But Kuwait and Iraq have about the same amount of oil. So, of course, 2 million people, half of them guest workers, are going to live better, than the 17 million in Iraq. But if they had not engaged in that 8-year horrible killing scheme of this man's ego, then they would look probably about the way Bahrain, Kuwait, the Emirates, or parts of Saudi Arabia look today.

So they squandered all of that. So why do they hate us so much, that they would rip our flesh apart like this?

Gazing at the photos of these tortured victims, Iraqi documents ordering torture preceded a presentation of the torture hardware in the upstairs chamber. We left the building feeling the same way as one feels leaving Auschwitz.

Obviously Ken Adelman and I had the same thought. That is what I said to some of my colleagues. Only at Auschwitz, and Birkenau, and the other five extermination camps, Sobibor, Treblinka, Belzec, Chelmno, Maidanek, only in Poland, and none of the instruments of torture, have survived but some of the whips in Dachau, maybe outside Munich, only there do you feel the enormity of this kind of evil.

Ken Adelman says we freedom fighters were then rejuvenated in a perverse, though satisfying way. We journey up to the highway U.S. Won. I had not heard that name before. Most of the Congressmen called it the Highway to Hell, which we heard our GI's calling it, or what I started to call Looters Ridge.

Chock-a-block were these wrecked vehicles, trucks and tanks, leaving out in bulldozers, small cars, big cars, wealthy cars, all stolen.

By the way, something in the 2 hours none of us have mentioned, but we are observed: We did not see one car starting from the airport, not a single car in the parking lots at the airport, damaged, undamaged, in showroom windows, in gutted showrooms later, on streets, parking lots, outside gutted hospitals, hotels, not a single car did I observe in over 5 hours that had its tires on it. Every single car had been jacked up, rocks put under the four hubs, and all the tires had been taken off.

There must be one whale of a used tire market in Baghdad right now. We ought to make every single prisoner that we have march north, pick up sets of four tires, and come back, and retire, which is a tough job, every single vehicle in this destroyed nation of Kuwait.

Ken Adelman continues, how joyful it was seeing justice done to those barbarians and looters.

Have you ever seen the results of lootings at a big flood in the center of our country, or an earthquake in California, or a natural disaster, a dam breaking, anywhere in their country, and mused to your self, God, if only we could have caught those rioters. Some we see on television, those looters, and still do not get them.

Here the looters got instant justice, courtesy of the U.S. Navy, Intruder A-6's at night, and then Marine Corps and Navy F-18's in the daytime, augmented by Air Force A-10's and F-16 Falcons, and not to leave out what we saw vividly on film the night before last, Army Apaches, and again Marine Cobra helicopter.

The looters were caught in the act, fleeing the scene of the crime with their booty all over their backs. Now it is blown all over Looters Ridge.

Overall, any visitor, and here is the best part and why I am reading Ken's article today.

Overall, any visitor must be reinforced by the justice of our cause, and especially by the morality of its timing. The slow pressure by sanctions approach seems downright immoral, as it would have allowed the lives of Saddam's kin, his brother-in-laws and his son-in-law, to continue using the

torture hardware that we saw. It would have allowed yet more oil fields to be burned.

After all, they tried to torch all 900 that were in use and the 200 that are in reserve. They only got to 580 by the time they were driven out by the land part of the war. More Kuwaiti women to be raped, and, as our Ambassador pointed out with documents, Kuwaiti males were to be shot on sight, beginning around February 21, which is when they started torching the wells, which is when our dear buddy, Mr. Gorbachev, was trying to buy them time, and after an hour and 20 minutes on the phone, George Bush and Mikhail Gorbachev, my impression was that Bush said, well, thanks a lot, Gorby, here are your opinions, but we are going to take our own course here. We are going to liberate Kuwait.

The SPEAKER pro tempore (Mr. PARKER). The time of the gentleman from California [Mr. DORNAN] has expired.

THE FIRST FREEDOM FLIGHT INTO KUWAIT

The SPEAKER pro tempore. The gentleman from Ohio [Mr. WYLIE] is recognized for 60 minutes.

Mr. WYLIE. Mr. Speaker, I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, three short little paragraphs, closing Ken Adelman's column. By the way, we also had Mort Zuckerman with us, the editor in chief of U.S. News & World Report. It is hard to believe it was only 10 months ago, June 4 issue, go get it in your library, Mr. Speaker and anybody that follows the proceedings on this floor, June 4, last year, 1990, U.S. News & World Report, Saddam's evil face, and it says the most dangerous man in the world. Less than 2 months later he hit this poor ravaged country of Kuwait, and I am going to put in the RECORD tomorrow Mort Zuckerman's excellent editorial at the close of the land war and why this was a moral imperative, that we liberate Kuwait. It was a real honor to be traveling around, watching Mort Zuckerman have all of his intellectual insights verified by the extension of our nerve endings in our sight and senses of smell and touch at what we were witnessing that he had written about so brilliantly.

Here is the last few paragraphs of Adelman.

□ 2100

It would have allowed yet more oil fields to be burned. More Kuwaiti women to be raped. And, according to documents our ambassador has seen, Kuwaiti males were to be shot on sight beginning at the end of February.

This the Kuwaitis keenly appreciate. While these onetime pampered people have been traumatized—with unknowable political and social consequences—they know their savior. Kuwait has become the most pro-American spot on Earth. "This is the only place where walls are filled with graffiti—all pro-Bush and pro-American." exclaimed U.S. Ambassador Edward "Skip" Gnehm.

A Kuwaiti young man in his early twenties I happened across first told his horror story. Then he said that, though lacking power, water, and food at home, he wanted most two items for his house—an American flag," preferably bigger than the one I hold, "and a photo of George Bush," to put on his wall. That's about the way the French people felt at the end of World War II and the way the Polish people wanted to feel until we wrote them off.

I hope that all of the Members of this Chamber, those that found it very difficult to vote for the war, and I think it is the most difficult vote anyone can make in their life, but to those who voted against the President on January 12, I hope they will be courageous enough to come down to the well. I am saying this for the third time now, and I repeat it quite sincerely and with deep affection, I will honor them for doing this, just come down and say you have studied the aftermath, as all of us are doing, and you look forward to duplicating the trip that 2 Democrats, 12 Republicans, and 17 Senators took this last week, and that you concede that sanctions would not have worked with this type of egomaniacal, psychopathic personality that Saddam Hussein is, still killing as we are gathered here today and tonight, and that we do not know what his final fate will be. But if there is a just God in heaven, he will be lucky if he gets blown away quickly and does not suffer the agonizing, incomprehensible end of the sheer pain and horror that all of these victims, many of them gentleman heroes of the resistance, and, yes, just innocent victims swept up in this Gestapo-like move, and having life tortured out of them because they were on the street at the wrong time, or as Ali Musab told us, turning the wrong corner, any day in their life they expected it to be their last day. Seven years of sheer hell is the 7 months that Ali told us they spent under this Gestapo type occupation.

I thank the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman from California for his most significant contribution. I am fascinated by the gentleman's inimitable description of the events that took place over there and the way he expresses himself, which no doubt comes from his training as an actor in his earlier life.

I yield now to the gentleman from Rhode Island [Mr. MACHTLEY], who I am pleased to have been associated with on this trip.

Mr. MACHTLEY. I thank the gentleman for yielding. I want to commend him and the gentleman from California for his very articulate, very expressive, and I think very well documented speech here in the well. As I sat listening to his words and to the words of those who preceded him, and as I heard the very expressive and very thoughtful and very deep emotionally packed words of Ken Adelman, I thought to myself what could I share and lend to this discussion of the horrors and the environmental shock which I experienced as I went into Kuwait.

I think what I can lend to this is another voice. There may be those who watch this and say well, there is exaggeration. There may be those who say I do not believe one or two Congressmen. Somehow we have got to convey to the world that what took place in Kuwait was almost beyond man's ability to articulate.

As I arrived in Kuwait, I frankly thought that I would have the ability to analyze it in a dispassionate, objective, and unemotional context. But as we approached the city of Kuwait and we began to see the smoke, I began to realize that this was a much greater tragedy than I had comprehended by watching on our TV, and watching what had become almost a surreal world in a very faraway land.

When I got to the Bergen Fields, which have been described so eloquently and expressively by Congressman DORNAN, I found there what I consider to be the worst environmental terrorism and tragedy that the world has ever seen, 580-plus wells spewing into the air the remnants of 600 million barrels of oil a day. The first impact was why have not the environmental groups of this country and the world descended on Kuwait to express to the world what a tragedy this is, to get this cleaned up immediately.

I asked one of the engineers how long will it take with the current force and with the technology that you have on scene, how long will it take to stop these oil fires and to cap the pipes which have been severed at the surface. He told me he estimated a year to a year and a half, perhaps 2 years.

This crude oil being burnt. The sulfur content is enormous. The carcinogenic qualities of the air which is being constantly decimated by this smoke is going to have enormous consequences not just to the people in the small villages who are so unfortunate to be immediately adjacent to it, but to the world, and there are no cries from any groups. I ask as a member of many environmental groups where are they, and I hope that perhaps we can encourage them and others to rally, because we must stop this world pollution which this terrorist, Saddam Hussein, and his forces have caused.

It is not only a problem for their country. It is easy for us in the United States to see the pollution in some of our large cities and to equate what might be going on in the early morning hour pollution in Los Angeles or New

York, but that pales compared to this pollution. On the TV we see one or two or perhaps at most four of these fires, and I frankly thought they were all being filmed at night. But when we drove into Bergen Oil Field at 10:30 in the morning and we went from a sunny, blue sky into Dante's Inferno, I can only equate it with what nuclear winter might look like should we be so unfortunate to find ourselves with a nuclear conflict. It was the type of experience that one will never forget, and it is the type of experience that every Member of the House and everyone who is interested in the environment should experience. And it is the type of event in which we must ensure that the world understands and comprehends the enormous tragedy that will befall this world if we are not quick to respond to this environmental disaster.

We drove through pools of 8 inches of thick crude which had spewn out from some of the well fires which had gone out, hundreds of yards of this crude oil soaking into the sand, trying to return from whence it came. This is an enormous problem.

While we watch it on TV we do not taste the sulfur and we do not smell the oil and we do not feel the heat from the fires and see the black clouds everywhere, and look around us and see 580 wells, thousands of square yards of fires which are burning. We do not see and feel and taste and smell with all of our sensitivities, and that is why it is so important to go there. That is one of the reasons I was very happy to have been there.

From there, as was indicated, we went, and this was as a member of the Human Rights Caucus and one of the reasons that I wanted to go on this trip was to see, perhaps I was a doubting Thomas, but I wanted to see with my own eyes what was the extent and what were the stories of human rights violations and how were they conducted, and who was conducting this human rights violation campaign, and were they isolated acts or were they part of an overall scheme of those in power. Unfortunately, I must conclude, having talked to many individuals, civilians, children, ordinary Kuwaitis, that there was a scheme, a pattern, a plan to annihilate the entire Kuwaiti population, from killing every male after the February 21 date, to raping and pillaging the country, to removing all of the semblances of any civilization. It is difficult to believe how cruel man can be as we see some of the miracles of man's ingenuity, but we saw in Kuwait the very baseline, the desperateness, the cruelest, the most barbaric and the most brutal aspects of mankind in the form of human rights violations. And that is something that the world needs to hear about. That is something that the world needs to understand, and it is important that we speak about it and that we in fact lend credibility to that which we saw, because there are still those in this country and around the world who believe the Holocaust did not occur. There are still those who believe that the Jewish people were not persecuted. There are still those who believe that thousnds of people who died during that Holocaust, millions, 7 million people never died.

□ 2110

We must ensure that the world understands that these sorts of events can continue and that we, as a country of moral muscle, have a fundamental obligation not just to protect our shores from incoming missiles but to ensure that we are providing a world which is free for young Kuwaitis and other citizens of the world to grow free from the tyranny and the torture and the human rights violations which we witnessed and those environmental shocks and human rights shocks which we observed which left an indelible impression on me, and I think all of the Members who attended and went to this brutalized country. It will have an indelible impact on how we view future conflicts, I am sure, and how this country views the justness of what we did.

It was, as we entered this well, a most difficult and agonizing, excruciatingly difficult decision as to how to proceed, but having gone there and having seen the enormousness of the human rights violations and the planned continuation of the annihilation of the Kuwaitis, certainly we have to come to the conclusion that the right steps were taken to avoid the senseless and needless killing and suffering of the Kuwaiti people.

So I come tonight to perhaps not share anything new than what has already been said but to lend additional credibility to what has been said and to impress upon those who might have doubts that, yes, human rights violations were prevalent and that the environmental terrorism was the worst that one can possibly imagine and continues today, and that we have a fundamental obligation not only to take care of the problems in Kuwait but to make sure that these problems do not occur now or in the future.

That certainly is a lesson that this world needs to understand.

I thank the gentleman from Ohio for yielding. I appreciate very much the opportunity to join him on the trip and to share with him these insights.

Mr. WYLIE. I thank the gentleman from Rhode Island for his very significant contribution. Very well done, sir.

The gentleman reemphasized the need to reduce the long-term health problems on the people and on the environmental damage which has taken place.

Mr. Speaker, I really think that we have made the point that we needed to make when we started these special orders. I would end with a hope for the future and, in that regard, we want to wish Secretary of State Jim Baker the best as he is conducting a series of talks on how to provide some sort of stability in that area vis-a-vis the other Arab nations. In my judgment, most of the Arab nations in that part of the world are willing to join to try to provide the stability to see that they do not have another Saddam Hussein, that they do not have another Iraqi war.

I think the reasonable minds in the area, from Saudi Arabia and Egypt and other Arab countries there at the meetings which I attended, seemed to think that they have a glorious opportunity in history right now to unite among themselves to try to provide some stability to that region of the world.

This is a very wealthy region of the world. It could, it seems to me, provide much as far as the quality of life is concerned for other countries in the world, and I think they sense that right now the time is right to do that.

We wish President Bush and Secretary Baker Godspeed on the next long journey to peace in the Middle East.

THE HEARTLAND OF AMERICA NEEDS ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, I would like to say to all of the loyal and dedicated and weary employees that are here this evening that I, in deference to the long day that you have all endured, will not take the entire 60 minutes, so you can all sigh a breath of relief and start preparing to leave here in a few minutes.

I would like to preface my remarks by saying that I have enjoyed the remarks that were made under several previous special orders, the gentleman from California, the gentleman from Ohio, and others, and I will agree with many of the things that have been said, that it is, indeed, the mark of a great and mighty nation that can amass a military force and project that power halfway around the world. We are all proud of our military and of the decisiveness and the deliberate plan with which the President and all of the military leaders executed those plans that led to a decisive victory over the army, such as it was, of Saddam Hussein.

Mr. Speaker, I think that it is a fine thing to do to travel to other places around the globe and to see conditions for one's self. Because there is no better way to observe the destruction of war than to see it firsthand nor the condition of the people that exists in that place we call Kuwait in the Persian Gulf and to see the plight of those

people who have been put upon and to see their plight firsthand.

It just so happens that during the course of the trip of the several hundred persons to Kuwait, I was traveling in my own district of Arkansas, and I would like to describe some of the conditions that I saw that I think are worthy of attention and worthy to be addressed by the various councils of government in Washington.

Mr. Speaker, I saw bridges that are in disrepair and roads that need to be rebuilt and schools that provide conditions for children that can be described as being neglected.

I met with drug enforcement officers who said:

> We do not have near enough drug enforcement in Arkansas to contain the growing problem of drugs in our cities, in our small towns, in a place like Arkansas.

I talked to one sheriff in north central Arkansas who said they do not even serve warrants for arrest unless they are for violent crimes, because there is no room at the jail, and there are no funds to build new jails.

In fact, that is true in the Federal Government. I sit on the appropriation committee that serves the Department of Justice and the Bureau of Prisons, and while we have called for and authorized and appropriated funds with which to build about 50 percent more prison space in our country, the President's budget requests no additional funds to build that space for those jails.

There are people across our country, our own citizens, who paid for the war that are in need of a response from the Nation's Capital, people who have dire needs, who want to become better citizens, who want better lives, who want better jobs, who are in search of those jobs, who have been neglected by their Government.

For the last 10 years we have seen what we call a bicoastal economy develop with both the east and west coasts basking in the glow of economic development and wealth, whereas the States in between in the heartland continue to experience increases in unemployment.

I have five counties with double-digit unemployment, one county with over 20 percent for the third consecutive year, and that is because we have neglected those needs in those States like Arkansas that are crying out for the right kind of leadership from Washington.

I have no immediate expectation that the Federal Government will respond to those needs, because during the last 10 years, in fact, our appropriations show that we have reduced Federal appropriations for services by about 50 percent.

□ 2120

The trend continues that the largest increase in our appropriations has been to increase those amounts of money that go to pay interest on the Federal debt, which has increased by about 50 percent. That is the state of affairs.

I take this time this evening to mention one way that we can provide for development throughout the heartland of America without costing the American people very much, if anything, for that development. That is, to formulate a national energy policy which decreases our dependency on foreign oil. I depart at this time from my remarks to compliment the President for coming forward with a national energy strategy to replace the no energy policy that we have had for the past 10 years. The policy that the President has proposed offers a prospect for improving it so that it will address the needs of economic development in the heartland of America.

Let me just mention a couple of facts and try to wind down with my remarks. During the last decade this Nation paid out in dollars—$1.1 trillion, for foreign oil. That is to say, between 1980 and 1990 we paid $1.1 trillion to foreigners to supply our energy needs. To make it worse, we had to borrow money from foreigners in order to buy oil from foreigners. That is like going to the bank and borrowing money to pay interest on a debt to another bank. We all do it sometimes, but we know it gets a person in trouble, and it has gotten this Nation in trouble.

Our lack of an energy policy has resulted in the greatest transfer of wealth since the Spanish looted the New World, back 400 years ago. That wealth is depleting our vitality, our economic vitality in America. How long will our economy continue to enrich the economies of foreign oil producers? How long will we tolerate a condition where oil money enables the government of Saudi Arabia, for example, to offer free education to their children at their universities, while many of our own children cannot even attend college?

I read a piece in one of the newpapers locally yesterday that applauded the efforts of some young woman that is attending the University of Maryland by holding down three part-time jobs while attending college, three jobs in order to pay her way through college. That is great. I think that will make her a better person, but everyone cannot do that. Everyone cannot attend college in the place where jobs are available. How long will we continue to allow this to persist?

If we had some of the enthusiasm I heard expressed this evening for liberating Kuwait for freeing America from the dependence on foreign oil, just a little of that enthusiasm where we could put it behind a national energy policy to help develop places like Arkansas, we would not have near the task that I am afraid that we face. I believe that as long as we wallow in the complacency and allow the oil to flood our country, and our money to flood into their wallets, that we will continue this erosion, this hemorrhage of our national economy, but we all know that the manipulation of the oil prices by OPEC in association with our own oil companies that own a great part of the production in Kuwait and Saudi Arabia including Texaco, Exxon, Gulf, and all those companies that are American companies have production facilities in the Persian Gulf region. There are many companies that do, but as long as we persist in not developing a national energy policy, this erosion will take place.

We need to get mad about it, I believe. We need to do something about it and take some action, because what we are doing is enriching the people of the Middle East so that their economies can afford new highways and free education and the best health care, and the services that can be afforded to those economies over there that we cannot afford over here, and it is because, I believe, the lack of a national energy policy.

People from my region do not want a handout. They just want a helping hand. One way we can help ourselves is to develop this national energy policy which will put our farmers in the fuel business and attract some of that income back to the heartland of America.

The U.S. Alternative Fuels Council of which I am a member has adopted a resolution calling for a displacement of 25 percent of our dependence on foreign oil by the year 2000. Twenty-five percent of the oil we import from foreign countries is about 2.5 million barrels per day, and that coincidentally equals the amount of oil that we import from the Persian Gulf region. If we should displace 25 percent of the oil that we import from foreign countries with our own natural resources, methanol from coal, ethanol from the farm, compressed natural gas from the reserves in West Virginia, Texas, Oklahoma, Arkansas, and other States, just 25 percent of that would save Americans on an annual basis nearly $15 billion a year that we could recycle into our own economy. Imagine what that would do to our States if we could keep some of that $1 trillion that we spent overseas during the last decade, here at home. I believe we can do it. Maybe we can harness some of the enthusiasm we saw this evening to liberate Kuwait in order to free America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STALLINGS (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of personal business.

Mr. MILLER of Ohio (at the request of Mr. MICHEL), for today and the balance of the week, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HANSEN) to revise and extend their remarks and include extraneous material:)

Mr. RIGGS, for 5 minutes, today.

Mr. DREIER of California, for 5 minutes, today.

Mr. HANSEN, for 5 minutes, today.

(The following Members (at the request of Mr. POSHARD) to revise and extend their remarks and include extraneous material:)

Mr. GLICKMAN, for 5 minutes each day, on today and March 21.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ALEXANDER, for 60 minutes, today.

Ms. WATERS, for 60 minutes, today.

Mr. REED, for 15 minutes, on March 21.

EXTENSION OF REMARKS

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

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

Mr. PORTER.
Mr. BEREUTER.
Mr. PAXON.
Mr. IRELAND.
Mr. GALLO in two instances.
Mr. DICKINSON.
Mr. LOWERY of California.
Mr. SPENCE.
Mrs. BENTLEY in two instances.
Mr. LENT.
Mr. COUGHLIN.
Mrs. VUCANOVICH.
Mr. GREEN of New York.
Mr. DUNCAN.
Ms. ROS-LEHTINEN in four instances.
Mr. LAGOMARSINO.
Mr. SUNDQUIST.
Mr. CLINGER.

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

Mr. CLAY.
Mr. EDWARDS of California.
Mr. VENTO.
Ms. HORN.
Mr. DE LUGO in two instances.
Mr. ROYBAL.
Mr. WAXMAN.
Mr. PALLONE.
Mr. ROE.
Mr. DIXON.
Mr. MAZZOLI.
Mr. CLEMENT.
Mr. SLATTERY.
Mr. FAZIO.
Mr. NEAL of Massachusetts.
Mrs. KENNELLY.
Mr. TRAXLER.
Mr. DOWNEY in two instances.
Mr. SKELTON in two instances.
Mr. APPLEGATE.
Mr. ACKERMAN.
Mr. STARK.
Mr. MILLER of California.
Mr. HOCHBRUECKNER.
Mr. HALL of Ohio.
Mr. OWENS of New York.
Mr. ANDREWS of Texas.
Mr. ENGEL.

SENATE BILL REFERRED

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

S. 213. An act to amend the Federal charter for the Boys' Clubs of America to reflect the change of the name of the organization to the Boys & Girls Clubs of America; to the Committee on the Judiciary.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 9 o'clock and 28 minutes p.m.) under its previous order, the House adjourned until Thursday, March 21, 1991, at 10 a.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1990 TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, DC, March 11, 1991.

Hon. THOMAS FOLEY,
Speaker of the House,
Washington, DC.

DEAR MR. SPEAKER: In accordance with Section 4(a) of Public Law 85-804 (50 U.S.C. 1431-35), I am reporting to the House on all calendar year 1990 actions taken by the National Aeronautics and Space Administration (NASA) under authority of that Act which involve actual or potential cost to the United States in excess of $50,000.

During calendar year 1990, the NASA Contract Adjustment Board did not grant any request for extraordinary contractual relief under P.L. 85-804.

On January 19, 1983, the Administrator made a decision to provide indemnification to certain NASA Space Transportation System contractors for specified risks arising out of contract performance directly related to NASA space activities. The authority of that decision was extended from September 30, 1984, through September 30, 1989, and has been extended again through September 30, 1994. In addition, on July 11, 1990, the Administrator decided to provide indemnification to certain NASA contractors involved in providing commercial Expendable Launch Vehicle launch services for NASA spacecraft or for activities which are carried out by NASA on behalf of the United States. The authority of that decision extends through May 31, 1995. Copies of the Administrator's Memorandum Decisions Under Public Law 85-804 dated November 5, 1989, and July 11, 1990, are enclosed.

During calendar year 1990, one NASA prime contractor was indemnified under the Memorandum Decision dated November 5, 1989. Two other NASA prime contractors were indemnified under separate Memorandum Decisions for the risks set forth therein. Copies of these decisions are enclosed. A summary description of each contract indemnified is also enclosed.

Sincerely,

RICHARD H. TRULY,
Administrator.

Enclosures.

MEMORANDUM DECISION UNDER PUBLIC LAW 85-804

Authority for National Aeronautics and Space Administration Contracting Officers to idemnify certain NASA contractors and subcontractors involved in NASA space activities

1. On July 4, 1982, the Space Transportation System (hereinafter STS) completed its design, development, test and evaluation phase and was declared an operational system of the United States for the transportation of payloads into and out of outer space for governmental and commercial purposes. Except for suspension of STS launches as a result of the Challenger accident, the STS has conducted and will continue to conduct launch, in orbit and landing activities on a repetitive basis and at a prudent frequency.

2. Scheduled STS operations have dictated a continuing examination of the risks in repetitive space activities of the STS and of the present availability of adequate insurance at reasonable premiums to manufacturers and operators of the system. While NASA's STS space activities are designed to be safe, there exists the low statistical probability that a malfunction of either hardware, software or operator error could occur resulting in an accident. This low probability of occurrence cannot be totally removed. In the event that such a malfunction or operator error led to an accident, the potential liability arising from such an accident could be substantially in excess of the insurance coverage NASA contractors could reasonably be expected to acquire and maintain, considering the availability, cost and potential terms and conditions of such insurance at the present time.

3. Pursuant to the authority of Public Law 84-804 and Executive Order 10789, as amended, and notwithstanding any other provisions of the contracts to which this determination may apply, I therefore authorize that certain NASA contractors, as further defined in paragraphs 4 and 5 below, be held harmless and indemnified against certain risks as specifically set forth herein. Accordingly, and subject to the limitations hereinafter stated, cognizant NASA Contracting Officers are authorized to include in prime contracts, described in paragraphs 4 and 5 below, contract provisions for the indemnification of the contractors and their subcontractors at any tier, against claims or losses, as defined in paragraph 1A of E.O. 10789, as amended, arising out of contract performance directly related to NASA's space activities.

4. This authorization is limited to prime contracts which have an effective date before October 1, 1994, by or for NASA for:

a. provision of Space Transportation System and cargo flight elements or components thereof;

b. provision of Space Transportation System and cargo ground support equipment or components thereof;

c. provision of Space Transportation System and cargo ground control facilities and services for their operation; and

d. repair, modification, overhaul support and services and other support and services directly relating to the Space Transportation System, its cargo and other elements used in the NASA's space activities.

5. This authorization is further limited solely to claims or losses resulting from or arising out of the use or performance of the products or services described in paragraph 4 in NASA's space activities. For this purpose, the use or performance of such products or services in NASA's space activities begins solely when such products or services are provided to the U.S. Government at a U.S. Government installation for or in connection with one or more Space Transportation System launches and are actually used or performed in NASA's space activities.

6. The risks for which indemnification is authorized are the risks arising under the contracts described in paragraphs 4 and 5 causing personal injury or death, or loss of or damage to property, or loss of use of property. These risks are considered unusually hazardous risks solely in the sense that if, in the unlikely event, the Space Transportation System, its cargo or other elements or services used in the NASA's space activities malfunctioned causing an accident, the potential liability could be in excess of the insurance coverage that a NASA prime contractor would reasonably be expected to purchase and maintain, considering the availability, cost, and terms and conditions of such insurance. In no other sense are the Space Transportation System, its cargo or other elements or services used in NASA's space activities unusually hazardous.

7. a. This authorization may be applied prospectively, without additional consideration, to existing prime contracts and subcontracts and in new prime contracts and subcontracts which otherwise meet the conditions of this memorandum.

b. Indemnification of prime contractors and subcontractors may be provided under this authorization only when the Government will receive the benefit of all costs savings, if any, to the prime contractor and its subcontractors at every tier.

8. All contract indemnification clauses and procedures shall comply with applicable provisions of Federal Acquisition Regulation (FAR) Subpart 50.4 as supplemented by NASA FAR Supplement (NFS) 18-50.4.

9. This authorization is given upon condition that each prime contractor is approved by me and that such contractor maintains financial protection of such type and in such amounts as may be determined by me in writing to be appropriate under the circumstances. Each prime contractor shall provide a statement of applicable financial protection through the cognizant Contracting Officer for my review and determination. In making this determination, I shall take into account such factors as the availability, cost and terms of private insurance, self-insurance and other proof of financial responsibility and workman's compensation insurance.

10. When indemnification provisions are included in a prime contract pursuant to the authority of this decision, the cognizant Contracting Officer shall immediately submit directly to the Contract Adjustment Board a report referencing this decision and containing the information required by NFS 18-50.403-70, Reporting and records requirements.

11. The actual or potential cost, if any, of the actions hereby authorized is impossible to estimate since it is contingent upon the remote possibility of an occurance and extent of loss resulting from certain space activities which malfunction. Such an event may never occur; however, should a major incident occur, millions of dollars of damage could result.

12. I find that this action will facilitate the national defense. In the remote event that the Space Transportation System, its cargo or other elements or services used in NASA's space activities malfunctioned causing damage in excess of insurance maintained by contractors and subcontractors, the resulting excess liability could place the contractor's and subcontractors' continued existence in jeopardy, making those contractors and subcontractors unavailable to continue to support space activities and the Department of Defense. I note that for purposes of the Defense Production Act of 1950, the term "national defense" is defined as "programs for . . . space, and directly realted activity." (50 U.S.C. App. 2152(d))

RICHARD H. TRULY,
Administrator.

NOVEMBER 5, 1989.

MEMORANDUM DECISION UNDER PUBLIC LAW 85-804

Authority for National Aeronautics and Space Administration contracting officers to indemnify certain NASA contractors and subcontractors involved in providing commercial Expendable Launch Vehicle (ELV) launch services for NASA spacecraft or for activities which are carried out by NASA on behalf of the United States.

1. Prior to the Challenger accident and consistent with national policy, NASA's phase-out of our Expendable Launch Vehicle (ELV) program was near completion and most missions were transitioned to the Shuttle for launch. Up until this time, NASA had total responsibility for the design, development, fabrication, test, and launch of both Government and commercial payloads on the Scout, Delta, and Atlas-Centaur launch vehicles. The President's National Space Policy of November 2, 1989, which reaffirmed the key tenants of earlier national policy statements, directed Federal Agencies to establish a Mixed Fleet Launch Policy utilizing the unique capabilities of the Space Shuttle and ELVs to support Government launch requirements. The policy also precluded NASA from maintaining an ELV adjunct to the Space Shuttle and directed NASA to procure requisite ELV launch services directly from the private sector or through the Department of Defense. In accordance with the Deputy Administrator's Decision Memorandum #22, dated January 27, 1989, NASA will acquire launch services whenever possible directly from commercial operators.

2. Increasing need of launch services with a high degree of mission success has dictated a continuing examination of the risks in repetitive launch activities and the present availability of adequate insurance at reasonable premiums to providers of commercial expendable launch services. While commercial launch activities are designed to be safe, there exists the low statistical probability that a malfunction of either hardware, software, or operator error could occur resulting in an accident. This low probability of occurrence cannot be totally removed. In the event that such a malfunction or operator error led to an accident, the potential liability arising from such an accident could be substantially in excess of the insurance coverage NASA contractors could reasonably be expected to acquire and maintain, considering the availability, cost, and potential terms and conditions of such insurance at the present time.

3. Pursuant to the authority of Public Law 85-804 and Executive Order 10789, as amended, and notwithstanding any other provisions of the contracts to which this determination may apply, I therefore authorize that certain NASA contractors, as further defined in paragraphs 4 and 5 below, be held harmless and indemnified against certain risks as specifically set forth herein. Accordingly, and subject to the limitations hereinafter stated, cognizant NASA contracting officers are authorized to include in prime contracts, described in paragraphs 4 and 5 below, contract provisions for the indemnification of the contractors and their subcontractors at any tier, against claims or losses, as defined in paragraph 1A of Executive Order 10789, as amended, arising out of contract performance directly related to providing NASA commercial ELV launch services.

4. This authorization is limited to prime contracts which have an effective date before June 30, 1995, by or for NASA for provision of commercial ELV launch services.

5. This authorization is further limited solely to claims or losses resulting from or arising out of the use or performance of commercial launch services provided to NASA, where NASA, under its contract, maintains sufficient oversight and approval rights to assess and influence mission risk. For this purpose, the use or performance of such launch service activities begins only after such services are provided to the U.S. Government at a U.S. Government installation for or in connection with one or more ELV launches and are actually used to provide launch services for NASA or NASA-sponsored activities which are carried out by NASA on behalf of the United States. The use or performance referred to is limited to the explosion, detonation, combustion, or impact of a launch vehicle, its payloads, or a component thereof, whether or not the payload is separated from the launch vehicle.

6. The risks for which indemnification is authorized are the risks arising under the contracts described in paragraphs 4 and 5 which result in claims by third persons, including employees of the contractor, for death, personal injury, or loss of, damage to, or loss of use of property; loss of, damage to, or loss of use of property of the Government. These risks are considered unusually hazardous risks solely in the sense that if, in the unlikely event, the ELV, its cargo or other elements or services used in providing NASA launch services malfunctioned causing an accident, the potential liability could be in excess of the insurance coverage that a NASA prime contractor would reasonably be expected to purchase and maintain, considering the availability, cost, and terms and conditions of such insurance. In no other sense is the provision of commercial ELV launch services for NASA spacecraft unusually hazardous.

7. a. This authorization may be applied prospectively, without additional consideration, to existing prime contracts and subcontracts and in new prime contracts and subcontracts which otherwise meet the conditions of this memorandum.

b. Indemnification of prime contractors and subcontractors may be provided under this authorization only when the Government will receive the benefit of all cost savings, if any, to the prime contractor and its subcontractors at every tier.

8. All contract indemnification clauses and procedures shall comply with applicable provisions of Federal Acquisition Regulation (FAR) Subpart 50.4 as supplemented by NASA FAR Supplement (NFS) 18-50.4.

9. This authorization is given upon condition that each prime contractor maintains financial protection of such type and in such amounts as may be determined by me in writing to be appropriate under the circumstances. Each prime contractor shall provide a statement of applicable financial protection through the cognizant contracting officer for my review and determination. In making this determination, I shall take into account such factors as the availability, cost and terms of private insurance, self-insurance and other proof of financial responsibility and workmen's compensation insurance.

10. When indemnification provisions are included in a prime contract pursuant to the authority of this decision, the cognizant contracting officer shall immediately submit directly to the Contract Adjustment Board a report referencing this decision and containing the information required by NFS 18-50.403-70, Reporting and records requirements.

11. The actual or potential cost, if any, of the actions hereby authorized is impossible to estimate since it is contingent upon the remote possibility of an occurrence and extent of loss resulting from commercial launch activities which malfunction. Such an event may never occur; however, should a major incident occur, millions of dollars of damage could result.

12. I find that this action will facilitate the national defense. In the remote event that commercial ELV launch service activities provided for NASA spacecraft cause damage in excess of insurance maintained by contractors and subcontractors, the resulting excess liability could place the contractors' and subcontractors' continued existence in jeopardy, making those contractors and subcontractors unavailable to continue to provide commercial ELV launch services. I note that for purposes of the Defense Production Act of 1950, the term "national defense" is defined as "programs for . . . space, and directly related activity." (50 U.S.C. App. 2152(d))

RICHARD H. TRULY,
Administrator.

JULY 11, 1990.

MEMORANDUM DECISION AND APPROVAL UNDER PUBLIC LAW 85-804

This is the authority and approval for a National Aeronautics and Space Administration contracting officer to indemnify General Dynamics Corporation, (hereinafter referred to as GDC), with respect to the Combined Release and Radiation Effects Satellite (CRRES) Launch Service Associated with NASA's Space Activities.

1. The Atlas/Centaur is an operational high-energy, expendable launch vehicle system designed to place various payloads into low-earth orbits, synchronous-transfer orbits, or interplanetary transfer orbits above the earth. The system has been fully operational since the mid-1960's. Atlas/Centaur was designed to be a safe flight vehicle. However, there exists the remote and low statistical probability that a malfunction of either hardware or software or operator error could occur resulting in an accident. This low probability of occurrence, albeit remote, cannot be totally eliminated. In the event that such a malfunction or operator error led to an accident, the potential liability resulting from such an accident could be substantially in excess of the insurance coverage GDC as a NASA prime contractor could reasonably be expected to acquire and maintain, considering the presently available cost and terms and conditions of such insurance.

2. The actual or potential cost, if any, resulting from any loss related to the launch of an Atlas-Centaur is impossible to precisely estimate, since it is contingent upon the remote possibility of an occurrence and extent of loss resulting from the malfunctioning of the Atlas/Centaur or operator error related to the Atlas/Centaur launch activities. Such an event may never occur; however, should a major incident occur, millions of dollars of damage to persons or property could result.

3. Based on this assessment and pursuant to the authority of Public Law 85-804 and Executive Order 10789, as amended, and notwithstanding any other provision of Contract NAS3-23330 with GDC, I hereby authorize that GDC be held harmless and indemnified against unusually hazardous risks as defined in Paragraph 4 below. This authority permits the cognizant NASA contracting officer to include in Contract NAS3-23330 provisions for the indemnification of GDC against claims or losses, as defined in Paragraph 1A of Executive Order 10789, as amended, arising out of contract performance directly related to NAS3-23330. This authority to hold harmless and indemnify shall apply solely to an incident which occurs after the cognizant contracting officer includes in Contract NAS3-23330 the applicable provisions described in Paragraph 7 below.

4. This authorization to indemnify is limited to claims or losses resulting from unusually hazardous risks. Unusually hazardous risks are risks, beginning on the intentional ignition of the Atlas/Centaur launch vehicle on the launch pad, which result from or in connection with (i) the burning, explosion or detonation of the Atlas/Centaur launch vehicle and (ii) the impact on Earth of the Atlas/Centaur launch vehicle or its components or fragments.

5. The unusually hazardous risks for which indemnification is authorized are the risks arising under Contract NAS3-23330 which result in claims by third persons, including employees of the contractor, for death, personal injury, or loss of, damage to, or loss of use of property; loss of, damage to, or loss of use of property of the contractor; loss of, damage to, or loss of use of property of the Government. These risks, as defined in Paragraph 4 above, are considered unusually hazardous risks solely in the sense that if in the unlikely event the Atlas/Centaur malfunctioned or an operator error occurred during the period defined in Paragraph 4, above, causing an accident, the potential liability could be in excess of the insurance coverage that GDC would reasonably be expected to purchase and maintain. In no other sense is the Atlas/Centaur or the related services provided under Contract NAS3-23330 usually hazardous.

6. I have reviewed the financial protection program to be maintained by GDC. A current summary of insurance applicable to Government contracts was submitted to NASA by J. H. Edwards, Manager of Contracts, by letter No. 711-11-90-185 dated March 27, 1990, with clarification provided by J. A. Rangus, Manager of Contracts, by letter No. 969-12-90-127 dated May 7, 1990. GDC's financial protection program appears to be adequate. This decision and approval is granted on condition that GDC maintains this financial protection program for the Atlas/Centaur launch service provided pursuant to contract NAS3-23330 with one exception, third party liability insurance to cover this launch. GDC has stated that if indemnification is not granted, it would pass on to NASA the entire cost of this insurance for the launch under a relevant NASA contract provision. In my opinion, the quoted premium borders on the excessive. Based on the information provided by GDC, I hereby authorize the indemnification of GDC from the first dollar of liability that may incur arising out of NASA's space activities under contract NAS3-23330.

7. Pursuant to this authority, the contracting officer may include in Contract NAS3-23330, applicable provisions of the Federal Acquisition Regulation (FAR) Part 50.4, NASA FAR Supplement Part 18-504, and the definition of unusually hazardous risks from Paragraph 4, above. The contracting officer, at his discretion, may authorize indemnification of a GDC subcontractor, at any tier, above a reasonable amount of insurance coverage maintained by the subcontractor, although less than that maintained by GDC, without respect to time.

8. Upon inclusion of the applicable provisions in Contract NAS3-23330, the contracting officer shall immediately submit directly to the NASA Contract Adjustment Board a report referencing this decision and approval and containing the information required by NASA FAR Supplement Part 18-50.403-70, Reporting and records requirements.

9. I find that this action will facilitate the national defense. In the remote event that the Atlas/Centaur malfunctioned or an operator error occurred causing damage in excess of any insurance maintained by GDC, the resulting excess liability could place GDC's continued existence in jeopardy, making GDC unavailable to continue to support NASA's space activities and the programs of the Department of Defense. I note that, for purposes of the Defense Production Act of 1950, the term national defense is defined as " . . . programs for . . . space, and directly related activity." (50 U.S.C. App. 2152(d)).

RICHARD H. TRULY,
Administrator,
NATIONAL AERONAUTICS AND SPACE
Administration.

JUNE 27, 1990.

MEMORANDUM DECISION AND APPROVAL DOCUMENT UNDER PUBLIC LAW 85-804

TO INDEMNIFY LOCKHEED MISSILES & SPACE CO., INC., FOR THE ADVANCED SOLID ROCKET MOTOR PROGRAM

Authority is granted to indemnify Lockheed Missiles & Space Co., Inc. (hereinafter LMSC), under Public Law 85-804 for the Advanced Solid Rocket Motor Program (hereinafter ASRM) to the extent provided hereinafter:

1. On July 4, 1982, the Space Transportation System (hereinafter STS) completed its design, development, test and evaluation phase and was declared an operational system of the United States for the transportation of payloads into and out of outer space for government and commercial purposes. Except for suspension of STS launches as a result of the Challenger accident, the STS has conducted and will continue to conduct launch, in orbit and landing activities on a repetitive basis and at a prudent frequency.

2. Scheduled STS operation have dictated a continuing examination of the risks in repetitive space activities of the STS and of the present availability of adequate insurance at reasonable premiums to manufacturers and operators of the system. While NASA's STS space activities are designed to be safe, there exists the low statistical probability that a malfunction of either hardware, software, or operator error could occur resulting in an accident. This low probability of occurrence cannot be totally removed. In the event that such a malfunction or operator error led to an accident, the potential liability arising from such an accident could be substantially in excess of the insurance coverage that STS contractors could reasonably be expected to acquire and maintain, considering the availability, cost, and potential terms and conditions of such insurance at the present time.

3. Pursuant to the authority of Public Law 85-804 and Executive Order 10789, as amended, and notwithstanding any other provisions of the contracts to which this determination may apply, I therefore authorize that LMSC be held harmless and indemnified against certain risks as further defined in paragraphs 4 and 5 below. Accordingly, and subject to the limitations hereinafter stated, cognizant NASA contracting officers are authorized to include in prime Contracts NAS8-37800 entitled, Space Shuttle ASRM Design, Development, Test and Evaluation, and Production Option; NAS8-37900(F) entitled, Space Shuttle ASRM Consolidated Facilities; and NAS13-420 entitled, Space Shuttle ASRM Consolidated Facilities, Site Specific: Stennis Space Center, MS; contract provisions for the indemnification of LMSC and its subcontractors at any tier, against claims or losses, as defined in paragraph 1A of Executive Order 10789, as amended, arising out of contract performance directly related to NASA's space activities.

4. Except as provided in paragraph 5 below, this authorization is limited solely to Contracts NAS8-37800, NAS8-37900(F), and NAS13-420 and to claims or losses resulting from or arising out of the use or performance of the products or services in NASA's space activities along with all risks and claims by third parties against LMSC and its subcontractors at any tier. For this purpose, the use or performance of such products or services in NASA's space activities begins solely when such products or services are provided to the United States Government at a United States Government installation for or in connection with one or more STS launches and are actually used or performed in NASA's space activities.

5. This authorization is also limited to claims by third parties or the United States against LMSC and its subcontractors at any tier arising as a direct consequence of the environmental conditions in existence at the following Government-furnished sites prior to occupation of the subject sites by LMSC and/or its subcontractors at any tier:

Yellow Creek Site near Iuka, Mississippi.
Michoud Assembly Facility, Louisiana.
Marshall Space Flight Center, Alabama.
Stennis Space Center, Mississippi.

The environmental conditions covered by this indemnification will be those pre-existing conditions identified by the surveys required by the clause entitled, "Responsibility For Pre-existing Environmental Conditions" in Contracts NAS8-37800, NAS8-37900(F), and NAS13-420.

6. The risk for which indemnification is authorized are the risks associated with the subject contracts causing personal injury or death, or loss of or damage to property, or loss of use of property. These risks are considered unusually hazardous risks in the sense that if, in the unlikely event, the STS, its cargo or other elements or services used in the NASA's space activities malfunctioned causing an accident, the potential liability could be in excess of the insurance coverage that LMSC would reasonably be expected to purchase and maintain, considering the availability, cost, and terms and conditions of such insurance. Further, the risks pertaining to potential pre-existing environmental contamination at the listed Government-furnished sites are considered unusually hazardous because the magnitude of risk associated with performance of these contracts at these sites has rendered commercial insurance unavailable. In no other sense is performance of these contracts considered unusually hazardous.

7. This authorization will apply prospectively without additional considerations and will only apply to those risks not covered by insurance. It will apply to Contracts NAS8-37800, NAS8-37900(F), and NAS13-420 and to existing and to future subcontracts which meet the conditions of this memorandum.

8. In making this determination, I have taken into account such factors as the availability, cost, and terms of private insurance, self-insurance, and other proof of financial responsibility and worker's compensation insurance. LMSC's Comprehensive General Liability and Aviation Products Liability Insurance policies forwarded to NASA by Mr. R.F. Mazurkiewicz intermittently between October 17 and November 5, 1990, have been reviewed. I have been informed by LMSC that insurance to cover the risks pertaining to pre-existing environmental contamination is unavailable. I have also been informed by LMSC that the cost of flight risk insurance is $650,000 per year plus an additional $450,000 per launch, and I have determined that the cost is prohibitive. Based upon my review of the policies, LMSC's insurance to cover other than unusually hazardous risks appears to be adequate. This approval is granted on the condition that LMSC maintains this insurance coverage currently in force, or in the event that insurance becomes impossible or impractical to maintain, LMSC will immediately notify the contracting officer.

9. The actual or potential cost, if any, of the actions hereby authorized is impossible to estimate since it is contingent upon the remote possibility of an occurrence and the extent of loss resulting from such occurrence. Such an event may never occur; however, should a major incident occur, millions of dollars of damage could result.

10. The cognizant NASA contracting officers may authorize the indemnification of a LMSC subcontractor at any tier. Any request for indemnification from first dollar must be concurred in by the NASA Assistant Administrator for Procurement.

11. I find that this action will facilitate the national defense. In the remote event that liabilities resulting from the use of these products or services or the pre-existing environmental conditions are in excess of the insurance maintained by LMSC and its subcontractors, LMSC and its subcontractors' continued existence could be placed in jeopardy, and could make LMSC and its subcontractors unavailable to continue to support space activities and the Department of Defense. I note that for purposes of the Defense Production Act of 1950, the term "national defense" is defined as "programs for . . . space, and directly related activity." (50 U.S.C. App. 2152(d)).

RICHARD H. TRULY,
Administrator.

DECEMBER 17, 1990.

CONTRACTORS INDEMNIFIED DURING CALENDAR YEAR 1990

Name of contractor: General Dynamics Corporation. Date: June 27, 1990.

Affected NASA contract(s):

NAS3-23330—Launch of Atlas/Centaur AC-68R Carrying Combined Release and Radiation Effects Satellite.

Name of contractor: Thiokol Corporation. Date: August 27, 1990.

Affected NASA contract(s):

NAS8-38100—Redesigned Solid Rocket Motor, Buy Three.

Name of contractor: Lockheed Missiles & Space Company, Incorporated. Date: December 17, 1990.

Affected NASA contract(s):

NAS8-37800—Design, Development, Test, Evaluation, and Production Option of the Advanced Solid Rocket Motor.

NAS8-37900(F)—Advanced Solid Rocket Motor Consolidated Facilities at Yellow Creek, MS; Michoud Assembly Facility, LA; and Marshall Space Flight Center, AL.

NAS13-420—Advanced Solid Rocket Motor Consolidated Facilities at Stennis Space Center, MS.

EXECUTIVE COMMUNICATIONS, ETC.

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

904. A letter from the Legislative Liaison, Department of the Army, transmitting notification of the decision to convert to contractor performance the consolidated maintenance services function at Fitzsimons Army Medical Center, pursuant to Public Law 100-463, section 8061 (102 Stat. 2270-27); to the Committee on Appropriations.

905. A letter from the Secretary of Defense, transmitting a copy of the force structure plan for fiscal year 1992, pursuant to 10 U.S.C. 2687nt, Public Law 101-510, section 2903(a) (104 Stat. 1810); to the Committee on Armed Services.

906. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-13, "Youth Rehabilitation Amendment Act of 1985 Temporary Amendment Act of 1991," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

907. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-8, "Assault Weapon Manufacturing Strict Liability Act of 1990 Temporary Repealer Act of 1991," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

908. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-7, "Uniform Disposition of Unclaimed Property Act of 1980 Temporary Amendment Act of 1991," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

909. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 9-6, "Board of Education Special Election Temporary Amendment Act of 1991," pursuant to D.C. Code, section 1-233(c)(1); to the Committee on the District of Columbia.

910. A communication from the President of the United States, transmitting a report that the operations conducted by Coalition forces to liberate Kuwait have been successful, pursuant to Public law 102-1 (Doc. No. 102-61); to the Committee on Foreign Affairs and ordered to be printed.

911. A letter from the Secretary, Federal Trade Commission, transmitting a report on its activities under the Freedom of Information Act during calendar year 1990, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

912. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

913. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

914. A letter from the Treasurer General, Daughters of the American Revolution, transmitting the report of the audit of the society for the fiscal year ended February 28, 1990, pursuant to 36 U.S.C. 1101(20), 1103; to the Committee on the Judiciary.

915. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the calendar year 1990 report on contractual actions to facilitate the national defense, pursuant to 50 U.S.C. 1431; to the Committee on Science, Space, and Technology.

916. A letter from the Director, Office of Management and Budget, transmitting his certification that the amounts appropriated for the Board for International Broadcasting for grants to Radio Free Europe/Radio Liberty, Inc., are less than the amount necessary to maintain the budgeted level of operation because of exchange rate losses in the first quarter of fiscal year 1991, pursuant to 22 U.S.C. 2877(a)(2); jointly, to the Committees on Foreign Affairs and Appropriations.

917. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to reform the Federal deposit insurance system, to improve the supervision and regulation of federally insured depository institutions, to reform the financial services industry as to the activities in which that industry may engage, to consolidate the regulatory structure for depository institutions, to recapitalize the Bank Insurance Fund and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Energy and Commerce, and Ways and Means.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 26. A bill to require the Federal depository institution regulatory agencies to take additional enforcement actions against depository institutions engaging in money laundering, and for other purposes; with an amendment; referred to the Committees on Foreign Affairs and the Judiciary for a period ending not later than May 23, 1991, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of those committees pursuant to clause 1(i) and (m), rule X, respectively. (Rept. 102-28, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of Texas:

H.R. 1497. A bill to amend the Internal Revenue Code of 1986 to allow an investment tax credit for vehicles fueled by clean-burning substances, for converting vehicles to be so fueled, and for other purposes; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 1498. A bill to amend the Harmonized Tariff Schedule of the United States to clarify the classification of mixed alkylbenzenes; to the Committee on Ways and Means.

H.R. 1499. A bill to provide temporary duty-free treatment for certain digital processing units; to the Committee on Ways and Means.

By Mr. OWENS of Utah (for himself, Mr. POSHARD, Mr. BENNETT, Mrs. BOXER, Mr. NEAL of Massachusetts, Mr. ANDREWS of Maine, Mr. FORD of Michigan, Mr. SIKORSKI, Mr. ESPY, Mr. VALENTINE, Mr. LANCASTER, Mr. DEFAZIO, Mr. KOSTMAYER, Mr. MURTHA, Mr. MACHTLEY, Mr. RAVENEL, Mr. TALLON, Mr. BUSTAMANTE, Mr. BOUCHER, Mr. MCDERMOTT, Mr. MILLER of California, Mr. DELLUMS, Ms. PELOSI, Mr. BERMAN, Mr. SKAGGS, Mr. JACOBS, Mr. STUDDS, Mr. WOLPE, Mr. TOWNS, Mr. SPRATT, Mr. TORRES, Mr. DURBIN, Mr. FALEOMAVAEGA, Mr. SCHEUER, Mr. MRAZEK, Mr. PAYNE of New Jersey, Mr. SMITH of New Jersey, Mr. PALLONE, Mr. HUGHES, Mr. NEAL of North Carolina, Mr. PRICE, Mr. MANTON, Mr. OWENS of New York, Ms. SLAUGHTER of New York, Mr. TRAFICANT, Mr. STARK, Mr. LANTOS, Mr. BEILENSON, Mr. WAXMAN, Mr. LEVINE of California, Mr. BROWN, Mr. MINETA, Mr. DYMALLY, Mr. DARDEN, Mr. KENNEDY, Mr. ANDREWS of Texas, Mr. ROE, Mr. KOLTER, Mr. OLIN, Mr. KILDEE, Mr. SHAYS, and Mr. REED):

H.R. 1500. A bill to designate certain Federal lands in the State of Utah as wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ARCHER:

H.R. 1501. A bill to reduce the column 1, general rate of duty on Flurbiprofen; to the Committee on Ways and Means.

By Mrs. BOXER (for herself, Mrs. MORELLA, Mrs. COLLINS of Illinois, Mrs. KENNELLY, Mrs. MINK, Ms. NORTON, Ms. PELOSI, Mrs. SCHROEDER, Ms. SNOWE, Mr. BRYANT, Mr. CARPER, Mr. DYMALLY, Mr. FASCELL, Mr. FUSTER, Mr. KOPETSKI, Mr. LIPINSKI, Mr. OBERSTAR, Mr. OLIN, Mr. RAHALL, Mr. STAGGERS, Mr. WOLPE, Mr. WYDEN, and Mr. YATES):

H.R. 1502. A bill to combat violence and crimes against women on the streets and in homes; jointly to the Committees on the Judiciary, Public Works and Transportation, Interior and Insular Affairs, Energy and Commerce, and Education and Labor.

By Mr. CLAY (for himself and Mr. WHEAT):

H.R. 1503. A bill to facilitate capital financing for historically black colleges and universities; to the Committee on Education and Labor.

By Mr. DOWNEY:

H.R. 1504. A bill to authorize a national conference on aging; to the Committee on Education and Labor.

By Mr. GONZALEZ (for himself and Mr. WYLIE) (both by request):

H.R. 1505. A bill to reform the Federal deposit insurance system, to improve the supervision and regulation of federally insured depository institutions, to reform the financial services industry as to the activities in which that industry may engage, to consolidate the regulatory structure for depository institutions, to recapitalize the Bank Insurance Fund, and for other purposes; jointly to the Committees on Banking, Finance and Urban Affairs, Energy and Commerce, and Ways and Means.

By Mr. DOWNEY:

H.R. 1506. A bill to amend the Internal Revenue Code of 1986 to increase the standard mileage rate deduction for charitable use of passenger automobiles and to index that rate for inflation; to the Committee on Ways and Means.

By Mr. GEKAS:

H.R. 1507. A bill to require as a condition of receiving funds under the Older Americans Act of 1965 that States require that, not later than 60 days after commencing any proceeding to compel the sale of a residence occupied by an older individual or to evict such individual from such residence, notice of such proceeding be given to such individual and to the appropriate area agency on aging if such proceeding is based on the failure of such individual to pay a debt; and for other purposes; to the Committee on Education and Labor.

By Mr. HANSEN:

H.R. 1508. A bill to designate certain public lands in the State of Utah as wilderness, and for other purposes; to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. HEFLEY (for himself, Mr. MONTGOMERY, Mr. BOEHLERT, Mr. HUTTO, Mr. DICKS, Mr. DICKINSON, Ms. OAKAR, Mrs. UNSOELD, Mr. PAXON, Mr. SMITH of Texas, Mr. CRANE, Mr. WOLF, Mr. LENT, Mr. HEFNER, Mr. BURTON of Indiana, Mr. HAMILTON, Mr. GOSS, Mr. DORNAN of California, Mr. LAGOMARSINO, Mr. BENNETT, Mr. REGULA, Mr. MARTIN, Mr. HORTON, Mr. RHODES, Mr. VALENTINE, Mr. SANGMEISTER, Mr. ROE, Mr. HARRIS, Mr. PAYNE of Virginia, Mr. HATCHER, Mr. SCHIFF, Mr. ACKERMAN, Mr. THOMAS of Wyoming, Mr. FROST, Mr. SOLOMON, Mr. DWYER of New Jersey, Mr. HALL of Ohio, Mr. GREEN of New York, Mr. BILIRAKIS, Mr. SKAGGS, Mr. NEAL of Massachusetts, Mrs. VUCANOVICH, Mr. ROBERTS, Mr. IRELAND, Mr. CAMPBELL of Colorado, Mr. SKELTON, Ms. LONG, Mr. BOUCHER, Mr. GALLO, Ms. KAPTUR, Mr. GONZALEZ, Mr. PENNY, Mr. HYDE, Mr. EMERSON, Mr. HOAGLAND, Mr. LANCASTER, Mr. INHOFE, Mr. GILMAN, Mr. MACHTLEY, Mr. DANNEMEYER, Mr. QUILLEN, and Mr. SCHAEFER):

H.R. 1509. A bill to recognize the organization known as the Retired Enlisted Association, Incorporated; to the Committee on the Judiciary.

By Mr. HOCHBRUECKNER (for himself, Mr. ANDREWS of Maine, Mr. GILMAN, Mr. HENRY, Mr. HERTEL, Mr. HUGHES, Mr. LANCASTER, Mr. MFUME,

Mr. OWENS of Utah, Mr. RAVENEL, Mr. RAY, Mr. ROE, Mr. SHAYS, Mr. TOWNS, and Mr. WALSH):

H.R. 1510. A bill to amend the Solid Waste Disposal Act to require the recycling of used lead-acid batteries, and to require a study by the Administrator of the Environmental Protection Agency on the disposal of used household dry-cell batteries; to the Committee on Energy and Commerce.

By Mr. HOCHBRUECKNER (for himself, Mr. GEJDENSON, Mr. RAVENEL, Mr. HENRY, Mr. GILMAN, Mr. WALSH, Mr. TOWNS, Mr. ANDREWS of Maine, Mr. HERTEL, Mr. RAY, Mr. ROE, Mr. HUGHES, Mr. LANCASTER, Mr. MFUME, and Mr. OWENS of Utah):

H.R. 1511. A bill to establish an Office of Recycling Research and Information in the Department of Commerce, to require research on the recycling of scrap automotive tires, and for other purposes; jointly, to the Committees on Energy and Commerce and Science, Space, and Technology.

By Mr. HUGHES (for himself, Mr. LAGOMARSINO, Mr. LANCASTER, Mr. RANGEL, Mr. ROE, Mr. TOWNS, Mr. WOLF, Mr. DE LUGO, Mr. HORTON, Mr. OBERSTAR, and Mr. STAGGERS):

H.R. 1512. A bill to amend title 5, United States Code, to include service during World War II in the U.S. merchant marine as military service for purposes of the civil service retirement system; to the Committee on Post Office and Civil Service.

By Mrs. KENNELLY:

H.R. 1513. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income the value of certain transportation furnished by an employer; to the Committee on Ways and Means.

By Mr. LAGOMARSINO:

H.R. 1514. A bill to disclaim or relinquish all right, title, and interest of the United States in and to certain lands conditionally relinquished to the United States under the act of June 4, 1897 (30 Stat. 11, 36), and for other purposes; to the Committees on Interior and Insular Affairs, Merchant Marine and Fisheries, and Agriculture.

By Mr. LEHMAN of Florida (for himself, Mr. WOLF, Mrs. SCHROEDER, and Mr. RANGEL):

H.R. 1515. A bill to amend the Internal Revenue Code of 1986 to provide a deduction for adoption expenses, and for other purposes; to the Committee on Ways and Means.

By Mr. LIGHTFOOT (for himself and Mr. DORGAN of North Dakota):

H.R. 1516. A bill to permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to certain farm vehicles; to the Committee on Public Works and Transportation.

By Mr. MINETA:

H.R. 1517. A bill to provide for a critical industries study and report; jointly, to the Committees on Banking, Finance and Urban Affairs, Energy and Commerce, Education and Labor, Foreign Affairs, the Judiciary, and Ways and Means.

By Mrs. MINK:

H.R. 1518. A bill to provide a program of Federal supplemental compensation; to the Committee on Ways and Means.

By Mr. MOLLOHAN:

H.R. 1519. A bill to suspend temporarily the duty on octadecyl isocyanate; to the Committee on Ways and Means.

H.R. 1520. A bill to suspend temporarily the duty on certain carbodiimide masterbatches; to the Committee on Ways and Means.

H.R. 1521. A bill to extend until January 1, 1995, the suspension of duty on certain carbodiimides; to the Committee on Ways and Means.

By Mr. OWENS of New York:

H.R. 1522. A bill to deny funds to educational programs that allow corporal punishment; to the Committee on Education and Labor.

By Mr. OXLEY:

H.R. 1523. A bill to permit the Bell Telephone Cos. to conduct research on, design, and manufacture telecommunications equipment, and for other purposes; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. SAWYER:

H.R. 1524. A bill to establish programs to promote increased access to higher education through early intervention counseling and financial aid information; to the Committee on Education and Labor.

H.R. 1525. A bill to authorize States to regulate solid waste in interstate commerce, to require States to adopt 20-year solid waste management plans, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SENSENBRENNER:

H.R. 1526. A bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to establish risk-based premium assessments and depositor premium copayment requirements and to remove the limit on the amount of deposit insurance, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SLATTERY (for himself, Mr. TAUZIN, Mr. BRUCE, Mr. GLICKMAN, Mr. MAZZOLI, Mr. BONIOR, and Mr. HALL of Ohio):

H.R. 1527. A bill to permit the Bell Telephone Cos. to conduct research on, design, and manufacture telecommunications equipment, and for other purposes; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. SLAUGHTER of Virginia:

H.R. 1528. A bill to exempt receipts of the Federal Hospital Insurance Trust Fund from the calculation of revenues for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, and for other purposes; jointly, to the Committees on Government Operations and Ways and Means.

By Mr. TORRICELLI:

H.R. 1529. A bill to extend until January 1, 1995, the suspension of duties on certain chemicals; to the Committee on Ways and Means.

H.R. 1530. A bill to extend duty-free treatment to certain chemicals; to the Committee on Ways and Means.

By Mrs. UNSOELD (for herself, Mr. DICKS, Mr. SWIFT, Mr. DEFAZIO, Mr. GOSS, Mr. OWENS of Utah, and Mrs. VUCANOVICH):

H.R. 1531. A bill to prohibit a State from imposing an income tax on the pension income of individuals who are not residents or domiciliaries of that State; to the Committee on the Judiciary.

By Mr. WAXMAN:

H.R. 1532. A bill to amend the Public Health Service Act to revise and extend the programs of the National Institutes of Health, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BILIRAKIS (for himself, Mr. RAVENEL, Mr. HYDE, Mr. DWYER of New Jersey, and Mr. HORTON):

H.R. 1533. A bill to amend the Older Americans Act of 1965 to require that the number of individuals who are 85 years of age and older be taken into consideration by States for purposes of designating planning and service areas and of distributing funds under such act; to the Committee on Education and Labor.

By Mr. BILIRAKIS (for himself, Mr. HORTON, and Mr. LEWIS of Florida):

H.R. 1534. A bill to require the Secretary of Health and Human Services to submit a report to the Congress regarding the national health care systems of certain industrialized countries; to the Committee on Energy and Commerce.

By Mr. BILIRAKIS (for himself, Mr. RAVENEL, Ms. ROS-LEHTINEN, Mr. HYDE, Mr. INHOFE, and Mr. MACHTLEY):

H.R. 1535. A bill to amend the Internal Revenue Code of 1986 to allow individuals a tax deduction for expenses exceeding 5 percent of adjusted gross income incurred in care of certain elderly individuals, to allow physicians and registered professional nurses a tax deduction for the cost of certain goods and services donated by them to elderly individuals, and to permit tax-free withdrawals from individual retirement accounts to pay certain long-term care expenses or purchase insurance to cover such expenses; to the Committee on Ways and Means.

By Mr. BILIRAKIS (for himself, Mr. LIPINSKI, Mr. WOLF, Mr. SHAYS, Mr. HYDE, Mr. FROST, Mr. TORRES, Mr. BILBRAY, Mr. LEHMAN of Florida, Mr. BUSTAMANTE, and Mr. MILLER of Washington):

H.R. 1536. A bill to amend the Internal Revenue Code of 1986 to allow employers a tax credit for hiring displaced homemakers; to the Committee on Ways and Means.

By Mr. BROOKS:

H.R. 1537. A bill to revise, codify, and enact without substantive change certain general and permanent laws, related to transportation, as subtitles II, III, and V–X of title 49, United States Code, "Transportation", and to make other technical improvements in the code; to the Committee on the Judiciary.

By Mr. BROWN (for himself, Mr. LEWIS of California, Mr. MOORHEAD, Mr. PACKARD, Mr. WISE, Mr. ANDERSON, Mr. BRUCE, Mr. YATES, Mr. SCHEUER, Mr. DELLUMS, Mrs. UNSOELD, Mr. BERMAN, Mr. HENRY, Mr. WOLPE, Mr. LANTOS, Mr. TORRICELLI, Mr. MCMILLEN of Maryland, Mr. ZIMMER, Mr. BOEHLERT, Mr. SWETT, Mr. TORRES, Mr. FAZIO, Mr. WEISS, Mr. KOPETSKI, Mr. VALENTINE, Mr. SHARP, Mr. CAMPBELL of California, Mr. LAGOMARSINO, Mr. MARTINEZ, Mr. LOWERY of California, Mr. SANDERS, Mr. LEVINE of California, Mr. BOUCHER, Mr. ALEXANDER, Mrs. LLOYD, Mr. MATSUI, Mr. WAXMAN, and Mr. GALLEGLY):

H.R. 1538. A bill to establish a national electric vehicle research, demonstration, and commercialization program for the United States, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Energy and Commerce.

By Mr. LIPINSKI:

H.R. 1539. A bill to amend the Internal Revenue Code of 1986 to limit the ability of taxpayers to deduct the cost of cleaning up oil and hazardous substances spills; to the Committee on Ways and Means.

By Mr. RITTER:

H.R. 1540. A bill to direct the Secretary of Transportation to carry out a highway demonstration project to extend Pennsylvania State Route 33 to provide a limited access highway to connect Interstate Routes I-78 and I-80; to the Committee on Public Works and Transportation.

By Mr. SPENCE (for himself and Mr. TALLON):

H.R. 1541. A bill to amend title 38, United States Code, to increase the rate of special pension payable to persons who have received the Congressional Medal of Honor; to the Committee on Veterans' Affairs.

By Mr. FISH (for himself Mr. SCHUMER, and Mr. GREEN of New York):

H.J. Res. 195. Joint resolution expressing the sense of the Congress that the United States and the Soviet Union should lead an effort to promptly repeal United Nations General Assembly Resolution 3379 (XXX); to the Committee on Foreign Affairs.

By Mr. KANJORSKI:

H.J. Res. 196. Joint resolution to designate the week of August 5, 1991, through August 11, 1991, as "National Wrestling Week"; to the Committee on Post Office and Civil Service.

By Mr. LEVINE of California (for himself and Mr. GOODLING):

H.J. Res. 197. Joint resolution to designate the week of April 15 through 21, 1991, as "National Education First Week"; to the Committee on Post Office and Civil Service.

By Mr. LOWERY of California (for himself and Mr. DERRICK):

H.J. Res. 198. Joint resolution to designate the months of November 1991 and November 1992, as "National Alzheimer's Disease Month"; to the Committee on Post Office and Civil Service.

By Mr. MFUME (for himself, Mr. WEISS, Mr. SPRATT, Mr. TOWNS, Mr. WILSON, Ms. LONG, Mr. ROE, Mr. HORTON, Mr. CARDIN, Mr. OWENS of New York, Mr. CLEMENT, Mr. BACCHUS, Mr. LEVIN of Michigan, Mr. BUSTAMANTE, Ms. NORTON, Mr. ESPY, Mr. MCDERMOTT, Mr. SMITH of Florida, Mr. MCNULTY, Mr. MCGRATH, Mr. FROST, Mr. HARRIS, Mr. JONTZ, and Mr. PAYNE of New Jersey):

H.J. Res. 199. Joint resolution designating the week beginning April 21, 1991, as "Big Brothers/Big Sisters Appreciation Week"; to the Committee on Post Office and Civil Service.

By Mr. PANETTA:

H.J. Res. 200. Joint resolution designating the monarch butterfly as the national insect; to the Committee on Post Office and Civil Service.

By Mr. PANETTA (for himself, Mr. KILDEE, and Mr. GREEN of New York):

H.J. Res. 201. Joint resolution designating the week beginning December 1, 1991, and the week beginning November 15, 1992, each as "Geography Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. CLINGER (for himself, Mr. EMERSON, and Mr. RAHALL):

H. Con. Res. 101. Concurrent resolution expressing the sense of the Congress that telephone directories within the Eastern and Midwestern United States should include information relating to natural disaster survival techniques; to the Committee on Energy and Commerce.

By Mr. ROHRABACHER (for himself, Mr. GINGRICH, Mr. FISH, Mr. HUNTER, Mr. HYDE, Mr. ACKERMAN, Mr. BLAZ, Mr. BROOMFIELD, Mr. BUNNING, Mr. CAMPBELL of Califorina, Mr. COLEMAN of Missouri, Mr. COX of California, Mr. DANNEMEYER, Mr. DELAY, Mr. DE LUGO, Mr. DOOLITTLE, Mr. DORNAN of California, Mr. DUNCAN, Mr. DREIER of California, Mr. FROST, Mr. HANCOCK, Mr. HERGER, Mr. KYL, Mr. LAGOMARSINO, Mr. MCCOLLUM, Ms. MOLINARI, Mr. MOORHEAD, Mr. PACKARD, Mr. PALLONE, Mr. PAXON, Mr. REVENEL, Ms. ROS-LEHTINEN, Mr. SENSENBRENNER, Mr. THOMAS of Wyoming, Mr. WALKER, and Mr. WALSH):

H. Con. Res. 102. Concurrent resolution expressing the sense of the Congress regarding admissions of minority students to institutions of higher education; jointly, to the Committee on Education and Labor and the Judiciary.

By Mr. LEVIN of Michigan:

H. Res. 115. Resolution providing for a lighting efficiency program for the House of Representatives office buildings, and a study and report on the economic and environmental effects of such program; to the Committee on Public Works and Transportation.

By Mr. YATRON (for himself, Mr. FASCELL, Ms. SNOWE, Mrs. SCHROEDER, Mr. HAMILTION, Mr. OWENS of Utah, Mr. FEIGHAN, Mr. WEISS, Mrs. MEYERS of Kansas, and Mr. GREEN of New York):

H. Res. 116. Resolution urging the President to complete the review of the Convention on the Elimination of All Forms of Discrimination Against Women in order that the Senate may give its advice and consent to ratification; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

36. By the SPEAKER: Memorial of the House of Representatives of the Commonwealth of Puerto Rico, relative to H.R. 537; to the Committee on Armed Services.

37. Also, memorial of the Legislature of the State of Wyoming, relative to employment and unemployment programs in Wyoming; to the Committee on Education and Labor.

38. Also, memorial of the Legislature of the State of Wyoming, relative to funds for alcohol, substance abuse, and mental health programs; to the Committee on Energy and Commerce.

39. Also, memorial of the Legislature of the State of Wyoming, relative to the highway trust fund; jointly, to the Committees on Public Works and Transportation and Government Operations.

40. Also, memorial of the Legislature of the State of Wyoming, relative to the desecration of the U.S. flag; to the Committee on the Judiciary.

41. Also, memorial of the Legislature of the State of Wyoming, relative to wolves in the Greater Yellowstone Area; to the Committee on Merchant Marine and Fisheries.

42. Also, memorial of the Legislature of the State of Wyoming, relative to drug offenders; to the Committee on Public Works and Transportation.

43. Also, memorial of the Legislature of the State of Wyoming, relative to vehicle weight limits; to the Committee on Public Works and Transportation.

44. Also, memorial of the Legislature of the State of Utah, relative to health insurance premiums; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HANSEN:

H.R. 1542. A bill for the relief of John Gabriel Robledo-Gomez Dunn; to the Committee on the Judiciary.

By Mr. LIPINSKI:

H.J. Res. 202. Joint resolution to proclaim Lech Walesa as an honorary citizen of the United States; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

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

H.R. 25: Mr. ACKERMAN, Mr. ANDREWS of Texas, Mr. ANDREWS of Maine, Mrs. COLLINS of Michigan, Ms. DELAURO, Mr. DYMALLY, Mr. GIBBONS, Mr. MARTINEZ, Mr. MFUME, Mr. TORRICELLI, and Mr. WASHINGTON.

H.R. 87: Mr. COYNE, Mr. GILMAN, Mrs. LOWEY of New York, and Mr. TRAFICANT.

H.R. 88: Mr. BLILEY.

H.R. 108: Mr. OWENS of Utah and Mr. SERRANO.

H.R. 110: Mr. DIXON, Mr. SWIFT, Mr. ANNUNZIO, and Mr. LEWIS of Florida.

H.R. 117: Mr. SANDERS.

H.R. 123: Mr. ROWLAND, Mr. VALENTINE, Mr. DOOLITTLE, Mr. HALL of Texas, Mr. COX of California, Mr. PENNY, and Mr. HUBBARD.

H.R. 141: Mr. EMERSON Mr. TRAFICANT, Mr. BILIRAKIS, and Mr. ROTH.

H.R. 303: Mr. HOAGLAND, Mr. SCHAEFER, Mr. PEASE, Mr. MOLLOHAN, Mr. SISISKY, Mr. DICKS, and Ms. PELOSI.

H.R. 327: Mr. KANJORSKI.

H.R. 330: Mr. HAYES of Illinois.

H.R. 413: Mr. SWETT, Mr. BEREUTER, Mr. ERDREICH, Mr. LUKEN, Ms. WATERS, Mrs. SCHROEDER, and Mr. TRAFICANT.

H.R. 431: Mr. COSTELLO, Mr. HUNTER, Mrs. SCHROEDER, Mr. ABERCROMBIE, Mr. GALLEGLY, Mr. MARTINEZ, Mr. IRELAND, Mr. MOLLOHAN, Mr. CHANDLER, Mr. SCHAEFER, and Mr. LAROCCO.

H.R. 467: Mr. HERGER, Mr. QUILLEN, Mr. TRAXLER, Mr. HUCKABY, Mr. ABERCROMBIE, Mr. KENNEDY, and Mr. SANDERS.

H.R. 534: Mr. HUBBARD, Mr. CLEMENT, Mr. KOPETSKI, Mr. FISH, Mr. BEVILL, Mr. ANDREWS of Maine, Mr. LAUGHLIN, Mr. BLAZ, Mr. BURTON of Indiana, Mr. VOLKMER, Mr. ERDREICH, Mr. SWIFT, Mr. DOWNEY, Mr. KOLTER, Mr. MARLENEE, Mr. SOLOMON, Mr. SPENCE, Mr. MILLER of Washington, Mr. TAYLOR of Mississippi, Mr. COX of Illinois, Mr. HOLLOWAY, Mr. QUILLEN, Mr. MOLLOHAN, Mr. MILLER of Ohio, Mr. STEARNS, Mr. GAYDOS, and Mr. CHAPMAN.

H.R. 565: Mr. CLAY, Mr. TORRES, Mr. MACHTLEY, Mrs. SCHROEDER, Mr. JONES of Georgia, Mr. BOEHNER, Mr. HATCHER, Mr. PRICE, and Mr. MILLER of Ohio.

H.R. 620: Mr. GALLO.

H.R. 648: Mr. WEISS, Ms. KAPTUR, Mr. JEFFERSON, Mr. PETERSON of Minnesota, Mrs. COLLINS of Illinois, Mr. PAYNE of New Jersey, Mr. LAFALCE, Mr. SERRANO, Mr. ABERCROMBIE, Ms. NORTON, Mr. DE LA GARZA, Mr. RICHARDSON, Mr. STOKES, Mr. GONZALEZ, Mr. HAYES of Illinois, Mr. MCNULTY, Mr. MFUME, and Mr. DE LUGO.

H.R. 652: Mr. TAYLOR of Mississippi.

H.R. 672: Mr. LANCASTER.

H.R. 709: Mr. ECKART, Mr. MILLER of Washington, Mr. ENGEL, and Mrs. MINK.

H.R. 710: Mr. DICKINSON, Mr. BEREUTER, Mr. CLINGER, Mr. COYNE, Mr. GUARINI, and Mr. COMBEST.

H.R. 714: Mr. MFUME, Mr. DARDEN, Ms. PELOSI, and Mr. FAZIO.

H.R. 763: Mr. JEFFERSON, Mr. OWENS of Utah, and Mr. STAGGERS.

H.R. 765: Mr. SANDERS, Mr. DWYER of New Jersey, Ms. KAPTUR, Mr. JOHNSTON of Florida, Mr. JEFFERSON, and Mr. WEISS.

H.R. 768: Mr. HYDE, Mr. DORNAN of California, and Mr. OXLEY.

H.R. 776: Mr. WILSON, Mr. LAFALCE, Ms. KAPTUR, Mr. SHAYS, Mr. PEASE, Mr. GEJDENSON, Mr. ENGEL, Mr. BARNARD, Mr. GORDON, Mrs. UNSOELD, Mr. DEFAZIO, Mr. SCHEUER, Mr. FROST, Mr. HAMILTON, Mr. NEAL of North Carolina, Ms. LONG, Mrs. LOWEY of New York, Mr. WEISS, and Mr. SCHUMER.

H.R. 777: Mr. WILSON, Mr. LAFALCE, Mrs. BOXER, Ms. KAPTUR, Mr. ENGEL, Mr. BROOKS, Mr. HUGHES, Mrs. UNSOELD, Mr. DE LUGO, Mr. SCHEUER, Mr. NEAL of North Carolina, and Mr. WEISS.

H.R. 778: Mr. LAFALCE, Mr. MACHTLEY, Mr. PETRI, Ms. KAPTUR, Mr. ENGEL, Mr. BARNARD, Mr. HUGHES, Mr. GORDON, and Mr. SCHEUER.

H.R. 779: Mr. WILSON, Mr. ENGLISH, Mr. RAVENEL, Mr. HUCKABY, Mr. BARNARD, Mrs. UNSOELD, Mr. SCHEUER, Mr. FROST, Ms. KAPTUR, and Mr. NEAL of North Carolina.

H.R. 780: Mr. LEWIS of California, Mr. LAFALCE, Mr. HORTON, Ms. KAPTUR, Mr. RAVENEL, Mr. ENGEL, Mr. PETERSON of Minnesota, Mr. BARNARD, Mrs. UNSOELD, Mr. DEFAZIO, Mr. SCHEUER, Mrs. LLOYD, Mr. HAMILTON, Mr. KILDEE, Mr. NEAL of Massachusetts, and Mr. WEISS.

H.R. 786: Mr. DELLUMS, Mr. RAHALL, and Mr. FAZIO.

H.R. 793: Mr. BREWSTER, Mr. BRUCE, Mr. CAMPBELL of Colorado, Mr. KASICH, Mr. MILLER of Washington, Mrs. MEYERS of Kansas, Ms. NORTON, Mr. OWENS of New York, Mr. RAHALL, Mr. SANGMEISTER, Mr. WISE, Mr. COYNE, Mr. FISH, and Mr. JONES of Georgia.

H.R. 797: Mr. SLATTERY.

H.R. 809: Mr. ANDREWS of Maine, Mr. JONTZ, Mr. WISE, Mr. ZELIFF, Mr. JACOBS, Mr. BRUCE, Mr. BEVILL, Mr. DWYER of New Jersey, and Mr. WASHINGTON.

H.R. 810: Mrs. SCHROEDER, Mr. CHAPMAN, Mr. ROE, Mr. LANCASTER, Mr. YATRON, Mr. STAGGERS, Mr. WILSON, Mrs. BOXER, Mr. JEFFERSON, Ms. KAPTUR, Mr. STALLINGS, and Mr. JONTZ.

H.R. 815: Mr. WOLF, Mrs. COLLINS of Illinois, Mr. POSHARD, Mr. MRAZEK, Ms. MOLINARI, Mrs. MINK, Mr. JONES of Georgia, Mr. MCGRATH, Mr. FROST, Mr. DELLUMS, Mr. ROWLAND, Mr. HORTON, and Mr. HOCHBRUECKNER.

H.R. 832: Ms. KAPTUR.

H.R. 840: Mr. DERRICK and Mr. NEAL of Massachusetts.

H.R. 856: Mr. KANJORSKI, Mrs. KENNELLY, Mr. SANGMEISTER, and Mr. WEISS.

H.R. 865. Ms. KAPTUR and Mrs. LOWEY of New York.

H.R. 866: Ms. KAPTUR.

H.R. 930: Ms. KAPTUR, Mrs. LLOYD, Ms. PELOSI, Ms. MOLINARI, Mr. LAGOMARSINO, Mrs. MORELLA, and Mr. JONTZ.

H.R. 931: Mr. LEWIS of Florida, Mr. APPLEGATE, Mr. RAVENEL, Mr. GILMAN, Mr. SCHEUER, Mr. BILBRAY, Mr. MRAZEK, Mr. WOLF, Mr. NEAL of North Carolina, Mr. ENGLISH, Mr. ECKART, Mr. EVANS, Mr. ACKERMAN, Mr. BILIRAKIS, Mr. COX of California, Mr. HYDE, Mr. HERTEL, Mr. LAGOMARSINO, Mr. SOLOMON, Mr. FRANK of Massachusetts, Mr. BLILEY, Mr. JONTZ, and Mr. RAMSTAD.

H.R. 951: Mr. MCMILLEN of Maryland, Mr. ROTH, and Mr. TAUZIN.

H.R. 967: Ms. PELOSI.

H.R. 977: Mr. EVANS, Mr. MCGRATH, and Mr. WOLF.

H.R. 993: Mr. HUGHES, Mr. GUNDERSON, Mr. KOLTER, Mr. SANDERS, Mr. FAZIO, and Mr. COSTELLO.

H.R. 1030: Mr. SANDERS and Mr. LIPINSKI.

H.R. 1031: Mr. KOLTER.

H.R. 1072: Mr. ECKART, Mr. FROST, Ms. SNOWE, Ms. DELAURO, Mr. RANGEL, Mr. GALLO, and Ms. NORTON.

H.R. 1073: Mr. ECKART, Mr. FROST, Ms. SNOWE, Ms. DELAURO, Mr. RANGEL, Mr. GALLO, and Ms. NORTON.

H.R. 1079: Mr. CLEMENT.

H.R. 1080: Mr. MOAKLEY, Mr. WEBER, Mr. DREIER of California, Mr. SCHIFF, Mr. KOLTER, Mr. MCCANDLESS, Mr. RAMSTAD, Mr. PAXON, Mr. ZELIFF, Mr. BOEHNER, Mr. PACKARD, Mr. SCHAEFER, Mrs. BYRON, Mr. SANTORUM, Mr. BURTON of Indiana, and Mr. SHAYS.

H.R. 1082: Mr. FISH, Mr. MFUME, Mr. DE LUGO, and Mr. FOGLIETTA.

H.R. 1133: Mr. SMITH of New Jersey, Mr. OXLEY, Mr. PACKARD, Mr. GALLEGLY, Mr. MOORHEAD, Mr. FIELDS, and Mr. DORNAN of California.

H.R. 1146: Mr. OXLEY, Mr. DWYER of New Jersey, Mr. LIPINSKI, Mrs. PATTERSON, Mr. RAVENEL, Mrs. MORELLA, Mr. DE LUGO, Ms. NORTON, Mr. DIXON, Mr. ROE, Mr. CARDIN, Mr. EVANS, and Mr. BARTON of Texas.

H.R. 1147: Mr. ENGEL, Mr. WELDON, Mr. TAYLOR of Mississippi, Mr. LEVINE of California, Mr. HERGER, Mr. KENNEDY, and Mr. CHANDLER.

H.R. 1177: Mr. SWETT, Mr. YATES, and Mr. RAHALL.

H.R. 1178: Mr. COYNE, Mr. GAYDOS, Mr. ABERCROMBIE, Mr. OWENS of New York, Mr. MAVROULES, and Mr. DWYER of New Jersey.

H.R. 1185: Mr. DORNAN of California, Mr. THOMAS of Georgia, Mr. OBERSTAR, Mr. HANSEN, Mr. HATCHER, and Mr. EMERSON.

H.R. 1189: Mr. LIPINSKI, Mr. BEREUTER, Mr. JONES of Georgia, Mr. COSTELLO, Ms. HORN, Mr. HERTEL, Mr. BACCHUS, Mrs. BOXER, Mr. MARTINEZ, and Mr. LANTOS.

H.R. 1200: Ms. NORTON, Mrs. BOXER, Mr. WOLPE, Mr. HERTEL, Mr. ROYBAL, Mr. HUGHES, Mr. TORRES, Mr. KENNEDY, Mr. WILLIAMS, Mr. KLECZKA, and Mr. JONTZ.

H.R. 1201: Mr. SANDERS, Mr. BUSTAMANTE, and Mr. HENRY.

H.R. 1212: Ms. KAPTUR, Mr. EMERSON, Mrs. JOHNSON of Connecticut, Mrs. BOXER, Mrs. VUCANOVICH, Mr. GEJDENSON, Mr. STEARNS, Mr. BRUCE, and Mr. ECKART.

H.R. 1213: Ms. KAPTUR, Mrs. EMERSON, Mrs. JOHNSON of Connecticut, Mrs. BOXER, Mrs. VUCANOVICH, Mr. GEJDENSON, Mr. STEARNS, and Mr. BRUCE.

H.R. 1234: Ms. NORTON, Mr. UDALL, Mr. TOWNS, Mr. FASCELL, Mr. ORTON, Mr. DICKS, and Mr. RAHALL.

H.R. 1240: Mr. WEISS, Mr. SANDERS, and Mr. LEWIS of Georgia.

H.R. 1288: Mr. LEHMAN of Florida, Mr. TOWNS, Mrs. UNSOELD, Mr. FRANK of Massachusetts, Ms. PELOSI, Mr. BROWN, Mr. LAFALCE, Mr. HERTEL, Ms. NORTON, Mr. TORRES, Mr. VALENTINE, and Mr. EVANS.

H.R. 1289: Mr. YATRON and Mr. GUNDERSON.

H.R. 1297: Mr. LAUGHLIN, Mr. LENT, and Mr. PALLONE.

H.R. 1300: Mr. TOWNS.

H.R. 1346: Mr. EDWARDS of California, Mrs. SCHROEDER, Mrs. LOWEY of New York, Mr. ENGEL, Mr. BRUCE, Mr. AUCOIN, Mr. PAYNE of New Jersey, Mr. MINETA, Mr. DWYER of New Jersey, and Mr. ANDREWS of Maine.

H.R. 1395: Mr. ABERCROMBIE.

H.R. 1412: Mr. LEWIS of Florida, Mr. MCCRERY, Mr. DICKINSON, Mr. COMBEST, Mr. INHOFE, Mr. LAUGHLIN, Mr. HUBBARD, Mr. SKEEN, Mr. SLATTERY, Mr. BUSTAMANTE, Mr. JOHNSON of South Dakota, Mr. DREIER of California, Mr. GAYDOS, Mr. CAMP, Mr. COLEMAN of Texas, Mr. PARKER, Mr. TAYLOR of Mississippi, Mr. TRAXLER, Mr. ARCHER, Mr. HUNTER, Mr. CONDIT, Mr. WILSON, Mr. ESPY, Mr. CALLAHAN, Mr. KOLTER, Mr. DAVIS, Mr. CUNNINGHAM, and Mr. PAYNE of Virginia.

H.R. 1426: Mr. NEAL of North Carolina and Mr. PRICE.

H.R. 1494: Mr. TOWNS, Mr. GILMAN, Mr. RIDGE, Mr. CLINGER, Mr. KLUG, Mr. KANJORSKI, Mr. STALLINGS, Mr. HOUGHTON, Mr. OBEY, Mr. GEKAS, Mr. SHUSTER, Mr. MCHUGH, Mr. YATRON, Mr. NOWAK, Ms. SNOWE, and Mr. ANDREWS of Maine.

H.J. Res. 1: Mr. DWYER of New Jersey, Mr. ECKART, Mr. FEIGHAN, Mr. FROST, Mr. GEJDENSON, Mr. GILMAN, Mr. GONZALEZ, Mr. GUARINI, Mr. HAMILTON, Mr. KOPETSKI, Mr. LEWIS of Georgia, Ms. LONG, Mr. MARKEY, Mrs. MEYERS of Kansas, Mr. MILLER of Washington, Ms. OAKAR, Mr. OWENS of Utah, Mr. PAYNE of New Jersey, Mr. PERKINS, Mr. SANDERS, Mr. SERRANO, Mr. STAGGERS, Mr. STOKES, Mr. WEISS, and Mr. WOLPE.

H.J. Res. 58: Mr. ROEMER, Mr. LUKEN, Ms. NORTON, and Ms. DELAURO.

H.J. Res. 72: Mr. RAY, Mrs. LLOYD, Mr. EMERSON, Mr. CAMP, Mr. MCNULTY, Mr. JONES of Georgia, Mr. JENKINS, Mr. SOLOMON, Mr. BRUCE, Mr. LIPINSKI, Mr. PURSELL, Mr. JONTZ, Mr. THOMAS of Wyoming, Mr. WAXMAN, Mr. GILCHREST, Mr. BLILEY, Mr. GALLEGLY, Mr. MARTINEZ, Mr. ANDREWS of New Jersey, Mr. LIVINGSTON, Mr. ANDERSON, Mr. MCCLOSKEY, Mr. ACKERMAN, and Ms. KAPTUR.

H.J. Res. 73: Mr. GRANDY, Mr. WEISS, and Mr. SPRATT.

H.J. Res. 87: Mr. DERRICK, Mr. BUSTAMANTE, Mr. MICHEL, Mr. LANCASTER, Mr. LIPINSKI, Mr. CLEMENT, Mrs. MEYERS of Kansas, Mr. HAYES of Louisiana, Mrs. BYRON, Mr. MARTINEZ, Ms. ROS-LEHTINEN, Mr. CRAMER, Mrs. VUCANOVICH, Mr. VALENTINE, Mr. SOLOMON, Mr. COX of California, Mr. REED, Mr. SWETT, Ms. HORN, Mr. NICHOLS, Mr. PAYNE of New Jersey, Mr. DOOLITTLE, Mr. DARDEN, Mr. FAWELL, Mr. BENNETT, Mr. BURTON of Indiana, Mr. KLUG, Mr. SARPALIUS, Mr. STUMP, Mr. SWIFT, Mr. MAZZOLI, Mr. WEISS, Mr. EDWARDS of Texas, Mr. INHOFE, Mr. HAMILTON, Mr. STAGGERS, Mr. OWENS of New York, Mr. JONES of Georgia, Mr. MARTIN, Mr. VOLKMER, Mr. CONYERS, Mr. TOWNS, Mr. PICKETT, Mr. CHANDLER, Mr. HOAGLAND, Mrs. BENTLEY, Mr. SMITH of Florida, Mrs. LLOYD, Mr. MANTON, Mr. TAYLOR of Mississippi, Mr. BROOMFIELD, Mr. PICKLE, Mr. HALL of Ohio, Mr. ESPY, Mr. TORRICELLI, Mr. MRAZEK, Mr. LEHMAN of Florida, Mr. BALLENGER, Mr. COOPER, Mr. JACOBS, Mr. SYNAR, Mr. FAZIO, Mr. MCCOLLUM, Mr. MORAN, Mr. MOORHEAD, and Mr. SHAW.

H.J. Res. 88. Mr. DOOLITTLE, Mr. JONES of Georgia, Mr. RAY, Mr. ROE, Mr. SMITH of Florida, Mr. SOLARZ, and Mr. SPENCE.

H.J. Res. 90: Mr. FASCELL, Mr. WELDON, Mr, CLINGER, Mr. SYNAR, Mr. BUSTAMANTE, and Mr. SABO.

H.J. Res. 92: Mrs. UNSOELD, Mr. FROST, Mrs. BOXER, Mr. ATKINS, Ms. NORTON, and Mr. LEWIS of Georgia.

H.J. Res. 95: Mr. BACCHUS, Ms. PELOSI, Mrs. MORELLA, Mr. VISCLOSKY, Mrs. MEYERS of Kansas, Mr. RAY, Mr. NUSSLE, Mr. COUGHLIN, Mr. STUDDS, Mr. SLATTERY, Ms. KAPTUR, Mr. MAZZOLI, and Mr. NEAL of North Carolina.

H.J. Res. 102: Mr. FISH, Mr. CHAPMAN, Mr. MCMILLEN of Maryland, Mr. YOUNG of Alaska, Mr. TRAFICANT, Mr. BENNETT, Mr. QUILLEN, Mr. GORDON, Mr. COLEMAN of Texas, Mr. GILMAN, Mr. FAZIO, Mr. BILBRAY Mrs. UNSOELD, Mr. TRAXLER, and Ms. NORTON.

H.J. Res. 103: Mr. YOUNG of Alaska, Mr. CAMP, Mr. SYNAR, Mr. KANJORSKI, Mr. QUILLEN, and Mr. HUTTO.

H.J. Res. 109: Mr. BURTON of Indiana, Mr. CARDIN, Mr. COSTELLO, Mr. DARDEN, Mr. DYMALLY, Mr. ESPY, Mr. FISH, Mr. FOGLIETTA, Mr. FROST, Mr. GALLEGLY, Mr. HALL of Texas, Mr. HAYES of Louisiana, Mr. HUTTO, Mr. JONES of North Carolina, Mr. JONTZ, Mr. LEWIS of California, Mr. LEWIS of Florida, Mrs. LOWEY of New York, Mrs. MORELLA, Mr. MURPHY, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. PICKETT, Mr. QUILLEN, Mr. RAMSTAD, Mr. RICHARDSON, Mr. SCHEUER, Mr. SMITH of Florida, Mr. TRAXLER, Mr. VOLKMER, and Mr. YOUNG of Florida.

H.J. Res. 125: Mr. MARTINEZ, Mr. BATEMAN, Mr. FORD of Tennessee, Mr. GILMAN, Ms. DELAURO, Mr. BENNETT, Mr. SCHEUER, Ms. KAPTUR, and Mr. NUSSLE.

H.J. Res. 149: Mr. ANDERSON, Mr. COX of Illinois, Mr. SWETT, Mr. LANCASTER, Mrs. BENTLEY, Mrs. KENNELLY, Mr. HENRY, Mr. JONTZ, Mr. KASICH, Mr. HAYES of Illinois, Mr. WASHINGTON, Mr. LAFALCE, Mr. EMERSON, Mr. GILLMOR, Mr. COLEMAN of Texas, Mr. CONDIT, Mr. BOEHLERT, Mr. PAYNE of New Jersey, Mr. BROOMFIELD, Mr. LEACH, Mr. SUNDQUIST, Mr. HASTERT, Mr. JONES of Georgia, Mr. OWENS of New York, Mr. QUILLEN, Mr. SAWYER, Mrs. BOXER, Ms. WATERS, Mr. LANTOS, Mr. WHEAT, Mr. SPRATT, Mr. PICKLE, Mr. DANNEMEYER, Mr. FISH, Mr. CAMP, Mr. RINALDO, Mrs. LOWEY of New York, Mr. COX of California, Mr. GUNDERSON, Mr. GALLO, Mr. LIGHTFOOT, Mr. GILMAN, Mr. RHODES, Mr. SAXTON, Mr. THOMAS of Georgia, Mr. JEFFERSON, Mr. MFUME, Mr. FAZIO, Ms. LONG, Mr. SLATTERY, Mrs. BYRON, Mr. MARTIN, Mr. GEKAS, Mr. VANDER JAGT, Mrs. VUCANOVICH, Mr. LEWIS of Georgia, Mr. SOLOMON, Mr. DREIER of California, Mr. OXLEY, Mr. GINGRICH, Mr. BERMAN, and Mr. HUGHES.

H.J. Res. 179: Mr. APPLEGATE, Mr. ROE, Mr. ANNUNZIO, Mr. MOAKLEY, Mr. SCHUMER, Ms. MOLINARI, Mr. SWIFT, Mr. BILBRAY, Mr. MCGRATH, Mr. HENRY, Ms. OAKAR, Mr. CHAPMAN, Mr. MCNULTY, Mrs. BYRON, Ms. HORN, Mrs. JOHNSON of Connecticut, Mr. JONTZ, Mr. COYNE, Ms. ROS-LEHTINEN, Mr. DINGELL, Mr. JONES of Georgia, Mrs. MORELLA, Mr. MFUME, Mr. FROST, Mr. KOLTER, Mr. ERDREICH, Mr. FEIGHAN, and Mr. SCHAEFER.

H.J. Res. 180: Mr. CONYERS, Mr. COSTELLO, Mr. DORGAN of North Dakota, Mr. DWYER of New Jersey, Mr. JEFFERSON, Ms. KAPTUR, Mr. KENNEDY, Mr. KLECZKA, Mr. KOLTER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. MCHUGH, Mr. MOODY, Mr. MOORHEAD, Mrs. PATTERSON, Mr. ROTH, Mr. SAWYER, Mr. SCHIFF, Mr. STOKES, Mr. TRAFICANT, and Mr. WELDON.

H.J. Res. 189: Mr. FAZIO, Mr. KANJORSKI, Mr. OWENS of Utah, and Mr. QUILLEN.

H. Con. Res. 42: Mr. INHOFE, Mr. BLILEY, Ms. LONG, Mr. SANTORUM, and Mr. QUILLEN.

H. Con. Res. 47: Mrs. VUCANOVICH, Mr. HANCOCK, Mr. RITTER, and Mr. HUTTO.

H. Con. Res. 55: Mr. ZELIFF, Mr. CAMPBELL of Colorado, Mr. BEREUTER, Mr. EMERSON, and Mr. NEAL of North Carolina.

H. Con. Res. 56: Mr. MCNULTY.

H. Con. Res. 58: Mr. JEFFERSON, Mr. GREEN of New York, Mr. SWETT, Mr. SHAW, Mrs. LOWEY of New York, Mr. PORTER, Mr. JOHNSTON of Florida, Mr. KENNEDY, and Mr. MANTON.

H. Con. Res. 67: Mrs. BOXER.

H. Con. Res. 90: Mr. OBERSTAR, Mr. HORTON, Ms. LONG, Mr. MFUME, Mr. FOGLIETTA, Mr. PERKINS, Mr. PAYNE of New Jersey, Mr. HARRIS, Mr. SERRANO, Mr. MACHTLEY, Mr. TOWNS, Mr. RIGGS, Mrs. BOXER, Mr. GUARINI, Mr. CLAY, Mr. KLUG, Mrs. SCHROEDER, Mr. MCNULTY, Ms. PELOSI, Mr. JONES of Georgia, Mr. LEVIN of Michigan, Mr. GREEN of New York, Mrs. BYRON, Mr. STOKES, Mr. LIPINSKI, Mr. DICKINSON, Mr. POSHARD, Mr. WAXMAN, Mrs. MORELLA, Mr. LAFALCE, Mrs. COLLINS of Illinois, Mr. LAGOMARSINO, Mr. ENGEL, Mr. FROST, Mr. SCHEUER, Mr. FUSTER, Mr. ALEXANDER, and Mrs. UNSOELD.

H. Con. Res. 91: Mr. MANTON, Mr. TORRICELLI, Mr. HORTON, Mr. MCNULTY, Mr. ANNUNZIO, Mr. PAXON, Mr. PALLONE, Mr. WAXMAN, Mr. BILBRAY, Mr. HOCHBRUECKNER, Mr. WOLPE, Mr. NEAL of North Carolina, Mr. SCHEUER, Mr. FEIGHAN, Mr. WEBER, Mr. MOODY, Mr. STOKES, Mr. BENNETT, Mr. ARCHER, Mr. MCGRATH, Mr. DOOLITTLE, Mr. BURTON of Indiana, Mrs. MORELLA, Mr. WEISS, Mr. SCHUMER, Mr. REED, Mr. TOWNS, Mr. ACKERMAN, Mr. SWETT, Mr. MRAZEK, Mr. CARDIN, Mr. BRYANT, Mr. OWENS of New York, Mr. BACCHUS, Mr. AUCOIN, Mr. FISH, Mr. YATES, Mr. BORSKI, and Mr. PRICE.

H. Con. Res. 95: Mr. ABERCROMBIE, Mr. PAXON, Mr. SAWYER, Ms. NORTON, Mr. FUSTER, Mr. KOPETSKI, Mr. REED, Mr. CHANDLER, Mr. PERKINS, Mr. SPRATT, Mr. HEFNER, Mr. KANJORSKI, Mr. FALEOMAVAEGA, Mr. PAYNE of Virginia, Mr. JONTZ, Mr. SWETT, Ms. HORN, Ms. PELOSI, Mr. EVANS, Mr. GUARINI, and Mrs. LLOYD.

H. Res. 42: Mr. BILBRAY, Mr. VALENTINE, and Mr. COSTELLO.

H. Res. 97: Mr. HOUGHTON, Mr. CLEMENT, Mr. JONES of Georgia, Mr. DE LA GARZA, Mr. ERDREICH, Mr. MCNULTY, Mr. POSHARD, Mr. LIPINSKI, Mr. GILCHREST, Mr. BUNNING, Mr. JEFFERSON, Mr. LAGOMARSINO, Mr. KOLTER, Mrs. VUCANOVICH, Mr. QUILLEN, Mr. SCHEUER, Mr. FORD of Tennessee, and Mr. SPENCE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

37. By the Speaker: Petition of the King County Labor Council, Seattle, WA, relative to fair employment principles in Northern Ireland; to the Committee on Foreign Affairs.

38. Also, petition of the board of selectmen, Hopkinton, MA, relative to the desecration of the U.S. flag; to the Committee on the Judiciary.

39. Also, petition of the county council of Sussex County, DE, relative to the desecreation of the U.S. flag; to the Committee on the Judiciary.

40. Also, petition of the board of selectman, Palmer, relative to the desecreation of the U.S. flag; to the Committee on Judiciary.

41. Also, petition of the Governor and Cabinet of the State of Florida, relative to the Cross Florida Barge Canal project; to the Committee on Public Works and Transportation.

42. Also, petition of the Nitijela of the Marshall Islands, relative to compensation for injuries sustained as a result of the Nuclear Testing Program; jointly, to the Committees on Foreign Affairs and Interior and Insular Affairs.

SENATE—*Wednesday, March 20, 1991*

(Legislative day of Wednesday, February 6, 1991)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable EDWARD M. KENNEDY, a Senator from the State of Massachusetts.

The PRESIDING OFFICER. Today's prayer will be offered by the guest chaplain, Rabbi Yechiel Eckstein, president, International Fellowship of Christians and Jews.

PRAYER

Rabbi Yechiel Eckstein, president, International Fellowship of Christians and Jews, Chicago, IL, offered the following prayer:

Our Father in Heaven, we come before You this day and every day in awe, in gratitude, in praise, in humility, and in prayer. This, indeed, is the day the Lord has made, let us rejoice and be glad in it.

O Lord, instill in our hearts a love for You and for all Your creation. May we be ever mindful that it is from You that we derive our strength, our wisdom, our hope, and our conviction.

May we be inspired by Your Word and reminded of Micah's admonition to act justly, love mercy, and walk humbly with the Lord our God. May we never avert our eyes from the pain and suffering of others.

O Lord, on this and every day, we seek Your guidance and direction. Watch over our leaders—indeed, the men and women in this room.

Let us pray for the peace of Jerusalem as Psalms 122:6 urges us to do, and indeed for peace among all people of all nations. So that, instead of finding swords and weapons we will find only plowshares and pruning forks. We, the people, look to God and You to bring that day of peace about.

In the words of the age-old Jewish prayer, "He who brings peace in the Heavens may He bring peace to us and all the world." God bless you and be with you. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 20, 1991.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD M. KENNEDY, a Senator from the State of Massachusetts, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

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

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 15 minutes of debate on the Nickles amendment No. 51, to be equally divided by the Senator from Oklahoma [Mr. NICKLES] and the Senator from Massachusetts [Mr. KENNEDY] with a vote following thereon. The clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 1281) making dire emergency supplemental appropriations for the consequences of Operation Desert Shield/Desert Storm, food stamps, unemployment compensation administration, veterans' compensation and pensions, and other urgent needs for the fiscal year ending September 30, 1991, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Nickles amendment No. 51, to strike section 303, which prohibits the increased use of semiskilled workers on Federal construction projects and barring implementations of revised apprenticeship regulations.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. NICKLES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma [Mr. NICKLES].

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

The ACTING PRESIDENT pro tempore. The Senator is recognized for 3 minutes.

AMENDMENT NO. 51

Mr. NICKLES. Mr. President, to bring my colleagues up to date, last night I introduced an amendment that would strike section 303 from the bill we have before us, H.R. 1281. This section would prohibit the Department of Labor from implementing the helper regulations.

These are regulations that go all the way back to the Carter administration. They were originally discussed in an options paper by Secretary Marshall in President Carter's administration. They have been supported by subsequent administrations, including both the Reagan and the Bush administration. Secretary Dole came up and implemented these regulations, along with the present Labor Secretary, Lynn Martin.

Mr. President, the language that is in the appropriations bill would say that not one dime can be spent to implement these regulations. In other words, there can be no helper classification for Federal construction projects. The net result of this would be to waste billions of dollars. The Secretary of Labor estimates that next year alone, if these regulations are not allowed to go forward, it would cost an additional $623 million. That is $623 million that would be wasted if we do not adopt the amendment I have proposed today.

Mr. President, more important than the cost to the taxpayer is the fact that we will be denying thousands upon thousands of disadvantaged, unemployed persons from participating in the workplace. I think that makes no sense. I think we want to open up the doors of economic opportunity.

If we do not implement the helper regulations, we will be mandating that contractors pay journeyman wages to semiskilled workers. Many of these jobs are entry-level jobs, they are learning jobs, and they should command a pay scale of $7 or $8 an hour but instead we are going to mandate that they be paid $20 an hour. It does not make economic sense and it is not fair for the worker because we are going to be denying the unemployed person, the opportunity to get the job.

Mr. KENNEDY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Massachusetts [Mr. KENNEDY].

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

The PRESIDENT pro tempore. The Senator is recognized for 3 minutes.

Mr. KENNEDY. Mr. President, during the debate yesterday evening on the Nickles amendment, the Senator from Oklahoma made some statements about what will happen if the Department of Labor is prevented from implementing the new helper regulations which reflect a serious misunderstanding of the way the Davis-Bacon Act works.

I am referring particularly to his statements that if the helper regulations are not put into effect, there will be no jobs for semiskilled workers on

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

Federal construction projects and employers will have to pay all their employees journeyman wages.

I believe he used the example that employers would have to pay workers $22 an hour to sweep floors.

Let me set the record straight, because this is really a gross misstatement of the act's requirements.

The Davis-Bacon Act does not require, and has never required, that every worker on a construction site be paid full journeyman wages. The unskilled and semiskilled work on construction projects covered by Davis-Bacon has always been performed by laborers and by apprentices, who are typically paid at rates much lower than the rates for journeymen craft workers—and certainly not at rates that are anything like $22 an hour.

The provision we are debating would in no way prohibit contractors on Federal construction projects from continuing to employ unskilled or semiskilled workers as laborers and apprentices at below-journeyman wage rates. It would however, prevent employers from being able to force those workers into lower-paid helper classifications with reduced wages and benefits and no opportunity to obtain the training necessary to advance to a higher-paid classification.

Contrary to the assertions of the Senator from Oklahoma, implementation of the new helper regulations would not create new opportunities for entry-level workers to climb the economic ladder. In fact, the opposite is true. By allowing contractors to replace laborers and apprentices with lower-wage helpers, the new helper regulations would in effect kick that ladder down.

For those who seek to learn a skilled trade, the building trades apprenticeship system has been the route by which hundreds of thousands of unskilled entrants to the job market, through a combination of on-the-job training and classroom teaching, have been able to acquire the skills to enable them to become fully qualified journeyman craftsmen and craftswomen able to command a journeyman wage.

The beginning apprentice, like an unskilled or semiskilled helper, is paid just a fraction of the journeyman's wage. But unlike the helper, who is permanently consigned to that low-wage classification, the apprentice enrolled in a certified apprenticeship program knows that as she progresses through the program, her wages will increase along with her skill level, and eventually she will be able to graduate to journeyman status.

So let's not pretend that we would be doing entry-level construction workers a service by undermining the apprenticeship system and replacing existing jobs for apprentices with low-paid helper jobs.

And what about the impact of the new regulations on construction laborers, who struggle to earn a decent living digging trenches, hauling materials, moving equipment, and otherwise helping and assisting skilled journeymen on the jobsite?

Like many other workers on the lowest rungs of the economic ladder, a substantial proportion of these workers are women and minorities. If the new helper regulations are implemented, these are the workers who will either be replaced by lower-paid helpers or forced to accept lower-paid helper jobs.

The Senator from Oklahoma claims that the new regulations would enhance minority employment. But that's not what Judge Harold Greene of the U.S. District Court for the District of Columbia concluded when he examined the proposed helper regulations. To the contrary, it was his conclusion that the expanded use of helpers on Federal construction projects was "likely to have the effect of allowing contractors to replace higher wage minority laborers with lower wage minority helpers."

As Norman Hill, president of the A. Philip Randolph Institute has stated, minority workers are "particularly vulnerable to exploitation such as the Davis-Bacon Act is designed to prohibit." Let's ensure that we keep those protections against exploitation intact.

Mr. President, it is interesting to listen to my friend from Oklahoma talk about these regulations and how the Department of Labor is supporting his proposal when just last year under this Republican administration the Department issued some key findings on the training of America's workers. The Department's report on work-based learning states that, "The one area in which opinions are most consistent is in the support for apprenticeship as a method of training and its expansion to skilled occupations throughout American industry. The supporting rationale is that the apprenticeship concept of structured on-the-job training, combined with classroom instruction, is an ideal model for learning the job-specific skills needed by today's workers."

This is a report the Department of Labor published last year. The findings in this report are also supported by former Labor Secretary Ray Marshall and former Senator Brock in the report of the Commission on the Skills of the American Work Force, which they cochaired, which also cites the apprenticeship system as one of the few models we have in this country for systematic, long-term skills training.

The Senator from Oklahoma claims that all kinds of savings will result from implementation of the new regulations. But Dr. John Dunlop, the most thoughtful, knowledgeable construction labor economist in this country—and a Republican, Mr. President—says this about the methodology used by the Office of Management and Budget in concluding that the Government will save money if workers on Government-funded construction projects are paid less: "There is simply no sound basis for gratuitously assuming that lower wage rates in the construction industry generally mean lower cost to the public."

With all due respect, Mr. President, I think what we ought to be about is not destroying the existing apprenticeship system; what we ought to be doing is perfecting that system; what we ought to be doing is trying to find ways that it can be more effective.

I am amazed that at a time when we are trying to find new ways of forging partnerships such as we find in the apprenticeship system between workers and employers, and new ways at the national level to encourage employers to participate in training programs, that the Department is seeking to undermine this kind of partnership effort. The training programs which are available for unskilled and underskilled workers in construction are just the kinds of programs that are necessary for us to develop in other areas.

So I hope the amendment will not be successful. I reserve the remainder of my time.

Mr. ADAMS. Mr. President, I rise today in strong support of the language contained in H.R. 1281 that would direct the Department of Labor to stop wasting tax dollars in its two pronged attack on the rights of workers in our country. Simply stated, the Labor Department is continuing on with a decade long effort to undermine the prevailing wage standard in the Davis-Bacon law that protects the integrity of wages paid on Federal projects. By proposing to expand the definition of helper, DOL would replace up to 40 percent of the current Davis-Bacon work force with lower-paid, unskilled workers who would have little or no formal training.

This new underclass of workers would be disproportionately represented by women and minorities, working in frequently dangerous jobs with little chance for advancement. Proponents of this erosion of Davis-Bacon argue, as always, that we will save money. There is no secret why: exploiting a work force has always been a short-term means of saving money. But is it the right thing to do? Mr. President, I suggest that it is not. And if this administration is so convinced that amending the Davis-Bacon law serves any legitimate interest, let them send us up a bill. Our committee will give it the full hearing it deserves, and then we can vote on it. The administration knows that Congress is not inclined to begin cutting back on workers' wages on Federal projects. And what they cannot accomplish legisla-

tively, they should not be attempting to do through the regulatory process.

The other side of this attack on workers' rights comes through the Labor Department's effort to destroy State apprenticeship programs. In my State, an excellent apprenticeship program exists under State law, with a council appointed by the Governor with representatives of both labor and management. The comments filed on behalf of the Washington State Department of Labor Director Joe Dear which were included following my remarks last night, are typical of the more than 60,000 comments in opposition to the proposed changes in apprenticeship rules filed with the Department of Labor. Quite bluntly, the citizens of my State would not welcome a change in Federal law that would allow an apprenticeship program from some other State to set up shop in Washington State without obtaining approval from Washington State. And once again, I believe the administration should submit a legislative proposal to Congress, for hearings before the proper committees of legislative jurisdiction if it believes the apprenticeship system should be revamped.

Mr. President, I want to compliment Chairman BYRD for maintaining this restriction within H.R. 1281, particularly since this provision received overwhelming support in the House by a 244-to-173 margin. It is particularly noteworthy that in both bodies, the chairmen of the legislative committees of jurisdiction, Education and Labor in the other body, and Labor and Human Resources here, both support this provision. This language provides Congress with an opportunity to put a stop to the regulatory mischief that has been going on at DOL during much of the past decade. This mission of the U.S. Department of Labor is to protect the interests of the working men and women of this Nation. These proposed regulations would be more appropriate coming from a Department of Management, or a Department of Big Business, rather than from a Department of Labor.

Mr. President, I may sound a bit old fashioned when I remind my colleagues that the American labor movement has paid a great price, and made a great contribution to American society down through the years. For the Federal Government to try to erode that progress by a nickle and dime attack on wage rates and training programs would be a disgrace.

Yes; we do need to develop programs and strategies that will help our Nation's work force compete in the changing global economy in which we live.

And yes, we do need to retrain many of our workers to take those jobs that are coming on line.

But Mr. President, we also need to shackle the rogue elephants that are loose at the U.S. Department of Labor who are trying to rewrite the law without congressional approval. This language will accomplish that objective.

To those who claim we could save money by implementing these changes, I say:

We are spending billions to bail out the savings and loan cesspool, working people are picking up that bill;

We are sending billions of dollars in United States aid to countries from Afghanistan to Zaire and hundreds of points in between; American workers pay for those programs; and

We forgive the foreign debts of countries that join us in battle, or who begin to make democratic changes in their societies; American workers bear the cost of those decisions.

Here today, with this language, we have an opportunity to stand up and be counted for the wage levels paid to American workers. I am happy to join with those of my colleagues who support American workers and their wage levels and training needs. I urge a vote against the amendment offered by the Senator from Oklahoma. Now is the time and this is the opportunity to put the U.S. Department of Labor back on course, protecting the American worker.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Who yields time?

Mr. NICKLES. Mr. President, I yield Senator SYMMS from Idaho 1 minute.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I rise in support of the Nickles amendment.

This amendment would strip the bill of irrelevant legislative language preventing the administration from implementing Davis-Bacon regulations.

It is bad enough that we are poised to pass a so-called dire emergency supplemental domestic appropriations bill which will spend $4.7 billion—all only shortly after we raised gas, beer, and tobacco taxes because we had supposedly cut spending to the bone.

It is even worse that a little noticed paragraph was slipped in that would prevent the Secretary of Labor from executing administrative reforms that, when fully phased in about 3 years from now, will save the Government $600 million a year in construction and repair costs.

After a long process of hearings, review, and rulemaking, the Labor Department has finally promulgated regulations which recognize a separate class of helpers for purposes of determining Davis-Bacon prevailing wages on Federal and federally financed construction projects.

These regulations have been subject to extensive litigation. They have been reworked and retooled over 9 long years. A wide panoply of judges from all segments of the political spectrum have determined conclusively that these helper regulations are consistent with the purposes of the Davis-Bacon Act.

The litigants, unable to obtain satisfaction from the courts, are attempting to do an end-run around the regulatory and judicial process—at a cost of $600 million to the American taxpayer.

Mr. President, the regulations which this act seeks to overturn are quite modest. Helpers can only be used where the practice is not just identifiable, but prevailing—according to a complex formula which will mean that most firms, doing most of the work in a locality, already must be using helpers before the Labor Department allows Federal contractors to employ them as well.

Furthermore, a Federal construction contractor could not employ more than two helpers for every three journeymen. In addition, a helper could not be substituted for a skilled journeyman and, in fact, would have to be under the direct supervision of a journeyman. Finally, the work done by a helper would have to be substantially unskilled or semiskilled in nature, involving tasks such as carrying, holding, preparing a work area, and so forth.

These changes, while modest, would nevertheless save $200 million in the first year and $600 million a year later on.

Mr. President, H.R. 1281 will not be viewed as one of the Senate's prouder achievements. But the Senate can at least avoid adding insult to injury through the adoption of the Nickles amendment.

Mr. President, it is bad enough that we are poised to pass a so-called dire emergency supplemental bill which will spend $4.7 billion right on the heels, I might remind my colleague, on raising the taxes of the working American, on gasoline, on beer, on tobacco, on about anything else Congress can think of just last year, and now we are back here asking to spend more money, but even worse this little-noticed paragraph was slipped in that would prevent the Secretary of Labor from being able to execute administrative reforms which, when fully phased in, would save the Government $600 million in construction repair costs.

Mr. President, it is outrageous how antiworker, anticapitalistic the Congress has grown in these recent years when the rest of the world is asking for opportunities for their people to work and save and invest and own property, and we sit in there and rigidly force Government to intervene between the workers and opportunities, at the same time costing these taxpayers more money.

I ask unanimous consent that I be added as a cosponsor of this very fine amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. NICKLES. I yield the Senator from Vermont 1 minute.

Mr. JEFFORDS. Mr. President, few subjects have generated more controversy over the years than proposed changes to the Davis-Bacon Act, a statute that is now some 60 years old but has been largely unchanged in that time.

I had thought there were three schools of thought on this issue—repeal it, leave it alone or reform it. I count myself in the last category. I support the act, and what I consider to be the fundamental purpose of the act—that the Federal Government should not undercut local wages and working conditions.

The helper regulations have been through 9 years of regulatory and judicial pulling and hauling. What has emerged is absolutely true to the purpose of the act.

If a majority of the workers in private construction are working on jobs with helpers, then the Federal Government can use helpers on its jobs, too.

This is hardly a radical concept, in fact, I think this is the only job classification that must show majority status before it is permitted.

This is a reasonable safeguard. These regulations will permit some contractors to use helpers on Federal projects where helpers represent essentially the majority practice in an area.

That saves money. Workers will be paid helper rates for helper work, rather than the journeyman premium now paid. That is why this rider will cost $2 billion over the next 5 years unless the Nickles amendment is adopted.

I do not know of a single union general contractor in the State of Vermont. So far as I know, all of them use helpers. Yet when it comes time to bid on a Federal job, they are forced to conform their practices to the Federal Government's—not the other way around. This is the exact opposite of what I thought Davis-Bacon was supposed to do.

Today we don't have three schools of thought—we have just two. If you agree that the purpose of Davis-Bacon should be to mirror local wages and working conditions, then you should support this amendment.

If you believe that the taxpayers should pay a yearly premium of $500 million in order to preserve the work rules of the minority of workers in an area, then you should vote against this amendment.

It is that simple.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. How much time remains?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. KENNEDY. Mr. President, I yield myself 3 additional minutes.

Mr. President, it seems to me that those who want to strike this provision do not understand the importance of apprenticeship training programs. There are over 200,000 Americans participating in apprenticeship programs who are not only getting skills but also getting some educational benefit.

Now, if you are going to undermine these privately funded construction industry programs, where is the Government going to get the money to provide training for construction workers and for other skills?

Since the Department published the proposed new apprenticeship regulations last fall, it has received thousands of negative comments, not just from workers and worker organizations in the construction industry, but also from employers who are committed to work force training and States which are currently playing an important role in carrying out the objectives of the National Apprenticeship Act. The Apprenticeship Council in my own State of Massachusetts has advised the Department that it strongly opposes the proposed regulations because they would prohibit States from establishing minimal apprenticeship standards for programs operated within their jurisdictions.

During her confirmation proceedings, the new Secretary of Labor, Lynn Martin, advised that the Department is attempting to resolve the issues raised by opponents of the new regulations and indicated that she was prepared to work with the Labor and Human Resources Committee to revise the regulations to address those concerns. I appreciate that commitment and I am fully prepared to work with her on this matter.

The provision the Senator from Oklahoma seeks to strike in no way prevents the Secretary from proceeding with efforts to come up with revisions that will achieve the Department's stated goal of expanding the concept of apprenticeship to industries and occupations that do not have an apprenticeship tradition, a goal which I share. It simply ensures that in the meantime, no funds will be expended to implement revisions that would undermine existing, effective apprenticeship programs in the construction industry.

All we are saying is let us preserve the existing regulation and try to find ways to work with the administration. If there are some aspects of the existing regulations that we can improve or strengthen, we will be glad to do it. But why jeopardize existing programs that have been evaluated and reevaluated and each time come up with shining colors.

Mr. President, I hope that the Senate will not accept this amendment, and at the appropriate time I will move for the yeas and nays.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes 50 seconds.

Mr. NICKLES. Mr. President, I wish to clarify something my good friend and colleague, Senator KENNEDY, has alleged, that this would undo the apprenticeship program. That is totally false. As a matter of fact, the language that I am trying to strike would throw out revisions to the apprenticeship regulations that the Department of Labor has been working on with organized labor and business groups that have not even been finalized. They throw out those proposed regulations as well. The language says not 1 dime should be spent on implementing regulations dealing with helpers and dealing with apprenticeship programs.

Again, I tell my friend and colleague that this goes all the way back to even President Carter's Labor Secretary who suggested that we need to make some changes in helpers. We need to allow helpers because that is a common practice throughout private construction industry. Contractors have helper classifications except for when they do business with the Federal Government. They are prevented from having a helper classification or a semiskilled classification when they do business with the Federal Government.

The chairman of the Appropriations Committee has worked hard to try to keep us within our spending caps. If we do not adopt this amendment, we are going to waste $523 million next year and over the next 5 years nearly $3 billion.

Again, I say more importantly, we are going to be denying thousands of people the opportunity to get into construction of Federal buildings. Why should we pass a law which mandates they should be paid $20 an hour? The marketplace will not hire them at that level and they will be denied the opportunity to work.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. My good friend ought to understand that if we prevent the Department of Labor from implementing the proposed revisions to the apprenticeship regulations, we leave intact the existing regulations. This does not eliminate the existing regulations.

Finally, Mr. President, there is, I think, no one in this body who does not have respect for John Dunlop. He has reviewed the claim that savings would result from the new helper regulations and this is what he said.

> While * * * the wage costs may be lower, labor costs may be higher because of the greater cost of supervision. Also increased use of helpers quite frequently leads to lower productivity of workers, or inferior products. * * * There is simply no sound basis for gratuitously assuming that lower wage rates in the construction industry generally mean lower costs to the public. * * *

John Dunlop knows this industry; he has spent a lifetime in it. And he is a Republican commenting on regulations proposed under a Republican administration.

Mr. President, as I said, I hope that the Senator's amendment would be defeated and that we would have the opportunity to work with the administration in the months to come.

Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has under 2 minutes.

Mr. KENNEDY. I am prepared to yield back the time if the Senator from Oklahoma is ready.

Mr. NICKLES. Mr. President, I yield the Senator from Kansas such time as he desires.

Mr. DOLE. Mr. President, I rise in strong support of the Nickles amendment.

While I would prefer that we were visiting the issue of Davis-Bacon reform in general, the specific matter we are dealing with today is—in this Senator's opinion—of no less significance.

Mr. President, section 303 of the Dire Emergency Supplemental Appropriations Act prohibits the Department of Labor from spending money to administer Davis-Bacon regulations governing the use of helpers or semiskilled workers on Federal construction contracts.

In addition, the language of section 303 enjoins the Department of Labor from promulgating regulations pertaining to revisions to apprenticeship programs in the construction industry.

While I am none-too-happy about freezing up much-needed changes in the regulations dealing with apprenticeship programs, I am particularly concerned about the backhand way in which the so-called Davis-Bacon helper regulations—which became effective just last month—are being obliterated.

Mr. President, let me tell you something about these regulations.

REGULATIONS HAVE BEEN TESTED IN COURTS

First, they were initially issued in 1982 and since that time all challenges to their scope and validity have been fully reviewed in the courts and decided in the department's favor. Indeed, I can't imagine a set of regulations that have been more carefully or more extensively scrutinized.

REGULATIONS SAVE MILLIONS

Second, Mr. President, these helper regulations will save the Federal Government a substantial amount of money in construction labor costs. I have a letter from Secretary of Labor Lynn Martin in which she says that in fiscal year 1992 alone, the savings in labor costs amount to over $620 million. Even for a spend-happy Congress, that's a lot of bucks.

And in this Senator's opinion, if it could be done, that money would be much better spent on more important domestic programs—such as on our veterans programs or education programs—than on subsidizing union wages and creating artificial economies for Federal construction projects.

Indeed, Mr. President, I bet that if you asked just about any American taxpayer whether they would rather spend $600 million of their hard-earned tax dollars next year on paying inflated wages to semiskilled workers on construction projects or would prefer to spend that money on buying more textbooks and computers for their kids to use in school, their answer would be pretty obvious.

But, Congress has this habit of forgetting whose money they are spending and whose interests they are representing when spending that money.

REGULATIONS MAKE GOOD POLICY SENSE

Finally, Mr. President, the helper regulations are modest in scope and make good sense from a policy standpoint.

These regulations address the arcane requirement under Davis-Bacon that workers be paid skilled wages for unskilled work. While it's a sweet deal for the unskilled worker, it's a rotten deal for the skilled workers, the Federal Government, and the American taxpayer.

The helper regulations cut back on this senseless requirement and permit the employment of semiskilled workers at less than a journeylevel wage on Federal construction projects.

In short, what the regulations do is introduce an element of free market competitiveness back into the Federal construction contract process.

I might add, Mr. President, that the helper regulations are also carefully limited in their application to prevent any abuses.

They set no Government-imposed constraints or conditions on construction contractors or construction workers.

The employment of helpers is permitted only when their use is the prevailing practice in an area.

And finally, the regulations place limitations on the ratio of helpers to journeymen.

CONCLUSION

So here we are faced with an appropriations bill that legislates substantive labor policy by obliterating regulations that make a lot of sense. The regulations save the Federal Government a boatload of money and encourage the employment of semiskilled workers who would otherwise be shut out of such jobs on construction projects.

So I hope, Mr. President, that each Member in this Chamber will carefully consider the important policy considerations behind the helper regulations, the painstakingly careful process that led to the effectiveness of the regulations last month, and the serious consequences of eliminating those regulations, and vote in favor of the Nickles amendment to strike the offending language from the supplemental appropriations legislation.

I might add, Mr. President, that as we keep adding to this bill, I can see a veto looming larger and larger and larger. So I do not know how much we want to test the President of the United States—he is pretty testy himself these days—on how far we can push him on how much money we are going to spend and how we are going to continue to load up this particular piece of legislation.

Mr. President, I repeat, I hope we adopt the Nickles amendment.

Mr. HATFIELD. Mr. President, the administration has opposed provisions contained in the dire emergency supplemental appropriations bill addressing the so-called helper regulations of the Department of Labor. The Department has estimated that $500 million per annum of Federal tax dollars would be saved if we reject the House language and permit the expanded use of helpers on Federal construction projects.

This claim that using untrained, low wage helpers to construct our public buildings has been examined by a leading construction industry economist—Dr. John Dunlop—and has been categorically rejected.

As you know, Dr. Dunlop served at the Department of Labor under President Ford. He has served on virtually every public board that has dealt with construction industry costs.

With regard to the cost impact of using helpers in the construction industry, Dr. Dunlop has performed an economic analysis which demonstrates that no tax dollars will be saved by utilizing these classifications. Dr. Dunlop states:

> Its conclusion was reached by use of simplistic formulation which is wanting from an economist's point of view and which I find to be totally insupportable. Its methodology is based on a formula which utterly fails to take into account all of the real economic factors and forces which contribute to costs on a construction project. It appears that the Department takes the current wage rates and subtracts therefrom the savings to be gained by the cheaper rates when non-prevailing helpers replace prevailing laborers and mechanics.* * * (T)he Department multiplies that wage differentiation by the number of helper substitutes and then arrives at some projected mathematical savings. Such an exercise, in fact proves nothing.* * *

Dr. Dunlop goes on to further explain why the claim of tax savings is wrong and fails to take into account the factors which in fact actually add costs if helpers are used. Dr. Dunlop states again:

> Focusing on the cost savings aspect of the helper issue, in the real world helpers are used in a system which requires more supervisors and uses less journeymen than the system that does not use helpers. While in the former, wage costs may be lower, labor costs may be higher because of the greater costs of supervision. Also, increased use of helpers quite frequently leads to lower productivity of workers, or inferior products.
>
> When more supervisors are needed, that will tend to balance off any assumed helper

savings. If "helpers" cannot do the job as quickly as a qualified mechanic, then there may be no cost savings in fact. These and myriad other inquiries suggest that cost savings can only be arrived at after a comparative cost determination on the increased use of helpers, taking into account all relevant factors.* * *

There is simply no sound basis for gratuitously assuming that lower wage rates in the construction industry generally mean lower costs to the public without looking at the total costs of the system used.

Let me conclude with one final point. Dr. Dunlop served in a Republican administration. He chaired the Construction Industry Stabilization Committee in the early 1970's. The purpose of the Stabilization Committee was to control costs in the construction industry. Dr. Dunlop is no friend to runaway spending in this industry. He has presented to us a sound analysis of the impact of this new helper regulation and one that casts serious doubt on the Department's proposition that using untrained helpers will create lower wage costs. In fact, it most likely will create higher labor costs on public construction. This will cost the Federal Government and not save it one penny, contrary to the claims we have heard today.

Mr. AKAKA. Mr. President, I rise in opposition to the amendment offered by the Senator from Oklahoma [Mr. NICKLES] to delete language from H.R. 1281, the dire emergency supplemental appropriations bill for fiscal year 1991, prohibiting the Department of Labor from implementing its new helper or apprenticeship regulations.

Mr. President, both of these regulations would seriously weaken the Davis-Bacon Act and would have a detrimental impact upon thousands of construction workers currently protected by Davis-Bacon. The adverse consequences of these regulations would include: widespread job losses for skilled workers employed on Federal and federally assisted construction projects; the creation of a permanent class of poorly trained, unskilled, and low-paid workers; and the serious disruption of existing apprenticeship programs.

Over the past decade, Congress has repeatedly rejected all efforts to weaken the Davis-Bacon Act on the issue of helper regulations. Thwarted in the legislative arena, the U.S. Department of Labor resorted to the regulatory process to accomplish its objectives on this issue. The Department chose to implement its new regulations despite a pending court challenge and the recommendation of the Senate Appropriations Committee to defer any such action until the conclusion of the appeals process.

In a letter emphasizing the administration's strong opposition to the language contained in section 303 of H.R. 1281, the Secretary of Labor writes that the administration also opposes, and I quote, "legislating substantive labor policy in an appropriations bill." Further, the administration asserts that an appropriations bill is inappropriate as a "vehicle for introducing significant reversals in established governmental policies."

Mr. President, drastic measures require drastic responses. I believe the regulatory process is an inappropriate manner in which to circumvent the legislative process and expressed will of the Congress. The defeat of this amendment will reaffirm the objectives of the Davis-Bacon Act which Congress has repeatedly and consistently supported over the course of the past 55 years.

The same holds true for the proposed changes in apprenticeship regulations finalized by the Labor Department. Hawaii is 1 of 30 States and territories that would see its State apprenticeship councils abolished under the proposed regulations. Additionally, these changes would preempt a State's ability to set program standards higher than minimum Federal levels, render the apprenticeship system unenforceable by abolishing ratio requirements of apprentices to journeymen, and reduce the overall quality and standards of instruction and training established by existing State apprenticeship programs.

Mr. President, current regulations have served us well for many years. I stongly oppose any effort by the administration and the Department of Labor to circumvent congressional jurisdiction and weaken the Davis-Bacon Act.

Mr. CHAFEE. Mr. President, I intend to vote against this amendment to strike language from the dire emergency supplemental legislation. Specifically, the amendment offered by my distinguished colleague from Oklahoma would permit the Department of Labor to begin implementing its final regulatory changes regarding the worker category known as helpers.

For more than a decade I have watched and participated in debates regarding the merits of the Davis-Bacon Act. It is clear to me that for this reform to be successful the Senate Labor Committee must put politics aside and take a long, hard look at the inflationary effects of the Davis-Bacon Act.

Last summer, Senator METZENBAUM and Senator KENNEDY joined me in support of an amendment to the National Affordable Housing Act directing the General Accounting Office to put together a study on the strengths and weaknesses of the Davis-Bacon Act. Regrettably, that provision was dropped during the conference committee with the House of Representatives.

Congress should reexamine the Davis-Bacon Act. To what extent does it prevent many small and minority-owned businesses from bidding on federally funded construction projects? To what degree does it distort the prevaling wage scale in parts of the country? Does the act artificially drive up the cost of building and construction for the Federal Government? These are a few questions that must be definitively and authoritatively answered by an independent, nonpartisan, group before we can agree on the need for Davis-Bacon reform. I urge the Labor Committee to make such an effort a priority for this Congress.

The PRESIDING OFFICER. All time of the Senator from Oklahoma has expired.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent to speak for 30 seconds.

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

Mr. BYRD. Mr. President.

The year's at the spring
And day's at the morn;
Morning's at seven;
The hillside's dew-pearled;
The lark's on the wing;
The snail's on the thorn:
God's in his heaven—
All's right with the world.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 37, nays 63, as follows:

[Rollcall Vote No. 35 Leg.]

YEAS—37

Bond	Gramm	Nunn
Boren	Grassley	Pressler
Brown	Hatch	Roth
Burns	Helms	Rudman
Coats	Jeffords	Seymour
Cochran	Kassebaum	Simpson
Cohen	Kasten	Smith
Craig	Lott	Symms
Danforth	Lugar	Thurmond
Dole	Mack	Wallop
Domenici	McCain	Warner
Garn	McConnell	
Gorton	Nickles	

NAYS—63

Adams	Exon	Metzenbaum
Akaka	Ford	Mikulski
Baucus	Fowler	Mitchell
Bentsen	Glenn	Moynihan
Biden	Gore	Murkowski
Bingaman	Graham	Packwood
Bradley	Harkin	Pell
Breaux	Hatfield	Pryor
Bryan	Heflin	Reid
Bumpers	Heinz	Riegle
Burdick	Hollings	Robb
Byrd	Inouye	Rockefeller
Chafee	Johnston	Sanford
Conrad	Kennedy	Sarbanes
Cranston	Kerrey	Sasser
D'Amato	Kerry	Shelby
Daschle	Kohl	Simon
DeConcini	Lautenberg	Specter
Dixon	Leahy	Stevens
Dodd	Levin	Wellstone
Durenberger	Lieberman	Wirth

So the amendment (No. 51) was rejected.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I thank the majority leader for his patience and courtesy for our side of the aisle as we were able to obtain all our votes in some extraordinary circumstances. I appreciate that. It was very good of the majority leader to do that.

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

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

Mr. BYRD. Mr. President, this is not only the first day of spring, it is also the first spring day.

I hope that Senators will take on some additional exhilaration and energy inasmuch as it is the first spring day and the first day of spring and spring from their offices and spring to the floor and spring from their chairs and call up amendments.

We have today, which is Wednesday. We could finish by 3 o'clock in the afternoon. We could probably have the first conference meeting with the House and the two chairmen of the conference could then indicate what our differences are with the House, differences between the House and the Senate that have to be resolved, and get the respective staffs working on those differences and set a meeting for tomorrow morning. We could have a fruitful conference, hopefully complete the conference and report back to the respective Houses the results, and have those votes in the two Houses and send the legislation on to the President.

The majority leader has indicated if we complete our work on these two supplemental bills and the conferences that the Senate would not be in session on Friday. So I hope that Senators will work to help make that come about.

I will suggest the absence of a quorum. Before I do, may I ask the Chair what the order is as of yesterday following the disposition of the Nickles amendment anent Davis-Bacon?

The PRESIDING OFFICER. Senator NICKLES was authorized to offer an amendment on behalf of Senator DECONCINI with respect to Jordan.

Mr. BYRD. I thank the Chair.

Mr. LEAHY. Mr. President, since the Senator from West Virginia is going to put in a quorum call, if we were just waiting for others—I am sorry. I did not realize there was somebody who was about to bring up an amendment.

Mr. President, I will not seek to have someone yield to me if there is an amendment. I think right now we would probably rather see the bill go forward.

Mr. BYRD. I thank the Senator. I yield the floor.

AMENDMENT NO. 53

(Purpose: To prohibit the obligation or expenditure of certain funds for Jordan)

Mr. NICKLES. Mr. President, I send an amendment to the desk on behalf of myself and Senator DECONCINI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself and Mr. DECONCINI, proposes an amendment numbered 53.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 56, between lines 13 and 14, insert the following new section:

SEC. 502. PROHIBITION ON CERTAIN ASSISTANCE FOR JORDAN.

(a) PROHIBITION.—Except as otherwise provided in this section, none of the funds appropriated or otherwise made available by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, may be obligated or expended for assistance for Jordan except pursuant to appropriate congressional notification procedures.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) assistance for refugees; or

(2) assistance to finance the training or studies outside Jordan of students whose course of study or training program began before the date of enactment of this Act.

(c) WAIVER.—Notwithstanding subsection (a), funds appropriated or otherwise made available for fiscal year 1991 to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) may only be obligated or expended for Jordan if the President determines and certifies to the appropriate congressional committees that the Government of Jordan has taken steps to advance the peace process in the Middle East.

(d) DEFINITIONS.—For purposes of this subsection—

(1) the term "appropriate congressional committees" means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives; and

(2) the term "appropriate congressional notification procedures" means—

(A) with respect to the Committees on Appropriations of the House of Representatives and of the Senate, the procedures of section 523 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, and

(B) with respect to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(e) REPEAL.—(1) The ninth proviso of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, is hereby repealed.

(2) Any other provision of law that earmarks economic or military assistance for Jordan shall have no force or effect upon the date of enactment of this Act.

Mr. NICKLES. Mr. President, the amendment which I am offering today is not the same amendment as was originally laid down in the CONGRESSIONAL RECORD, just for the information of my colleagues. The amendment I am offering today on behalf of myself and Senator DECONCINI basically would prohibit military and economic assistance to Jordan that was appropriated in 1991. That is the fiscal year that we are in right now. In 1991 we appropriated $20 million of military aid and $35 million of economic aid.

For the information of my colleagues I will tell you, after talking to the President, he said that he has now suspended that aid, so it has not gone forward and I compliment him for that suspension.

Mr. President, the language that we have before us right now would repeal that assistance unless the President certified to Congress, with respect to economic aid, that Jordan was making a good faith effort and positive contribution toward the peace process in the Middle East. If he made that certification to Congress, then the economic assistance could go forward.

Also, pertaining to the military assistance, the amendment that I have introduced would repeal the military assistance, $20 million that we appropriated last year. It would allow the President the authority though, if he wished to make for some reason—and I personally would hope that he would not—but if he wished to go forward with the $20 million of military aid, he could notify the Congress as he does through the reprogramming process, notify the two appropriate committees in both the House and the Senate, the Appropriations and the Foreign Relations Committees, and that money could go forward as well. As I stated, I hope not. I hope that we do not have any military assistance going forward to Jordan because of their past actions in the Persian Gulf war.

Mr. President, I personally have been offended, I think the Senate has been offended, and I think this country has been offended by the actions that Jordan has taken. We have given Jordan, over the past 40 years, billions of dollars of economic and military assistance. In return, Jordan actively opposed the United States and our coalition partners; they opposed all U.N. resolutions that pertained to Iraq; they provided political and moral support to Saddam Hussein. And I will mention some of the quotes that King Hussein

of Jordan made in relationship to the war and to the United States and our effort. I am offended. I think all Americans have been offended by those comments.

They attacked our motives. They attacked our actions. Basically the King said the United States was destroying the Iraqi people and, of course, we all know that was not the case.

Mr. President, I might mention as well that I and 16 of our colleagues made a recent trip to Saudi Arabia and to Kuwait and also into Iraq. We saw a lot of boxes that contained ammunition that came from Jordan. Jordanian arms were used against American soldiers. And Jordanian rhetoric was used against the alliance.

Mr. President, I think we have to speak out. I think we are obliged to speak out. It is Congress' responsibility to appropriate money. This is a case where we have appropriated some money that I personally wish that we had not. I happen to serve on the Foreign Operations Appropriations Subcommittee that appropriated $55 million for Jordanian assistance. And what did we get in return? We got more than a slap in the face. We got Jordanian assistance to Iraq verbally, morally, and materially. We had opposition from Jordan almost every step of the way in our efforts not only to liberate Kuwait but also to restore the Persian Gulf area to peace and normalcy in the world today.

Mr. LEAHY. Mr. President, I wonder if the Senator might yield for a couple of questions.

The PRESIDING OFFICER. Will the Senator yield?

Mr. NICKLES. I will be happy to yield.

Mr. LEAHY. Mr. President, I agree with the Senator that Jordan committed real fault in siding with Saddam Hussein in the war. I feel, as I believe most Senators do, that Jordan has no claim on our economic or military aid as a result of that. Especially considering past history and the amount of our aid they have received, I think it would be wrong for them to expect now, based on what they have done, that they have some claim on American economic or military aid.

Indeed, as chairman of the Foreign Operations Subcommittee, I will oppose such a claim. I think President Bush has been absolutely right in suspending economic and military aid. I ask the Senator from Oklahoma if my understanding is correct that since February 6, the President has cut off all aid except for humanitarian aid?

Mr. NICKLES. The Senator is correct.

(Mr. KOHL assumed the chair.)

Mr. LEAHY. And, again, I think President Bush is right. I think he has used appropriate and commendable discretion. I commend the President for doing it.

As I understand from talking with the administration, the President has retained the ability to give refugee aid, disaster assistance, and food aid because of the enormous number of refugees that are going into Jordan.

I believe what the administration has done is shown what is basically the humanitarian nature of the United States, that we do not cut off refugees. That is an entirely different situation than economic and military aid. I would assume the Senator from Oklahoma agrees with the President, with me and others that that is an appropriate gesture?

Mr. NICKLES. The Senator is correct. Actually in our amendment we exempt refugee assistance and we do not touch any agriculture or food assistance going into Jordan.

Mr. LEAHY. I also understand the amendment repeals the fiscal year 1990 earmarks?

Mr. NICKLES. The Senator is correct.

Mr. LEAHY. I think that is appropriate, too. Because if we did not repeal those earmarks the irony is, no matter now President Bush felt about this and no matter how the American people felt about Jordan's action, he would still have to send the fiscal 1990 economic and military aid. So I think that is an appropriate thing.

I also understand that the President, if he felt it was necessary to resume U.S. aid should there be a sudden shift in Jordan's policy, he could do that through the normal notification procedure, through the appropriate authorizing and appropriating committees. Is that also correct?

Mr. NICKLES. The Senator is correct.

Mr. LEAHY. This amendment actually has the benefit of giving the President the flexibility and the foreign policy tools that he needs, carrying out policy in a way that I think reflects the views of the vast majority of both Democrats and Republicans in the Congress. I think it is a good amendment. I think it ought to be accepted.

Mr. NICKLES. I thank my friend and colleague from Vermont. I also appreciate his assistance with this amendment, that of his staff and also Senator KASTEN and his staff for their cooperation. We also had, as the Senator I am sure is aware, some cooperation from the State Department trying to craft this.

Mr. President, it is not our intention to handicap or tie the hands of the President in any way whatsoever. We have given the President flexibility in this amendment. It is my desire and intent to cut off any military assistance for Jordan but we have also given the President flexibility, if it is deemed in the interests of the United States, if he thinks Jordan is making a good-faith effort and a positive contribution toward the Middle East peace process, he can come back to Congress and ask for approval from those committees and receive assistance and basically go through the notification process, which is standard. That is on the military side.

The President is also given flexibility on economic assistance. He can certify to Congress that he thinks Jordan is making a positive contribution toward the peace process and go ahead and release the economic assistance. That is $35 million on the economic assistance and $20 million on the military assistance.

Also, so my colleagues will know, the amendment I originally drafted would have banned all military assistance that is in the pipeline. We have several years of military assistance that has not been totally spent. We did not touch that. You have to abrogate contracts. My original amendment would have done that. That was originally my preference. Again we are trying to give some flexibility to the President but also at the same time send a very strong signal that we do not turn around and just keep giving money to governments that turn around and blast the United States day after day, in their home country, in their home region, but also in the United Nations.

King Hussein, and I have met him, is a very personable fellow. He has married a very lovely American. We have had him as a guest of the Senate a few times, in my 11 years in the Senate. He is an articulate spokesman for his country.

Most of us would like to consider ourselves friends of King Hussein. But I think we have to look at the current situation and say, wait a minute, has his remarks, has his voting record, has his stance on the Persian Gulf crisis been deserving of continued American taxpayer generosity; and I say no.

As a matter of fact, the King's statements have been very unhelpful toward solving this problem. They have generated strife and animosity. They generated hatred. Instead of trying to cool the hatred and the passions and the unrest in the Middle East, in many cases the King's statements have done just the opposite.

Mr. President, I have a copy of King Hussein's speech and I will have that printed in the RECORD. But I will just highlight a couple of his comments which bothered this Senator and I would expect would bother all Senators.

I quote one section of it. It says, quoting King Hussein:

> The alternative to a cease-fire is the destruction of Arabs and Muslims—their humiliation, their exploitation, the trampling of their honor, pride, and legitimate hopes, and hatred and strife between the nations.

Talking about the Iraqis:

> To them, while we send our love and our pride as they defend us all and raise the banner that says, "God is great," the banner of

Arabs and Islam, we salute Iraq and its heroic army, its steadfast people, its glorious women, its brave children, and its aged, who are confronting with faith the bombers, the battleship, and tons of explosives.

He goes on, and I will continue reading.

He is talking about the war

It is also aimed at Iraq's right to a life of freedom and dignity and its determination to fulfill its historic, cultural and human role which started in Babylon, Baghdad and Basra, and which contributed to human civilization, scientific progress and culture. * * *

Fire rains down upon the Iraqis. Fire rains down upon Iraq from airplanes, from battleships, from submarines and rockets, destroying mosques, churches, schools, museums, hospitals, powdered milk factories, residential areas, bedouin tents, electricity-generating stations and water networks. These bombings started from the first hours and took the form of a war that aims to destroy all the achievements of Iraq and return it to primative life by using the latest technology of destruction.

Mr. President, I could go on and on. His speech is a 6-page speech. I am not going to repeat it. But I look at the record and I see where the United States taxpayers have given Jordan $3.5 billion over the last 40 years. Militarily, we have given Jordan $1,649,000,000.

What did we get in return for all of our generosity for the last 40 years? We had the King of Jordan saying that we were bombing mosques—that is not true; that we were bombing churches—that is not true; that we are bombing residential areas—that is not true; that we are trying to destroy the Iraqi people—that is not true. Our military went to great lengths to preserve the Iraqi people, to safeguard the residential areas, to safeguard the mosques, to safeguard civilian areas. And they achieved that with remarkable success. I compliment our military for their job, which was extremely well done.

Mr. President, I know my colleague from Arizona is temporarily detained but he wishes to speak on this, as I believe other Senators do as well. I am hopeful that we will have administration support for this amendment.

At one time, I will tell the chairman of the Appropriations Committee, we believed that the State Department would support this language. We now understand that maybe they do not. I am not sure, so I will leave that.

Maybe it is yet to be determined whether the administration will sign off on this language. Again, I will restate this Senator's goal. I am not trying to be critical of the administration in any way. I am trying to speak out as a Member of the Senate and a person on the Appropriations Committee, on the Foreign Operations Subcommittee, to say that we should not continue military assistance to Jordan.

This amendment would repeal that military assistance unless the President determined it was in the best interests of the United States. Then he could submit to the appropriate committees for that spending.

Mr. President, I am aware that other of my colleagues wish to speak on this. I ask unanimous consent to print in the RECORD King Hussein's speech.

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

REMARKS BY KING HUSSEIN OF JORDAN, FEBRUARY 6, 1991

(King Hussein's comments are made through an interpreter.)

King HUSSEIN: You who are concerned for the present as well as the future generations of your nation, I greet every one of you with all affection.

I choose to address you at this very difficult moment, motivated by Arab honor and religious duty. I address you on the eve of the fourth week of this savage and large-scale war which was imposed on brotherly Iraq and which is aimed at Iraq's existence, its role, its progress and its vitality. It is also aimed at Iraq's right to a life of freedom and dignity and its determination to fulfill its historic, cultural and human role which started in Babylon, Baghdad and Basra and which contributed to human civilization, scientific progress and culture.

Iraq, fellow Arabs and Muslims, now pays the price in pure and noble blood of belonging to its nation. Iraq had always hastened without hesitation to make sacrifices in all the battles which the Arabs fought or which were forced upon them in defense of Arab land in Palestine, Syria, Egypt and Jordan. Arab blood was always dear to Iraq. And shouldn't the blood of Iraqi men, women and children—shouldn't the blood of Iraqi men, women and children be dear to us?

How shamed will be the Arabs who let Arab blood be spilt in this unjust war. The world had known cruel wars, but never one like this that is waged against Iraq and the likes of which may never happen again.

The armies of the biggest and most powerful nations have gathered and unleashed their modern and dangerous weapons on the land, in the sea and in the sky. These weapons had originally been arrayed by the present international military alliance against an opposing alliance led by another super power. They are all now arrayed against the Baghdad of Haroun Al Rashid, the Basra of Islamic Studies and Poetry, the Kufa of Ali, may God's peace be upon him, the Holy Najaf, Karbala, Ad Diwaniyeh, Mosul, Kerkou and every Iraqi city and village.

Fire rains down upon the Iraqis. Fire rains down upon Iraq from airplanes, from battleships, from submarines and rockets destroying mosques, churches, schools, museums, hospitals, powdered milk factories, residential areas, bedouin tents, electricity-generating stations and water networks. These bombings started from the first hours and took the form of a war that aims to destroy all the achievements of Iraq and return it to primitive life by using the latest technology of destruction.

The first victims of this war were justice, righteousness and peace. Its first casualties were the aspirations of all humanity since the end of the Second World War, hoping that that war would be the last human tragedy and that man would no longer be killer or victim.

All the hopes of our nation and the world, the world community, were thwarted the day the land of Iraq was turned into the arena of the Third World War.

Brother citizens, brother Arabs, brother Muslims, the irony of this war is that it is waged under the cloak of international legitimacy and in the name of the United Nations, which was created to preserve peace—to preserve peace, security and justice, and to resolve disputes through dialogue, negotiations and diplomacy.

If this is an example of the further role of the United Nations and the new world order, what an ominous future lies before all nations. What international legitimacy will there be to protect the less powerful against the most powerful who seek to subjugate them, humiliate them, kill them and disturb all their rights that were granted by God and protected by charter of the United Nations?

We now realize fully the real reason why we, the Arabs, were deprived of our right to solve our problems and why the United Nations was prevented from fulfilling its role, and why the doors were shut against any sincere political attempt to resolve the Gulf crisis.

It is claimed that every—that every possible—it is claimed that every effort possible was made to solve the crisis during the five months before the war. This is not true. If the effort that was spent in preparing for the war had been devoted to the quest for a peaceful settlement, this disaster would not have taken place.

Moreover, the ongoing war with its destructive outcome is incompatible with the humanitarian objectives of the United Nations resolutions which were adopted to restore peace and security to the Gulf region.

By contrast, the Arab-Israeli conflict remained far from any honest and real attempt to resolve it justly. The Arab Palestinian people and the Arab nation still await the implementation of a single United Nations resolution which rejects Israeli occupation and calls for an end to it.

Twenty-four years have passed since the occupation of the West Bank, Gaza and the Golan Heights, and nine years have passed since the occupation of South Lebanon. But none of our hopes were fulfilled. Nevertheless, we did not despair of the United Nations. The major powers persisted in assuring us that a peaceful solution was possible.

As regards to the Gulf crisis, the Arab parties concerned chose from the beginning to reject any political Arab dialogue with Iraq and to block any attempt that could prevent the internationalization of the crisis and its resolution by directly dealing with all its causes and results.

All the good officers of Jordan and others who are concerned for the future of our nation were aborted. Why? Because the real purpose behind this destructive war, as proven by its scope and as attested—attested to by the declarations of the parties, is to destroy Iraq and rearrange the area in a manner far more dangerous to our nation's present and future than the Sykes-Picot Agreement. This arrangement would put the nation, its aspirations and its resources under direct foreign hegemony and would shred all ties between its parts, thus further weakening and fragmenting it.

The talk about a new world order whose early feature is the destruction of Iraq and the persistence of this talk as the war continues lead us to wonder about the identity of this order and instill in us doubts regarding its nature. The new world order to which we aspire holds all people equal in their right to freedom, progress and prosperity. It deals with their causes, with the same standards

and under the same principles, regardless of any consideration or influence.

The required new order would not mete out injustice to any one nation. It would not discriminate between nations, but draw them together within the framework of mutual respect and fruitful cooperation for the benefit of our planet and all people on it. It must be an order that believes in public freedom and protects private freedoms, respects human rights, and strengthens the principles of democracy. It should not deny the Arab people their right to all this.

The nature of the military alliance against Iraq betrays its near- and long-term objectives. For when Israel supports this alliance, when two countries, one Arab and the other Islamic, both of which have normal political relations with Israel, whose leaders compete for prominence in this alliance and reiterate their desire and enthusiasm for the destruction of Iraq, it becomes easy to realize that this war is a war against all Arabs and Muslims, not only against Iraq.

When Arab and Islamic lands are offered as bases for the allied armies from which to launch attacks to destroy Arab-Muslim Iraq, when Arab money is financing this war with unprecedented generosity unknown to us and our Palestinian brothers while we shoulder our national responsibilities, when this takes place, I say that any Arab or Muslim can realize the magnitude of this crime committed against his religion and his nation.

Proper citizens, from the very beginning, we have shouldered our responsibilities to the Arab nation and Islam as well as towards international peace and security. We have made every effort to fulfill these responsibilities. We are not hurt because our rewards have been successive punishments to our country and people. It has become clear to the world that these punishments are the price which we must pay because we tried to avert the disaster which was planned and premeditated in the dark.

As a new form of punishment, there are now attempts to deprive us of our basic needs, even oil as a new form of punishment and one of the most severe, for no other reason than our principal stand. It is because we are not party to the conflict nor part of the alliance and willing to dance to the tune others play with no will of our own, no right, and no ability to express our free opinion. We would not forsake this right because it is equal in importance to our human right to breathe air that is not yet rationed.

Nevertheless, Jordan's leadership and people will remain firm in their position and belief that the opportunity for peace still exists, recourse to peace remains less costly and would reflect more truly the commitment to principles and values than the continuation of this devastating war.

The voices of millions can be heard in every country, including those of the alliance. The all call for peace and an end to the killing of children, the destruction of homes, and the withholding of medicine from the sick. I know just as you do that against these voices stand political and military leaders, alas with Arabs in their forefront, calling for the continuation of this war. Which voices will win in the end? The voices of reason, peace and justice? Or the voices of war, hatred, and insanity?

We and other brothers who have made a loud call to stop military action and open the way for diplomatic political action to resolve this problem, but the call fell on deaf ears. Many a time before the war had started, we warned against its effects, the deep wounds which it would open and its repercussions which would grow and include human, economic, and ecological tragedies. We warned that war is a measure of last resort launched only after all efforts to avert it have been exhausted. Our calls and warnings were in vain.

Justice will be victorious, God willing, brothers. Our nation will prevail, because, through its victory, humanity will prevail against its enemies. Life will prevail over death. Love among the nations will prevail over hatred. It will become clear to all those who gambled that our nation would be divided like its leaders, that it is a dead nation, they will be proven wrong. Our nation will remain, God willling, a strong, proud, and vibrant nation.

"These, your people, are one people, and I am your God, so worship me." (Interpreter says something in Arabic.)

Let us have fear of God and remember that. If this situation continues, it will only benefit those who covet our lands and resources with Israel at their forefront.

There are already signs that the spoils are being divided—there are already signs that the spoils of—the spoils are being divided. We hear and read every day of plans to control our resources, limit our freedom of decision, strangle our aspirations, and usurp our rights. We cannot imagine that this solution would fulfill the legitimate national rights of the Palestinian people on their national soil.

This is a call from a Hashemite Arab to all honest Arab and Muslim leaders. Let us join our efforts to stop this catastrophe and save the people of Iraq from the fate that is planned for them. Let us save our nation from the plans that are designed for it. Let us bring this war to an end.

The starting point in this—this immediate and serious work to make the alliance accept a cease-fire in preparation for a responsible dialogue between the antagonists, an Iraqi-American dialogue and an Arab-Arab dialogue that resorts to reason and balance international interests—balance interests against international legitimacy, the legitimacy of security, peace, justice, and equality.

By destroying Iraq, this war has exceeded the limits set by the United Nations in its resolutions. This is confirmed by the declarations of the alliance leaders, so where is the United Nations now? The alternative to a cease-fire is the destruction of Arabs and Muslims—their humiliation, their exploitation, the trampling of their honor, pride, and legitimate hopes, and hatred and strife between nations.

We in Jordan will stay the Arabs of all Arabs, the noblest of the noble, the men of all men. We shall always stay united, army and people alert to defend our country. If the fight is forced upon us, we shall be up to it and gain one of God's two favors: victory or martyrdom. Our hearts are full of faith, and we thank God for everything.

From Amman of the Arabs, I send to our people in Palestine our great pride in them, in their steadfastness, in their resilience against their suffering, where a whole nation is under house arrest, without work, without a source of earning, without medicine. But it is a nation that believes in God and stands fast by the Akhsa Mosque and the Church of the Holy Sepulchre.

As for our people in Iraq, what words can describe the great courage and pride, the tenancy—sorry, the tenacity and the ability to face 28 allied countries, 28 armies, headed by the largest, most powerful, and best-armed army of the world? To them, while we send our love and our pride as they defend us all and raise the banner that says, "God is great," the banner of Arabs and Islam, we salute Iraq and its heroic army, its steadfast people, its glorious women, its brave children, and its aged, who are confronting with faith the bombers, the battleships, and tons of explosives.

We send a special salute to this—His Holiness Pope John Paul II for his prayers and continuous calls for peace in the Middle East, and to all people and international figures after—who decry war and call for peace. A salute of pride to all our Arab and Western brothers on the five continents who came out from the first—the first moments of war to make a stand for life and peace against death, destruction, and aggression.

I pay a special debt of thanks to all those who search for truth and who work to spread it, because they respect and care for truth, to all the newsmen, academicians, and politicians who live among us and do their duty in honesty and professionalism.

"Also, the conferrings together are devoid of good except such—except such as enjoin charity or the promotion of public welfare or the public peace, and on him who strives after these, seeking the gratification of God, shall we soon bestow a great reward," from the Koran, make up—(interrupted by announcer)—

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

Mr. BYRD. Mr. President, will the Senator withhold that suggestion?

Mr. NICKLES. Certainly.

Mr. BYRD. Mr. President, I ask unanimous consent to speak out of order.

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

RENEGOTIATING THEIR PLEDGE

Mr. BYRD. Mr. President, it has come to my attention that even as we are considering the supplemental appropriations bills for the cost of Operations Desert Shield/Desert Storm, reports are emerging suggesting that Germany may ask to renegotiate its pledge of $6.6 billion because that government believes the cost of the war will be less than the total pledge to the United States.

I tried to make it clear in my statement yesterday—and I will emphasize it again now—that the $42.6 billion that we are appropriating in H.R. 1282 does not nearly cover the cost of this war. As I said yesterday, these numbers do not show the hundreds of billions of dollars that the United States has spent maintaining a military establishment capable—capable—of acting as our Military Establishment did act to protect the interests of the free world. Nor do these numbers explain that building and maintaining that military capability has diverted billions of scarce dollars away from vital domestic needs, such as education, infrastructure, and health care.

Beyond the hidden cost of the war, these appropriations bills do not even fully cover the incremental cost of the war. The Department of Defense has not yet calculated the cost of combat.

And although H.R. 1282 attempts to cover some of those costs, it may be months before we have a final figure. There will also be additional costs associated with our withdrawal from the region, costs that are still only rough estimates and will undoubtedly add to the total. If we end up maintaining a long-term presence in the area—I hope we will not do so—the costs will go still higher.

We are not out of the woods yet. A formal cease-fire has not been achieved. We have no assurance that there may not be a reignition, even though it may be small, of the conflagration.

I cannot understand how Germany, a nation that we have defended with hundreds of thousands of United States troops for the last 45 years, could consider reneging on its promise of support to the United States or that it could consider asking that its commitment be renegotiated. Germany, which relies virtually 100 percent on imported oil had far more at risk in the Persian Gulf than the United States had at risk. Yet, now that we have made the sacrifices, we hear reports that they want to renegotiate even their small commitment.

Reports indicate that this effort is being initiated by the opposition party in Germany. I hope that the German Government understands that breaking their promise would be a very unwise decision for the future of United States-German relations, and I hope Chancellor Kohl will not bow to that political pressure. It does not look very good for the German Government to be indicating that it wishes to renegotiate the commitment that it has made. We have worked very hard to structure the $15 billion in the appropriations in such a way as to make it the last resort for the Defense Department.

Mr. CHAFEE. Mr. President, I wonder if the distinguished chairman might yield for a question on that subject?

Mr. BYRD. Yes.

Mr. CHAFEE. I understand you are expressing dismay at some of the reports that have come out of Germany that they might wish to, in effect, renege on the commitments they have made.

Mr. BYRD. Yes. These are reports. I cannot vouch for them.

Mr. CHAFEE. I think it is fair to point out, as I understand it, that these statements were not made by the Government of Germany. These statements were made, as I understand it, by a member of a minority party that is not in the government. Am I correct in that?

Mr. BYRD. I am not sure.

Mr. CHAFEE. That is my understanding. The Secretary of State yesterday addressed that point when it was raised, when he met with a group of us. That very question was asked, and he strongly stated that those statements that have come out of Germany are from a minority party and in no way represent the position of the Government.

So I think it is fair to point that out—and I know the distinguished chairman was not suggesting this is from the government—I think it is not Chancellor Kohl or his government that is making these statements.

Mr. BYRD. I do not think it is Chancellor Kohl. I am glad the distinguished Senator has put upon the record his understanding of the sources, and I hope that he is correct. I just feel that it is good to sound the alarm, as I sounded the alarm on yesterday, and I am glad to see someone is hearing this small voice from the hills of West Virginia.

Mr. CHAFEE. Mr. President, if I might ask the distinguished chairman, first of all, whatever the voice is, it is not a small one and, second, I think he is absolutely correct, and he speaks for all of us in the Senate when he says that we want these commitments observed, whether they are from Japan or Germany or from wherever.

The only reason I interrupted, if I might say, was merely to put the record straight, and the chairman himself pointed out that it was not from the government. There is a lot of difference; in other words, we can get some statements that emerge from A, B, or C in the U.S. Senate or wherever it might be, and it is not necessarily the position of the Government of the United States.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, even though, as I said, it is not Chancellor Kohl, I am disturbed that these commitments are proving to be so slow in their fulfillment, almost across the board, or across the board, as I indicated on the chart yesterday. We are talking about commitments that are supposed to be paid by March 31, and March 31 is not very far off.

So I am rattling the cage a little bit perhaps, but I think it is for a good cause. I want the allies to know that just because the shooting war, hopefully, is over, that this should be no cause for them to feel that their commitments need not be paid.

If our Government were to renegotiate the commitment that has been made by the Germans—and, by the way, Germany is one of my favorite countries, let me say that. And the German people are one of my favorite people, not that that makes any difference here. But if that pledge were to be renegotiated, other contributors would be close behind, and that $15 billion would be gone in the blink of an eye, $15 billion that the American taxpayers are paying through this legislation. As costs continue to accumulate, the United States would end up paying far more than the $15 billion and would end up carrying the bulk of the immediate financial burden, as well as the bulk of the long-term costs.

This would be unacceptable and I hope that the administration will continue to press our allies for prompt payment of the entire amount of their pledges.

So my comments, Mr. President, are not only for the benefit hopefully of the Germans and the other countries that have made these commitments, but also I hope it will not go unnoticed in the halls and corridors of the administration downtown. It is good that the administration might realize that the elected representatives of the people on the Hill are behind them, pushing them, trying to give them strength in their persistence in having the commitments fulfilled.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The Senate continued with the consideration of the bill.

Mr. SIMON addressed the Chair.

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

Mr. SIMON. I will be very brief, I say to my colleague from Rhode Island.

I came over really wanting to take a look at the Nickles-DeConcini amendment, having read a summary that indicated there was very little flexibility. In fact, the Senator does offer flexibility. He says that if the President determines and certifies to the appropriate congressional committees that the Government of Jordan is taking steps to advance the peace process in the Middle East, then aid can continue. He also permits refugee assistance or training for people. So it does seem to me this is not a rigid amendment; it is one that sends a message that I think should be sent.

I came over here thinking I was going to oppose the amendment, I say to my colleague from Oklahoma, but I think it is a good amendment and I am pleased to join in supporting it.

Mr. NICKLES. Mr. President, I wish to thank my colleagues. I will tell the Senator from Illinois our original amendment was more stringent. It did not give the President any amount of flexibility.

After talking to the President and to the Secretary of State, who said, "Give us as much flexibility as possible; do not tie our hands; this is a volatile area," I agreed with them. That is the reason we have added the flexibility both on the economic side and on the reprogramming possibility on the military assistance side.

I appreciate the willingness of my colleague to support this amendment.

Mr. SIMON. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would like to address the amendment offered by the distinguished Senator from Oklahoma, for whom I have great respect.

First of all, let us just lay the groundwork. All of us share the dismay at the anti-American and the pro-Iraqi statements made by King Hussein of Jordan. That is a given. All of us were deeply disappointed that an old and trusted friend with whom we have had close relationships over so many, many years, namely King Hussein, should turn his back on our country. So I can understand the frustration Senators feel over the conduct of both the King and his country in so openly embracing Saddam Hussein during the recent conflict.

Also, I think we have to recognize that King Hussein has his problems. This does not justify his actions, but I think we might as well recognize the situation he faces in a country that has 60 percent Palestinians in it, with a population that overwhelmingly supported what Saddam Hussein was doing because of his stated objective, false though it was, that he was out to liberate Palestine and provide a homeland for Palestinians. That clearly was not his principal objective. He did not go into Kuwait to liberate Palestine or Palestinians. He went in to seize a helpless country. But, nonetheless, that was what he was saying publicly.

Now the fighting is over and we have to look toward how we can win the peace, and who so successfully guided us through the intricate diplomatic minefield that existed in trying to put the coalition together? It was the President of the United States. To its credit, Congress stayed out of it. We did not try to micromanage what the President was doing when he was making contact with a person that most of us despised, namely the President of Syria.

The President of the United States went to Syria. He went to Egypt. He negotiated with an extraordinary combination of nations to form a coalition that was so successful. Now that it is over, on this appropriations bill we find the Senate getting back into the act, doing just what the President asked us not to do in that magnificent speech he gave to the joint session about 2½ weeks ago.

In that speech the President said, please, please, Members of the House, Members of the Senate, do not micromanage our efforts. Do not put restraints here and there. We will report to you. We will tell you what we are trying to do. And, indeed, the President has.

I see those who have had more time here than I. For instance, the distinguished chairman of the Appropriations Committee I think would agree with me that never has there been such complete briefings and effort to keep the Congress, and namely the Senate, with which we are more familiar, posted and apprised of what we were trying to do in the Persian Gulf. Could I say that fairly, I ask the distinguished chairman of the Appropriations Committee?

Mr. BYRD. Mr. President, if the Senator will yield, I am no longer the majority leader, no longer the minority leader of the Senate. I cannot answer that question really authoritatively. But, as I understand it, our leadership was kept fairly well abreast of the goings on. But only the majority leader and minority leader and others who were in those conditions can really answer that question.

Mr. CHAFEE. Mr. President, in the period I have been here, we have had nothing compared to meeting with the Chairman of the Joint Chiefs, General Powell, meeting with the Secretary of Defense; when the Secretary of State was available, which was not often, because he was so tied up, he also kept us apprised. Now that we have won the victory, once again there is an attempt for, regrettably, this Senate to insert itself.

Those who sponsor the amendment will say, well, it is not that bad; as far as the economic assistance, it really is not that painful. All the President has to do is to submit a reprogramming, and it comes back to the respective committees. If the respective committees do not deny it, the President can go ahead.

Mr. President, I do not know why we have to do this. I think one of our distinguished Members said yesterday one of the reasons we won the war was Congress stayed out of it. Well, that may be an exaggeration, but it stresses a point.

That is, let us not get into trying to micromanage the affairs of this country. The President of the United States has said, and so has his Secretary of State, that he is going to devote full effort to try to solve this seemingly intractable problem in the Middle East, to try to do something to get a permanent peace.

The issue here is not who is more angered with the conduct of King Hussein and Jordan. The issue is "How best can we foster a permanent peace in the Middle East?"

Secretaries of State and administration after administration have broken their necks on trying to solve that problem. Our President has said he is going to do it; he is going to try. He does not promise that he is going to succeed, but he is going to try. What more can we ask for? All he says is, "Give me the tools so I can do the job."

If this amendment should be approved, we are restricting the tools that the President can work with. He has to work. Whom has he to work with? He has to work with Syria, Egypt; he has to work with Israel and Jordan; he has to work with all of those countries out there.

To do that, let us have some confidence in him and his officials, those who are in his administration, such as our distinguished Secretary of State. They have a proven track record of success. What I way is let us give them a chance. Let us not restrict him; no matter whether those who support this amendment say it is not that, the administration is opposed to it.

The administration will send up a letter later today, as soon as the President, who is currently busy right at this particular moment greeting foreign dignitaries—they will send up a letter saying the President is against this amendment. So I hope that my colleagues will back off from this.

If we vote against it, it does not mean we approve of what King Hussein did. Of course, we do not. It does not mean we approve of what his country did. Of course, we do not. We have to move ahead. The best way is to have confidence in our President, who guided us so successfully through this intricate diplomatic situation and brought us to the home port safely.

I thank the Chair.

Mr. SPECTER addressed the Chair.

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

Mr. SPECTER. Mr. President, I had come to the floor this morning to oppose the amendment of the distinguished Senator from Oklahoma [Mr. NICKLES] because of my view that we do not have a sufficient record, sufficient factual materials, at this time to restrict foreign aid to Jordan.

I say that because we have not yet had an opportunity to determine what will happen if the government of King Hussein of Jordan is undermined. It may well be that the government we know is the lesser of two evils. We simply do not know.

I share the concern that I think is almost unanimous, if not unanimous, in this body, of great disappointment in the position Jordan took relative to the gulf war. It seems to this Senator incomprehensible that King Hussein and Jordan would side with Saddam Hussein and Iraq.

The first instinct is to say to Jordan, "We are not going to continue to provide financial aid in any respect." The concerns which arise after that first instinctive reaction is what will happen if U.S. aid is not given? Will it destabilize King Hussein's government? Will it cause someone to come into power in Jordan who will be more antithetical to United States interests than is King Hussein?

These are questions to which this Senator does not know the answers at this moment. I agree with what the distinguished Senator from Rhode Island has said about not putting restraints on the hands of the President,

who is in a better position to evaluate these questions.

Yesterday at the Republican caucus, we heard informally from Secretary of State Baker who has done an outstanding job. Secretary Baker's request was to leave the administration unfettered for the moment.

I respectfully disagree with my distinguished colleague from Rhode Island when he characterizes this amendment as micromanagement. I do not think it is. The Congress of the United States has the responsibility to decide the issues of foreign aid.

I have served for 11 years now on the Appropriations Subcommittee on Foreign Operations. Each year we hold extensive hearings to determine whether we ought to give foreign aid to a wide variety of countries. I do not consider that micromanagement. I consider that a very important role of the U.S. Senate.

Anybody who has open house town meetings in the United States, certainly in Pennsylvania, knows how unpopular foreign aid is. We vote for foreign aid because it is in the national self-interest of the United States to do so; it is not a humanitarian gift. It is not feeding starving people somewhere. We do that because it is in our national self-interest. That is a congressional determination after advice from the executive branch. Of course, the President has to sign the bill. So I think this is a very important congressional function to examine carefully the provision of aid.

Even after talking to my colleague from Oklahoma, I am not quite sure where this amendment ends up, frankly. It is probable that the President of the United States has the authority now to withhold foreign aid to Jordan if the President decides to do so. We have seen the executive branch withhold many expenditures which have been approved by Congress in legislation, and signed by the President.

If they do not want to spend the money for the V-22 Osprey, they do not spend it. If they do not want to spend the money for the service life extension program of aircraft carriers at the Philadelphia Navy Yard, they do not spend the money. There is a constant congressional-executive battle, or at least tension over what money is going to be spent.

The distinguished Senator from Oklahoma has modified his amendment to give the President discretion to spend this money if the President concludes that Jordan has been helping the peace process. It may be that the President does not want to make that kind of a statement. He may want to hold up the foreign aid without making a statement that Jordan has been helpful or not helpful in the peace process.

Maybe there ought to be a restriction that at least the President has to find that Jordan has been helpful in the peace process to try to put some pressure on Jordan. It is not easy in the Senate Chamber to figure out what is going on in Jordan. Aside from the concern which I have expressed about who King Hussein's replacement might be, I would like to know more about the specific pressures that King Hussein was under in the course of the past several months. It has been reported in the press that King Hussein has written to the President.

I do know that for many years, King Hussein has been a regular visitor at the U.S. Senate, has addressed large groups of Senators and has responded to our questions.

Many of us, including this Senator, have had occasion to visit King Hussein in Amman, and have admired the work which he has done in the past, at least until the gulf war.

But where I come out on this amendment, Mr. President, is with an unwillingness as of this moment to second-guess what the President and the Secretary of State want to do right now. I want to know more about the status of internal events and affairs in Jordan, as to what is likely to happen there.

But I do say this: I cannot see any reason to give Jordan military aid under any circumstances. Economic aid may be of help in maintaining a stable Jordan, which may be in the best interests of the United States. Not so military aid.

If military aid were separated from economic aid, my response to this amendment might be entirely different.

I remember that in a Saturday morning news conference which King Hussein had during the course of the gulf war, he was threatening Israel not to send airplanes over Jordanian airspace in retaliation for the Scud missile attacks coming into Tel Aviv and other parts of Israel. At the same time, however, missiles were being fired by Iraq over Jordanian airspace.

It may be that King Hussein could not intercept those missiles, and it may be that King Hussein could not say to Iraq, "Stop it," for fear of retaliation.

But he certainly could have at least protested in some way to acknowledge the impropriety of Iraq sending missiles over Jordanian air space. Or, at least have the common decency to say that if Iraq is going to violate Jordan's air space, then so could Israel. I listened to that news conference in wonderment as to what King Hussein was doing and why he was doing it.

Military aid to Jordan, to this Senator, is inexplicable at this time, unless that aid is going to be designed to stop an insurrection within Jordan. Even if that is the purpose, I have great reservations about it. If military aid is sent to arm King Hussein and Jordan so they can take a course, as they did in this past gulf war, contrary to United States interests, then I do not think it is a wise course to follow. So my instinct, Mr. President, is not to do anything now that is going to impede Executive decisions, until this Congress knows a good deal more about this subject to be in a position to exercise our judgment based on a knowledge as to what the consequences would be in terms of destabilizing Jordan, and what the effect might be if King Hussein is not in power.

There have been some comments on another subject, which I would like to address briefly. That is on the subject of payments by other nations for the gulf war. We had extensive hearings in the Appropriations Committee several weeks ago on this subject and, at that time, this Senator expressed dissatisfaction with the fact that only $53.5 billion had been pledged by other countries to pay for the war, and that such a small sum of money had been actually collected. At that time, there was a footnote on the Executive papers as to the $9 billion commitment by Japan, which had not yet been approved by the Diet of Japan.

It is my view, Mr. President, that the United States has not done enough to collect in advance the pledges from Saudi Arabia, from Kuwait, and from the other Gulf States when we have saved those countries. It has been hard to comprehend why it was necessary for Secretary of Defense Cheney to spend 14 hours persuading the king of Saudi Arabia that the United States ought to be able to go there and defend Saudi Arabia. So it is understandable if we could not get cash on the barrelhead to pay the costs in advance, that we went ahead and defended Saudi Arabia and liberated Kuwait, even without having the cash in hand. But that would have been the preferable course. When Kuwait responded that Kuwait could not sell securities and pay cash to the United States because it would depress the market, there was an easy answer to that. We will take an assignment of their securities, and we will hold them. That would be cash in hand for the United States.

When you look at how much cash the United States received in hand from Saudi Arabia and from Kuwait, it is just not sufficient. We are dealing with two countries there where the oil reserves are in enormous figures. Kuwait is reputed to have 100 billion barrels of oil reserve. Saudi Arabia's figures are much in excess of that. The United States sacrificed life and limb. Why should we have to give dollars as well? Those countries ought to be paying for the cost of the war, as well as the other Gulf States, such as Oman and Bahrain.

There is the issue of reparations from Iraq, which ought not to be overlooked, Mr. President. There was tremendous cost to the United States and its coalition partners, not to mention the cost

to Israel, which was attacked in the atrocious fashion, with Scuds going into civilian populations without any military purpose.

In addition, there is the issue of what Japan is doing. I think their commitment at the present time is insufficient. As well, I think the German commitment is insufficient. When there are rumblings coming out of Germany that they are not going to honor their commitment, that is the predecessor of something more formal coming.

I think the comments made on the Senate floor do have a significant impact on the governments who hear what we Senators are saying, and there has been talk about trade sanctions against Japan, if they do not come forward, and there are concerns expressed as to what Germany is doing. Those other governments, and the Governments of Saudi Arabia and Kuwait, hear our expressions on this floor, as will King Hussein. King Hussein will be listening to what Senator NICKLES and Senator CHAFEE and the rest of us have to say, evaluating where this body is going to be at some point in the future.

I want to register, as loudly and as clearly as I can, my dissatisfaction with what the Gulf States, including Kuwait and Saudi Arabia, and Germany and Japan are doing by way of bearing the cost of the gulf war so that our own executive branch will know that Senators, and this Senator especially, are going to weigh very carefully the intensity with which we collect pledges of financial contributions to the war effort.

I thank the Chair and yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I want to briefly state what this debate is about and what it is not about. The issue before us is not who is most angered with King Hussein and the conduct of Jordan. The issue is: How best can we foster a permanent peace in the Middle East? That is the subject before us. We are all upset with King Hussein and the conduct of Jordan. That is a given. But now what can we do to foster a permanent peace in that area?

As I mentioned before, we all applauded when the President spoke to us. This is what he said when he spoke to us on March 6: "It is time to put an end to micromanagement of foreign and security assistance programs, micromanagement that humiliates our friends and allies and hamstrings our diplomacy." That is what the President of the United States said, and that is exactly what this amendment does today, Mr. President.

A little bit of review of what we are talking about, as far as the aid. The aid has been approved. Economic and military assistance aid has been approved. It is in the pipeline. But the President has put a hold on it. He has put a hold on the economic aid, and he has put a hold on the military aid. What he is saying is, do not interfere with his capability to release that aid, both economic and military assistance, should he feel it is necessary in order to advance a permanent peace in the area.

I do not think we ought to argue with that, and I do not think we have reason to argue with it. He, as I said, has undertaken this extremely difficult task, to try to forge a permanent peace out there, and he needs every tool we can give him.

So, Mr. President, I hope we will not hamstring our President and do just what he pleaded with us, if you will, not to do, to undertake micromanagement, which humiliates our friends and allies and hamstrings our diplomacy. So I hope this amendment will not prevail.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I think we all agree that the position King Hussein took, vis-a-vis Iraq, was wrong, against the general interests of the community and the area, and that it was a result of misjudgment, perhaps, on his part, or maybe good judgment that if he did not take that position, he would be thrown out by the majority of his subjects or citizens, who are Palestinians.

If he is thrown out would we be better off? I do not think we would. I think we would be better off with King Hussein there. We ought to look at his record of more than 30 years, which has been a pretty good record and a record of pretty steady friendship with the United States. We should think of all the times that we in this Chamber have hurled accolades at him and praised him over the years.

It reminds me a little bit of what Al Smith used to say. He said let us look at the record. The record on balance is, I think, pretty good. We have to judge here in the Senate what, on balance, would be best for our country and best for peace in the Middle East.

I think in moving to that conclusion we ought to weigh the past, and the history, as well as the present.

I am also reminded of the phrase of Jeane Kirkpatrick where she once, "Warned against policies that make you feel good but do not do good."

To my mind the policy advocated by this amendment would make us feel great but would not do much good. So viewing the whole thing on balance I am inclined to agree that we should honor the President's request and not agree to this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. NICKLES. 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. SYMMS. 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. SYMMS. Mr. President, I ask unanimous consent to speak as though in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Idaho is recognized.

Mr. SYMMS. I thank the Chair.

(The remarks of Mr. SYMMS pertaining to the introduction of S. 697 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER: The Senator from Idaho is recognized.

Mr. CRAIG. I thank the Chair.

(The remarks of Mr. CRAIG pertaining to the introduction of S. 698 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma with respect to Jordan is the pending amendment.

(Mr. AKAKA assumed the chair.)

Mr. DOLE. Mr. President, I want to speak not so much to the amendment, because I want to commend the Senator from Oklahoma for trying to resolve the problem that we face, but to speak for the President of the United States. I would like to at this point read a letter from President Bush. This letter is not signed. He had to rush out to greet Lech Walesa, but it will be signed. It is addressed to this Senator. I will read the letter.

I was heartened by your comments yesterday that now is not the time for Congress to micromanage the Administration's efforts to conduct post-war diplomacy in the Middle East, and specifically not the time to tie our hands on aid to Jordan.

As I emphasized yesterday, the Administration strongly opposes legislation which would prohibit U.S. assistance to Jordan. Like members of Congress, the Administration has been deeply disappointed by Jordan's support for Iraq during the recent crisis. We have made our concerns very clear to the Government of Jordan, and have suspended all aid while completing a review of our security assistance programs.

Nevertheless, we need to retain maximum flexibility in the historic task of helping to build a more secure and more peaceful Middle East on the basis of the international coalition's defeat of Iraqi aggression. Jordanian stability remains important to the region and to U.S. interests—and indeed to Israel's interests—and Jordan could play a significant role in post-war diplomacy, especially in the Arab-Israeli peace process.

We must not let our disappointment with Jordan's behavior during the Gulf crisis unnecessarily constrain our post-war diplomacy. We must try to focus on the possibilities for the future, not the disappointments of the past. The challenges in the path of se-

curing the peace are enormous, but so are the opportunities.

Mr. President, I cannot think of anyone who has not praised President Bush for his excellent leadership in holding together the coalition, in successfully completing the gulf crisis, in being decisive and being victorious. Some have said the reason he was so victorious is that Congress did not have time to get into it. The war was over before we could have a hearing or before we could pass some amendment, before we could tie the President's hands or tie General Schwarzkopf's hands, or tie somebody's else's hands. That may or may not be the case. I doubt it.

But the point is this: President Bush, I believe, has conducted himself quite well. Now we are engaged in this very sensitive, very tedious peace process. The Secretary of State has just returned from visiting, I believe, eight countries in 9 days. The President has been off visiting with other members of the coalition in Canada and Bermuda and some other place, Martinique.

What the President would like to do is have some flexibility. This is not a vote in my view against King Hussein. It is a vote against President Bush. If we do not like President Bush's leadership, if we think he has been unsuccessful or has not provided leadership in the gulf crisis, then we ought to tie his hands. There is no aid going to Jordan. Every one of us is disappointed with King Hussein, and I think everyone has spoken out that he should not get anything. I have. He is not getting anything.

I do not quarrel with those who want to make certain it would be very difficult for Jordan to receive any benefits. But this administration is not trying to make it easier for King Hussein or that country.

Let us face it. Jordan has a lot of problems, a lot of poor people and a lot of suffering people. We are very disappointed in what King Hussein said. We understand some of the political pressures he had. He was sort of in a no-win position. He rode the wrong horse. But, that race is over. We won. He lost.

Now in the postwar, the most difficult part has begun. I believe you could ask any of the allies who were disgusted with King Hussein—whether it is Saudi Arabia, or Kuwait, or Egypt, or the United States—and they would all say that, well, as bad as it was, and as much as we disliked what he said and what he did, that he is important in the peace process.

Now there ought to be some way to come together with the administration. I know the Senator from Oklahoma has tried. The administration declined to support what appeared to be a fairly reasonable compromise, because I believe the President sees this as an effort to micromanage his efforts for peace.

Now, if the peace process drags on 6 or 8 months, I can almost see some of my colleagues standing here who might vote for this today blaming President Bush for the slow pace of the peace process. We cannot have it both ways. We tried that on the gulf crisis.

I would just make a plea for the President of the United States. If he does something that we dislike, we can stop it very quickly. We can cut if off. We can terminate it. But let us at least let him get into the process without tying his hands.

I hope that my colleagues on both sides of the aisle would understand that President Bush is serious about peace. He is probably going to break a little china in the process in the Middle East. Not everybody is going to like what he does or what he says, including King Hussein of Jordan.

But if we are going to start trying to micromanage this country, what about other countries in the Mideast? What about the Palestinians? Maybe we ought to have something in there about them, or something about Israel, or something about Saudi Arabia, or something about Egypt that we do not like or disagree with.

So I hope that, particularly on this side of the aisle, we would see this as a vote to support President Bush. We have all proclaimed his brilliance and still do every day.

This letter is from the President, not from the Secretary of State. Let me double check that. He has not signed it yet, but he will. It is from the President of the United States. This is his request.

So I hope that we could withdraw the amendment. I have indicated to the President I will do the best I can to prevail. We may prevail. Because I think we want to show King Hussein that we are serious, and so does the administration.

How do we best demonstrate that? I met with the Ambassador to the United States from Jordan a couple of weeks ago. I told him he had a lot of work to do in the Congress. He better start making house calls, better start seeing Members in both parties, because we did not like what we saw or what we read that King Hussein had said, or the Crown Prince for that matter.

In my view I think there has been an effort to do that. I am not here advocating aid to Jordan. I am only advocating give President Bush a little time, a week, 2 weeks, 30 days. The war has not been over 2 weeks and we are already tying the President's hands. We cannot wait.

It seems to me that he has made a reasonable request. If he starts getting out of line, if the President of the United States starts funding military aid to Jordan—I assume most people would not object to humanitarian aid—then I think we can appropriately respond.

Mr. President, I hope this amendment could be defeated, or deleted, or withdrawn, or however you dispose of it. I would also add—and I know the distinguished chairman of the Appropriations Committee has done a great deal of work on this legislation. I am not threatening anything. I know there is a letter coming up here—oh, it is here. It is here. And I will go into it later. But this is just another burden on this bill.

My view was the administration was going to go along but I am now advised that the administration expressed strong reservations to many provisions that had been added to the bill.

Among our objections were such issues as: the prospect of sequester; the failure to support the recently-enacted approach to housing policy; the prohibition of helper rules for Federal construction projects; the unconstitutional formulation of the DC payment; the limitation of the ability to proceed with the Enterprise For The Americas initiative; the requirement of unnecessary and inefficient defense expenditures——

These are all discussed in the administration's statement of policy.

I would just say, this is a letter from Richard Darman, Director of the Office of Management and Budget. He said:

Unfortunately, the improvements we have been seeking have not yet been achieved. But worse, an objectionable dairy amendment has been adopted by the Senate; an ill-advised amendment of Jordan is pending at this moment, and there is evident interest in Congressional micro-management of foreign policy. May I respectfully note that there should be no doubt: The accumulation of undesirable provisions very seriously risks causing the President's senior advisers to recommend veto.

That is not a threat because I know the distinguished executive director of OMB works very closely with the chairman of this committee and with the ranking Republican, Senator HATFIELD. But I would suggest this is just one more, as I indicated, burden we are adding to this bill that many of us would like to complete before the recess, the so-called Easter recess, begins.

So, Mr. President, again I urge my colleagues to support President Bush. This is an opportunity for some who failed in the past to support him today. This is part of the gulf policy. This is an extension of the gulf policy which has been very successful.

To my colleagues on this side of the aisle, again I commend them for trying to raise the objections. It may not make any difference what the President says. But my view is, it should.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise today to join the Senator from Oklahoma [Mr. NICKLES] in offering an amendment to cut the aid to Jordan for fiscal year 1991 in the dire emergency supplemental.

The distinguished Republican leader has pointed out that micromanagement seems to be always used when we attempt to do something that the administration does not want. Imagine if we had micromanaged a little bit more in some of our aid and assistance to Iraq? I think we failed, quite frankly, in not doing more micromanaging, if you want to call it that, but in standing up to that country. We all paid a price for that.

So it seems to me the argument that any restrictions that we put on in any legislation that does not just suit the administration is thrown up as something improper, that you are going against the President, who has been very successful and he has received those accolades, and correctly so, from the Congress and from the American people—and I applaud him. But it does not mean that he is always right, or is the Secretary of State, to continue aid to Jordan under the circumstances that I will go into in a moment which seems a bit shortsighted and, to me, not in the best interests of peace in the Middle East or in the best interests of the United States.

This amendment is simple, Mr. President. It prohibits all aid from being obligated or expended for Jordan. Instead, this assistance would be available to countries which have supported the United States and the coalition policies in that area. The amendment does allow provisions of emergency refugee assistance and does not affect food donations under Public Law 480.

The Agency for International Development, known as AID, estimates the United States plans to obligate $66.15 million in economic support funds and $22.8 million in foreign military financing in international military education and training funds for Jordan in fiscal year 1991.

I wonder how many people realize those kinds of dollars: $88 million in funds to Jordan. The ESF level is as high as it is because it includes $31.15 million of carryover funds from 1990. It is this assistance which would be affected by the amendment offered by the Senator from Oklahoma, and this Senator.

A recent AID document on assistance to Jordan states that:

> Despite Jordan's halting implementation of United Nations Security Council sanctions during the Persian Gulf crisis, the primary U.S. goal remains to help sustain a stable, moderate government committed to peaceful solutions of regional issues.

By openly embracing Saddam Hussein, a man who committed unspeakable atrocities against the people of Kuwait and his own people, King Hussein of Jordan showed the world that he is not interested in "a peaceful solution."

As my colleagues well now, during the 7 long, difficult months of the gulf conflict, King Hussein of Jordan tried to have it both ways. He pretended that he was adhering to the United Nations embargo prohibiting goods from entering Iraq so he would no longer anger the international coalition gathered against Saddam. He also placated Saddam by shipping oil into Iraq—that is undisputed—so that Saddam could maintain his war machine against other nations that caused no aggravation to him or aggression against his own people.

The end result is that King Hussein achieved neither of his goals. He violated the economic embargo against Iraq and he backed a loser. He also lost respect in the eyes of many nations around the world.

Violating the embargo is significant in and of itself. Under the Lautenberg amendment, the amendment of the Senator from New Jersey, to the foreign operations appropriations bill, adopted by this body last fall, no assistance may be provided to any country which is found to have violated the economic embargo.

The State Department has yet to officially state that Jordan violated that embargo. It has yet to terminate the assistance which was planned for Jordan this year.

It was only after King Hussein's violently anti-American, anti-coalition, pro-Saddam Hussein speech on February 6, that the State Department was finally prodded into reviewing aid to Jordan.

It has been more than 5 weeks since that speech in which the King claimed that the coalition was attempting to establish foreign hegemony in the Middle East. The truth is that we are bringing home nearly 5,000 American soldiers every day.

Clearly, we have no desire to establish domination over any country in the Middle East. Yet the State Department refuses to terminate that assistance.

The argument is made that you want to give flexibility to the administration. The flexibility we are asking to be given to the administration is that they can give this $20 million to the King for his army whenever some peace is made. So we are handing it over, saying go ahead and deal with it, offer it out as a carrot to the King. I think that is wrong.

King Hussein's comments were more than just heated rhetoric. He criticized the "savage and large-scale war against brotherly Iraq." He stated that the international coalition's "true aim behind this devastating war * * * is to devastate Iraq * * * to destroy all achievements of Iraq and return it to primitive life."

This is not someone who happens to criticize U.S. foreign policy who is a citizen of the United States. This is the head of state of one of the countries that supposedly supports the effort against Saddam Hussein.

He called it a war "against all Arabs and all Moslems and not against Iraq alone."

The King knows better. This was not against all Arabs. This was a number of Arab nations and people joining in stopping naked aggression.

Hussein tried to link the Israeli-Palestinian issue to the gulf war when he stated that:

> The Palestinian Arab people and their nation wait for the implementation of one of the U.N. resolutions that reject the Israeli occupation and demand its termination.

He went on later in his speech to warn that:

> If matters stay on their current course, the only beneficiary will be those who covet our land and wealth, chief of whom is Israel.

Israel was not even a party to this conflict. It stood by and took hit after hit from Scud missiles—39 of them—from the Iraqi military and showed outstanding restraint in withholding any retaliation. It was not part of the coalition against Hussein, and yet the King of Jordan says this is an Israeli issue. There is no linkage here. In a statement on the floor on March 12, I rejected King Hussein's attempt to do the same. Finally, the King lamented that "there are now attempts to deprive us of our basic needs—even oil—as a new form of punishment, and one of the most severe, for no other reason than our principled stand."

And if this were not enough, Jordan's "principled stand" may also have included shipping arms to Iraq. We all witnessed CNN. I was just at the gulf, and there is ample evidence to lead one to believe that the ammunition recovered by our forces very likely came from Jordan. It is printed on the boxes. We saw it. We cannot tell for certain whether or not it came before the embargo or after, but there is a lot of it there.

I think CNN's film footage of ammunition and weapons found inside Iraqi bunkers with markings indicating that they were from Jordan is very clear evidence of what this country was doing in support of Saddam Hussein.

The possibility that Jordan, a nation to which we have provided military assistance for years, may have shipped weapons to a country at war with our own is reason enough for the termination of any aid to Jordan. Our brave men and women were fighting and dying and prepared to die in the desert while "a friend" was supplying military lethal assistance to the enemy.

I do not think the American public wants our Government to even have the capability of contributing money to the military of Jordan without coming here to the Congress and debating it and seeing what kind of change that country might really make.

Jordan claims the weapons were provided to Iraq during the Iran-Iraq war. We must uncover the truth about the situation. In the meantime, however,

Jordan has lost any rights, in my opinion, to have foreign assistance from the United States.

Also, Jordan's technicians reportedly helped train Iraqi soldiers to use United States-made Hawk missile batteries which we had sold to Kuwait and which Iraq had captured. This is another issue for another day: the proliferation of the sophisticated technical weapons that this Nation and other nations have continued to sell to Arab countries and then they turn around and use them against us. These weapons also could have been used against American forces.

The United States has had a long history of involvement with Jordan. Let me state I fully understand the difficult position in which King Hussein found himself during the war. When wars come, nobody is comfortable. There have been times when we felt that King Hussein could have played a pivotal role in the Israeli-Palestinian issue. After all, the vast majority of the Jordanian population is Palestinians. Many of its people demonstrated in support of Saddam and cheered as Iraq Scud missiles fell on civilian populations in Israel and Saudi Arabia.

But there comes a time when we must review old alliances in the bright of day, in a new day, in the day we are in now. For instance, in 1989, Jordan voted against the United States on 12 out of 16 key votes in the United Nations. We let that go. Egypt, however, voted with the United States twice as many times, and Turkey voted twice as many times as did Egypt. So we knew who our friends were, and, unfortunately, they were not Jordan.

The war in the Persian Gulf has brought us to a new day. This time of crisis has clarified who are truly friends who want peace, who are prepared to stand up to aggressors like Iraq. Sadly, Jordan is not among those nations.

For us to continue, even economic aid, except for emergency aid, but certainly military aid, is really out of sort and out of principle with what this Nation has done in the Middle East. We have saved a country. Having just been there, the people are grateful to the United States and they thank the Congress of the United States, as well as the people and President Bush and, of course, the military personnel, for standing and using that power and the willpower to extract the Iraqi military from Kuwait. Yet, we are here asking not to speak up, not to prohibit the transfer of military aid to Jordan.

It is hard to believe this is even debated. The President's caution of micromanaging is always the argument, it seems like. Maybe the American people do not want their tax dollars now to go to a nation that supplied aid and assistance and spoke out forcefully in support of Iraq and Saddam Hussein.

I want to thank the chairman of the Appropriations Committee for allowing me to have a little time this morning. I know he was pressed for time—and I was in some hearings—and he put in some quorum calls. I am most grateful that he could make that arrangement.

I understand, Mr. President, that Senator NICKLES does want to speak briefly before we go to a vote.

Mr. BYRD. Has the Senator yielded the floor?

Mr. DECONCINI. I yield the floor.

Mr. BYRD. I thank the distinguished Senator. I had been well aware of his need to be at another location on the Hill and naturally an important hearing.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, we have had now an hour and a half debate on this amendment, good debate, and we do have to get on with action on this bill if we want to get to conference today and have any hope whatsoever. So I am going to ask unanimous consent that there be 10 minutes for debate to be equally divided between Mr. DECONCINI and the minority leader or his designee, at the conclusion of which a vote occur on or in relation to the amendment.

Mr. DECONCINI. Mr. President, reserving the right to object. I have not heard from Senator NICKLES. Maybe the Republican leader has.

The PRESIDING OFFICER. Is there an objection to the unanimous-consent request? Without objection, it is so ordered.

Mr. BYRD. I thank all Senators.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, will the President yield me 1 minute?

Mr. DECONCINI. I will be glad to yield.

Mr. LEAHY. Mr. President, I am concerned about the letter that came up in the last few minutes from Mr. Darman with a veto threat on the appropriations because of this Jordan amendment. It complains that this is congressional interference in foreign aid. I understand the thinking that goes into people like Boyden Gray and others who engineer such a letter, but I hope they are paying attention to what has happened. I hope they understand what this amendment is. A lot of work went into it last night to give the President of the United States the flexibility the letter says he wants, and I support that flexibility. But they have to understand we are not going to approve $15 billion in foreign aid every year as a lump sum with no strings attached whatsoever.

We could never pass such a bill. The American people would not allow us to pass such a bill. There always will be some restrictions on who gets our aid and how it can be used. We have few of them in this Jordan amendment. But I can tell you right now, the American people do not expect us to just send our money to Jordan without putting some statement of how the American people, the American taxpayers, want their money spent.

That is what this amendment does. It allows the President to send our economic and military aid, if he wants, after the normal notification. It has no restrictions on humanitarian or food aid. But it makes very clear our displeasure in the actions of Jordan.

Mr. President, I would also note that some have incorrectly said we appropriated military aid to Jordan last fall. We did not. The President used his authority to allocate $20 million in military aid in the annual foreign aid allocation report. We received that report on January 26, 10 days after the gulf war started—and he provided $20 million in military aid to Jordan. Congress did not do it.

So, I think this is a good amendment. It is a lot better than it started out. It gives the President a great deal of flexibility, and I think the Senate ought to support the amendment.

I am one of the few here who has argued to give the President more flexibility on foreign aid. In fact, I argued giving him a contingency fund in the last foreign aid bill, and we would have had that if his own administration had not forgotten to provide for it in the budget summit agreement. So I am in favor of that. But this amendment is a good one, and it gives the President flexibility.

Now, maybe lawyers somewhere, in crossing the T's and dotting the I's, not having to be dealing with the realities of the world, think it is not enough flexibility. The fact is it is considerably more than the actions of Jordan would merit. It reflects a lot more faith in President Bush than it does in Jordan, and only because of that is this flexibility going through.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. I just reiterate, as far as I know, Jordan is not getting any aid now. I am not certain they will get any aid. I am suggesting that we ought to let the President make that decision. He has done a pretty good job without Congress in the past 30 to 60 days. I can play back a lot of the statements of my colleagues who supported President Bush.

I think there has been a good-faith effort to try to work out some language. But the President does not like it. He does not want to be hamstrung. He does not want to be micromanaged. He would like to have at least 30 days' grace after the successful conclusion of the war that many fought him on.

I think the American people support President Bush. If we micromanaged

the gulf like we are trying to micromanage the postwar, we would not have deployed one person to the gulf by now.

Here comes Congress trying to get in after the fact. My view is we tried, we tried to work it out. I thought it was a reasonable effort. I commend all parties on both sides.

But the President of the United States says: Do not do it to me. He is not giving any aid to Jordan. He is just as disappointed in King Hussein as everybody here. But as I said, you ask any one of our allies: Do you think King Hussein is going to be a player in the peace process, if you are going to have peace in the Middle East, they say yes. They do not like it either. They are disappointed.

But the President of the United States is dealing with heads of state, and if he does something on military aid or economic aid to Jordan we do not like, we will cut it off in a minute; no doubt about it. I am just saying it is probably not going to get many votes; right now the President of the United States is supported by 90 percent of the people, and probably about 20 percent of the Congress, on this vote, which says a lot for people and not much for Congress.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, just so there will not be confusion on this, there is aid going to Jordan today, and the amendment by Senator NICKLES and Senator DECONCINI allows the aid to continue to go to Jordan. It is aid supported by the administration. It is humanitarian aid.

I completely concur—in fact I think the President should take note on this—that the President's handling of the question of aid to Jordan is absolutely right. That is why I opposed the earlier proposal to cut off all aid and tie his hands. That is why I support this, which gives him the flexibility.

But just so everybody will understand, there is aid going to Jordan today, humanitarian aid. I support that. The President has held back economic and military aid, and I certainly support him on that.

The PRESIDING OFFICER. Who yields time?

Mr. DECONCINI. How much time does the Senator from Arizona and the Senator from Oklahoma have remaining?

The PRESIDING OFFICER. One minute and 50 seconds.

Mr. DECONCINI. I yield whatever time the Senator from Oklahoma will use. It really is his time.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I thank my friend and colleague from Arizona, and also I appreciate his remarks.

Mr. President, I want to be very clear. My original amendment would strike all aid, including all that is in the pipeline. We were actually striking about $300 million in military and economic assistance to Jordan. The administration indicated some opposition to that. So we reframed our amendment not to affect aid that is already in the pipeline; we will just do it for the aid in 1991. The President's advisers asked for some flexibility; and not to tie the President's hands.

I happen to be a very stong supporter of George Bush. I think he has done an outstanding job in his conduct of Persian Gulf affairs, as well as in foreign policy, as well as in domestic policy. I think he has done an outstanding job.

I also happen to be a member of the Foreign Operations Subcommittee that appropriates money. We appropriated money last year, $20 million for Jordan military aid. I think that was a mistake. I became very convinced that it was a mistake a few days ago when I was in Iraq and I saw boxes containing weapons that came from Jordan. I thought, why in the world are we giving Jordan military aid? So I became convinced we needed to stop it.

Many have said, well, do not tie the President's hands. I do not believe we have. We have given the President discretion on both economic and military assistance. On economic, he can come back to Congress and basically, if he just says Jordan is making positive steps to advance the peace process, release the economic assistance. We have given him flexibility. So if he wants to give economic assistance, he can do so if Jordan is helping to make contributions in the peace process.

Mr. President, I ask unanimous consent for 1 additional minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NICKLES. Mr. President, we have also given the President—I will tell my colleagues, I did not want to do that, but I also say I respect the President, I respect his advisers. They said, give us some discretion on military aid—$20 million in 1990 in military aid. They said, give us some flexibility on that, as you have in economic.

So what we put in was language, which at one time was what we thought was agreed upon, that would give the President discretion on military aid. He can give Jordan the $20 million. He does have to go through the congressional notification process. They have done that for years, and it has been several years since they have been denied the reprogramming.

So I think we have given him flexibility, both on military and economic. We have not tied the President's hands. That is certainly not this Senator's intention nor desire. But we also eliminated the earmark, and that is something the President wants us to do. He wants us to eliminate the earmark so we do not have to spend the economic military economic money if the President desires not to.

It is important for us to eliminate the earmark. If we do not, he is obliged to spend this money. I think we have helped in that regard. I think it is a good amendment. I urge my colleagues to adopt it.

Mr. DURENBERGER. Mr. President, Jordan's role in the gulf war has clearly provoked a great deal of sentiment, even resentment. Jordan's initial neutrality in the crisis caused considerable disappointment and dismay, much of which I shared. The move toward outward support for Iraq aroused even greater concern.

I am particularly disappointed by Jordan's alignment with Iraq. For all King Hussein's best intentions to foster a peaceful solution to the crisis, I do not believe the position adopted by Jordan was especially helpful in bringing about such a solution. The King made the wrong decision, and I am sorry that he did.

Mr. President, notwithstanding this disappointment, I rise to oppose the amendment offered by my good friend from Oklahoma. President Bush has already suspended the aid, and the administration has made this country's opposition to Jordan's policies very clear to King Hussein. The administration has already sent the signal to Jordan.

It does not appear to this Senator that additional congressional action on this matter is required or warranted. In fact, it could well be very detrimental to our long-term interests. The President requires more flexibility, not less. He needs cooperation, not confrontation.

In recent decades, Jordan has played a key role in the Middle East, and I expect that that will continue in the future. Jordan has the potential to play a very constructive and supportive role in the search for Middle East peace. Ostracizing Jordan with punitive measures of this sort can only hinder the peace process.

It creates fissures where we need bridges. It creates resentment where we need good will and cooperation.

It is essential that we balance all factors—past, current, and future—when considering our future policy and aid structure for Jordan. U.S. interests are best served by maintaining a long-term perspective on how to achieve our objectives and safeguard our interests.

Cutting off aid to Jordan in this manner may satisfy the immediate desire to punish Jordan—and let there be no doubt that this is a punitive measure—but we must take the long-term view.

Does cutting off Jordan promote a peaceful settlement to Middle East regional conflicts? Does it increase the administration's flexibility to pursue evolving developments in a very dynamic environment? Does cutting off

Jordan foster a positive relationship with a key actor in a vitally important region?

Mr. President, the answer to each of these questions is obviously "no." I urge my colleagues to consider the longer-term perspective. I urge my colleagues to resist the temptation to take punitive actions because we're angry. That is not the way to make public policy.

Mr. President, I will vote against this measure, and I urge my colleagues to do the same. I yield the floor.

Mr. LAUTENBERG. Mr. President, I will vote in favor of this amendment.

This amendment is in response to the Government of Jordan's behavior during the gulf conflict. It is an expression of our deep disappointment with King Hussein's support for Saddam Hussein. It is also an expression of our hope that King Hussein will play a more constructive role in the region in the coming months and will play a positive role in the peace process.

King Hussein provided support and comfort to Saddam Hussein during the war and criticized the United States effort. In a passionate speech in Amman, Jordan on February 6, King Hussein accused the Allied coalition of exceeding the limits set by the United Nations resolution and of trying to destroy Iraq. President Bush characterized the King's condemnation of the United States-led war effort to oust Iraq from Kuwait as support of Saddam Hussein.

King Hussein's speech essentially supported Saddam Hussein's efforts to inflame Arab public opinion. It was aimed at splitting the Arab coalition supporting the United States.

Mr. President, this amendment is in line with a provision I sponsored to the fiscal year 1991 Foreign Aid Appropriations Act which bars military and economic aid to any country in violation of the U.N. Security Council sanctions. According to section 586(d) of the fiscal year 1991 Foreign Aid Appropriations Act, aid cannot be provided to a country that violates the U.N. sanctions unless the President certifies to Congress that the aid: First, is in the national interest; second, will directly benefit needy people in the country; or third, will be used to provide humanitarian assistance to refugees in that country.

Secretary Baker stated to the House Foreign Affairs Committee on February 6 that King Hussein of Jordan was violating the embargo by importing Iraqi oil. Referring to the oil imports, Secretary Baker said,

It is our view that * * * the delivery of this oil does violate the U.N. prohibition * * * does violate the sanctions embargo.* * *

Under this amendment, funding that was set aside for military assistance for Jordan in fiscal year 1991 but which has not yet been spent would no longer be available. The administration could submit a reprogramming request to the Appropriations and Foreign Relations and Foreign Affairs Committees for the military funding for Jordan to be available again. So, it provides the administration with flexibility in dealing with Jordan, but also lets King Hussein know of our disappointment in his position during the gulf war.

Economic aid that was appropriated for this year but has not yet been spent would no longer be available to Jordan unless the President certifies to Congress that the Government of Jordan has taken steps to advance the Middle East peace process. Perhaps this will increase the incentive for Jordan to take steps toward the recognition of Israel.

The amendment covers only funds appropriated in fiscal year 1991. It does not speak to the administration's request for fiscal year 1992.

There are a few exemptions under the amendment. Assistance for refugees in Jordan would still be available. So would educational assistance for Jordanian students studying overseas.

Mr. President, this amendment upholds U.S. law and the U.N. sanctions. It provides the administration with flexibility. It is a sign of our disappointment that the Government of Jordan sided with Saddam Hussein. It also includes provisions to encourage King Hussein to participate constructively in the peace process.

Mr. SIMPSON. Mr. President, I would like to add my perspective on this issue. No one should doubt that King Hussein and Jordan took some very deeply disappointing actions during the gulf war, and in the months leading up to it. Jordan was admittedly in a very difficult position, but that does not justify or excuse the lack of support for the international coalition, the United Nations, or the rule of law.

The President has adequately expressed the dismay and disgust of the American people and Congress in suspending the aid authorized for Jordan for this year. That action was entirely appropriate, and I fully support it.

However, now we have a case of Congress trying to put its finger firmly into the pie. The President has handled this entire crisis with the utmost skill, demonstrating to all of us his understanding and mastery of diplomacy. No one can doubt the effectiveness of his actions.

The President must continue to have the flexibility to deal with the issue of aid to Jordan in the full context of the search for peace in the Middle East. Jordan is a part of the larger picture, and Congress must not lock the President into policies that hamper his ability to respond appropriately to changing circumstances in the region.

King Hussein does face his own difficult domestic situation. I do not condone the actions he has taken, but one factor which the President must take into account is what might happen if his Government were to be brought down. Likewise, King Hussein is likely to be an important factor in the search for peace in the region.

The President must not be hindered in his ability to act responsibly and flexibly, as he has so clearly demonstrated he will do.

Mr. DOLE. Mr. President, I will move to table the amendment in just a moment. I agree with the Senator from Vermont there is humanitarian aid. There is no question about that. Economic and military, none of that is going to Jordan.

Again, I do not quarrel with my colleagues, also, who are really frustrated with King Hussein. I think I said on one of the talk shows that he should not get any aid. He is not getting any aid except for humanitarian aid. I get it from good authority the Red Cross may put some aid into Jordan. They have some problems. So there will be humanitarian aid to the people.

But again, notwithstanding all that, I think there are diligent efforts, sincere efforts on both sides to reconcile this.

The letter I received was from President Bush, not somebody else in the bureaucracy; not even anybody at the State Department. It was from the President, the President of the United States, who I think has the support of 85 or 90 percent of the American people for what he has done and what he is doing. I believe we ought to at least get half the Senate to support him. If we do not, this will just be another reason to veto this bill.

As I indicated, the letter that I have just received, which I will have made a part of the RECORD at this point, is from the Director of the Office of Management and Budget, Mr. Darman.

I move to table the amendment and ask for the yeas and nays.

Mr. PRESIDING OFFICER. Is there a sufficient second?

Mr. DOLE. I yield back any remaining time.

Mr. PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent to speak for 30 seconds.

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

AMENDMENTS NUMBERED 54, 55, AND 56

Mr. BYRD. Mr. President, I have a number of amendments to the VA–HUD supplemental. All of them have been cleared on both sides, and they have no budgetary impact.

First, three technical drafting changes to HUD provisions in the committee-approved bill; and

Second, two amendments that make technical corrections to last year's housing authorization bill:

One would clarify Congress' intent to continue the Supplemental Assistance for Facilities to Assist the Homeless [SAFAH] Program in fiscal 1991.

The other clarifies the effective date for new regulations governing mortgage servicing transfer rights.

I ask unanimous consent that the amendments be considered, agreed to en bloc, and that the motion to reconsider be laid on the table.

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

The amendments (numbered 54, 55, and 56) considered and agreed to en bloc are as follows:

AMENDMENT NO. 54

Technical corrections to VA-HUD chapter of title II on page 39, strike lines 9 thru 13, and insert the following:

Funds appropriated under this head in Public Law 101-507, 104 Stat. 1362, and all unobligated balances of prior year appropriations under such head, shall be made available for the revised Congregate Housing Services Program under section 802 of the Cranston-Gonzalez National Affordable Housing Act and shall remain available until expended.

On page 41, line 8, strike "said" and insert "such"

On page 41, strike lines 13 thru 22, and insert:

"Section 17(f) of the United States Housing Act of 1937 (42 U.S.C. 1437o(f), as amended by Public Law 101-507 (104 Stat. 1369) is further amended by striking 'or City of West Hollywood, California' and by inserting at the end thereof, the following new sentence: 'This subsection shall also not apply to requirements relating to rents imposed on a structure by the City of West Hollywood, California.'. Section 17(f) as amended by the immediate foregoing amendment shall apply retroactively to any structure assisted with section 17 rental rehabilitation funds in the city of West Hollywood, California."

AMENDMENT NO. 55

(Purpose: To repeal a transition rule)

At the appropriate place, insert the following:

SEC. . ADMINISTRATIVE PROVISION.

Section 837 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11403 note) is amended by striking subsection (c).

AMENDMENT NO. 56

At the end of Title III add the following new section:

SEC. . (a) Section 6 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605) is amended by adding at the end the following new subsection:

"(j) TRANSITION.—

"(1) ORIGINATOR LIABILITY.—A person who makes a federally related mortgage loan shall not be liable to a borrower because of a failure of such person to comply with subsection (a) with respect to an application for a loan made by the borrower before the regulations referred to in paragraph (3) take effect.

"(2) SERVICER LIABILITY.—A servicer of a federally related mortgage loan shall not be liable to a borrower because of a failure of the servicer to perform any duty under subsection (b), (c), (d), or (e) that arises before the regulations referred to in paragraph (3) take effect.

"(3) REGULATIONS AND EFFECTIVE DATE.—The Secretary shall, by regulations that shall take effect not later than August 21, 1991, establish any requirements necessary to carry out this section. Such regulations shall include the model disclosure statement required under subsection (a)(2).".

(b) Section 16 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2614) is amended by striking "section 8 or 9" and inserting "section 6, 8, or 9".

AMENDMENT NO. 53

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Oklahoma. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The PRESIDING OFFICER (Mr. BRYAN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 43, nays 57, as follows:

[Rollcall Vote No. 36 Leg.]

YEAS—43

Bingaman	Garn	Pell
Bond	Gore	Robb
Burns	Gorton	Roth
Byrd	Hatch	Rudman
Chafee	Hatfield	Sanford
Cochran	Heflin	Simpson
Cohen	Heinz	Specter
Craig	Jeffords	Stevens
Cranston	Kassebaum	Symms
Danforth	Kerrey	Thurmond
Dole	Lugar	Wallop
Domenici	McConnell	Warner
Durenberger	Mitchell	Wirth
Exon	Nunn	
Fowler	Packwood	

NAYS—57

Adams	Ford	Mack
Akaka	Glenn	McCain
Baucus	Graham	Metzenbaum
Bentsen	Gramm	Mikulski
Biden	Grassley	Moynihan
Boren	Harkin	Murkowski
Bradley	Helms	Nickles
Breaux	Hollings	Pressler
Brown	Inouye	Pryor
Bryan	Johnston	Reid
Bumpers	Kasten	Riegle
Burdick	Kennedy	Rockefeller
Coats	Kerry	Sarbanes
Conrad	Kohl	Sasser
D'Amato	Lautenberg	Seymour
Daschle	Leahy	Shelby
DeConcini	Levin	Simon
Dixon	Lieberman	Smith
Dodd	Lott	Wellstone

So, the motion to lay on the table was rejected.

The PRESIDING OFFICER. The Chair will inform Senators that all time for debate has expired.

The underlying question, the amendment itself, is now the pending question. The yeas and nays have not been ordered.

The question is on agreeing to the amendment.

The amendment (No. 53) was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. BYRD] has the floor.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. GRAHAM has an amendment which I understand is acceptable on both sides of the aisle, and it should take very brief time for the Senate to act on it.

There are other amendments: An amendment by Mr. COATS, an amendment by Mr. HELMS, an amendment by Mr. BOND, an amendment by Mr. LEAHY, and an amendment by Mr. DOMENICI.

I hope that we can have a volunteer who will be willing to rise in his place now and indicate that he would be ready to call up an amendment following Mr. GRAHAM'S amendment.

May I inquire from Senators who are listening as to whether or not they are willing to call up their amendments. May I ask my friend, Mr. HELMS, would he be ready to go? Or Mr. LEAHY, or Mr. BAUCUS?

Mr. President, I have not gotten any responses from Senators as to their willingness to call up amendments following Mr. GRAHAM. I hope that, while his amendment is pending, we can generate some interest in calling up amendments.

I yield the floor.

AMENDMENT NO. 57

Mr. GRAHAM. Mr. President, on behalf of myself, Mr. LAUTENBERG, Mr. MCCAIN, Mr. KASTEN, Mr. DECONCINI, and Mr. LEVIN, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mr. LAUTENBERG, Mr. MCCAIN, Mr. KASTEN, Mr. DECONCINI, and Mr. LEVIN, proposes an amendment numbered 57.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

The successful conclusion of the war in the Persian Gulf provides an opportunity to begin building a lasting peace in the Mideast;

A crucial element of peace in this unstable region is the willingness of Arab states to negotiate with Israel, recognizing her right to live in peace;

The United States should continue to urge Arab states to negotiate peace with the State of Israel;

One of those Arab states, Syria, continues to undermine goodwill and peace in the region by depriving the 4,000 Jews living in Syria the right to emigrate;

Syrian Jews continue to live in a climate of fear and insecurity, still denied fundamental civil and human rights;

A Jew living in Syria, in order to travel, must leave a large sum of money and members of his immediate family as insurance for his return;

Jews suspected of having traveled "illegally" or even of planning to do so have been arrested, interrogated, and subjected to lengthy imprisonment;

Syrian President Hafez Assad continues to deny the basic right of free emigration, a

violation of the Universal Declaration of Human Rights to which Syria is a signatory: Now, therefore, be it

The sense of the Senate, that the Senate

(1) Condemns the Government of Syria for continuing the denial of the basic human right of free emigration;

(2) Calls upon the government of Syria—

(A) To allow all Syrian Jews to emigrate freely,

(B) To release from prison Jews suspected of having traveled illegally or of planning to do so;

(3) Urges the administration to continue to make known to Syrian authorities the important role that human rights in the Jewish community, especially the right to emigrate, will play in determining future policy toward Syria.

Mr. GRAHAM. Mr. President, I offer this amendment in the form of a sense-of-the-Senate resolution. It calls upon the Government of Syria to allow all Syrian Jews to emigrate freely, to release from prison Jews suspected of having traveled illegally or planning to do so, urges the administration to continue to make known to Syrian authorities the important role human rights will play in our future negotiations for peace in the Middle East.

Mr. President, the successful end of the Persian Gulf crisis marks a new beginning in our efforts to bring peace to the Mideast.

The United States played the decisive role in winning the war. We must now play the decisive role in winning the peace.

We must take full advantage of our diplomatic opportunities. First, we should urge the Arab States to make peace with Israel. Israel is ready. But it takes two to negotiate.

Mr. President, I am concerned with the apparent impetus to place other issues—issues such as relations with the Palestinian Liberation Organization, the future of the role of Palestinians within Israel—to place these issues in a priority ahead of pursuing a whole array of binational negotiations on longstanding issues between Israel and Arab States.

Mr. President, we should encourage Arab States to begin at least taking confidence-building steps that will signal their commitment to peace.

Syria will be a key player in the process. In the confidence building category, we should urge the Syrians to finally resolve the issue of Jewish emigration.

Mr. President, I am introducing a resolution that calls on Syria to do just that.

Syria continues to deny the basic human right of emigration to Syria's 4,000 Jews. This constitutes a direct violation of the Universal Declaration of Human Rights to which Syria is a signatory.

Jews suspected of having traveled illegally or even of planning to do so have been arrested, interrogated, and subjected to lengthy imprisonment.

The Syrian secret police—the Mukhabarat—engages in 24-hour-a-day surveillance of the Jewish quarter and keeps a file on every Jewish person. The Mukhabarat monitors all contacts between Jews and foreigners. Mail is read and phone conversations are wiretapped.

As a means of reducing the financial liquidity of all Syrian Jews, and thereby, their mobility, Mukhabarat approval is required for the purchase and sale of property by Jews in Syria.

The religious and lay leaders of the Jewish communities must report regularly to the Mukhabarat.

Mr. President, we must convince the Syrians that we are deadly serious about this basic human rights violation, and we must continue to urge the administration to make known to Syrian authorities the important role that human rights in the Jewish community, especially the right to emigrate, will play in determining future policy toward Syria.

I urge my colleagues to send this important message by supporting this resolution.

Mr. SIMON. Mr. President, I ask unanimous consent that I be listed as a cosponsor.

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

Mr. SIMON. Mr. President, I have had the opportunity to visit the Jewish ghetto in Damascus—and that is what it is, it is like the ghettos were 200 years ago in other cities around the world. It is an unbelievable situation. I think any pressure we can put on Syria to adopt a more enlightened policy is a constructive thing.

Let me add one other thing where the President pro tempore may differ with me. But we have just gone through the process again where you are begging people for amendments. In the House, if you do not have any amendments, you move immediately to final passage. I am not suggesting that we can adopt precisely that but if, after an interim period of maybe 15 or 30 minutes, we do not have amendments prepared, then it seems to me, unless there is unanimous consent to the contrary, we ought to move to final passage. We waste just an incredible amount of time around here in quorum calls. We will be in a quorum call from 2 to 4 in the afternoon or something and then we will be in session tonight passing a bill. I think a modification of the House rule is a desirable thing.

I sympathize with the immediacy the President pro tempore is faced with. I know Senator BYRD likes these very distinctive Senate rules and probably disagrees with me on that. But Senator BYRD retains the right to be wrong once in a while.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. BYRD] is recognized.

Mr. BYRD. Mr. President, the distinguished Senator from Illinois is overly charitable. The Senator from West Virginia is often wrong, but not about the Senate rules.

Mr. President, the two sides are ready to accept the amendment by Mr. GRAHAM.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 57) was agreed to.

Mr. GRAHAM. Thank you, Mr. President.

Mr. BYRD. Mr. President, patience is a virtue. I suppose that is about the only virtue I have. But the motion that the Senator has suggested, the distinguished Senator from Illinois has suggested, is an appealing one on its surface, and I am tempted to move to third reading just to demonstrate how unwise that motion would be right at this point.

I am not saying that there might not come a time that I would move to third reading. I think the last time we moved to third reading was on a motion of mine several years ago when I moved to third reading and I think that was the first time in many, many years that that motion had ever been made here in the Senate.

But if I were to move to third reading, for example, right now, I would catch 10 Senators away from the Hill. They have gone down to the White House and they will not be back until 20 minutes after 1.

So, I have to consider the situation in which our colleagues are currently found. So if I were to move now to go to third reading, those Senators would miss a vote or they would be called back to the Hill. There are situations in which Senators are unavoidably delayed in getting to the floor.

I do not think the Senate rules are our problem, basically. The problem here is the campaign financing situation in which Senators have to be kept away from the Senate—and also it would hold true with the House—kept away from the Senate, from their committee work, from the floor work, from being with their families, but they have to engage in the mad money chasing all around the country to raise funds in order to stay in public service.

That is not the worst part of it. We are in hock to these special interest groups. We are slaves to some of the lobbying groups. I do not have to name names, but I could. There are certain lobbying groups in this country that wield an influence over this Senate greatly out of proportion to the numbers that they represent. That is the problem with the Senate.

I will be happy to yield.

Mr. SIMON. If the Senator will yield, I agree with him completely on the campaign finance reform. We are corroding our system with the present

process, and I applaud the Senator's leadership.

Let me just add, in this so-called Keating 5, if we would vote capital punishment for all five but do nothing to change the system, we will have done absolutely nothing for the public.

So I agree with the Senator completely on that. I would differ, with all due respect, on the matter. I think the Senate rules could be modified, and we could improve the situation around here. So I would differ with my distinguished friend from West Virginia on that.

Mr. BYRD. Mr. President, all things—not all things, but I suppose most things could be improved. I do not think we could improve on the Bible. I do not think we could improve on Shakespeare.

Incidentally, since we apparently have a little time right now—I will not take up the time of the Senate except to say that the rules have been tried and tested. And when one starts to change the rules here he must remember that he is going against a great deal of trial and experience. And it takes two-thirds to shut off a filibuster on an amendment to the Senate rules. It does not take two-thirds to amend the rules but it takes two-thirds to shut off a filibuster on amending the rules. And there will always be a filibuster on a change of the Senate rules unless there is unanimous consent to change a certain rule. And that is not very easily gotten.

Perhaps there will not always be a filibuster on changing the Senate rules, but certainly everybody gets into the act. If there were a change of the Senate rules brought to the floor, unless there is unanimity that only that rule will be changed, and only in that fashion, and that there be no other amendments, everybody gets into the act and that is where any changes in the rules will run on the rocks.

But I thank the distinguished Senator. He makes many contributions to this body. He is a very wise Senator. Occasionally he may be wrong. In this one instance I think he is in error.

Mr. President, I wonder if Senators on the other side of the aisle will call up their amendments. I do not believe there are any other amendments on this side, other than that of Mr. LEAHY.

I see on the list here, only these Senators remaining, and perhaps some of them may not call up their amendments: Senator COATS, Senator HELMS—an amendment or a point of order—Senator BOND, Senator LEAHY, Senator DOMENICI. So there are five Senators whose names are on the list, indicating that they might wish to call up amendments.

Mr. HATFIELD. If the Senator would yield, I think Senator SEYMOUR from California is expected to offer an amendment this morning.

Mr. BYRD. Then there is an amendment I did not know about last night, by Mr. SEYMOUR of California. So one additional amendment did crawl out of the woodwork.

Mr. HATFIELD. Perhaps we could go to third reading if the Senators do not indicate an interest in coming to the floor to offer their amendments. It seems as though we waited a reasonable time yesterday for some Senators to arrive. I suggest we go to third reading, Mr. President.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate go to third reading.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Yes, there is an objection. I can hear it.

Mr. HATFIELD. Reserving the right to object. I did not expect the chairman would take me up so quickly. If the Senator would withhold that request?

Mr. BYRD. I withhold.

Mr. HATFIELD. We would like to have a few moments just to make one last desperate effort to invite our colleagues to the floor. But I certainly would not object within a reasonable period of time from now.

Mr. BYRD. I withhold the request for the moment.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HATFIELD. If the chairman will yield——

Mr. BYRD. Yes.

Mr. HATFIELD. Mr. SEYMOUR has heard us and said he will not be offering his amendment, so we can cross that one off. I hope if others are watching from their offices, if they would let us know if they plan to offer their amendments? At least give us a little notice for courtesy's sake as well as to expedite the bill, to hear from those who have indicated previously that they want to offer amendments.

Mr. BYRD. Yes, very well.

Mr. President, while awaiting the arrival of a Senator on the floor, there have been a good many things said, and quite appropriately, in applauding our troops and our military leaders, and I want to add my compliments to those that have been so well expressed.

I am a great believer in miracles. Every time I see an individual I think to myself, there goes a miracle. So many billions of things could have happened to prevent that person from having been born a normal human being.

I heard someone say recently—though I did not read it—but I heard that General Schwarzkopf had made some reference to the outcome of the war, or to the brilliance and swiftness with which it was ended, as being miraculous. I am not sure at all that General Schwarzkopf said it, but at least having heard this, I shall use it as a launching pad to make a few comments.

May I say that if any Senator will come to the floor with an amendment, I will sit down. Meanwhile, I shall use a little time.

Mr. President, it was not a miracle, what we saw occur in the Persian Gulf war; we saw that the enemy was rendered blind because of the brilliant strategy on the part of our generals and our military leaders met with the approval of the Commander in Chief, President Bush.

The air war, which was conducted for, give or take a few days, 40 days, blinded the enemy. Hussein could not get his planes up, he had no way of knowing where the allied troops were massing, where they were going, what their movements were.

So General Schwarzkopf—I will refer to him—blinded the enemy. He put out the enemy's eyes. Hussein could not see. Hussein knew not from where to expect an attack.

That reminds me of Hannibal. Hannibal lost an eye early in his campaign in Italy. But the sense in which I am saying now that he was blind, is in a different sense. Hannibal had waged very successful campaigns. He had never been defeated.

He won the Battle of Trebia in 218; he won the Battle of Lake Trasimene in 217; he won the Battle of Cannae in 216. And up to that time, and perhaps even for all time, at the battle of Cannae, he inflicted upon Roman troops the greatest defeat they had ever suffered—certainly up to that time. The Romans got to the point where they would not fight him. Fabius Maximus was elected dictator by the Roman Senate and he decided to follow a strategy of avoiding battle with Hannibal. Hannibal had been destroying so many Roman legions. Fabius Maximus decided just to follow along in sight of Hannibal's forces and observe Hannibal's movements, but never to engage him; but to keep him always apprehensive of an attack. Fabius, in this way, would not allow Hannibal to disengage his troops or to let them forage around the countryside because of fear that they would be attacked by the Romans.

In this way, he caused Hannibal to gradually lose strength because of attrition and the inability to resupply his troops.

Hannibal's brother, Hasdrubal, came across the Alps from Spain in the year 208. Hasdrubal knew that Hannibal was in southern Italy. Hannibal knew that Hasdrubal was somewhere in Italy, but he did not know just where. Hasdrubal sent a message to Hannibal. Hannibal was in Bruttium, which is in the southern part of Italy, or in Apulia. Hasdrubal sent a message telling Hannibal to meet up with him, Hasdrubal, in Umbria, in central Italy.

At that time, the two Roman consuls were Marcus Livius and Caius Claudius Nero; not the Emperor Nero, but a consul. As consul, he was general of an

army composed of at least two legions. Nero was facing off Hannibal, tying him up in the south. If the two brothers, Hannibal and Hasdrubal, could bring their forces together, they would pose a serious threat to Rome and carry the day for the Carthaginian cause.

Hasdrubal sent the message by six couriers. The six horsemen made their way without event until they got into southern Italy. But the message was intercepted and it fell into Nero's hands, so that Nero knew where Hasdrubal expected to meet up with Hannibal.

Nero not only knew of the proposed rendezvous where Hasdrubal was hoping to join his brother, Nero also knew that Hannibal did not know the whereabouts of Hasdrubal or his suggestion as to the meeting place at Narnia in Umbria. Nero moved quickly, beginning a forced march at night and taking with him the equivalent of a legion—6,000 infantry and 1,000 horsemen. He marched 7 days, averaging 30 miles a day, and hooked up with Livius, the other Roman consul, who was camped in front of Hasdrubal.

Hasdrubal suddenly learned that there was an additional consul in Livius' camp, as that morning, Hasdrubal's men had heard two trumpets, which indicated that it was not just the trumpet of one consul, Livius, but that there was also another consul's army on the field. Hasdrubal, in panic, prepared for an immediate retreat. At the battle which took place near the Metauro River, referred to as the Battle of the Metaurus, one of the decisive battles of the world, Hasdrubal was defeated and killed, both sides suffering many casualties.

Nero, once the battle was over, moved quickly back to the south and resumed command of the 30,000 legionnaires he had left there facing Hannibal.

The point I am making is, that Hannibal was blind in that he did not know that Nero had intercepted the message, he did not know where Hasdrubal was at that point in time, and he did not even know that Nero had left 30,000 of his men facing him, Hannibal, and gone northward over 200 miles to hook up with Livius, the other Roman general, and that Hasdrubal's army had been destroyed.

The first indication that Hannibal had that a battle had occurred was when the Roman cavalry spurred up to the Carthaginian's outposts at night and threw a dark object toward the Carthaginian sentries. When it was brought to Hannibal in his tent, he looked at it and said, "I see there the fate of Carthage." It was the head of his brother, Hasdrubal.

The point I am making here is that Hannibal was blind as to what was going on. That was also the case with Saddam Hussein and his army.

Mr. President, much has been written and said about U.S. technology, and it has been awesome. I am sure that we all were greatly impressed with the high technology weapons that were used by U.S. forces in the Persian Gulf. Again, I am saying this was not really something that was miraculous. As part of their strategy, the Allied generals simply decided that they would bomb and bomb and bomb before launching their ground attack. That was the brilliant strategy that we saw come to play. They outflanked Hussein's forces because he was blind, and they used their smart weapons. They outflanked Hussein just as the Black Prince, son of Edward III, outflanked the French at the battle of Poitiers in 1356. There the French greatly outnumbered the English, but when suddenly the English horsemen appeared behind the French lines, the French panicked and fled the field, leaving their king to be captured.

The Battle of Crecy occurred in 1346 A.D. There again the French greatly outnumbered the English and the Black Prince, son of King Edward III, was the hero again. On that occasion we saw the high technology weapons of that day when the English used their longbows against the French armored knights and their crossbows. Crossbows had to be stretched on a rack, but the English longbows could be, I will use the word, "fired" at a much faster rate. A longbow could let fly a barrage of arrows at the rate of five or six a minute, much faster than could the Genoese who had been hired by the French to shoot the arrows on crossbows. The French nobility at that time did not regard the longbow as a gentleman's weapon, so they hired the Genoese crossbow men. As I have said, the English longbows would shoot arrows farther and faster, and so, with 3,000 archers, the English shot their arrows, according to one chronicler, with such force and quickness that it was like a snowstorm. The French were devastated.

Anyhow, that was the high technology of the English, at the Battle of Crecy, in 1346. It was a replay at the battle of Agincourt in 1415. The English massacred the French.

It is well, I think, to reflect upon history as we deal with the events of our own time. History never begins a new chapter, only historians do. We can take a leaf out of the book of history, and perhaps to our own benefit, as we did and as the allies did in the Persian Gulf, with their high technology, with their flanking movements, and with their air power, which blinded the enemy.

I see Mr. HELMS is present and is prepared to offer an amendment or make a point of order.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The Senator from North Carolina [Mr. HELMS] is recognized.

POINT OF ORDER, PAGE 30, LINES 1 THROUGH 5

Mr. HELMS. Mr. President, on page 30, lines 1 through 5, I raise the point of order that this is legislation on an appropriations bill. I am prepared to discuss it at great length, but there is no point in taking up the time of the Senate.

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, before the Chair rules, I ask unanimous consent that the situation with respect to the point of order that has been raised by the distinguished Senator from North Carolina, Mr. HELMS, remain in status quo for the time being until other Senators who might be interested in opposing the point of order, or using whatever rights are available to them, may come to the floor.

In the meantime, I think the Senate could make some progress on an amendment which Mr. BOND apparently is going to offer.

So I ask unanimous consent that the present parliamentary situation remain in status quo; Mr. HELMS has a right to be protected; those who may be opposed to his point of view have rights to be protected, and that Mr. BOND now be recognized to call up an amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from West Virginia? Without objection, it is so ordered.

Mr. BYRD. I thank all Senators. Senator BOND is prepared now to call up his amendment. I will continue to protect the rights of Senators on this side, and the rights of Mr. HELMS.

This will enable the Senate to at least make a little progress. Otherwise, I would have to take the floor and, rather than see the time wasted, talk about the history of the Roman empire, or the history of Persia, or the history of the Punic wars, or American history, or even the history of the Senate.

Mr. President, I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

AMENDMENT NO. 58

(Purpose: To provide adequate funds for the administration's targeted infant mortality initiative)

Mr. BOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND] proposes an amendment numbered 58.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 28, line 12,

Strike "$25,000,000: *Provided*" and insert in lieu thereof the following: "$57,400,000, *Provided*, That no less than 95 percent of such funds shall be used for expanding patient services, and Provided further,".

Mr. BOND. Mr. President, the infant mortality rate in this country is a disgrace. Among industrialized nations we rank 24th, behind Japan, behind Sweden, behind Finland, behind Switzerland, behind Singapore, Hong Kong, and France, behind East Germany, behind Northern Ireland, Belgium, and Italy. It is a deplorable situation that we must work to correct.

My amendment would provide an additional $32.4 million to fight infant mortality in this country, by funding a new and innovative targeted infant mortality initiative. I believe we need the additional $32.4 million for the program, which would have the effect of restoring funds that have already been redirected for Healthy Start. This means that the MCH block grant, community health centers, and Healthy Start would be funded in fiscal year 1991.

Mr. President, the President has made fighting infant mortality a national priority, and the administration is beginning a program to target areas that have been hardest hit by this terrible plague. However, in its hurry to begin the initiative immediately, the administration did not look far enough to find the necessary funds. This is a terrible problem, because the programs they chose to raid for funds are the maternal and child health block grant and the community health centers.

I am very pleased that the appropriations committee included startup funds of $25 million for the infant mortality initiative, and I commend my good friends, Senator HARKIN and Senator SPECTER, for their efforts in securing those funds.

Having a targeted program to fight infant mortality makes sense. These areas that have been hardest hit by the infant mortality disaster in this country deserve priority attention. We will be using these funds for these hardest hit communities for innovative ways to lower infant death rates, including early prenatal care, deterring teenage pregnancies, and increasing access to drug and alcohol programs. The goal of the program is to slash infant mortality rates by half in these communities—and the lessons learned can then be transferred to other communities.

Every child deserves a healthy start in life, but some children should not benefit at the expense of others. Slashing support for community health centers' and the maternal and child health block grant that funds programs which are on the front lines of care for poor pregnant women and their children, would leave thousands of mothers in Missouri and across the country without much-needed prenatal care.

It is so important that funds not be taken from other programs that already fight infant mortality—that we do not pit one city's babies against another city's babies, or rural babies against other rural and city babies.

In St. Louis at the Grace Hill Neighborhood Health Center, this redirecting of funds is putting their infant care program in jeopardy. It is just unthinkable that we would sit by and let this happen.

The Nation's 550 community health centers only mission is to provide health care in medically underserved areas—these are the areas hardest hit by high poverty and high infant death rates. The bulk of the maternal and child health block grant money helps poor mothers and their babies as well as programs for crippled children, childhood immunizations, health screenings and other vitally important programs.

Mr. President, in order to give a few minutes for any Senators to come forward, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRYAN. 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. BRYAN. Mr. President, prior to the distinguished Senator from Missouri offering his amendment, the Senate was being treated to one of those tour de forces of our distinguished President pro tempore, as he was outlining a series of events involving the Punic War between Rome and Carthage.

A question occurred to me as he was talking about Hannibal and Hasdrubal, and I asked him if he might share with us the role that Hamilcar Barca performed during this period of the Punic Wars. If I might inquire of the distinguished President pro tempore, if he might enlighten the Senate further on that aspect of this interesting period of history.

Mr. BYRD. Mr. President, I am delighted that the Senator from Nevada apparently is well ensconced in the history of the Punic Wars. He has inquired about Hamilcar Barca.

Hamilcar Barca a Carthaginian general, was the father of Hannibal. The first Punic War occurred between the years 264 B.C. and 241 B.C. As a result of the first Punic War, Carthage lost Sicily, but Hamilcar Barca was able to keep the Romans tied down for several years in Sicily before the war finally ended.

After the end of that war, Hamilcar, as I recall, was given a command that led him to what was then—later if not then—Mauritania and other parts of the northern African Continent. Hamilcar decided to advance Carthage's interest in the western Mediterranean, and he saw that, in Spain and the Balearic islands, Carthage could experience a rejuvenation of its power, which it was losing in the eastern Mediterranean, with Sardinia and Corsica, and as I have already mentioned Sicily.

Spain supplied the silver to Carthage with which Carthage was able to employ its mercenaries. Carthaginians were traders and they had very important business interests, and for quite a while they, through their navy, were able to rule the eastern Mediterranean. But with the losses of the first Punic War, Hamilcar felt that Carthage's future lay in the western Mediterranean. So he went to Spain, and with him he took his son-in-law, who was also named Hasdrubal, and young Hannibal. And there is a legend that Hamilcar had sworn Hannibal to be eternally the enemy of Rome.

In any event, Hamilcar went to Spain, and after a few years there he drowned, at which time his son-in-law Hasdrubal took over the command of the Carthaginian forces. Hasdrubal was subsequently murdered, at which time Hannibal, who had grown to be 20 years of age or 21 or thereabouts, took over the command. Hannibal feeling that the best defense was a good offense decided to go across the Alps into Italy and carry the war into the heart of Italy.

So he made that trip across the Alps—the authorities do not agree as to what particular pass Hannibal took when he crossed the Alps, but he took with him a sizable number of elephants and many horses. He left the Rhone River with about 46,000 men and he lost about 20,000 of these men in crossing the Alps. He was attacked by the tribes of barbarians, and many of his elephants, horses and men fell off the high and slippery cliffs. One cannot help but be impressed with the courage of this man who crossed the Alps in that day under such difficulties as confronted him. His brother Hasdrubal crossed the Alps 10 years later in about 208 and made the crossing relatively without

problems. Apparently, he picked a different time of the year and perhaps a different pass.

Mr. BRYAN. I thank the President pro tempore for responding to the inquiry.

I note several of our colleagues appear to be seeking recognition, so I will yield the floor.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I thank him for his interest in history as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first, I thank the distinguished chairman of the Appropriations Committee, the President pro tempore, for yielding and also express to him my appreciation for his discussion on some of these very, very interesting historical incidents. I think that all of us benefit from these historic accounts that the distinguished senior Senator from West Virginia gives and to me it is of great interest, whether he is talking about Hannibal crossing the Alps—did I hear a discussion previously of Crecy and perhaps a mention of Agincourt?

Mr. BYRD. Yes.

Mr. CHAFEE. So I begin to think when was Agincourt?

Mr. BYRD. 1415.

Mr. CHAFEE. I was going to say 1415. Now I must say I did run and look in the encyclopedia to check on that, but I am right.

Then, of course, the distinguished Senator sometimes discusses the history of the Senate and those Senators who had such an active role here in many years past and we all have that compilation, that book the distinguished chairman produced, and it is in my library and I am delighted to have it. I appreciate it.

Mr. BYRD. I thank the Senator.

Mr. CHAFEE. Mr. President, what I would like to do early this afternoon is address the amendment by the distinguished Senator from Missouri, which is the pending business before us.

I just want to briefly say that the matter of infant mortality in the United States of America, I think, is a national shame. We rank 19th of all the nations of the world in infant mortality rates. Actually, we ran 20th. There are 19 countries in the world that have lower infant mortality rates than we have in the United States of America. Here are the statistics: For every 1,000 babies born in America today, live born, 10 will die.

For black babies, the outlook is even more grim. For every 1,000 black babies born alive in our country today, 18 will die, nearly twice the national average.

So when you figure what the national average is, obviously, that includes this high number of blacks. So the white infant mortality rate is way lower. If we combine it all, the average is 10, and the average of the blacks is 18. So it probably works out something like a black infant born in the United States probably has three times as great a chance of dying in infancy than a white child does. A black baby born right here in the capital of this Nation, Washington, DC is more likely to die in infancy than if that baby were born in Hungary, Poland, or Cuba.

Mr. President, this is unacceptable. I was pleased, as many of my colleagues were, to see that the President's budget includes a proposal to address this critical situation. Under the budget presented by the administration, $171 million is targeted to reduce infant mortality in 10 cities that the administration selected, 10 cities with very high incidences of infant mortality. Certainly, these cities need that.

However, what concerned me about the administration proposal was that it was going to be financed—and this is a well-intentioned proposal—by taking money from one of the most effective health maintenance organizations we have in the United States today which are the community and the migrant health centers and also some of the money was going to come from the maternal and child health block grant. That is unfortunate because both of these programs provide needed services to low-income patients, many of whom are women of child-bearing age and to their children. In my State, I think there is no more effective organization to care for the low-income individuals in our State than the community health centers of which we have 14.

In effect, the proposal of the administration would provide critical services to these 10 cities, very important, but it would take those moneys from these other areas. And so this is counterproductive.

The supplemental which we have before us, the measure we have before us, today provides $125 million for the infant mortality programs without taking money from the community health centers, or the maternity and child health block grant. Senator BOND's amendment would increase that amount. The underlying bill provides $25 million. Senator BOND would add another $32½ million so that the administration's proposal would be fully funded in the first year. In other words, the effort to fight infant mortality in these 10 cities.

The Bond amendment provides increased funding for the targeted cities without reprogramming the money from the community health centers or from the maternal and child health block grant.

I believe we have to do everything possible to fully fund the President's initiative, so it is my hope our colleagues will support Senator BOND's amendment. But we should not do so at the expense of other equally critical programs which are strained. So I hope the conference committee will include language in its report that would prohibit reprogramming of already limited funds from the community health centers and from the maternal and child health block grant.

These are my thoughts on this subject. I do not know what the distinguished Senator from Missouri plans to do now with this, but I commend him for his efforts. And even if, for example, he should withdraw it because of the financial problems—I am not sure how he proposes to proceed—he has made an oustanding contribution in calling attention to this matter and stressing that we just cannot rob Peter to pay Paul. We cannot take the funds from these very worthwhile programs, namely the community health centers and the maternal and child health block grant in order to fund these other areas.

I thank the Chair.

Mr. BOND. Mr. President, I thank my good friend and distinguished colleague from Rhode Island. I want to join with him in commending the administration and particularly Secretary Louis Sullivan for his initiative in pursuing this mortality reduction initiative.

As Senator CHAFEE has so eloquently outlined, infant mortality is an unacceptable tragedy in the United States.

I also want to say that my distinguished colleague from Rhode Island has played a very key role in the education effort to help many of us on this side of the aisle understand the wide and diverse issues and questions that come under the rubric of assuring adequate health care delivery.

Senator CHAFEE has long been a champion of health care. He has pointed out the vitally important role that community health centers provide. His leadership on this issue is one which has meant a great deal to me and was influential in my pursuing this effort to ensure that the community health center funds are not cut.

I think it might be helpful for my colleagues to understand why I am offering this amendment here today and perhaps this will explain the significance of what we are actually accomplishing with this amendment.

A few months back, we learned of a problem that a community health center in St. Louis—Grace Hill Neighborhood Health Center—was having recruiting an obstetrician for that center. This center only had two of its obstetrician positions filled, but of these two, one was leaving having been lured away by the high salary these physicians can command in the private sector.

Now, this obstetrician who had been lured away from Grace Hill by the lucrative salary of a private practice was a public health service physician so his salary was paid for by the Public Health Service directly—he was not paid from Grace Hill's payroll. This is an important point because Grace Hill

didn't have the funds in its community health center grant to pay the salary and malpractice insurance of that obstetrician.

Now, when this obstetrician left, this left this health center with only one of its three obstetricians positions filled. This one obstetrician, Dr. Turner was left to care for 2,200 individual patients. Well, the story doesn't end there. This obstetrician was also a public health service physician, so her salary and malpractice insurance costs were also paid by the public health service and not by Grace Hill. The reason why this is significant is because her commitment with the public health service was ending, so if Grace Hill wanted to keep her, they would need an increase in their community health center grant for her salary and malpractice insurance costs as well.

If that was not enough to put Grace Hill in a tenuous position, add in the fact that, Dr. Turner was pregnant and due in December. The center knew that it would take the most of a year to recruit a new obstetrician to fill the slot vacated by the one who went to private practice and now they were faced with not having any obstetricians while Dr. Turner was caring for her own child.

Fortunately, the Bureau of Health Care Delivery and Assistance at HHS—the department that administers the community health center grant money—recognized that this was a serious problem and approved an increase in Grace Hill's grant to fund the two new obstetricians that would now need to be paid for from Grace Hill's payroll—this was an increase in their grant of roughly $400,000 to $500,000.

Here is where Healthy Start comes in. At the of February, just 3 weeks ago, when funds from the community health centers were frozen at fiscal year 1990 levels so that the administration could redirect the CHC funds for Healthy Start—the community health centers, including Grace Hill received a letter from HHS indicating that,

> The Healthy Start initiative has an immediate impact on your upcoming fiscal year 1991 funding award. * * * As a consequence, the community health centers * * * may only receive funds for the maintenance of current service levels.

This meant that Grace Hill would not get the $400,000 to $500,000 needed to keep Dr. Turner and recruit a second obstetrician to fill the empty slot.

Mr. President, I ask unanimous consent that a copy of a letter from Marilyn H. Gaston of the Bureau of Health Care Delivery and Assistance be printed in the RECORD.

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES, BUREAU OF HEALTH CARE DELIVERY AND ASSISTANCE,
Rockville, MD, February 25, 1991.

DEAR EXECUTIVE DIRECTOR: Although steady progress has been made over the last 10 years in improving infant health in the United States, some cities and communities continue to have exceptionally high infant mortality rates. For that reason, the Department has begun a new targeted initiative directed specifically at some of the places most seriously affected. The Healthy Start initiative will direct resources, beginning this Fiscal Year, to about 10 of these communities.

The intent of the Healthy Start initiative is, in partnership with community residents and state and local governments, to bring about a swift and dramatic reduction in infant mortality rates. The initiative will improve access to early comprehensive prenatal care by building an aggressive program of outreach and case management and provide services tailored to the risk-specific needs of community residents.

The Healthy Start initiative has an immediate impact on your upcoming FY 1991 funding award. A total of $57 million is planned for the Healthy Start initiative in fiscal year 1991, with a proposed $171 million in fiscal year 1992. The source for $23.7 million of the fiscal year 1991 total is the appropriation administered by the Bureau of Health Care Delivery and Assistance.

As a consequence, those Community Health Centers (CHCs) and State Primary Care Associations with budget start dates beginning March 1, 1991 and through the remainder of the fiscal year may only receive funds for the maintenance of current service levels. The targeted maintenance level for your health center for FY 1991 should have already been provided to you by your regional project officer.

The $23.7 million reserved for the new initiative will be awarded in the approximately 10 communities selected for Healthy Start, with funds to be awarded separately later this year. Further guidance to CHCs regarding the availability of these targeted funds, the program's description, and review criteria is now under development and will be distributed to eligible health centers and organizations as soon as possible.

If you have questions regarding the contents of this letter, please contact your regional project officer or Mr. Richard Bohrer of my staff at (301) 443-2260.

Sincerely yours,
MARILYN H. GASTON, M.D.,
Director.

Mr. BOND. Mr. President, this was a most unfortunate situation and probably an unintending consequence of the funding for Healthy Start, but for Grace Hill and for other community health centers and the people they serve who are in similar situations it is a tragedy.

It is very clear that robbing Peter to pay Paul is not working. It is also very clear that we, as a nation, must do something about our terrible infant mortality rate. Our inner cities and rural areas are plagued by infant death. In a country like ours, there's no reason for it. We need to invest our resources in programs that give children an opportunity to start life healthy. It is time the curse of infant mortality was lifted.

Mr. KENNEDY. Mr. President, today we must address an issue of growing importance in our Nation—reduction of the tragedy of infant mortality. Too many newborn children are dying needlessly, and many others begin life with long-term physical and developmental disabilities for lack of early, comprehensive prenatal care. The costs, in human and economic terms, grow yearly in suffering and lost productivity. It is a national disgrace that this country ranks 19th among the countries of the world in overall infant mortality, falling to 30th place for our nonwhite children. We can do better, and we must.

Infant mortality is a national tragedy, affecting families in cities and counties across the land. Our response must be similar in scope, addressing the problem at its roots, and providing every child a healthy beginning and the chance to grow up well and strong. We know what works—early and comprehensive prenatal care markedly reduces the incidence of early deaths and disabilities. Redoubling our commitment to make such care available to all women and their infants is a critical step in reducing the burden borne by the young and vulnerable.

The administration has introduced a targeted initiative to reduce infant mortality in selected cities and rural areas, proposing to redirect funds from community health centers and maternal child health programs for this purpose in fiscal years 1991 and 1992. The intended goal of this initiative deserves high marks. But it is an incomplete plan for addressing this national problem, and it would exacerbate the crisis of infant mortality by reducing the ability of local health care networks to provide accessible prenatal care to all women and their infants. The answer to reducing infant mortality does not lie in shifting resources from one area of need to another, but through strengthening the ability of all communities to prevent tragic deaths.

Community health centers and maternal and child health programs have a strong history of providing health care and support services to pregnant women and children, many of whom have no other source of care. Community health centers, located in underserved areas with high infant mortality rates, have demonstrably reduced rates of infant deaths among those they serve.

Congress recently recognized the importance of this provider network, expanding the National Health Service Corps to increase staffing, and providing ongoing support of MCH programs and community health centers. Further efforts to reduce infant mortality must build upon these networks of service, not weaken them through budgetary maneuvers.

The Appropriations Committee has taken concrete steps on this supplemental appropriations bill to protect the current year funding for community health centers and maternal child health programs. These are essential programs which are already providing

prenatal and infant health care to women and children, and our front line defense in the effort to reduce infant mortality. Startup funds have also been appropriated for the administration's targeted initiative for selected areas. Only through coordination and strengthening of our current prenatal health care delivery system can we achieve great gains in all areas of the country. I applaud the Appropriations Committee for taking this action required to eliminate a potential crisis in critically needed ongoing programs.

I hope that the administration will work the Congress to reduce the scourge of infant mortality by increasing access to cost-effective health care, nutrition, and social services for all pregnant women and their children. We must invest in strategies that we know can work, and make them widely available. If we are serious about reducing infant mortality, we will not pit communities against one another in competition for dollars that are all too few. I have introduced legislation that will strengthen our Nation's capacity to address the causes of infant mortality nationwide—by increasing the availability of prenatal health care with outreach to women who are at high risk, providing more substance abuse prevention and treatment services, and ensuring that young children can receive the primary health care and immunizations essential to their health. The opportunity to make substantial gains in reducing infant mortality lies before us, and I look forward to working with the administration to make these goals a reality. Our commitment to all children must remain steady, whatever their place of birth, to ensure their healthy future.

Mr. President, I ask unanimous consent that a letter from the Children's Defense Fund and a letter from the National Association of Community Health Centers be printed in the RECORD.

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

CHILDREN'S DEFENSE FUND,
Washington, DC, March 12, 1991.

Re S. 493, The Maternal and Early Childhood Health Care Act of 1991.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR KENNEDY: We want to offer our enthusiastic support for S. 493, the Maternal and Early Childhood Health Care Act of 1991—another example of your strong commitment to improving the health of our nation's children. The Act recognizes the profound need to increase our nation's investment in effective and cost-effective maternal and child health programs.

The Act will expand the Community and Migrant Health Centers programs' capacity to serve pregnant women and children at risk by authorizing additional funds for a new Comprehensive Perinatal Care Programs in places where obstetrical and pediatric care is minimal or nonexistent; an expansion of services for young children up to age 3; and the development of some 40 new community and migrant health centers.

The Community and Migrant Health Centers are a highly effective but seriously underfunded federal program. Located in the most improverished and isolated inner city and rural communities in the U.S., health centers have for 25 years provided high quality comprehensive health care to millions of poor and minority persons. Nearly 600 health centers, operating in more than 2,000 sites throughout the country, serve nearly 6 million low-income patients each year. More than one-third of all health center patients are younger than 14, and 28 percent are women of childbearing age. In 1988, one in 8 births to low-income women in the U.S. was to a health center patient. That year centers cared for 12 percent of all low-income pregnant women and delivered more than 30 percent of all babies born to women younger than 15.

Health centers are often identified as one of the greatest achievements in improving health care for poor Americans. They have been shown to reduce infant mortality, increase immunization rates, improve child health, and increase access to care. However, recent funding increases for the Community and Migrant Health Centers have not kept pace with inflation. For FY 1991, funding for the Community and Migrant Health Centers grew by less than $25 million, to $530 million: $478 million for community health centers, and $52 million for migrant health centers. These increases are so small that the program still will be able to serve only about 20 percent of all people living in communities with health care shortages. Over the next decade the nation will need an additional 2,500 clinics to meet health care needs in all underserved communities.

We also are pleased that the Act will expand and increase immunization opportunities for young children. This expansion is essential if the U.S. is to achieve the Public Health Service Year 2000 Goal of having ninety percent of two-year olds and 95 percent of school-age children complete the basic series of immunizations for measles, mumps, rubella, polio, diphtheria, pertussis, tetanus, and meningitis.

Recent outbreaks of measles underscore that millions of children have lost access to the most basic health care. In the late 1970s measles eradication seemed within reach. By 1983 the United States had brought the number of cases down to an all-time low of 1,500. Five years later, following a significant decline in the proportion of children immunized, a measles epidemic struck communities across the nation, hitting hardest in some of the nation's largest cities. In 1990 the number of reported cases swelled to 25,000. Preliminary figures for 1990 show that 40 children died from measles—the greatest number of measles-related deaths since 1971. About 17,000 cases of measles occurred among preschool-age children and could have been prevented through timely vaccinations.

The Act will increase access to immunizations and thereby reduce vaccine-preventable diseases by establishing an innovative and cost-effective vaccine bulk purchase system. Your bill also will assure a more adequate vaccine supply for communities with centers by providing the Centers for Disease Control with the needed resources to purchase and distribute vaccines to health centers in the same manner as vaccines are purchased and distributed to state health departments. This system will assure that community health centers receive vaccine sufficient to immunize all their pediatric patients at the lowest possible cost to the federal government. We have noted that S. 493 places a fixed limit on the funding authority of the Centers for Disease Control program, a change from the current language authorizing "such sums" as necessary. My staff has discussed this issue with your staff, and your staff has agreed that this program is worthy of continued uncapped funding authority, and that a substitute provision will be offered.

Finally, we are extremely pleased to see that the Act will expand access to substance abuse programs for pregnant women by providing prevention and treatment services at community and migrant health centers and other primary care sites. Recent surveys have documented that pregnant women in need of substance abuse treatment often have nowhere to turn. Obstacles to care are particularly acute for the low-income and uninsured women served by health centers.

The Maternal and Early Childhood Health Care Act of 1991 represents a preventive investment in our next generation that is so essential to assure our nation's future. My staff and I look forward to working with you toward its enactment.

Sincerely yours,

MARIAN WRIGHT EDELMAN.

NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS, INC.,
Washington, DC, Mar. 14, 1991.

Hon. EDWARD KENNEDY,
Chairman, Senate Committee on Labor and Human Resources, U.S. Senate, Washington, DC.

DEAR SENATOR KENNEDY: Our Association wholeheartedly endorses the Comprehensive Perinatal and Early Childhood Health Care Act, S. 493. We urge members of the Senate to pass it and provide full appropriations for its components. This Bill will reduce infant mortality and improve the health status of high-risk, low-income women and children throughout the country by enabling community and migrant health centers to substantially enhance their capacity to provide perinatal and early childhood care. If the new efforts authorized in S. 493 were fully funded by Congress in fiscal year 1992, we estimate that enhanced perinatal services would be provided to some 70,000 additional high-risk pregnant women and infants, and comprehensive early childhood health services would be made available to 200,000 additional young children. In addition, the one million preschool children served by health centers would be assured of the availability of all necessary immunizations; and services would be provided to pregnant women who are addicted to alcohol and other drugs.

Health centers currently serve over three million low-income women and children, representing over 60% of their total patients. Two-thirds of health centers patients have incomes below poverty, between 60 and 70% are minority, and half are medically uninsured. With special supplemental perinatal care funding appropriated by Congress for health centers in the last several years, centers have provided care for more than 10 percent of all low-income pregnant women in the U.S. who give birth, care for one-third of all adolescent women under age 15 who give birth, achieved measurable reductions in low birthweight deliveries and postneonatal mortality, and improved the scope and quality of care for more than 250,000 pregnant women and infants. Yet, the unmet need remains tremendous. This special funding has been insufficient to expand the perinatal care pro-

gram to a balance of 250 health centers, in both urban and rural areas. Furthermore, health centers in some communities are the primary providers of EPSDT, childhood immunization services, and other early childhood services. This Bill will enhance the capacity of all centers throughout the country to extend a broader scope of care to more children up to age three, to link more effectively with state programs for disabled children, and most importantly, to prevent childhood disability.

We also are painfully aware that there are many medically underserved communities with high need that even today do not have health centers. Therefore, we applaud the Bill's provision to enable the establishment of twenty new health centers in areas of greatest need, which will undoubtedly be areas of high infant mortality as well.

The Bill's provisions for inclusion of migrant and community health centers and homeless health care programs in the vaccine bulk purchase programs of states and health departments will enable more centers to extend immunizations to more children with greater cost-effectiveness than current arrangements allow. While some of this coordination is occurring already, this provision formalizes and strengthens this essential relationship between two important federally supported programs. Additionally, the substance abuse prevention and reduction provisions of the Bill will enable closer linkages between primary health care programs and substance abuse prevention and treatment services for low-income and pregnant women. This is a major need if we are to be more effective in reducing infant mortality and ensuring positive birth outcomes.

Health center base federal grant funding has experienced significant erosion over the last decade, when adjusted for increased patient care costs, and yet health centers today serve nearly one million more low-income, medically underserved people than they did in 1981. In light of this, the Administration's recent Healthy Start proposal, which would further strain the capacity of health centers to continue serving low-income women and children has been disappointing indeed.

On the other hand, your bill will enable centers to extend and broaden the scope of perinatal and early childhood services to more high-risk women and children in many communities, throughout the country, and it will also enable the initiation of health centers in twenty more currently underserved communities. This will be a major step towards even greater reductions in low birthweight babies and infant mortality; and towards healthier low-income women and children who are better able to pursue the American dream.

Senator, we deeply appreciate your leadership in designing legislation to extend health care to the poor and your consistent support for Community Health Centers.

Sincerely,

TOM VAN COVERDEN,
Executive Director.

Mr. HEINZ. Mr. President, I rise today in support of Senator BOND's amendment that provides additional funding for the President's Healthy Start initiative to address the critical issue of infant mortality. The infant mortality rate in this country is a tragic problem. Infants born in the United States have a better chance of survival if they are born in almost any other industrialized nation in the world. Directing additional Federal resources into local programs that reduce infant mortality is a must if we're serious about saving these babies.

The administration's fiscal year 1992 budget proposes "Healthy Start," a targeted infant mortality initiative to reduce infant mortality through improved health and social services in 10 cities with very high mortality rates. However, to fund this 10-city program the President proposes to cut more than $23 million from the community and migrant health centers and $34 million from the title V Maternal and Child Health [MCH] Block Grant. The administration's proposal would cut off the blanket on one end and simply sew it on the other.

Mr. President, Philadelphia's infant mortality rate is appalling. It is 50 percent higher than the national average. We know most of these babies die because they are born too small. Tragically we know there are more low birthweight babies born every day. We can only reverse this trend through early prenatal care. Every day we wait we jeopardize the lives of millions of unborn children.

Philadelphia is responding to the challenge of providing better and more comprehensive care to mothers and babies. However, the President's ill-advised plan proposes a potentially damaging funding mechanism for Philadelphia and other cities across the country. Slashing funds from the Maternal and Child Health Block Grant would mean eliminating prenatal care, specialized services to children with chronic illnesses or disabilities, and many other ongoing, direct health services for women and their infants. The $50 million that the administration wants to take from community health centers in the next 2 years would provide services for 250,000 patients, three-quarters of whom are women of childbearing age and children.

Solving the problems of the lack of prenatal care, substance abuse, and infant mortality will not come cheap, but diverting millions of dollars from effective, critical maternal and child health programs is a mistake.

The dire emergency supplemental bill provides $25 million for Healthy Start. Senator BOND's amendment will provide an additional $32.4 million to the program that provide the necessary resources to implement the initiative while protecting the funding of the community health centers and the Maternal and Child Health Block Grant. I urge my colleagues to join me in support of this important amendment.

Mr. BOND. Mr. President, I have taken to heart our chairman's wise admonition, "Don't rock the boat." He offered that advice when the junior Senator from Washington and I joined the committee. We understand the difficulties this amendment would cause given the committee's 302(b) allocations as well as the overall budget cap.

Thus I am willing to withdraw my amendment if I can get an assurance from the chairman of the Labor/HHS Subcommittee, the Senator from Iowa, that he will do everything to ensure that the conference report language will include a strong statement of the committee's position that funds not be reprogrammed or redirected in any fashion from the community health centers or from the Maternal and Child Health Block Grant or other programs that fight infant mortality. The administration is already withholding funds from the community health centers and we must make sure that those funds are restored immediately.

I would also like the assurance of my distinguished colleague from Iowa that the fight against infant mortality and the fight for the community health centers will not end here—that we can and will do better for these programs in fiscal year 1992.

Mr. HARKIN. Mr. President, I want to assure my colleague Senator BOND that the committee and I as chairman of the subcommittee strongly support the Maternal and Child Health Block Grant and the Community Health Center Program. These are two proven programs that deserve our full support.

The committee also strongly supports an expanded infant mortality initiative and that is why we have included $25 million in the bill for this purpose. We also would like to have included more for this purpose but could not find an offset to finance it.

We will make every effort in conference to have the Senate report language restated denying and prohibiting any reprogramming away from the MCH Block Grant Program or the CHC Program. I am concerned that the administration has created reserves in these two programs in anticipation of such a reprogramming and now that it has been made clear that such a reprogramming will be denied, the Department is directed to release these reserves without delay.

Mr. KENNEDY. Mr. President, I am pleased that the Appropriations Committee has taken clear action to ensure that fiscal year 1991 funds appropriated for Community Health Centers and the Maternal and Child Health Block Grant will not be diminished in any way. As chairman of the committee which authorizes the Community Health Centers, I am a strong supporter of the critical contributions these centers make to reduce infant mortality in medically underserved areas, where access to prenatal health care is limited. Community health centers have demonstrably reduced rates of infant deaths among those they serve. Efforts to reduce infant mortality must build upon these networks of service, not weakening them through a redirection of resources. I thank the chairman for

his commitment to safeguarding the funding base for these essential Community Health Center and Maternal and Child Health Programs, and anticipate ongoing support from the Appropriations Committee to ensure no such reprogramming shall take place.

Mr. BREAUX. Mr. President, the administration's fiscal year 1992 budget proposal includes a 10-city initiative to target infant mortality. Unfortunately, this Healthy Start initiative is to be funded with money that has already been appropriated for the 1991 operations of community health centers and maternal and child health block grants.

I could not agree more with the President that we need to address the infant mortality crisis in this, the richest of Nations on Earth. Fourteen million women of childbearing age and 12 million children lack adequate health insurance coverage. Some of the big cities and remote rural counties in this country have infant mortality rates higher than those of Third World countries. Overall, the United States ranks 19th in the world in infant mortality rate.

It is my understanding that, under the President's proposal, my State of Louisiana, which ranks 43 in infant mortality among the 50 States and the District of Columbia, will lose $327,510 from the Community Health Centers Program and $845,782 from the Maternal and Child Health Care Block Grant Program. These programs have existed for years and are providing badly needed services that are not otherwise available in parts of Louisiana.

No city in Louisiana is likely to be among the 10 cities or regions that benefit from the Healthy Start intitiative. I favor a targeting program like Healthy Start, whether or not Louisiana gets any money out of it. I do not support funding this initiative if it means taking services away from children and infants who badly need them. In this country, the most advanced, productive and civilized Nation on Earth, we should not tolerate an infant death rate among the worst of all of the developed nations.

Mr. DANFORTH. Mr. President, I rise today to support both the substance and the intent of the amendment of my friend and colleague from Missouri, Senator BOND. In his 1992 budget, the President showed great concern about an issue which is of central importance to the health and welfare of this Nation: The health of our children. In particular, he proposed increased funding to prevent infant mortality.

The budget increases Federal support for infant mortality prevention activities by $676 million Governmentwide. I have no dispute with that increase. I think it is necessary. It is unfortunate that the United States, which spends more on health care than any other nation in the world, ranks 24th in infant mortality in the world. Fighting infant mortality must become a national priority.

The proposal that concerns me is the Healthy Start initiative, which targets $171 million to the 10 areas with the highest rates of infant mortality. I have no dispute with the targeting of funds to those most in need. I believe that this proposal should be fully funded. Yet, I have serious reservations about the administration's plan to fund this initiative. I believe that the mechanism chosen is unwise and counterproductive. In 1991, the administration proposes to take $24 million from the funds that have already been appropriated for community health centers. The administration also proposes to take $34 million from the funds already appropriated for State maternal and child health block grants.

Why are we going to take funds from programs which are on the front lines fighting infant mortality? This proposal envisions taking money from Missouri's health centers to fund health centers elsewhere. One of the major reasons that none of Missouri's cities and towns fall in the bottom 10 in the country in combating infant mortality is because of our health centers. These health centers do a tremendous job in offering prenatal care to those in need. They provide primary and preventive care, not gold-plated care, and they do so in a cost-effective manner.

The administration's proposal to take funds from those already committed to community health centers across the country will have a devastating impact on their ability to provide services. If the proposal is implemented as planned, Swope Parkway Health Center in Kansas City, which provides comprehensive care for the underprivileged of that city, will lose $250,000. The Grace Hill Neighborhood Health Center in St. Louis will not be able to hire two obstetricians that it has been seeking for years. It needs an increase in funds in order to attract these physicians, and without them, hundreds of women will be deprived prenatal care.

This proposal does not just hit Missouri's cities. It also hits our rural areas. Northwest Health Services in Mound City, MO, will lose $50,000. This is money relied upon by these centers. If you cannot rely on funds already appropriated from Congress, what can you rely on? I strongly oppose taking funds from those already appropriated for community health centers and for the maternal and child health block grant. They are relying on these funds in Missouri and in all of the other areas that do not fall into the bottom 10 in the country.

For all of these reasons, I support Senator BOND's thoughtful and timely amendment. He would add $32 million to the $25 million already included in this appropriations bill to fund the first year of the Healthy Start initiative. This initiative should be fully funded. It represents the President's commitment to the health of our children. But, I will not support this initiative if it is paid for at the expense of those community health centers in Missouri struggling to respond to the health needs of the poorest citizens of our State.

INFANT MORTALITY FUNDS

Mr. BRADLEY. Mr. President, I would like to thank Senator HARKIN for lending very valuable support to expand programs which combat infant mortality. His action recognizes the value of the maternal and child health block grants, as well as community health centers in providing dependable health care to a most vulnerable, yet extremely valuable, segment of this great Nation—pregnant women and children.

All of us who are concerned about children realize that more still remains to be done to remove barriers to health care which compromise our future generations. But, most importantly, common sense tells us that to take two steps back in order to take one step forward is not progress. We cannot strengthen programs in some targeted communities by compromising programs in other communities.

The $25 million to support Secretary Sullivan's program request will not cure the problem, but it will go a long way toward providing additional help to those communities whose infants are not surviving at rates often twice that of the appalling national average of 10 deaths per every 1,000 live births. We should focus on these communities while maintaining and expanding national networks which have been a major contributor in the decreased infant mortality rate from its high in 1960 of 26 to the present level of 10 reached—and stagnant—in the decade of the eighties. This supplemental funding obviates the need to reallocate funds from current appropriations for maternal and child health block grants or community health centers.

The United States remains 21st among the nations of the world in infant mortality. Maternal and infant mortality are preventable. Each infant death represents an estimated $380,000 in lost productivity. This should not be tolerated. This will not be tolerated. I will continue to work to provide all children with the healthy beginning so essential to their future and ours and I thank Senator HARKIN for his invaluable support for these programs. Without his leadership we would not be where we are today.

Mr. HARKIN. I thank the Senator for his kind words. I know we both want to do all we can to reduce infant mortality in this country.

Mr. RIEGLE. Mr. President, I rise today to express my concern with the

President's proposal for combating infant mortality. The United States continues to have one of the worst infant mortality rates—ranking 24th among industrialized countries.

Overall, the United States has far to go but some regions face even greater problems. In Michigan, although the infant mortality rate of almost 11 deaths per live births is consistent with the national average, Detroit's rate is close to 20, almost twice the rate of the Nation. And Genesee County has a rate of close to 18.

Mr. President, our children are simply not getting the care they need and deserve. Michigan had the unfortunate distinction of being listed in the Children's Defense Fund's study listing the top 10 cities with the highest rate of infant mortality. Two cities in my home State of Michigan are listed with the highest rate of infant mortality. Detroit is rated second and my home city of Flint is rated 10th. Michigan is the only State in the Union to have two cities in the top 10. This is a deplorable situation that we must correct, but we cannot do this at the expense of other programs whose overall goal is to promote the health of mothers, infants, and children.

I applaud the President in bringing this tragedy to the forefront of his domestic agenda by creating the Healthy Start program. The program has the immediate goal of reducing infant mortality rates by 50 percent in targeted areas. Unfortunately the administration's approach to funding this program is shortsighted. The program will target the 10 worst areas—urban and rural—with the highest rate of infant deaths. To get this program started, the Senate Appropriations Committee included startup funds of $25 million for the infant mortality initiative in the Dire Emergency Supplemental bill. Sadly, this amount falls short of the amount needed to adequately fund the program. Instead of adding more money to the program the administration is redirecting funds away from community health centers and the maternal and child health services [MCH] block grant—two programs which should not be weakened but strengthened. In effect, we are robbing Peter to pay Paul—and this is a mistake.

Mr. President, I and many of my colleagues have long taken the lead in combating this problem through the maternal and child health block grant and community health centers. Just last year Congress appropriated close to $600 million and $500 million, respectively, for these programs. I chair the Finance Subcommittee on Health for Families and the Uninsured which has jurisdiction over the MCH block grant. These programs have made an enormous contribution by reducing infant mortality, and providing prenatal, obstetric, and pediatric care to millions of low-income families.

This juggling of much needed funds to combat infant mortality underscores the fact that this country needs a national strategy for reforming our health care system. It is a national tragedy that 1 in 5 children, over 12 million, are without a penny of health insurance. In Michigan alone, there are 300,000 children without health insurance. Forty-one percent of our uninsured children, or 5 million, live in families with incomes below the Federal poverty level. Medicaid is an inadequate safety net for low-income children below poverty level.

A more efficient, better designed health care delivery system could provide care to all Americans without utilizing significant additional national resources. I, along with several of my colleagues, have been working to develop a bipartisan plan to provide access to affordable health care for all Americans and control rising health care costs.

Diverse groups, representing all sectors of society, including business, labor, health care professionals, insurers, State/local governments and advocates are all asking for reform of the health care system. Our goal is to develop a proposal to provide universal access to health care and control costs but we need some leadership from the White House. I am convinced that if the administration would lend its genuine concern to the overall issue of access we would not be debating this most tragic problem.

Mr. BOND. Mr. President, I am very pleased that we will protect the community health centers and make fighting infant mortality in our cities and in our rural areas a No. 1 priority.

I would certainly prefer that additional funds be found to start up the President's initiative—but if these dollars cannot be found, community health centers must be protected.

Our inner cities and rural areas are plagued by infant death. In a country like ours, there is no reason for it. We need to invest our resources in programs that give children an opportunity to start life healthy. It is time the curse of infant mortality was lifted.

I thank the Senator from Iowa.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator has that right. The amendment is withdrawn.

Mr. BOND. Mr. President, I yield the floor and I thank our distinguished chairman.

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

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I understand Mr. GRASSLEY, the distinguished Senator from Iowa, is wanting to speak on an unrelated matter. I ask unanimous consent that the pending matter before the Senate, which I believe is a point of order that has been made by the distinguished senior Senator from North Carolina [Mr. HELMS], am I correct?

The PRESIDING OFFICER. The Senator is correct. That is the pending business.

Mr. BYRD. I thank the Chair. I ask unanimous consent that, in regard to that matter, it remain in status quo, which does not prejudice the rights of Mr. HELMS, nor does it prejudice the rights of other Senators who may wish to use their rights on that point of order. I ask unanimous consent that matter remain in status quo until after Mr. GRASSLEY has completed his statement.

I also understand Mr. COATS is on his way to the floor to call up an amendment. I hope that is true.

I ask unanimous consent that that matter remain in status quo for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

THE CRIME VICTIMS' RESTITUTION ACT OF 1991

Mr. GRASSLEY. Mr. President, at this time, I want to speak about the Crime Victims' Restitution Act of 1991.

I want to commend my colleague from Oklahoma, Senator NICKLES, for the dedicated leadership he has provided on the issue of victims' rights.

His perseverance has succeeded in keeping this issue before the Senate, the Congress, and the entire Nation.

We all recall that last summer and fall the Senate considered so-called crime control legislation.

During the debate on this legislation, the Senate was allowed to consider a limited number of amendments.

Of all the amendments allowed to come before the Senate, Senator NICKLES and I offered the only amendment that directly addressed the rights of victims in the Federal criminal justice system.

The Victims Rights and Restitution Act was approved by the Senate; a similar amendment was also approved by the House.

A good portion of the amendment became a part of what eventually was agreed to by a House-Senate conference committee, approved by both Houses of Congress, and eventually signed into law.

However, the conference committee could not come to an agreement on several major provisions of the amendment. Consequently, these were not in-

cluded in the final version of the crime bill.

The Crime Victims' Restitution Act of 1991 attempts to remedy one of the conference committee's omissions.

The Crime Victims' Restitution Act of 1991 mandates the payment of restitution to victims of crime, when a defendant is tried in Federal court.

Currently, Federal courts have the option to require restitution as part of a criminal sentence. However, it is only right and just that victims be repaid the financial losses suffered during a crime.

Under the act, restitution orders made by Federal judges will be for the full amount of a victims' financial loss. Once an order for restitution is entered, the court will determine the method of payment, taking into account the financial situation and obligations of the offender.

Furthermore, the Crime Victims' Restitution Act of 1991 allows Federal courts to consider the entire course of an offender's criminal conduct when ordering restitution.

This will allow a victim to recover financial losses due to criminal conduct by the offender against him or her, even though the offender may have entered into a plea bargain for a lesser offense.

Mr. President, after victims suffer from unprovoked physical assaults or worse, they still face a very difficult—even hostile—struggle through the maze that is the American criminal justice system in this last decade of the 20th century.

And, that system is centered around providing protection for criminal offenders, not to the victims of their heinous behavior.

No one who supports the rights of victims suggests that criminal defendants should not be accorded the full panoply of constitutional rights.

But, the American criminal justice system, despite the small victories over the last few decades for victims of crime, still virtually ignores victims. This treatment is the result of the traditions of our Anglo-American criminal jurisprudence.

The theory underlying this tradition is that justice is best served when the adversarial process is contested between the criminal dependent and the State, rather than the defendant and the victim.

Again, no one who believes in victims' rights supports taking the law into their own hands. The tradition of requiring that the State prosecute criminal conduct must be upheld if we are to live in and maintain a civilized society.

As many are all too aware, even some of the rights that are enumerated in the first 10 amendments to our Constitution—the Bill of Rights—have been, over the last 200 years, woven into an intricate web of insulation for criminal suspects, all in the name of upholding the rights of individuals.

Over the last three decades—aided and abetted by an all-too-compliant Supreme Court—the rights of criminal defendants have been vastly extended by limiting a police officer's power to question suspects without defense attorneys present, or to seize evidence without warrants.

And, within the last 4 years, the Court has twice rejected informing juries—during the sentencing phase of a capital crime—about a murder victim's background, and how the murder affected the victim's family.

Unfortunately, my provision to allow for a victim impact statement during the sentencing phase in Federal capital cases was dropped in the final version of last year's crime bill that is now law.

I will have more to say to my colleagues about that specific provision at a later date.

The question of punishment is another great concern to victims. These days it seems that a wrongdoer seldom receives a sentence that is either swift or sure.

Reliable statistics indicate that the police are able to solve only 1 in 5 major crimes.

When a criminal suspect is apprehended, it can take more than a year in some urban criminal court systems to dispose of the case.

During the pendency of a criminal case, the defendant who is free on bond has a 1 in 6 chance of being arrested for committing a new crime.

This probably means that a criminal defendant has a 5 out of 6 chance of not being caught committing another crime while he is free on bond.

Meanwhile, the disposition of up to 9 out of 10 cases in some jurisdictions involves plea bargains that reduce the charges against the defendant.

Ultimately, of the cases that are prosecuted, only 1 case in 6 leads to the offender having to serve time in a prison.

The final injustice is that, in most criminal justice systems—even if given a prison sentence—a convicted criminal will never serve the full amount of time of his or her sentence.

Rather, because of the size of many local and State prison facilities—and because of the rulings of many Federal judges, who feel the need to be administrators, or who presume to know what are and what are not cruel and unusual prison living conditions, or who just generally believe that they know what is best for all of us—an offender is released early and allowed to prey upon society once again.

One more threat to potential victims of crime is that some of the country's most vicious criminals are juveniles. And, unfortunately, the Department of Justice reports that nearly half the juveniles picked up for violent offenses are put on probation or released outright.

And even if a juvenile is imprisoned, he or she usually does not stay behind bars beyond the age of 17.

The current assault against the country by those engaged in the trafficking and use of illegal drugs often involves the use of young people by drug dealers; in this way, the juveniles can do the pushers' dirty work because it is well known on the street that young offenders will not do serious time.

Consequently, it is the victims of crime who—along with the rest of the country generally—especially feel a sense of frustration and bitterness toward the country's rate of crime.

Over the years, victims have organized and they have had some successes—both with legislation and with the criminal justice system.

However, many law enforcement officials believe that it is too time consuming and too cumbersome to involve the victim in such proceedings as a criminal's pretrial release or sentencing.

But I believe that victims do have rights.

I have tried, in some small measure, to advance the cause of victims. The main reason for my interest is not to increase the harshness of penalties—although penalties should be increased where need be; nor has my interest been to obtain money for victims—although monetary awards can be beneficial and should be made in some instances.

My interest stems from what crime victims have told me: They want to be involved in the criminal justice system.

I agree with them.

The Crime Victims' Restitution Act of 1991 is another avenue that allows victims to be involved; it takes another step toward restoring balance to the scales of justice by allowing victims of crime to be full participants in the Nation's criminal justice system.

I urge my colleagues to support this very important legislation.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The Senate continued with the consideration of the bill.

Mr. COATS. Mr. President, I shortly will be offering an amendment to the legislation before us. I want to inquire procedurally to make sure this is the appropriate place and time to do that. As I understand it, we have set aside Senator HELMS' point of order, and I assume that I can go ahead and offer the amendment now.

The PRESIDING OFFICER. The Senator is correct.

Mr. COATS. Mr. President, the amendment that I will be sending to the desk shortly will strike language in section 203, which requires that the air-

craft carrier U.S.S. *Kennedy* undergo a service life extension program in the Philadelphia Naval Shipyard. I am offering this for a number of reasons which I will detail in a moment.

As many Members of this body know, I have introduced in the last session, and plan to again bring up in this session, the Legislative Line-Item Veto Act. Senator MCCAIN and I have worked on that for the past couple of years. We had a couple of votes on it in the last session. We came close but did not receive a majority in passing what I think is a very important structural change in the way we do our business.

It seems that almost on a monthly basis the public is apprised of pork barrel spending, spending that is attached to other appropriations bills that appropriate money for projects that have not gone through the regular process. They either have not been the subject of committee hearings or, even if they were, were not the subject of debate and vote on those particular items before this body.

They are attached to, as I said, otherwise popular bills that are designed to be expeditiously moved through the process and often it is only later in reviewing some of these several hundred page bills that we discover that little items have been tucked here and there, that fund specific projects in specific areas for purposes that are often questionable. But whether they are questionable or not, those items have not had to stand the light of legislative debate and a vote by this body.

Regularly, publications throughout the country publish lists of what most of our constituents say is outrageous spending: How did this happen? Why did they happen? Why are we spending the money in this fashion? The legislative line-item veto is a method by which the executive branch, the President, could say back to Congress I did not request this; I do not need this; we do not think this is an appropriate way to spend the taxpayers' dollars; and I am sending a rescission back to you.

The President can do this under current statutory law, but that rescission does not become effective unless Congress takes affirmative action on the rescission.

Of course, what has happened over the years is that these rescissions are referred to the very committee that appropriated the money in the first place, and they never come back. Under current procedure, that rescission does not take effect unless Congress specifically supports the rescission that the President has sent back to us.

Over the past dozen years or so, less than 10 percent, in most years less than 5 percent, of those rescissions have been approved by the Congress. I think the statistic is that over the last 13 years, $35 billion that the President has sent back to this body have not been accepted by the Congress.

What the legislative line-item veto would do is turn that process upside down. It would say that when the President sends a rescission back to Congress, that rescission takes effect unless specifically overturned by a vote of this body within a certain time period.

As Senator MCCAIN and I and others have discussed the legislative line-item veto, it was suggested to us on a number of occasions that rather than give the President this power which some thought was excessive—I think it frankly just balances the scales a little bit better and provides an appropriate check and balance—we ought to look at the appropriations when they come before this body and raise objections and questions. So that is what I am doing today.

Looking through the bill before us, one could raise dozens of objections to specific spending items attached to this bill that have nothing to do with Desert Storm, have nothing to do with providing benefits for those who participated in Desert Storm and, arguably, have nothing to do with an urgent, dire need to fund money at this particular time and in fact are items that are not requested by the administration and in many cases are items that even the department receiving the funds does not want; they do not want to spend it for that specific purpose.

Rather than offer a blanket amendment or an amendment which goes through and picks off each one of those and suggests this did not come through the appropriate authorization process, I have looked at a particular item contained in this legislation, which is relevant to one of the committees on which I sit, the Senate Armed Services Committee. This particular item of spending directs the expenditure of a particular amount of funds for the service life extension of the aircraft carrier U.S.S. *Kennedy*. It not only directs that those funds be spent but it directs that work to be performed will be performed at a particular location. It is distinct in terms of the supplemental items included in this bill under the defense title in that this proposal has not been authorized by the Armed Services Committee and has not been subject to the light of debate, discussion, and a vote, distinct from the other two items in that particular section of the bill which directs the appropriation of money, some of which I agree with, some of which I do not, but at least those items have been debated, are voted on, authorized, and appropriated.

Now the administration or the Department of Defense may not need those items or want those items, but whether we agree with them or not they have at least been subjected to the debate, discussion, and will of the majority of this body.

In this particular instance, this item which I seek to strike with the amendment which I will send to the desk shortly does not do that. It simply slips in an item so that we will not have the opportunity to debate and vote on it, so we will not have the opportunity to examine it, ask the questions about whether or not it is needed.

As I said, this amendment will strike language in section 203 which requires the Service Life Extension Program, or SLEP, be conducted on the U.S.S. *Kennedy* at the Philadelphia Naval Shipyard.

There are several reasons why I think it is important to support this amendment to strike the language and oppose this particular proposal; first of all, is the cost. The Service Life Extension Program is estimated to cost up to $1 billion, some estimates have put it at more than that, at a time of severe budgetary constraint, and at a time when the Department of Defense is facing an extraordinarily limited budget in terms of its mission for the next several years with significant reductions.

We are taking away a very important piece of spending available to the Department relative to their needs. The SLEP program is something that the U.S. Navy does not want. I talked with both Admiral Kelso and Secretary Garrett and the indications from both of them are very clear. They do not want to put the *Kennedy* under a Service Life Extension Program.

It is scheduled for an overhaul in future years. That overhaul is expected to cost around $500 million. So immediately we have a differential of $500 million that we are taking away from the discretion of the Navy to spend. We are designating it here to be spent in a way they do not want to spend it, and in a place they do not want it spent.

The *Kennedy* is the newest of the conventional carriers. It does not need a Service Life Extension Program, even though it is 23 years old. It is in very good condition relative to other conventional carriers, and the Navy believes it does not need the type of work that a Service Life Extension Program would entail. They feel that an overhaul will accomplish virtually all of the needed repairs and upgrades at half the cost.

They estimate that the overhaul will provide a satisfactory condition for this carrier for up to the next 10 years and perhaps even longer. So the first reason is that the cost is significant: $500 million.

Second, as I earlier said, the reason for bringing this up is that the funds have not been authorized. There is another example—many have been raised today—of authorizing under an appropriations bill.

The Senate Armed Services Committee was not involved in this decision. The ability to make major policy decisions on an appropriations bill shel-

tered from public scrutiny and congressional debate has gotten out of hand. We all know that. That is the reason for the legislative line-item veto. While I am not offering that here today, I am using this as an example to point out why we need it, or at least why we need to go through these appropriations bills and designate those items which are not authorized by committees.

Third, maybe one of the most important reasons why we need to carefully consider this is the fact that we are being asked today to approve legislation which is designed to shield one particular military installation from review by the Base Closure Commission.

We all know how difficult it is to close bases. Yet we also all know that if we are going to ask the Department of Defense to be more efficient with taxpayers' dollars, we have to give them the latitude in closing bases that they do not need.

I have no way of knowing whether or not the next Base Closing Commission under the rules which this body established last year will designate the Philadelphia Naval Shipyard for closing. I think that will get fair consideration under our rules and under the guidelines that we have imposed on the Base Closing Commission.

But the point is that this language in section 203 is designed to circumvent that process because—I will read it. It says:

None of the funds available to the Department of Defense may be used for advanced procurement of material and other efforts associated with the industrial availability of the U.S.S. *Kennedy* other than the Service Life Extension Program for the U.S.S. *Kennedy* at the Philadelphia Naval Shipyard.

I commend my colleagues from Pennsylvania for their clever drafting of this language. It clearly is a situation where they are, if this is adopted, able to circumvent a possible future decision by the Base Closing Commission to close a particular facility. Because if we have appropriated funds and designated that those funds can only be used at a particular location, then it will be impossible to conduct that work at that location if the base is closed.

So we are hamstringing the Base Closing Commission by designating a certain facility off limits before the Commission even makes their decision. The precedent that would be set here—I am sure it is suddenly dawning on my colleagues as it is dawning on this Senator that this is an ingenious way of protecting each of our facilities in each of our States, because all we need to do is slip some language into the appropriate appropriations bill specifying that a certain amount of funds will be spent for a certain production, or work on a certain piece of equipment at a particular location and, therefore, that location will be exempt from the actions of the Base Closing Commission.

Each one of us can run down here, depending on how many military installations we have in our State, with some language that will allow us to circumvent the decisions of the Base Closing Commission. It is very clever. As I said, I commend the ingenuity of my colleagues for finding this loophole.

I suggest if we do that we are undermining the process that we have set in place. That is very difficult. It is difficult for each of us to accept because it affects installations in our State, but we all know it needs to be done. We cannot have it both ways. We cannot tell the Department of Defense to be more efficient in expending taxpayers' dollars but do not touch my base.

Mr. President, I think it is also important to note that this provision is not accepted by the Navy, that the SLEP Program, or the Service Life Extension Program, is designed as a way to maintain a 15-carrier force that the Navy does not want and that this Congress has agreed we do not need, or at least cannot afford for the future. If we change that decision, that is fine. But the SLEP program was introduced as a way of extending the life of certain pieces of military equipment—in this case aircraft carriers—so that we would not have to build a new carrier but we could extend the life of old carriers.

That is a worthwhile objective. But the point is that in last year's budget DOD authorization we made the very tough decision that we are going to go from 15 to 12 carriers. On the basis of Desert Storm we may come back this year and decide to modify that. I do not know what the Senate Armed Services Committee is going to do or what DOD will recommend. That is not the point.

The point is there is a process established in this body by which we make these decisions. A proposal is sent by this committee, the committee debates it, and they meet with the Commanders in Chiefs and the Secretaries.

We meet with the executive branch and discuss and debate among ourselves what we think our force posture should be for the future, and we make those decisions, and they may come back and reinstate a 15-carrier program, for all I know. If that is the case, we may want to use the Service Life Extension Program to take existing carriers and extend their lives. But that is a decision that will be, and should be, made by the appropriate authorizing committee. It should not be made on an urgent dire supplemental spending bill which circumvents that process.

So we are really dealing with two things here: No. 1, whether or not the SLEP program is necessary, and right now the Department of the Navy says it is not, and it does not want it. I think even more important, what we are dealing with here is a situation where Members are attempting to carve out a special niche for their particular military installation and circumvent the base-closing procedures.

AMENDMENT NO. 59

(Purpose: To eliminate or reduce certain appropriations)

Mr. COATS. Mr. President, I send to the desk this amendment and ask for its immediate consideration.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, reserving the right to object, I want to try to get a handle on what is going on here.

Mr. HELMS. Mr. President, may I clarify the situation?

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. The Senator from Indiana is simply offering an amendment, and the regular order would be that we go back to point of order. I think the Senator ought to have the right.

Mr. President, I ask unanimous consent that he be permitted to offer his amendment.

The PRESIDING OFFICER. Is there objection to the Senator from Indiana offering his amendment under the unanimous-consent request of the Senator from North Carolina?

If not, without objection, it is so ordered. The Senator may offer his amendment.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. COATS], for himself, Mr. HELMS, Mr. SMITH, and Mr. MCCAIN, proposes an amendment numbered 59.

On page 22, strike lines 8 through 13.

AMENDMENT NO. 60

(Purpose: To restore previous law)

Mr. HELMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 60.

In lieu of the language proposed to be stricken by amendment No. 59, insert the following:

"The language on page 30, lines 1-5 are null, void, and of no effect."

Mr. HELMS. Mr. President, I call for the regular order.

The PRESIDING OFFICER. Now the regular order is the point of order raised by Senator HELMS.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I understand the Senator from North Carolina raised a point of order against language on page 30, line 25, and that that

language constitutes legislation on the appropriations bill; is that correct?

The PRESIDING OFFICER. The point of order is against the committee amendment.

Mr. HARKIN. Mr. President, I question the germaneness.

The PRESIDING OFFICER. The question before the Senate is, Is the amendment germane?

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

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

The result was announced—yeas 60, nays 40, as follows:

[Rollcall Vote No. 37 Leg.]

YEAS—60

Adams	Exon	Lieberman
Akaka	Ford	Metzenbaum
Baucus	Fowler	Mikulski
Bentsen	Glenn	Mitchell
Biden	Gore	Moynihan
Bingaman	Graham	Nunn
Boren	Harkin	Pell
Bradley	Hatfield	Pryor
Breaux	Heflin	Reid
Bryan	Hollings	Riegle
Bumpers	Inouye	Robb
Burdick	Jeffords	Rockefeller
Byrd	Johnston	Sanford
Chafee	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Cranston	Kerry	Shelby
Daschle	Kohl	Simon
DeConcini	Lautenberg	Specter
Dixon	Leahy	Wellstone
Dodd	Levin	Wirth

NAYS—40

Bond	Gramm	Packwood
Brown	Grassley	Pressler
Burns	Hatch	Roth
Coats	Heinz	Rudman
Cochran	Helms	Seymour
Cohen	Kassebaum	Simpson
Craig	Kasten	Smith
D'Amato	Lott	Stevens
Danforth	Lugar	Symms
Dole	Mack	Thurmond
Domenici	McCain	Wallop
Durenberger	McConnell	Warner
Garn	Murkowski	
Gorton	Nickles	

The PRESIDING OFFICER. On this vote on germaneness, the yeas are 60, the nays are 40; so the point of order falls, and the amendment is germane.

Mr. HELMS. Mr. President, in a moment I am going to suggest the absence of a quorum. I hope Senators have a nice weekend, because we will talk about this for a while.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, this matter will only take a minute, I hope, and then I will put the quorum back in.

Mr. President, I ask unanimous consent the pending amendments may be temporarily set aside.

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

AMENDMENT NO. 61

(Purpose: To add an administrative provision)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 61.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 30, between lines 7 and 8, insert the following:

SENATE ADMINISTRATIVE PROVISION

SEC. 502. (a) Upon the written request of the Majority or Minority Leader of the Senate, the Secretary of the Senate shall transfer during any fiscal year, from the appropriations account appropriated under the headings "Salaries, Officers and Employees" and "Offices of the Majority and Minority Leaders", such amount as either Leader shall specify to the appropriations account, within the contingent fund of the Senate, "Miscellaneous Items".

(b) The Majority and Minority Leaders of the Senate are each authorized to incur such expenses as may be necessary or appropriate. Expenses incurred by either such leader shall be paid from the amount transferred pursuant subsection (a) of this section by such leader and upon vouchers approved by such leader.

(c) The Secretary of the Senate is authorized to advance such sums as may be necessary to defray expenses incurred in carrying out this section.

Mr. BYRD. Mr. President, this amendment does not contain any new funding. It is an administrative provision which will enable the Offices of the Majority and Minority Leaders to transfer money from their salary account to an administrative expense account to be used for official purposes. It is consistent with the action which has been taken by the Senate Rules Committee for Members' individual Senate clerk-hire accounts.

Mr. President, this amendment has been agreed to on both sides.

I ask the amendment be considered, agreed to, and the motion to reconsider laid on the table.

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

The amendment (No. 61) was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I just want to call to the attention of my colleagues that as far as I know, there are only four amendments that remain. So we have made a little progress since last evening: A Coats amendment—of course there will be five amendments—no, four amendments. The amendment by Mr. COATS, and the second-degree amendment by Mr. HELMS, and the amendment by Mr. DOMENICI, and a possible amendment by Mr. LEAHY.

So it sounds like we are closer to the goal line than we really are. I hope that Senators will be prepared to act—they are always prepared to act responsibly, but I would hope they would be willing to act soon on these amendments. I think the House may go out before much longer, in which case it will be tomorrow morning before the House can meet and appoint conferees. I just urge my colleagues to let us get on with the action on the bill.

I wonder if the Senate is going to appear to be unable to act with some fair degree of expedition on the two most important supplemental appropriations bills, one making appropriations for Desert Shield-Desert Storm, the other one being dire emergency supplemental. I want the Senate to act as quickly as possible on this bill so we get to conference and hopefully resolve our differences with the House.

I gave Mr. HELMS my promise that he would be protected while he is back in the cloakroom making some calls. I see my friend from Illinois wishing to address the Chair. May I ask unanimous consent that upon the completion of the statement of the Senator from Illinois, assuming that the Chair recognizes him, that there be an automatic quorum, if I am not on the floor to put in a quorum, or would the Senator put in a quorum?

Mr. DIXON. I would be delighted to do that, I say to the President pro tempore.

The PRESIDING OFFICER. The Senator from Illinois.

JIM JOHNSON'S SPEECH TO FANNIE MAE EMPLOYEES

Mr. DIXON. Mr. President, I thank my dear friend, the distinguished senior Senator from West Virginia, for his kind accommodation.

Mr. President, in Congress sometimes we witness change and sometimes we help cause it. Sometimes change occurs dramatically, and other times subtly. Sometimes change occurs by force; sometimes change occurs by evolution.

And although change may occur with fanfare, it more frequently happens quietly, without much notice.

The United States of America has just won a war—dramatically, by force, and with fanfare. As our soldiers return home, to joyful families and appreciative neighbors. We turn our Nation's attention homeward as well. We turn from foreign affairs to domestic policy, from the peace we have achieved abroad, to the domestic tranquility which we seek at home.

By coincidence, or fate, on the final day of the gulf war, the Senate Banking Subcommittee which I chair held a hearing on Fannie Mae and Freddie Mac, the two giants of our housing finance system. The Subcommittee on Consumer and Regulatory Affairs explored concerns over whether these secondary mortgage market institutions contribute to redlining. We asked whether their policies or procedures make it tougher for working families in low- and moderate-income communities, and particularly minority neighborhoods, to get home mortgage loans.

Two weeks after the hearing and 6 weeks into his tenure, the new Chairman of Fannie Mae, Jim Johnson, has initiated change. Last Thursday, he gave a speech to all Fannie Mae employees about their new commitment to delivering on affordable housing and overcoming redlining. The changes he outlined are real and significant. And, I believe that they will hasten the otherwise slow and subtle changes in Community Reinvestment Act lending; they will advance the evolution to fair lending and fair housing in this country; and, they should not go by without notice.

Mr. President, I ask unanimous consent that a copy of Jim Johnson's speech be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. DIXON. Mr. President, at our subcommittee hearing we asked not just about the volume of loan commitments for affordable housing but about loans actually purchased by Fannie Mae. Johnson's speech pledges $10 billion in commitments for affordable housing—$10 billion for low- and moderate-income home buyers and multifamily housing—within just over 2 years and that those commitments will be delivered by a date certain.

At our subcommittee hearing witneses testified that the underwriting guidelines of Fannie Mae and Freddie Mac—although formally neutral and officially flexible—are perceived to be designed for white, middle-class suburban housing. Johnson's speech commits resources for teaching banks how to do community reinvestment lending and for additional outreach to minorities. Further, Fannie Mae will adapt products to inner city neighborhoods and will monitor its progress by reviewing Home Mortgage Disclosure Act and census data regarding underserved communities.

These are meaningful steps forward.

At the hearing, I commented that when it comes to redlining and mortgage discrimination, everyone seems to point a finger at someone else. The regulatory agencies, Fannie Mae, Freddie Mac, private mortgage insurance companies, lenders, realtors, community groups, each point at one another. Mr. President, I asked the witnesses to point their fingers at ourselves, to think about what each of us can do to eliminate redlining and unfair biases against moderate-income Americans in our financial markets.

Leland Brendsel, Chairman of Freddie Mac, responded with the best study of redlining, mortgage discrimination, and the secondary market that I have seen. He showed courage and leadership in commissioning that study and in distributing its findings. And I congratulated him.

This Nation is made great by her diversity, her intelligence, her ambitions, and her sense of justice. Jim Johnson, days ago, made an intelligent and ambitious commitment—by one of the most powerful corporations in America—to serve the diversity of our Nation's housing needs and to assure the fairness of our mortgage finance system.

Today, I salute his leadership. Today, I challenge others active in our housing and financial markets to step up to a higher level of responsibility. Tomorrow, I will watch for their follow-through.

The war on discrimination in lending has not yet been won. The battle has been engaged. Some triumphs have been achieved. But our mission will not be accomplished until working families, of whatever race or modest means, can get mortgages no matter where they choose to live; until whites and blacks have the same access to home mortgage credit; until, for all Americans, Martin Luther King's dream includes home ownership, the "American Dream."

EXHIBIT 1

TRANSCRIPT OF REMARKS DELIVERED BY JAMES A. JOHNSON, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, FANNIE MAE, TO FANNIE MAE EMPLOYEE MEETINGS ON MARCH 14, 1991

Today Fannie Mae is launching a new program to open doors to affordable housing. Our focus is on young families and senior citizens; the homeless and those who can't afford to rent; people who have special housing needs in rural areas and in urban areas; and those who cannot afford to live near where they work.

Our new commitment to low- and moderate-income housing programs, to special housing, needs, is very large and it's very carefully circumscribed in time. We are committing today that, by the middle of 1993, we will do $10 billion of commitments for these special programs and, most importantly, by December of 1994, we will have deliveries of $10 billion for these special programs.

This is a new level of involvement for Fannie Mae. It's a new level of commitment by management and by everyone in this room, and everybody listening to me who works for Fannie Mae around the country. I decided to make this announcement at employee meetings rather than somewhere outside of Fannie Mae for two very simple reasons: 1) none of this will be possible without Fannie Mae's complete and total commitment and, 2) the success in the end depends on you, the employees. You've done some very big things before.

In 1980, we has no Mortgage-Backed Securities program—no program. Today, we have $300 billion of Mortgage-Backed Securities in place.

In 1980, we did a survey of our 1,400 lender-customers and asked them about their level of customer satisfaction with Fannie Mae. Seventy-eight percent of them said they were fully satisfied. So you all have established that you know how to work with the people we need to work with in order for us to have a business.

Over the last decade you have gotten together in the asset and liability group, the finance group, the operations and systems group, and largely taken the interest-rate risk out of our business. We now, except in very extreme cases of interest rates going up and down—four or five hundred basis points—are able to go forward with our program with little effect on our earnings from changes in interest rates.

And beyond that, the employees of Fannie Mae have shown they care, whether it's the March for the Homeless, or other volunteer activities, or our commitment to the students of Woodson High School, this has been an outstanding group of people who have gone well beyond their own concerns to care about others. We have now over 200 students at Woodson who have become part of the Fannie Mae family. We have over 135 people in Washington who are working as mentors with those students to make sure that they have the opportunity to get support for college, to have a chance that they otherwise wouldn't have.

Finally, I want to thank all of those of you who have worked since 1987 in our Office of Low- and Moderate-Income Housing Initiatives, headed by Marty Levine. It's only because of that effort that we are able to do what we are doing today. If we didn't have the programs Marty has launched, if David Maxwell hadn't believed in 1987 that we have to re-engrave on the mind of everybody in Fannie Mae our public mission, then we wouldn't be able to pick a number of $10 billion and be confident that we can meet it.

The needs we are trying to address are very great indeed.

(1) Four or five renters in America, even with a 10 percent downpayment, cannot afford to buy a starter home.

(2) Minority families throughout the country do not have the same access to the housing finance system as other Americans.

(3) There is a real shortage in rental housing. Between 1974 and 1988, there was a 24 percent decline in apartments that rented for $300 a month or less. At the same time, there was a 56 percent increase in those living in poverty who rented.

(4) Last year there were two million Americans who were homeless. The average daily number of homeless was 700,000. Among them were 100,000 children.

(5) One of every seven elderly Americans lives in poverty. Some of those are "house rich and cash poor." Our hope is that through some of our programs we can deal with their special needs.

(6) In rural areas, there are 500,000 more low-income rural families than there are affordable housing units for them to live in.

(7) All across the country, particularly in large metropolitan areas, increasingly nurses, teachers, fire fighters, police officers and others are unable to live near where they work.

Since I have been here at Fannie Mae, I am often asked on Capitol Hill, and elsewhere, whether we are doing enough for low-income housing at Fannie Mae. The answer to that question is: "No, we are not." That's the reason for this program. We are going to do more.

We have a great deal to contribute. We raised very large amounts of money at relatively low cost. We have 1,400 lender-customers across the country who we worked with and have a good relationship with. We have underwritten 12 million mortgages at Fannie Mae.

Beyond that, we are gaining new understanding and experience through the work we have done with special housing initiatives since 1987. We have many new partners in many parts of the country who have experience and a depth of understanding of housing needs which we, over time I hope, can match here at Fannie Mae. We have great people and we have a strong commitment both on the part of the company and the part of our people.

There are four principles that will guide everything we do in the programs I am announcing today.

(1) We are not the Federal government, we are not in a position to offer the missing—all-important in many cases—missing element of subsidy.

(2) We are a private, profit-making company.

(3) We are a financial partner, we are not a solo provider of housing. We are in the wholesale business. What we do best is replicate and set national approaches all over this country where people can come forward and say, "Yes, the new Fannie Mae program is something I can use." And we can do it on a national scale.

(4) We care about credit. It serves absolutely no purpose for us to put people in homes they can't afford or put renters in apartments they can't afford.

So throughout this entire effort, we are going to be very conscious of playing the role that Fannie Mae uniquely can play. We can't do everything, but we can do a lot.

Let me run through the seven initiatives that are part of our announcement today.

First is an effort to make it possible for more people to have the downpayment necessary for affordable housing. That is the "3/2 Option." We will initiate an effort which will allow people all over the country to come forward with 3 percent of the cost of the house and allow the other 2 percent to come from a non-profit source, a government source, a family source, but to be combined in a way that goes beyond what we have done on a large scale before.

Second, we are committing ourselves between now and the end of 1992 to an additional $1.5 billion of mortgage revenue bonds, with $700 million of specialized securities as part of that program.

Third, we are announcing an additional $150 million commitment of low-income housing tax credit investments that we hope, with the leverage that we have been able to achieve, can generate another $400 million for low-income renters.

Fourth, we will soon announce a new employer-assisted housing program. For Fannie Mae employees, when you come to work tomorrow there will be an announcement of Fannie Mae's employer-assisted housing program. That program at Fannie Mae will be characterized by a forgivable loan which will help people get into houses. Around the country, employers increasingly are faced with the fear of labor shortages in many high skill areas and with the need to attract and retain workers. We are going to reach out not only to public employers, but to private employers, and say to them that we are prepared to work with them on products that are designed to meet their objectives of attracting and retaining employees.

Fifth, in the preservation area, we are waiting, as others are, for HUD to come forward with the regulations for that program. But let me say that we are going to do everything we can to provide a financing element that can make the difference for many non-profit groups in owning existing projects. We are prepared to work with non-profit groups to help them get into a position where they can be the kind of owners they want to be.

Sixth, in the area of the elderly, we are working to expand our programs. We will speed up our demonstration effort on home equity conversion mortgages for the elderly. We are sponsoring a series of conferences with AARP all around the country to further assess housing needs for seniors.

Seven, in rural areas, we are working with the federal government and others to be much more active in providing a secondary market in rural America where it's needed.

Another important dimension of our plan has to do with outreach and education. We cannot succeed unless everybody in the system knows that we are prepared to be their partner; that we are prepared to come forward and try to adapt our programs and our commitment to the particular needs that they have.

The most important element of our outreach will be to minorities around the country. We believe that everyone in the system can do a better job in making the mortgage finance system accessible to minorities. In the past quarter, we assigned additional people in each of our regional offices to work with lenders on their CRA requirements and to adapt our products for reaching out more effectively into the minority community. We will focus on the Home Mortgage Disclosure Act data as it comes out and the census data to make sure that we are doing everything we can do. And let me make a commitment that Fannie Mae will do everything within its power to eliminate discrimination in the mortgage finance system wherever it may exist. And we'll work with everyone concerned to achieve that end.

I would specifically like to compliment Senator Dixon and Senator Bond for their work in this area and for keeping the focus where it belongs, on all of us coming together to be more effective.

As part of our outreach program, in the next 50 days we will meet with all 50 state housing finance agencies. We will work with each of them to try to adapt our products to what they are doing and try to shape our effort in a way that we can combine with their efforts for maximum impact.

In addition to these efforts, there will be information materials, counseling, and other activities which will extend our reach to more and more people to help them own homes and rent homes that are within their reach.

Let me say in conclusion, this is a very ambitious program. It's not going to be easy. We have already made mistakes and we will make more mistakes. Hopefully, we can make fewer mistakes by listening more closely to all of you who have joined us here this morning. It's going to require our entire organization to move to a higher level of performance. But there is a permanent commitment here and a permanent new dimension to our involvement. We won't just measure our contribution in volume, in dollars, and in return. What we are saying here is that Fannie Mae should be judged on our contribution to meeting unmet housing needs. That's the important commitment, contribution, and obligation for all of us.

I met with some reporters earlier this morning and was asked: "How many people in Fannie Mae will be involved in this? "And the answer is: there will be 2,512—everyone of us, at every level, in every office, every day. Hopefully, it's that level of commitment that will make the difference. So thank you again, for all you have done. Let me say that I look forward to working with all of you on this important challenge.

Mr. DIXON. Mr. President, may I say to my friend, the President pro tempore, I am prepared to suggest the absence of a quorum. I do, Mr. President, suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LIEBERMAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS

The Senate continued with the consideration of the bill.

AMENDMENT NO. 60

Mr. HELMS. Mr. President, as is so often the case, when a procedural vote occurs in the Senate, Senators come up to these two tables—I cannot speak for that table, but I know about this table, which is the Republican table—and they say "What is this all about?" You try to explain the procedural situation, and it is sort of like explaining the plan of salvation; you have to start from the beginning.

Let me do the best I can to explain what happened and what the issue was when the vote was taken. And then I will have a few comments.

First of all, the administration is totally opposed to the four lines on page 30 of this bill that constitute legislation on an appropriations bill and which would, if this bill should become law as is written presently, cost the taxpayers $5 million a year minimum for the next 4 years. The provision in this bill will result in $5 million of taxpayers' money going to a private organization which ultimately wants to decide who may teach and who may not

teach. This is a private organization controlled by a labor union, a labor union that has already demonstrated its intractability. I was told today about one case—and I think the Senator from Mississippi was present—where a teacher, was it in Iowa?

Mr. COCHRAN. Minnesota.

Mr. HELMS. Minnesota. A teacher in Minnesota was declared Teacher of the Year in Minnesota and the school board gave her a pink slip because she was not a member of the union. She got both of them at the same time.

Now, here is what is afoot, Mr. President. You have groups in this country that say this person may teach because they belong to our union—they do not call it a union, but that is what it is—and they say other people may not teach because they do not belong to our union.

Mr. President, here is what the administration said about the National Board for Professional Teaching Standards. "The supplemental"—meaning this legislation before us now, the underlying bill—"would eliminate the requirement that there must be authorizing legislation before a grant of $4.9 million is made to the National Board for Professional Teaching Standards. If this is done, there would be no opportunity for Congress and the administration to consider the form which authorizing legislation should take. In addition, this grant would be noncompetitive; the Government could not select from among the most qualified bidders."

Mr. President, for the past three appropriations bills, an attempt has been made to bypass the authorization process on this issue. As all Senators know, I am sure, in order to spend the taxpayers' money, the procedures of this Senate require that the expenditure of funds first be authorized and then appropriated, but for the past 3 years there has been no authorization for the spending of this money.

So these Senators who favor this turkey, they slip in and say let us take out the words "if authorized" from a previous appropriations bill. I am going to explain the effect of taking out those two words in just a minute.

Mr. President, the last vote was a perfect outrage. It was entirely political. Not one Democrat voted with what the Chair was going to have to rule on my point of order. There was no question about it. The distinguished Parliamentarian, who was sitting earlier this morning, assured me that he was going to uphold my point of order. So, under Senate rules, the only thing that can be done by people who do not want the Senate rules to apply is to raise the defense of germaneness, and then the Chair has no alternative but to submit the question to the Senate. The vote went right down the party lines except for four defectors on our side. But I never anticipate getting their votes on anything anyhow. I like them, but I am telling a fact of how some voted, as I think they should, and it is perfectly OK. They were elected and selected. I do not question that.

Now, then, there is also a bit of political aggrandizement going on. That is what is behind it. And I understand that too.

Mr. President, the National Board for Professional Teaching Standards, which is at issue here, has supporters who have failed for the last 3 years to get authorization for making this noncompetitive grant of $5 million. In other words, they say give us the money and shut up. You are not going to have anything to do with it. That is what they are saying to the taxpayers.

Now, the reason they cannot get an authorization, as I think I made fairly clear at the outset, is due to the opposition of so many, especially the Department of Education and the administration. So, noting their lack of success, the proponents of this $5 million a year—and you can bet it is going to grow and grow in the outyears—decided to circumvent the process by including in this appropriations bill words that reach back into a previous appropriations bill and delete the requirement that this program must be authorized before any of the money may be spent.

The proponents of this $5 million expenditure are seeking now—and they pretty well have succeeded—not only to subvert the rules of the Senate by legislating on an appropriations bill, but also to circumvent Congress' customary process by granting this private national board $5 million without a proper authorization for the expenditure.

Mr. President, it is particularly disturbing that several of the distinguished Senators, whom I admire very much and who are my friends, who have been most persuasive in the past about this business of legislating on appropriations bills voted to declare germane a provision of the bill that is clearly not germane.

So what they have done in one fell swoop is destroy any argument they may have in the future about legislation on appropriations bills. I am going to advise Senators on my side that the rule against legislating on appropriations bills is out the window. It was thrown out the window this very afternoon by the very Senators who, in the past, have been its strongest proponents.

Mr. President, let me say again for the purpose of emphasis, there is no authorization for appropriating any funds to the National Board for Professional Teaching Standards to research a national teacher certification program. None, zilch.

Senators who voted on this matter should know that this National Board is a 64-member board set up—unilaterally—by a foundation that is totally private. Yet this private group comes to Washington with their hands out. There is nothing novel about that. Just about everybody comes to Washington with their hands out. But this foundation is a liberal so-called education think-tank. The National Board's bylaws ensure that two-thirds of its members will always be public school teachers. Of course, most teachers now belong to one or the other, sometimes more than one, of the teachers' unions.

But, Mr. President, what is particularly upsetting about this provision is that the Appropriations Committee stated clearly in writing in its report last year that it could not and would not fund President Bush's $25 million Alternative Teacher Certification Program because—and get this—no "authorizing legislation has been enacted into law."

My point is that the Appropriations Committee—and every member on the committee is a friend of mine, particularly, the chairman, who was born in North Carolina, by the way—should have been consistent. If it could not appropriate money last year to fund the President's teacher certification program because there was no authorization, how could the committee this year in good conscience turn around and attempt to appropriate funds for another teacher certification proposal that is also unauthorized?

Nobody can say that the National Board for Professional Teaching Standards is noncontroversial. The Senator from Connecticut [Mr. DODD] has already introduced legislation seeking a total authorization of $25 million for the National Board over 4 years even though there was strong opposition from the Secretary of Education, Mr. Cavazos, and President Bush last year. As I said before, and I say again, the Department of Education and the President still oppose it.

Let me tell you why I am opposed to this National Board for Professional Teaching Standards. Oh, what a grand and glorious name they gave themselves. It reminds me of the fellow back in North Carolina whose daddy was a preacher. He named his son Amazing G. Jones. Everybody called him "Amazing."

Mr. President, I did not expect from the outset that I would win on this issue, because if I learned anything in grammar school and middle school and high school, it was to count. But I feel and have felt obliged to call this issue to the Senate's attention and to explain my opposition to granting millions of dollars of the taxpayers' money to this National Board for Professional Teaching Standards with no accountability whatsoever for how the money will be spent.

It may be and probably is true that a majority in this body is content to allow a union-dominated national

board to set the standards for the public teaching profession. That is what will result if this board has its way because, as I have said earlier, the board's bylaws require that two-thirds of the board will always be teachers who will go along with the union agenda.

So, while the National Board claims publicly that the standards will be voluntary, the teachers' unions themselves—and, yes, I am talking about the National Education Association [NEA]—they are absolutely unabashed about declaring their intent to have the States adopt this National Board's future standards as de facto State licensing standards for teachers.

I am, of course, concerned that the overwhelming influence of organizations like the NEA on the National Board will inhibit the board from promulgating truly rigorous and meaningful standards, particularly in the light of the teachers' unions' steadfast opposition to repeated attempts by the States to implement objective written competency tests for teachers.

Mr. President, let me say parenthetically that all of us are proud of our children and grandchildren. My older daughter was one of those born to be a teacher. She wanted to be a teacher from the time she was 4 or 5 years old. That is all she wanted to play when she was a child. She wanted to pretend that she was a teacher. She is now a school principal. So often she looks at all of these people who are interested not in teaching, not in education, not in children, but only in their own agenda, and Jane Helms Knox says, repeatedly, "What about the children?"

The NEA, for example, has almost 2 million members, and the American Federation of Teachers has 677,476 members at last count. If these two teachers' unions would just kick in $10 per member they would have more than the $25 million this private board is seeking. But, no, this board does not want to cough up its own money; they want to use the taxpayers' money to set up a national teacher certification system, and to heck with the States and what they want. Here we go again.

This, of course, is in direct contravention of the wishes of the President of the United States and the Department of Education. The last time I checked, they were supposed to have something to do with the policies of this country and not just delegate that responsibility to some self-appointed experts.

So the Board's argument has a problem. Its proponents contend on the one hand that they are out to improve education in this country, and the news media dutifully reports that. But what the news media does not report—and I will bet they do not report it this time—is that this board is controlled by the liberal teachers' unions. In fact, the heads of the two major national teachers' unions were original members of the National Board for Professional Teaching Standards.

Let me go further than that. The National Education Association—and you always see the parentheses in the paper—(NEA)—even makes its support of the National Board contingent on the commitment that certification standards will be set by a national board composed of a majority of practicing public school teachers. Of course, the vast majority of them belong to one or the other of the two teachers' unions. Some of them belong to both.

Mr. President, you can see why the NEA insists on such a requirement. They want control. And like Jane Knox says so often: What about the children?

Consequently, there will be no question that the efforts of this National Board for Professional Teaching Standards will dutifully serve to further the agenda of the unions.

They will deny it, but you just watch. Like a ship passing in the night, we will go on to something else, and down the line, we will look back and say, gee whiz, why did Congress permit that.

Thank the Lord the President of the United States is going to veto this turkey, this whole bill, not simply for this, but for other provisions that have a slight odor as well.

Mr. President, the bottom line is that the unions' control over this board will enable the unions to use the taxpayers' money not to professionalize teachers, but to improve and strengthen union control over who does and does not teach in America.

Now, going back to the teacher from Minnesota. How many more times will we have a teacher on the same day receive the award of "Teacher of the Year" and a pink slip saying "You do not qualify under our terms to teach"?

I can go into this business of retired people who are very well educated and qualified, who really want to participate in the teaching process. They are all over the country. To these people the National Board for Professional Teaching Standards will say: "No, you do not meet our specifications."

The overriding purpose behind the National Board is control.

Mr. President, as I pointed out last year, and I say again, the purposes of the Board are in direct contradiction of the education agenda of the President of the United States. He was elected President. This National Board was not. No Senator who voted today was elected President.

Let me tell you what President Bush has as his goal for education. I do not always agree with this President or any other President. But George Bush is right on target when he states that his goal is to open the Nation's school system to free market concepts of competition in order to revitalize the education establishment in this country.

President Bush is exactly right. The basis of our free enterprise system is that competition and freedom—not government-sanctioned monopolies—produce excellence.

It is interesting that that message got through to a lot of places in this world in the last year or two, like the Kremlin, for example. Lech Walesa is here today, and he will tell you that the people of Poland understand it; the people of Czechoslovakia and Hungary and Romania understand it. But we are going the other way in the good old USA.

The President's bill last year included an alternative certification initiative to allow individuals possessing either the knowlege or the experience needed in the schools—for example, retired doctors, lawyers, and professors—to teach in the public schools, even though they may not have teaching degrees.

Mr. President, there are so many hundreds of thousands of these competent and capable citizens around this country, and they have much to contribute, so much to offer to the educational system and our children. The National Board for Professional Teaching Standards, however, says, "No, we want to close the ranks of the teaching profession by excluding individuals who do not have formal training in so-called educational theory or ivory tower "teaching methodology," even when such individuals are experts in the subject matter to be taught.

No, Mr. President, this National Board wants to focus on a teacher's knowledge of the latest fads in the fields of child development and psychology, not on a teacher's knowledge of the subject matter they are supposed to be conveying to their students.

Mr. President, even though the Board is seeking and making an open grab for the taxpayers' money, the Board is adamant, galvanized, that the taxpayers will have no say whatsoever in either the Board's composition or in its policy decisions. "Oh, no; we know best." Where have we heard that before?

This National Board wants to be the sole source for setting the standards by which teachers shall be judged on the national and local levels, and to heck with the States, let alone the local community. The Board's underlying premise is that only the teachers and their unions should decide who may and who may not teach in America.

In case anyone should feel that I am suggesting that union control of the teaching profession will be an overnight result of giving the National Board this money, I am not saying that. But, giving the Board the money will be an enormous step in that direction.

Again, Mr. President, it is one of those ships passing in the night, and

when it has gone over the horizon and everybody has forgotten about what the Senate proposed to do this afternoon, then the controls will evolve. The so-called "voluntary" standards will become mandatory, and the test will ultimately be administered to every teacher proposing to enter the teaching profession, not just to those who volunteer to take it as is currently proposed.

No, the unions will first try to get the individual States to adopt the Board's national standards—which the unions will dictate—as mandatory State licensing standards. If that does not work, the unions will be back demanding that Congress impose the national standards on the States.

Mr. President, my hope—and I really did not have any hope insofar as this pending piece of underlying legislation was concerned—was that Senators would take the first step toward restoring the Nation's education system to sanity by supporting my amendment to prevent the National Board for Professional Teaching Standards from getting this $5 million. I reiterate, it is a private entity controlled by people who know what the word "control" means.

Furthermore, to say that this appropriation is a dire emergency—how to put it—George Burns would find this thing laughable, and he could probably make a good joke out of it because it is a joke sitting there waiting to be told.

Mr. President, this provision should be deleted. Authorization legislation should be required, as this Senate has always insisted, at least until the President of the United States and the Secretary of Education can make their recommendations concerning the form that any such authorization should take.

But if the President does not veto this bill—and I have talked to enough people downtown to feel fairly confident that he will veto it—I believe that the requirement that the money be authorized should be retained in this appropriation bill.

Mr. President, in conclusion I want to read the text of the committee amendment on page 30 of the bill.

I wanted lines 1 through 5 stricken from the bill, because that language is definitely legislation on an appropriation bill, and the Parliamentarian advised the Presiding Officer that that was the case. Here is the way this pending piece of legislation reads:

> In the appropriation language under this heading in the Department of Education Appropriations Act of 1991, delete the words "if authorized" and the words "if such a grant is specifically authorized in law."

Mr. President, we should have upheld the Senate's procedures and rules on the point of order I raised earlier. We did not. It was a party-line vote. And, of course, I figured that would happen when I set out. But I could not keep silent in the face of what I regard to be an affront to the taxpayers and to the mothers and fathers of schoolchildren and the schoolchildren themselves.

I may have more to say about this issue. But, inasmuch as my understanding is that this bill is going to be vetoed anyhow, I am going to yield the floor, because I hope I have explained the problem. If I have not, and anybody wants to ask me a question, I will be glad to answer it.

Mr. President, thank you very much. I yield the floor.

Mr. PELL. Mr. President, I rise in support of the provision in the committee-approved bill that would release $5 million in already-approved funds to support the important work of the National Board for Professional Teaching Standards.

The authorizing legislation for the Board was included, as my colleagues will recall, in the President's education initiative passed by the Senate in February of last year. It was also included in the omnibus education bill approved by the House in the closing hours of the session last October. Unfortunately, that legislation failed to pass the Senate.

As chairman of the Education Subcommittee, my hope is that the necessary authorization language will be included as a part of the higher education reauthorization. We have already begun hearings, which we expect to conclude late this spring. Our tentative timetable is to have legislation ready for subcommittee, full committee and eventually floor action sometime this fall.

In the meantime, it would be unfortunate, indeed, if funds approved to support the Board were to lapse. I have long advocated support for the Board's efforts to develop a national program of board certification for classroom teachers. Board certification would thus be similar to the existing practice of board certification for physicians, a practice I believe most of us would agree is most important. To my mind, this process of Board certification would add a strong dose of professionalism to teaching, which today is one of the most undervalued professions in our country.

I would urge my colleagues, therefore, to oppose the amendment before us and to support the legislation as it was approved by the Appropriations Committee.

Mr. GRASSLEY. Mr. President, here we go again. This issue must be a cat with nine lives because it never dies. I never cease to be amazed at where the National Board of Professional Teaching Standards appears in legislation. I had thought that, due to the actions of the Senator from Wyoming in the last days of the previous Congress, those objections which I supported, that this issue was justifiably killed.

Now it has come up in the dire emergency supplemental appropriations bill. Mr. President, how can Congress possibly call the National Board of Professional Teaching Practices a dire emergency? This Board is privately funded. It is comfortably supported by the Carnegie Foundation.

Congress cannot justify funding for the National Board in a Federal emergency funding bill.

Since teachers and the instruction they render is the very heart of education, it is my conviction that regulation, certification, and evaluation of teachers should remain under control of local and State governments. The purposes and objectives of the National Board of Professional Teaching Standards impugn local control of education.

I am firmly committed to the tradition of educational excellence long held by our country. I am also committed to the goal of restoring greatness to our educational systems in other parts of the country which have faltered. But I am not about to support allowing Washington ivory tower academics and consultants to tell Iowa teachers how to teach.

Iowa has the best teachers and the best education system in this great land. I will not sit idly by while some Washington politicians try to undue Iowa's success.

Iowa has the best teachers and educational achievements of any State. Iowa and I am proud of the Iowa teachers who make those achievements possible. Their dedication to teaching young people is evident.

Mr. President, the accomplishments of Iowa students cannot be attributed to acts of Congress. Local education leaders in Iowa should be credited with identifying the needs in their schools. They have taken steps to attain excellence.

Students and teachers in Iowa provide an excellent example of the success of local and State control of elementary and secondary education. Local governments are more aware of the specific educational needs than the Federal Government ever could be. Additionally, local governments are more accessible to people in their local school districts than is the Federal Government. Therefore, licensure and certification of teachers should be left to the State and local government.

Despite the stated intent of the Education Committee that this Board would not infringe on the rights and responsibilities of States to license teachers, the teacher standards board would establish national standards for teachers.

This leads our schools and our teachers in precisely the wrong direction. It should not be the business of the Federal Government to tell schools and teachers "what makes a good teacher."

State licensure has been the domain of State governments for good reason. Those same reasons hold true for this so-called voluntary certification. State

licensure would be rendered almost meaningless in the face of the national certification. Any teacher who wanted to be anything would be compelled to seek the national certification—regardless of the rigors of State licensure—regardless of the professional standards those teachers set for themselves—regardless of the local or State recognition a teacher may have received already.

Proponents of Federal involvement of the teacher standards board hope that teachers who obtain this national certification will be able to command higher salaries. However, not all schools have sufficient financial resources available to compete for these teachers. Yet these schools, perhaps even more than those which are able to pay higher salaries, need high quality teachers. The concerns of how low-income school districts would attract high quality teachers have not been addressed.

The National Board for Professional Teaching Standards does not belong in the dire emergency supplemental appropriations bill and the Federal Government does not belong in the National Board for Professional Teaching Standards.

Mr. DODD. Mr. President, as you know, the issue of funding for the National Board for Professional Teaching Standards is not new to us. We have debated whether to provide the Board Federal funds on two previous occasions—on September 21, 1989, and again on February 6 and 7 of last year. The Senator from North Carolina has moved to strike and modify appropriations and authorizing language over the last 2 years and has lost each time.

I find myself in the awkward position of being the author of the bill to authorize Federal funding for the National Board, but uncomfortable with this process. In the last Congress we worked out carefully balanced authorizing language that passed overwhelmingly as part of the President's Educational Excellence Act by a vote of 92 to 8. However, in the lateness of the last session a few Senators chose to block its final passage.

That is why the Appropriations Committees in the House and Senate have chosen to pursue this unusual procedure before us today. I will support the provision because I believe it is vital to move this effort forward. But I would hope for quick action to adopt the authorizing language to strengthen our intentions for the use of the Federal dollars by the Board.

The National Board is doing important work. It intends to match any Federal funds it receives—dollar for dollar—to research and develop state-of-the-art methods of teacher assessment. Once the methods of teacher assessment have been established, the National Board will offer teachers an oportunity to sit for a voluntary national certification that would distinguish them as top in their field of teaching. Certification by the Board will in no way replace State licensing. It will, however, provide teachers the opportunity to have additional credentials much like doctors who chose to become certified by the National Medical Board.

The potential benefits to be derived from the Board's work are great. First, the recognition and esteem with which the profession is held will rise. Teachers who might otherwise have chosen to leave the profession, may remain if the additional credential improves their career opportunities within the teaching profession. Higher professional recognition may attract more of our brightest and best students into teaching and also improve the quality of education in the schools.

While these benefits will take time to accrue, the efforts of the Board are a very important part of the process to bring about educational improvement. And, the Board is committed to forging ahead with the research to be able to launch their first certificates in 1993. A modest Federal commitment to the efforts of the Board would be a worthwhile and important investment in our Nation's teachers and schools. For this reason, I urge my colleagues to join me in fighting any amendments offered to strike the language in the supplemental pertaining to the National Board.

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

Mr. SPECTER addressed the Chair.

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

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The legislative clerk resumed the call of the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, I have been trying since last night, when we discussed an amendment that the Senator from New Mexico might offer, to see if I could work something out that would be more accommodating and I have been unable to do that. So, with the distinguished chairman of the Appropriations Committee on the floor, let me suggest what I would like to do, now that I have the floor. I do not want to yield it here to anyone for a moment.

I have an amendment that I want to send to the desk. I believe it is in order to the Helms amendment. I want to do this because I want a vote on the Domenici amendment to the farm price support amendment that has been adopted by the Senate, 60 votes to 40.

I have no illusions that sooner or later, even if I submit the amendment and if my amendment were to pass—which I hope it will—that that still leaves the Senator from Vermont [Mr. LEAHY] with plenty of opportunities to do whatever he would like on this bill. Maybe my amendment, even if it were adopted, might not last when we finally vote on the underlying Helms amendment. But I would rather not delay, knowing that the chairman wants to go to conference. The debate on my amendment is not going to take very long. It might pass and it might not. I do not need over 10 or 15 minutes.

So with that, let me ask the distinguished chairman who is on the floor. In order to discuss this with the Senator from Vermont [Mr. LEAHY] I have the amendment ready. It is exactly the same amendment I was going to offer yesterday, except it is in the form where it would fit in the bill as it stands now. With the concurrence of the Senate, and I ask consent to do so, I would like to yield 15 minutes to Senator SPECTER from Pennsylvania for purposes of arguing on a matter that has, heretofore, been discussed but is pending, without losing my right to the floor so we can discuss with Senator LEAHY whether or not he has any other approaches that might be more accommodating to him and perhaps to the Senate.

I ask unanimous consent that I be permitted to yield the floor, as I have just stated, without losing my right, to the distinguished junior Senator from Pennsylvania.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Chair recognizes the Senator from Pennsylvania [Mr. SPECTER].

AMENDMENT NO. 59

Mr. SPECTER. Mr. President, a number of us have been waiting on the Senate floor for a protracted period of time to work out a procedural morass with the initiation of proceedings on the amendment by the distinguished Senator from Indiana [Mr. COATS], and the second-degree amendment by Senator HELMS, and then an amendment by Senator DOMENICI to Senator HELMS' amendment.

I return now to respond to the argument made by the distinguished Senator from Indiana [Mr. COATS] who offered the original amendment which sought to strike from the supplemental appropriations this language, section 203, which provides that "None of the funds available for Department of De-

fense may be used for advanced procurement of materiel or other efforts associated with the industrial availability of the U.S.S. *Kennedy*, other than the Service Life Extension Program for the U.S.S. *Kennedy* at the Philadelphia Navy Yard."

Senator COATS has sought to strike that language in order to allow the Navy to proceed with a complex overhaul instead of the Service Life Extension Program.

This is important for a number of reasons. One is that it would curtail the availability of a 14-carrier fleet down to 12 carriers which, I will argue, I think with very substantial weight, would be injurious to the national defense. And a corollary of the reduction from 14 carriers to 12 carriers is the probable closure of the Philadelphia Naval Yard.

My argument is that the Service Life Extension Program is indispensable for the national defense of the United States, and I take a very close look at this issue as a Pennsylvania Senator who is concerned with what happens to the Philadelphia Navy Yard.

Mr. BYRD. May we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The aisles will be cleared. The Senator from Pennsylvania has the floor.

Mr. SPECTER. I thank the distinguished chairman of the Appropriations Committee.

As I was saying, the basic intention here is to preserve national defense, but there is an obvious corollary of an important installation for my State. I emphasize that the underpinning of this argument is one of national defense, but I set that parameter.

Mr. President, the defense needs of the United States require at a minimum 14 carriers. This was illustrated in the gulf war where there were six carriers deployed to give the United States indispensable air superiority which led to our victory there. Five of those carriers were conventional carriers like those which have their lives extended under the select program at the Philadelphia Navy Yard, and three of those carriers were, in fact, from the Navy yard.

I make the basic intention, Mr. President, about the indispensable necessity at least for a 14-carrier fleet based on testimony by the experts from the Navy Department.

The distinguished Secretary of the Navy, H. Lawrence Garrett, responded to an editorial in the New York Times with a letter to the editor dated October 1, 1990. I ask unanimous consent this be printed in the RECORD at the conclusion of my presentation.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. Mr. President, the central point of this letter which is of importance is a statement by the Secretary of the Navy that it is necessary to have at least 18 carriers in order to have 6 which are deployed so that in a period of strain we could get along with 14 carriers and have 6 deployed for a period of time, but there is no doubt that if we were to reduce the number to 12 that only 4 carriers would be deployable.

Last year, in Senate hearings before the Department of Defense Appropriations Subcommittee, there was an extended discussion about how many carriers were needed. The testimony presented by the Navy Department was that they would like to have 22 carriers. If we have fewer than 15, it is imprudent and I asked Admiral Nyquist the questions about what would the risk be if we reduced from 15 to 14 and then to 12? I read extracts from Admiral Nyquist's testimony from page 225 of part 4 and ask unanimous consent that the full response be printed in the RECORD, but at this point read only a selected portion because of limitation of time.

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

Admiral NYQUIST. Yes, sir; and we all are working to that end, Senator. And we will provide that as best we can for the record at this point in that process.

[The information follows:]

The differences between these numbers represent how much risk we are willing to accept, which deployment commitments are met and for what duration, and how contingencies might affect OPTEMPO/PERSTEMPO guidelines.

The difference between 22 and 15 is what would be required in a Global War with the Soviet Union and what we consider to be a prudent carrier force level to meet everyday world-wide deployment commitments and crisis response.

Fifteen is a prudent aircraft carrier force level. What is it that we can't do with one fewer carrier? The difference lies in crisis response, both in timeliness and numbers. We can still meet our forward deployment commitments with 14, but during a crisis we might have to respond with less carrier coverage than desired.

For example, following the Israeli capture of Sheik Obeid and the murder of LCOL Higgins in August 1989, naval forces responded quickly, backing up the President's diplomatic initiatives. In the Mediterranean, the CORAL SEA battle group weighed anchor early from Alexandria, Egypt, and was ready to launch air strikes within twelve hours after receiving orders. The battleship IOWA departed Marseilles, France, steaming east toward Lebanon with a Marine Amphibious Ready Group. Commander Sixth Fleet, embarked in his flagship, the cruiser BELKNAP, took charge as force commander and headed to waters off Lebanon, canceling a port visit to the Soviet Union. As a contingency against Iran, the AMERICA battle group sailed from Singapore to the Arabian Sea. The carriers RANGER, steaming in the South China Sea, and FORRESTAL, operating off Norfolk, prepared for surge contingency operations. The full range of retaliatory response, from "visible on the horizon" presence to carrier air strikes, naval gunfire support and amphibious landings, offered by these naval forces effectively prevented further bloodshed, stabilized the situation, and strengthened the President's diplomatic hand. Any reduction in carrier force level represents some degree of additional risk and could limit the decision makers options during crisis (e.g., a delay in responding to a crisis or lack of a carrier battle group substitute in another theater).

Our current deployable aircraft carrier force level (14) ensures that we can fulfill peacetime presence requirements while retaining some flexibility to surge to meet contingencies or respond to crisis outside our traditional deployment operating areas. With 14 aircraft carriers, we can maintain a continuous presence of one carrier battle group in the Mediterranean, one in the Western Pacific and have the capability to maintain a continuous presence in the Indian Ocean, while still retaining the capability to respond to a crisis. This force level of 14 takes into account training and readiness requirements, transit times, maintenance requirements, and the need to maintain a quality of life. (OPTEMPO/PERSTEMPO) for our personnel.

A carrier force level of 12 would limit our presence in the Indian Ocean for six months out of the year. Commitments in the Mediterranean and Western Pacific would not be affected. Should a crisis develop, we would have less flexibility in responding and would have to gap other commitments. Depending on the threat and duration of the crisis, we would have fewer carriers for a carrier battle force (two or more carriers) to engage in sea control or power projection. A force of less than 12 aircraft carrier battle groups lacks the necessary depth to adequately provide surge capability for sustained high-tempo crisis response.

To respond to a sustained crisis in the Indian Ocean (requiring two aircraft carrier battle groups) similar to that experienced in the 1980's, without breaking current OPTEMPO/PERSTEMPO guidelines, or gapping our presence in another theater, would require a force of twenty-one carriers.

Any further reduction in the number of aircraft carriers and withdrawal of forward deployed carrier battle groups would reduce our ability to deter crisis situations from developing, and could increase the likelihood of combat. With fewer carriers, our forces are more likely to be out of position to respond in a timely manner during contingencies and to influence events ashore.

Mr. SPECTER. Admiral Nyquist provided this answer for the record:

Fifteen is a prudent aircraft carrier force level. What is it that we can't do with one fewer carrier? The difference lies in crisis response, both in timeliness and numbers. We can still meet our forward deployment commitments with 14, but during a crisis, we might have to respond with less carrier coverage than desired.

Continuing further, the answer states:

The full range of retaliatory response, from "visible on the horizon" presence to carrier air strikes, naval gunfire support and amphibious landings, offered by these naval forces effectively prevented further bloodshed, stabilized the situation, and strengthened the President's diplomatic hand.

In a reference to what happened following the capture of Sheik Obeid and the murder of Lieutenant Colonel Hig-

gins in 1989 precipitating a crisis in the Mideast. Admiral Nyquist's answer further specifies:

A force of less than 12 aircraft carrier battle groups lacks the necessary depth to adequately provide surge capability for sustained high-tempo crisis response.

Mr. President, the other factor which is very much activated with fewer than 14 carriers would be the extreme burden put upon the naval forces. Here I turn to the testimony of Secretary Garrett, which appears at page 363 in testimony before the Defense Appropriations Subcommittee on part 3 where Secretary Garrett refers to the difficulties of sending sailors to sea with fewer than 13 deployable aircraft carriers where they were deployed for in excess of 8 months.

Secretary Garrett testified of the need to maintain a minimum level of 14 deployable carrier battle groups, and having less than 14, you have a situation where the personnel worked 81 hours on average per week and if, as Secretary Garrett puts it "If we lose people, they start working 90 to 100 hours and start getting unsafe."

The Secretary goes on to point out how the Navy is then confronted with a situation where personnel of the Navy is lost.

Mr. President, the thrust of this testimony which has only been summarized but which has been amplified at some substantial length from last year was the indispensable prerequisite that there be at least 14 aircraft carriers and that the prudent number was really 15 but that the Navy might get along on 14.

The Navy has come forward this year with a request because of budget constraints for 12, and it is plain from the experiences as to what has happened in the intervening year, Mr. President, that in the light of the gulf war, where we had 6 carriers in the region at one time, certainly the needs of the United States for national defense are no less in 1991 than they were in 1990, and that in fact the needs are really more extensive than they were in 1990.

The contribution of the Philadelphia Navy Yard, Mr. President, has been really extraordinary for national defense. During the course of the gulf war, when there were six aircraft carriers deployed, five of them being conventional—and the reason that the conventional carriers were deployed is because they are better adapted for that kind of service because the nuclear carriers operate better in deeper water—three of the five conventional carriers had their service life extended at the Navy yard, the U.S.S. *Independence*, *Forrestal*, and *Saratoga*.

Mr. President, the Philadelphia Navy Yard has established a record of being the most cost effective where manday rates there are at the rate of $338.85, which is $50.74 less expensive than the closest competitor, which is the Charleston Navy Yard, and $173.88 less expensive than the most costly yard, which is Mare Island.

When the distinguished Senator from Indiana was advancing his arguments earlier today, Mr. President, he stated five reasons why he sought to strike the language which would compel the Service Life Extension Program from being carried out on the *Kennedy*, saying that the SLEP cost more than a complex overhaul, but the fact is that a SLEP cost $850 million and extends the life of the carrier by 15 to 20 years, whereas a complex overhaul, which costs a minimum of $500 million, extends the life of the carrier for only 5 years. So with the service life expectancy it is obviously much more cost effective than the complex overhaul.

The distinguished Senator from Indiana said that the Navy does not want the SLEP Program. But the fact is that the Navy requested the SLEP Program when it submitted its budget last year.

The third contention advanced by Senator COATS was that the *Kennedy* does not need a SLEP and can survive on a complex overhaul for another 10 years. But that is contrary to fact because there is a need to replace the boilers, the internal electrical systems, hydraulics, and a complex overhaul only repairs existing systems and does not replace used parts.

I ask unanimous consent at this point, Mr. President, that at the conclusion of my statement a fuller description of the difference between a complex overhaul and a SLEP be included in the RECORD.

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

(See exhibit 2.)

Mr. SPECTER. The fourth argument advanced by Senator COATS was that the SLEP Program is designed to preserve the Navy Yard, and on that contention he may well be correct as a matter of national defense priority because the Philadelphia Navy Yard is the only yard which is capable of performing these service life extension programs.

His fifth point was that the SLEP money is not authorized, which is factually inaccurate because the SLEP Program was authorized at the Philadelphia Navy Yard for $113 million by the Armed Services Committee and ratified and adopted by the full Senate.

It is true that last year the House added $409 million on the appropriation line which was accepted by the conference committee and is the law of the land. But the language of the appropriations bill does not call for the expenditure of the $409 million.

The language of the appropriations bill precludes spending any money on the complex overhaul. So that in fact the Navy would be required to go ahead with the SLEP Program for which $113 million has been authorized and $113 million has been appropriated, with the addendum, of course, that more than $113 million has been appropriated. But there is no question about the authorization and appropriation of the full sum of money which is in issue here.

I think it is regrettable, Mr. President, that this motion to strike has been offered on this bill. The Appropriations Committee, on which I serve, adopted these amendments unanimously, requiring that the Navy not proceed with the complex overhaul because the decision of the Senate, like the decision of the Congress last year, was that a complex overhaul simply does not make any sense if you are going to spend $500 million for a 5-year extension or $100 million a year. It makes a great deal more sense to spend $850 million and get an extension of some 15 to 20 years so that the cost of each additional year is less than half of what it is for the complex overhaul.

The experience in the gulf war makes it plain that the national security interests of our country require a minimum of 14 carriers. Of course, there is an underlying concern and an underlying issue here that with the 14 carriers the Service Life Extension Program of the Philadelphia Navy Yard has to be maintained. It may well be—and this is an argument for another day—that the Philadelphia Navy Yard may be retained whether or not the SLEP Program is maintained. There are other very important uses for the Philadelphia Navy Yard.

But national defense requires a 14 carrier fleet and a 14 carrier fleet requires the Philadelphia Navy Yard. Focusing on the narrower issue here today, this language ought to be retained, and the SLEP Program on the *Kennedy* ought to go forward.

I thank the Chair and yield the floor.

EXHIBIT 1

DON'T CALL 14 CARRIERS AN EXTRAVAGANCE

To the Editor:

In "Is the Peace Dividend Being Engulfed?" (editorial, Sept. 19), you do readers a disservice with the suggestion that if only four United States aircraft carriers were sent to meet the Persian Gulf crisis, the other 10 must be "an extravagance." You imply that carriers are like snow shovels—you need only one, and then only when it snows.

The President's ability to maintain a responsive and sustained carrier presence in potential trouble spots around the world depends on having a fleet that can support a continuous cycle of maintenance, training and deployment.

At any one time, roughly one-third of the Navy's carriers are fully combat-ready and forward deployed. Another third are in a standdown and maintenance period that follows each deployment. The remainder are training a new team of personnel and exercising hardware—in port and at sea—in preparation for the next six-month deployment.

In a crisis, that cycle can be compressed; but, in the long term, alternatives to a three-cycle simply do not work. To keep the carriers at home until a crisis breaks out is to undermine their ability to be on station,

ready to project force within hours of a call from the White House. To keep the carriers continuously at sea for longer periods is to impose an intolerable and debilitating burden of fatigue on men and matériel.

The national interest and treaty obligations of the United States still require deployment of aircraft carriers in numerous key parts of the world. Until that changes (and it doesn't seem likely to very soon) 14 carriers are anything but "an extravagance."

H. LAWRENCE GARRETT 3D,
Secretary of the Navy.

WASHINGTON, *September 24, 1990.*

EXHIBIT 2

SLEP VS. COH

In SLEP, an aircraft carrier is gutted and renovated, a process tantamount to creating a new carrier. SLEP thus extends the service life of aircraft carriers by at least 50 percent. In COH, only regular maintenance is performed, so that the carrier continues to deteriorate in service. COHs are performed about every 5 to 7 years, until service life ends.

In SLEP, ship systems are replaced in order to extend the carrier's life. in COH, ship systems are repaired to maintain their operations until the next COH. After SLEP, as if the carrier were new, COHs are performed to maintain the carrier until its service life ends.

SLEP VS. COMPLEX OVERHAUL

SLEP grew out of an investigation initiated by the Navy to determine alternatives to new construction for maintaining carrier forces through the 21st century. The goal was to extend the service life of the fossil fueled carriers by at least 15 years, ensuring their reliability for effective combat operations with only routine maintenance required through the extended service life. This goal is achievable through execution of an availability stressing long deferred structural and auxiliary system repairs along with replacement of those equipments and systems for which logistics support is no longer available.

SLEP is SCN funded and is scheduled around the normal Complex Overhaul cycle. It includes both repairs that would normally be accomplished during the COH as well as those SHIPALTS normally programmed as a result of the Fleet Modernization Program (FMP). In addition, emphasis is placed on those repairs and SHIPALTS required to extend the service life. The increased scope of repairs include the long deferred structural repairs to the basic hull, power generation, main propulsion and auxiliary systems. The basic support systems are also upgraded to meet present and future weapons systems requirements. This includes Air Conditioning, cooling systems, electrical distribution as well as habitability required to maintain a quality of life on the ship.

Additional emphasis is placed on Aircraft Launch and Recovery systems such as upgraded Arresting Gears, Rotary Retract Engines and Catapults. This results in reduced stress on the propulsion plant.

INSURV trials are completed prior to the completion of SLEP as well as six months after SLEP and has proven SLEP to be a sound, cost effective program.

A study of the work package on SLEP has concluded that a series of shorter availabilities is not a substitute in that the OPNAV objectives could not be met. This is due to the increased scope of work and the fact that SLEP attempts to fully restore the ship's construction baseline to ensure post SLEP readiness for combat operations.

Mr. HEINZ addressed the Chair.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me say to my friend, the senior Senator from Pennsylvania, under a consent arrangement, I yielded 15 minutes to Senator SPECTER without losing my right to the floor. I do not want to lose that right, nor do I want to overburden the Senate with yielding of my time, trying to get myself recognized thereafter. If the Senator desires to speak, I am wondering whether it would be accommodating to the Senator to let the Senator from New Mexico proceed with his amendment, at which time in due course the Senator would be able to address the Senate.

Mr. HEINZ. Mr. President, I say to my friend from New Mexico——

Mr. DOMENICI. Mr. President, I yield to the Senator without yielding my right to the floor.

Mr. HARKIN. Mr. President, reserving the right to object.

Mr. DOMENICI. I do not know that I need ask for consent.

Mr. HEINZ. I am inquiring something of the Senator from New Mexico.

The PRESIDING OFFICER. The Senator may certainly yield for a question.

Mr. HEINZ. Will the Senator yield for a question?

Mr. DOMENICI. I yield for a question.

Mr. HEINZ. Mr. President, I want to inquire whether the Senator is aware that the amendment on which Senator SPECTER spoke, and on which I desire to speak, is the pending business of the Senate and whether he also knows that at 4:30, Senator SPECTER and I have a meeting with Secretary Cheney on this subject and whether he would be willing to once again—assuming the other Senators would let him do so—yield 7 minutes to the Senator from Pennsylvania, given that I have to participate in the meeting at 4:30.

Mr. DOMENICI. Mr. President, I will shortly yield.

AMENDMENT NO. 62 TO AMENDMENT NO. 60

Mr. DOMENICI. Mr. President, I sent an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposes an amendment numbered 62 to amendment No. 60.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Several Senators addressed the Chair.

Mr. BYRD. Objection.

The PRESIDING OFFICER. The Senator from West Virginia has objected. Objection is heard.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair asks for regular order.

The assistant legislative clerk read as follows:

In lieu of the language prepared to be inserted, insert the following:

"The language on Page 30, Lines 1-5 are null, void, and of no effect.

"SEC. 103. FOOD AND MILK PRICES.

"The Secretary shall not implement subsections 101 (a) and (b) of amendment No. 43, modified and agreed to by the Senate on March 19, 1991, if the Secretary determines that implementation of those provisions will reduce by at least 50,000 the estimated average monthly participation in, or reduce significantly the benefits received per participant under, the Special Supplemental Food Program for Women Infants and Children established pursuant to section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

"SEC. 104. CEREAL PRICES.

"The Secretary shall not expend, in fiscal year 1991, in excess of $425,000,000 in the aggregate amount of funds and/or commodities to carry out an export enhancement program if the Secretary determines that the expenditure of those funds and/or commodities will reduce by at least 50,000 the estimated average monthly participation in, or reduce significantly the benefits received per participant under, the Special Supplemental Food Program for Women Infants and Children established pursuant to Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).".

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I move to table the Helms amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there sufficient second? There is not a sufficient second.

Mr. LEAHY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. Mr. President, I ask unanimous consent that Mr. DOMENICI may speak for 10 minutes, that he may read his horoscope to the Senate. Perhaps that will wear off a little of the tension.

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

Mr. DOMENICI. I assume that means that I really have to read this. Last night we had a little discussion about the rules. This morning I wondered what my fight was going to be today after having heard the chairman of the Appropriations Committee, the master of the rules.

As I think about it, it was all in good faith; we were acting in good faith, I hope. But it says in my horoscope today: "Rules bend in your favor." I just saw that when I barely offered my amendment and somebody offered to

table it, which meant I will not even get to talk. "Rules bend in your favor." It says "Take charge of your own destiny. Moon in your sign—wear shades of blue, indigo, purple. Stress universal appeal"—I might say I have been trying that very diligently—"wide range of interests."

Then it says "Aries plays key role."

Does the Senator from Vermont have a horoscope?

Mr. LEAHY. Yes.

[Laughter.]

Mr. LEAHY. Mr. President, on the same unanimous consent, if the Senator will yield to me from that time.

Mr. DOMENICI. Not out of my time.

Mr. LEAHY. If I could have 4 minutes.

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

Mr. LEAHY. The Senator from New Mexico says under his horoscope, "Aries plays key role." I am an Aries.

[Laughter.]

Mr. LEAHY. Let me say what it says there. It says under Aries: "Minor crisis erupts, boomerangs in your favor. Focus on deadline, pressure, responsibility * * *." "Relationship tense but durable."

I would say to my good friend and fellow Italian-American, it says "Professional appraisal reveals product worth plenty" and then adds—this is hard to read, but it says "The Leahy dairy amendment will survive."

[Laughter.]

Mr. DOMENICI. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 8 minutes and 39 seconds.

Mr. DOMENICI. Parliamentary inquiry, Mr. President. If the motion to table is agreed to, does the Domenici amendment fail?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Frankly, let me say to the Senate——

Mr. BYRD. Mr. President, will the Senator yield for 1 minute?

I ask unanimous consent to proceed for 1 minute and that it not be charged against the Senator.

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

Mr. BYRD. The Senator read his horoscope in which he referred to the Moon.

Mr. DOMENICI. The Moon.

Mr. BYRD. The Moon. Perhaps if Nicias had not been so superstitious, during the Battle of Syracuse, in the year 413 B.C., when the Moon went into a total eclipse, he ultimately with his fellow Athenian, General Demosthenes—not Demosthenes the orator, but Demosthenes the general—would not have paid with their lives.

I just suggest that we not become overly superstitious or dependent on our horoscope, especially when it talks about the Moon.

Mr. DOMENICI. Mr. President, I might say that I am overwhelmed. In fact, I have a difficult time remembering my children's birthdays, much less such history. I am glad I am in the Senator's presence, nontheless.

Mr. President, Senators should now know that the motion to table the underlying amendment is going to—if you vote to table—table an amendment that I believe you do not want tabled.

Let me say what it is. I have titled it, as if it were a bill, because I think it explains it very well. It is called the "Fairness for Low-Income Consumers Amendment." That is what my amendment achieves: fairness for low-income consumers.

The most important low-income consumers that are hurt by the previously adopted subsidy for the dairy farmers are those who are participants in the Women, Infants, and Children [WIC] Nutrition Program.

I do not accuse anybody of hurting anybody. But, it is very simple, for those who wonder if people are really hurt.

What happens is that the price of milk is forced up, so the dairy farmers do not get hurt financially. When we push the price of milk up, the price of the Women, Infants, and Children Nutrition Program also increases as it is significantly based upon the price of milk. By the amendment that we have already adopted, you are going to take up to 112,000 WIC participants off the rolls. In a March 19 memorandum, the Congressional Research Service suggests that they believe it will reduce WIC participants by 112,000.

I ask unanimous consent that this be printed in the RECORD.

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

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, March 19, 1991.

To Hon. Richard G. Lugar. Attention: Dave Johnson and Randy Green.

From Jean Yavis Jones, Specialist in Social Legislation, Education and Public Welfare Division, and Geoffrey Becker, Specialist in Agricultural Policy, Environment and Natural Resources Policy Division.

Subject Estimated Effect on WIC Program Costs and Participation of Formula Price Increase for Fluid Milk as Proposed Under S. 671.

This responds to your request for information on the effect that the change in the basic formula price for computing Class I milk prices under milk marketing orders proposed by S. 671 might have on the special supplemental food program for women, infants, and children (WIC). As we have discussed, these estimates are based on assumptions outlined in this memorandum and should be used with caution.

S. 671 would provide that ". . .the basic formula price used for the purpose of computing the price of Class I milk under milk marketing orders may not be less than the basic formula price determined for the month of August 1990. . . ." This price would be effective from the first day of the first month after enactment until December 31, 1991.[1]

The basic formula price (also known as the "M-W price") last August was $13.09 per hundredweight (cwt., or 100 pounds). Thus, this would be the basic formula price used for computing milk prices for farmers under S. 671. The January 1991 price was $10.16 per cwt.; therefore, the proposed formula price would have yielded an increase of $2.93 per cwt. above the January level for fluid milk, a rise of 28.8 percent.

If the M-W price remained at $10.16 and milk processors and distributors passed the entire $2.93 increase on to consumers, a gallon of milk would cost an additional 25.2 cents at the supermarket.[2] (Each cwt. of milk equals 11.63 gallons; therefore, each $1 increase at the farm level would be equivalent to an 8.6-cent-per-gallon increase at the retail level.) Whether the full $2.93 increase would be passed on to consumers is problematical. Supporters of the bill might argue that, because retail dairy prices have not fallen along with farm prices over the past year, the marketing chain has the capacity to absorb the M-W increase. Opportunity may counter that average retail fluid milk prices are in fact declining, and that retail prices tend to rise more readily after a farm price increase than they drop after a farm price decrease—making it more likely that fluid prices would climb if the bill were enacted.

The U.S. Bureau of Labor Statistics (BLS) reported that in January 1991, the national average retail price of a half-gallon of whole milk was nearly $1.38; lowfat milk was just over $1.32. Assuming the M-W price increase cited above were carried forward by processors and retailers to consumers, this means that the changes proposed by S. 671 would have increased charges to consumers to about $1.51 per half-gallon for whole milk and about $1.45 for lowfat milk, or about 13 cents more for each half-gallon of milk.

The WIC program provides a monthly food package consisting of specified food products to low-income mothers, infants, and children who are determined to be at nutritional risk; milk is among the foods that must be contained in packages for mothers and children. In most cases, food benefits are issued to recipients by way of vouchers that allow them to purchase specific types and amounts of foods at retail food stores. In some cases a State or locality may purchase the food and distribute it directly to recipients; this is less common than the use of vouchers. The volume and value of food packages differs by the type of recipients. For example, children receive a package that differs from that of infants, and mothers who are pregnant or breastfeeding receive a different package than nonnursing mothers. Federal regulations specify a maximum amount of specified types of foods that may be paid for by Federal funds. States may provide less than the maximum amount, or recipients may redeem fewer items than are allowed by the vouchers.

According a 1988 study of the WIC program by the U.S. Department of Agriculture

[1] Under Federal marketing orders (which set minimum farm prices for about 70 percent of all U.S. milk), the Class I price is the minimum farm price that processors must pay for Grade A milk consumed in fluid form. This Class I price is determined by adding a "fluid differential"—which varies by region—to the basic formula price.

[2] The M-W price declined again in February, to $10.04 per cwt., potentially widening the spread between the August 1990 price and the M-W price if the bill were enacted this spring.

(USDA), the average monthly volume of milk or milk products used by a participating pregnant or breastfeeding mother was 26 quarts; for a postpartum, nonnursing mother or a child aged 1 to 5, the average quantity of milk or milk products in a food package was 21 quarts.[3] These fluid milk levels are slightly lower than the maximum amounts allowed by USDA regulations: 28 quarts for pregnant or breastfeeding women, 24 quarts of milk for nonnursing mothers and children aged 1 to 5. Milk products may be offered in the form of equivalent quantities of cheese and nonfat dry or evaporated milk, although fluid milk is the most common item.

Milk products constitute a substantial portion of the WIC food package for participating mothers and children. Consequently, increases in fluid milk prices, if passed on to consumers, increase the cost of providing the WIC food package. Because program funds are limited by appropriations, WIC program operators may adjust for cost increases either by reducing the number of participants served by the program,[4] or by reducing the quantity of foods included in each WIC food package. In general, given the choice, program operators prefer to reduce the caseload rather than the food package since the food packages are based on nutritional needs of program recipients. By and large, program operators try to reduce caseload by attrition rather than by cutting off participating recipients. The extent to which this is possible depends upon the amount of available funds and existing caseload and food costs.

Pursuant to your request, we have provided estimates of the impact that an increase in milk prices might have on the average monthly cost of WIC program benefits. To calculate this, we have had to make a number of assumptions. Data do not exist for FY 1991 distinguishing between pregnant and nursing mothers and nonnursing mothers, and since the quantity of fluid milk in food packages differs between these groups, we had to estimate the numbers of such recipients for FY 1991. This was done by assuming that the proportion of these types of program recipients in FY 1991 would be the same as was reported in the USDA 1988 *Study of WIC Participant and Program Characteristics*. We applied the 1988 study proportions (15.8 percent pregnant and nursing mothers; 5.5 percent postpartum nonnursing mothers, and 47.4 percent children aged 1–5) to the average monthly number of recipients projected by the USDA to be served for FY 1991. Because there are no more recent data than the 1988 study on the quantities of milk or milk products included in food packages, we also had to assume that the same amounts would be included in food packages for mothers and children in FY 1991 (infants receive formula rather than fluid milk and there was no way to estimate how much milk might have been used in this product). Using these updated estimates of participation and milk consumption, we have calculated the cost of milk products contained in each WIC package based on January 1991 BLS retail prices for a half-gallon of milk (showing both whole and lowfat milk prices). To this, we have compared the prices that might have existed in January 1991 if the full impact of the farm price increases proposed by S. 671 had been passed on to consumers through retail price increases.

This methodology has some limitations. First, as has been previously mentioned, we do not know that processors and distributors would pass on the price increase they are charged by farmers. Therefore, we do not know if retail prices would rise as much as projected. Second, we do not know that the proportions of recipients in each of the relevant categories, or the quantities of milk products in their food packages has remained the same since 1988. Additionally, some of the milk products in a food package may consist of cheese or nonfat dry or evaporated milk. Moreover, in those cases where the WIC agency purchases food for recipients rather than providing recipients with a voucher for purchases at retail stores, the price of the product would be wholesale, rather than retail. No data are available on the amount of fluid milk acquired through wholesale versus retail purchases, thus no distinction can be made in the estimates. For these reasons, the average monthly cost of fluid milk shown by these estimates may be overstated. However, we know that the vast majority of WIC foods are provided through voucher redemptions in retail stores. Moreover, cheese price increases in recent years make it unlikely that this product constituted a substantial amount of the milk product in WIC packages. Additionally, we have not counted whatever fluid milk may be used in infant formula for WIC infant packages. This would somewhat understate the estimates, although there are no data upon which to judge the degree.

Column 1 of table 1 shows the categories of food package recipients receiving fluid milk (or milk products) as part of their monthly food package. Column 2 shows the average estimated monthly number of WIC participants (and food packages) for relevant categories of recipients for FY 1991. Column 3 provides the average monthly amount of milk and milk products estimated to be provided in each relevant recipient's food package in 1988. Column 4 estimates the cost of the milk products contained in each package for both whole and lowfat milk based on January 1991 BLS retail prices for a half gallon of fluid milk. Column 5 estimates the cost of the milk products contained in each WIC package if milk processors and distributors passed on to consumers the full increase in prices to farmers required by S. 671. Column 6 shows the increased per package cost based on the difference between the actual January 1991 retail price of the milk included in a package and the projected January 1991 retail price based on estimates of retail price increases shown under column 5.

TABLE 1.—ESTIMATED WIC FOOD PACKAGE MILK PRODUCT COSTS UNDER CURRENT LAW FOR JANUARY 1991 AND PROJECTED FOR JANUARY 1991 UNDER S. 671

Category	Average monthly estimated participation[1] (fiscal year 1991)	Average amount, milk/milk products[2] in WIC package	Jan. 1, 1991, retail price of milk in WIC package[3]	Estimated monthly price of milk in WIC package[4] (S. 671)	Price increase per month of milk in WIC package
Pregnant and nursing mothers	742,600	26 quarts (13 half-gallons).	$17.94 (whole) $17.16 (lowfat).	$19.63 (whole) $18.85 (lowfat).	+$1.69
Nonnursing mothers	258,500	21 quarts (10.5 half-gallons).	$14.49 (whole) $13.86 (lowfat).	$15.86 (whole) $15.23 (lowfat).	+1.37
Children aged 1–5	2,227,800	21 quarts (10.5 half-gallons).	$14.49 (whole) $13.86 (lowfat).	$51.86 (whole) $15.23 (lowfat).	+1.37

[1] Assumes that the proportion of pregnant and nursing mothers and nonnursing mothers participating in the program in FY 1991 will be the same as was the case in 1988.
[2] Assumes fluid milk costs. May include some cheese, nonfat dry and evaporated milk.
[3] Assumes retail prices of $1.38 per half-gallon for whole milk or $1.32 per half-gallon for lowfat milk.
[4] Assumes retail price of $1.51 per half-gallon of whole milk and $1.45 per half-gallon of lowfat milk.

TABLE 2.—ESTIMATED TOTAL MONTHLY INCREASE IN WIC FOOD PACKAGE COSTS BASED ON PROJECTED INCREASES IN RETAIL PRICE OF MILK

Category	Average monthly estimated number of food packages[1]	Average monthly increase in cost of milk in WIC package (est.)[2]	Total average monthly increase in WIC cost (est.)[3]
Pregnant and nursing mothers	742,600	+$1.69	+$1,254,994
Nonnursing mothers	258,500	+1.37	+354,145
Children aged 1 to 5	2,227,800	+1.37	+3,052,086
Total	3,228,900	NA	+4,661,225

[1] Based on estimated participants.

[2] Cost increase is higher for packages provided to pregnant and nursing mothers because greater quantities of milk are included in these packages than in those for nonnursing mothers and children.

[3] Calculated by multiplying the number of food packages by the increased retail price.

Table 2 translates the estimates in table 1 to a total monthly estimated cost increase for WIC program food packages assuming the projected increase in retail prices indicated by table 1. This table shows that the monthly average total cost of WIC food packages would have increased by a total $4.66 million under S. 671 in January 1991 *if*: (1) the proportion of WIC recipients in the relevant categories stayed essentially the same and the quantities of milk products in their food packages remained unchanged between FY 1988 and FY 1991; (2) retail prices were charged for all milk products in the WIC package, and (3) milk processors and distributors passed along to consumers the full price increase for fluid milk charged by farmers.

The USDA projects that in FY 1991 the average monthly cost of serving a WIC recipient will be $41.41. This includes both food and administrative costs. If the average monthly cost of WIC food packages were to increase by the $4.66 million estimated above, and if WIC operators were to absorb this cost increase by cutting caseload, more than 112,500 fewer participants would be served by the program in an average month.

[3] U.S. Dept. of Agriculture. Food and Nutrition Service. Office of Analysis and Evaluation. *Study of WIC Participant and Program Characteristics, 1988*. Final Report, v. I: Summary of Findings, Apr. 10, 1990. The volumes shown reflect all milk products that might be in a WIC package; they do not differentiate between fluid milk, cheese, nonfat dry or evaporated milk.

[4] A USDA study of WIC eligibles indicated that in FY 1984 the program served about 40 percent of those eligible. Since then, both funding for the program and participation have increased. Although no more recent data are available on the nutritional status of the income eligible population, most experts agree that the program now serves over 50 percent of all eligibles and reaches almost all eligible infants.

Mr. DOMENICI. Mr. President, those who are proponents of the new dairy price support measure will acknowledge, if I understand it, that the price of liquid milk is going to go up. I assume that is the milk as it leaves the dairy farmer. But they suggest it is not going to hurt the consumer, because the middle man is going to absorb the increase.

Well, I do not believe that. That is why I am here. I do not believe the middle man, the one that purifies the milk and puts it in cartons and retails it, or those who make the ice cream, will assimilate that 28-percent price increase from this new dairy price support.

I believe the WIC Program is going to get hurt. This amendment says that if the Secretary of Agriculture finds that if 50,000 WIC participants or more are going to be eliminated from the rolls because of the increase in dairy costs—because we are going to help our dairy farmers by raising the price—then he cancels this new Dairy Program, and it is null and void.

There are some who would say, Senator DOMENICI, you are not being fair, because there is another provision, the so-called Grain Export Program, that might raise the price of grains. So that everyone will know that I am fair, I have included both programs in my amendment.

The second part of the amendment states that if the Export Enhancement Program, which we have increased in this underlying bill, causes 50,000 or more WIC participants to lose their benefits because it raises the price of commodities, that program is canceled, too. I think that is imminently fair.

In its essence, if you vote to table the underlying amendment, you have essentially said that the amendment which I have just offered, the fairness for low-income consumers amendment, is dead. All I wanted was an opportunity to present this. All I wanted was an opportunity to have a vote. I think I am going to get a vote, but it will be very circuitous.

It is a tabling amendment of the underlying Helms amendment. You are not going to have a chance to vote on the Domenici consumer fairness amendment. I wish you would have, and I suggest you ought not vote to table it, because we will have a real opportunity to debate it and perhaps adopt it, or perhaps work out something with those who think to the contrary.

Mr. LEAHY. Will the Senator yield?

Mr. DOMENICI. How much time do I have?

The PRESIDING OFFICER. Three minutes, twenty seconds.

Mr. DOMENICI. I yield for a question.

Mr. LEAHY. Mr. President, is it the intention of the Senator from New Mexico to wipe out the dairy provision passed by a 60-to-40 vote yesterday, or is it his intention to protect the WIC Program?

Mr. DOMENICI. Well, let me say, Mr. President, frankly, I do not believe we should have dramatically increased the Dairy Program.

I believe that, sooner or later, the dairy industry in the United States is going to have to come to its senses. What we have done through congressional action is continue to raise the prices supports until the price of milk is so high that everybody is in the business. There is overproduction everywhere, and everybody is making money.

Then we produce too much milk, the price drops, and they begin to go out of business. I do not want anybody to go out of business, but that happens to thousands of people every day in the United States. And now somebody comes along and says: Let us raise it back up, and it is not going to cost anybody anything. It will. The consumer will pay. I picked out a nice little group of consumers that we are trying to take care of under the WIC Program.

So, honestly, I say to my friend, I want the amendment that the Senator gave to the Senate and which the Senate adopted 60 to 40, to be tested. If it, in fact, hurts the WIC Program the way I think it will, then I want it canceled.

On the other hand, I do not like any amendment that is going to be a "jimmy-up amendment"—one in which we are going to pay a portion of WIC costs out of the dairy farmers by setting money aside, and sending it over to the States every month so the WIC Program does not get hurt.

If that is what my friend from Vermont intends to offer, I do not like that program.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico retains the floor.

Mr. LEAHY. Will the Senator yield?

Mr. DOMENICI. I am pleased to yield. Mr. President, how much time do I have?

The PRESIDING OFFICER. Forty-seven seconds.

Mr. LEAHY. Mr. President, I ask unanimous consent that I be recognized for 2 mintues.

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

Mr. LEAHY. Mr. President, to begin with, in the 1985 farm bill, the dairy price support was around $13.10 a hundredweight. The Senator from New Mexico speaks of raising these price supports.

In the 1990 farm bill the price support for milk was dropped to $10.10. The Leahy-Jeffords dairy amendment does nothing that increases this support price of milk or the cost to the taxpayers.

I will yield to no one in this body in my support of WIC. In the 17 years that I have been on the Senate Agriculture Committee I have been the lead sponsor or a cosponsor of every WIC bill that has passed this Congress. Nothing is going to take people off a WIC Program with my vote.

The distinguished Senator from Vermont [Mr. JEFFORDS] and I have an amendment. If that is what we want to do, this amendment could be adopted by this body. This amendment guarantees that nobody would go off the WIC Program. It says that if the cost of fluid milk were to increase the cost of the WIC Program, sums equal to such costs would have to be paid to the WIC Program. So if the Senator from New Mexico wants to protect people on WIC, we can do it. In fact, if he wants to really do something of significance for WIC, he should consider making WIC an entitlement program and take the huge amounts of money that will be saved from medicaid to pay for it.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have 47 seconds remaining; is that correct?

The PRESIDING OFFICER. Forty seconds.

Mr. DOMENICI. Mr. President, I ask unanimous consent I be yielded an additional minute.

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

Mr. DOMENICI. Mr. President, I did not say that the distinguished Senator from Vermont was anything but the staunchest advocate for the WIC Program. What I have found, however, is that in the American economy things are tied together. They do not just operate in a vacuum.

So in an urgent supplemental that was supposed to deal with the aftermath of the war, we have an amendment to enhance export of grains to make that a better program. That is not the amendment of the distinguished Senator from Vermont. Somebody else put it in the appropriation bill. Then the Senator from Vermont comes in and, because the dairy farmers are hurting—and we all know that, anybody that has a telephone and is in the Senate knows that. They are calling up saying, if we do not do this, they are going to have to sell their dairy cows.

Frankly, neither of these belong on this bill. What I have done here is say, let us leave them both on, but, if they really hurt the WIC Program, let us take them both out. We said to the Secretary of Agriculture if either of those programs are that expensive, not to the Treasury but to the consumers of this country, then render them null and void. That is all I want to do.

I would like a vote. I am not sure I will get one, but I have had my say, and I truly believe however it comes

out, the horoscope was right both as to me and as to my friend from Vermont.

Mr. BRADLEY. Mr. President, I rise as cosponsor of the amendment offered by the Senator from New Mexico to ensure that pregnant women, infants, and young children are not the victims of changes adopted yesterday to the milk price support program. This amendment would repeal these modifications if over 50,000 people are forced out of the WIC Program as a result of an increase in milk prices that may result from these changes.

Mr. President, the amendment the Senate adopted yesterday as offered by the Senators from Vermont significantly changed the dairy price support program. it is unlikely that this change will go unnoticed by consumers or by the Government program that buys milk for needy children.

The Leahy-Jeffords amendment raised the price paid for fluid milk by roughly 30 percent. When asked why this increase would not trigger an immediate and proportional increase in consumer prices, the sponsors pointed at price gouging by the middleman. According to the sponsors, consumer prices didn't fall when the price paid to farmers dropped last summer, so consumer prices would not go up now, when the price paid to farmers goes up again.

Mr. President, we do not have any idea what actually will happen to milk prices. There have not been hearings on this proposal. As far as I know, there is no serious economic analysis of the amendment's implications. Retailers and growers have contacted me to indicate they expect milk prices to raise $0.40 per gallon. The bill's sponsors say they would not increase at all. Whom do you believe? I would suggest that the burden of proof is on those who would content that normal economic laws somehow would not apply to this milk price increase. The Senate's action yesterday was based on wishful thinking. If we were wrong, if the sponsors of the bill were wrong, the poor of this country will not only pay more for a product fundamental to a healthy diet, but poor infants will have to be dropped from the WIC Program because its limited funding cannot cover a milk price increase for all its current beneficiaries.

Mr. President, if milk prices increase by the 40 cents or more that some project, as many as 75,000 to 100,000 pregnant women, infants, and young children will have to be dropped from participation in the WIC funding Program. Others contend that there will be no increase in consumer milk prices and the WIC Program will not have to drop anyone. If they are correct, this amendment will have no effect. This amendment is an insurance policy for pregnant women, infants and children dependent on WIC in case they are not correct. If they are wrong, if prices do rise, and if the price increases force WIC to cut off more than 50,000 participants, the dairy modifications adopted yesterday will be repealed and children's health and nutrition will be protected.

Mr. DOLE. Mr. President, I rise in support of the amendment offered by the distinguished ranking member of the Senate Budget Committee. As someone with the longstanding interest and involvement in the Federal nutrition effort, I share his concern about the impact on the WIC Program of the amendment offered earlier by the Senator from Vermont.

The Congressional Research Service estimates that 112,500 fewer women, infants, and children would be served each month by the program under the dairy provisions authored by the Senator from Vermont.

WIC has a proven track record. Study after study has demonstrated the impressive health and nutritional benefits it provides to the women, infants, and children who participate in it. They are among the most vulnerable members of our population, and we should protect them against a measure that could have such a negative effect on their health and nutritional status.

I therefore urge my colleagues to support the amendment offered by the distinguished ranking member of the Senate Budget Committee.

Mr. CHAFEE. Mr. President, I am joining my friend from New Mexico in his effort to ensure that the all-important Special Supplemental Feeding Program for Women, Infants, and Children—or WIC—is not inadvertently caused considerable harm by the Leahy dairy amendment that was approved yesterday by the Senate. Hence, I am voting against the motion to table the Helms, and therefore, Domenici amendment.

First of all, I would like to say that I am sorry to see two well-intentioned efforts—one meant to help dairy farmers now under fiscal pressure, and one meant to preserve important nutrition funding for mothers and children—at loggerheads with one another. There are dairy farmers in my State, and I am concerned about their ability to maintain their farms. Likewise, the WIC Program is extremely important to my State, and I am concerned about making sure the program can reach eligible persons. But I think we acted too hastily on the Leahy amendment.

I did not support the dairy amendment. While it seemed simple on its face, its impact is far from clear. Indeed, should it exacerbate surpluses and reduce demand, it could hurt not only dairy processors and consumers, but also the very dairy farmers that it is intended to help. We simply do not know if the Leahy amendment will help or hurt dairy farmers.

However, one thing that is far clearer is the negative impact that a milk price increase would have on both dairy processors and consumers. That is where the WIC Program comes in, and I would like to focus on this aspect.

Under the dairy amendment approved yesterday, it is very likely that the retail price of milk would go up. It is not unanimous, but that is the conclusion of USDA, dairy processors, and consumer groups. That means consumers—particularly those of low income—would pay more for milk. That also means additional costs for those nutrition programs, such as WIC, that include milk as a basic component of their food package.

As my colleagues know, the WIC Program provides food vouchers to low-income pregnant women, women with infants, and children under 5 who are at risk of serious nutritional deficiencies. As my colleagues also know, WIC is easily one of our best and most cost-effective programs. For every $1 invested in WIC, we save about $3 in long-term health care costs. And with WIC, we reach children at the critical early stages of development.

We recognize the benefits of WIC, and that is why every year when Senator DECONCINI and I spearhead the drive for increased WIC funding, we get an overwhelming, bipartisan response from our colleagues. Last year 82 of us wrote to the Appropriations Committee asking for an increase in WIC moneys, and I am pleased and grateful that the committee did just that.

One more recent event: Five corporate chief executive officers appeared before a House committee to strongly support WIC. They called WIC the health care equivalent of a triple-A rated investment and endorsed full funding for WIC.

I mention this background on WIC because I want to emphasize the overwhelming success of, and support for, the WIC Program.

Milk is an integral part of the WIC food package. According to USDA's Food and Nutrition Service, fluid milk accounts for over 23 percent of WIC food package costs. Indeed, WIC participants consume over 150 million gallons of milk every year. Thus, it should come as no surprise that USDA has noted that "the impact of any significant rise in dairy prices on the WIC Program would be very significant and detrimental."

So the widely-expected increase in the retail price of milk from the dairy amendment would hit WIC hard. A recent analysis by USDA estimates that a milk price increase of 10 cents per gallon would cost the WIC Program $15 million in the next fiscal year. According to USDA, a 10-cent increase would reduce the monthly food packages by 400,000—that means 35,000 fewer women, infants, and children would be served each month.

Keep in mind that a 10-cent increase is a conservative estimate. Should the increase be 25 cents, which many feel is more likely, we could be looking at a loss in WIC participation of anywhere from 40,000 to 100,000 women and children.

Other nutrition programs could also be affected. The USDA analysis showed that Food Stamps, and the School Lunch and Breakfast Programs, would also bear heavy costs from a 10-cent milk price increase: about $95 million for next year.

Food package increases should not be taken lightly. Last year, rises in food prices due to unexpected inflation had a significant negative impact on State WIC Programs. Many States—including my own—had no choice but to drop participants. My point is: Increases in food prices are real threats to State WIC programs.

To those who would argue that these figures are only estimates, and that milk prices would not necessarily go up under the dairy amendment, I would say then let us make sure that that is so. Let us not hastily pass a major change in dairy policy that may or may not help the intended beneficiary—dairy farmers—but almost certainly will have a significant impact upon other groups. Let us let the bill be studied by the committees. And until we are certain that the amendment: First, will help dairy farmers in the long term; and second, won't hurt dairy processors, consumers, and nutrition programs, we should not go forward.

That is why I strongly support and have cosponsored the amendment by Senator DOMENICI. I recognize that the Senate agreed to the dairy amendment yesterday by a clear margin. But the Senate should also ensure that its quick action does not decimate one of the best programs we have ever had: WIC. This amendment will safeguard the WIC Program, and I urge my colleagues to support it.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. DOMENICI and Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The question is on the motion to table.

The Senator from New Mexico.

Mr. HARKIN addressed the Chair.

Mr. DOMENICI. Is the pending question the motion to table?

The PRESIDING OFFICER. The Senator is correct.

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

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

Mr. BYRD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The motion to table is the pending business.

Mr. BYRD. Mr. President, I hope that we can get action on this motion quickly. I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, we have pretty much taken our time on this bill, almost to the point of taking it unduly. I wonder if Senators understand that in this bill is $150 million for State unemployment insurance operations. I have seen pictures in the press and I have seen on television, waiting lines, individuals who have had to wait 3 or 4 months to fill out their applications and receive their unemployment insurance. I wonder what they may think as they see the Senate piddling along as it has done on this bill.

Senators are entitled to talk, entitled to offer amendments, but I cannot understand why we have to sit here with no action taking place, nobody talking, just sitting out quorum calls.

I hope that we can encourage the people out there, who are waiting in those lines, to believe that the Senate is really taking action and that there is going to soon be an appropriations bill passed that will allow the States to employ the necessary staff, States that need additional funds for the remainder of the year, to hire the staff required to avoid these unnecessary delays that have occurred in the payment of unemployment benefits to an increasing number of unemployed people. The economic and workload forecasts for the Unemployment Insurance Program have been consistently low, and the committee has been concerned that the administration's request is once again too low to adequately fund State administrative costs.

Therefore, in the Senate Appropriations Committee, we added $50 million over and above what the administration requested. And we prevailed on the President, through the Office of Management and Budget, to declare this as an emergency. We all agree that it is an emergency. The administration agrees it is an emergency, and yet we cannot get the bill passed here in the Senate.

If Senators were talking, if they were voting, it would be a different thing. But the Senators are not even on the floor. I see the two managers on the floor; Senator SASSER is on the floor; we have a Senator in the Chair; the Senator from North Dakota; and the Senator from Iowa. Why cannot the Senators come out and vote?

Mr. HATFIELD. Will the Senator yield?

Mr. BYRD. Yes, I yield.

Mr. HATFIELD. I certainly associate myself with the remarks of the chairman of the Appropriations Committee. I am really bothered, bothered badly. I would like to ask the Senator, since he is the historian of the Senate—when I came to the Senate, we were always concerned about protecting the rights of Senators. But there were some responsibilities assumed by the Senators to exercise their rights in due course and within the convenience of the institution. I have a growing sense that we have lost the sense of the institution here in the Senate, that it is all now 100 majority leaders, 100 agendas, and there is no time when the institution should be working its will. It is all now the right of the individual Senator.

Is there a point at which the rights of the individual Senators have to be melded to the benefit and the progression of the institution?

I ask that question because I remember Senator Russell—I was privileged to serve for 2 years when he was here in the Senate. He fought every single civil rights bill. He made no effort to say anything other than, that is my position and this is what I represent. But when a cloture motion was laid down, Senator Russell got up and he said, now the Senate must work its will. And the Senate institution moved because the individual Senator had had his day, he had his rights protected. He had exercised all of his rights of speech and motions and amendments and everything. But, once that cloture motion was laid down, that was it.

Then there was a certain Senator who came here who developed the postcloture filibuster. From that point, I felt a shift of the whole Senate character, because every side of an issue could use that as any one individual could use that kind of approach postcloture.

But here we have for an hour and a half, I say to my leader, this morning an hour and a half the Senator from West Virginia and I sat here, we waited, we pleaded through the television and we sent our staffs to the telephones to call the individual Senators who had indicated they had an amendment, and they would not show up. We have gone through this whole exercise this afternoon, as we did yesterday. And when I suggested this morning that we move to a third reading within a reasonable period of time, the chairman of the Appropriations Committee asked immediate unanimous consent to go to third reading.

And I said I did not expect him to take me up so quickly on my thought. Because we had to protect, again, the interests of the individual Senators.

But there must be some limitations on how far we protect the rights of individual Senators and do the business of the country through the institution of the Senate.

Will the Senator comment?

Mr. BYRD. I absolutely agree with the Senator. Senators do have rights and I try to recognize them and realize they have rights. We often speak of Senators' rights but Senators do have responsibilities. They have responsibilities to the Senate itself as an institution. So often we see Senators who seem to subordinate the welfare and the well-being of the institution—and the country, as a matter of fact—to their own egos. I think that the Senate has lost its soul.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. ROBB). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 61, nays 39, as follows:

[Rollcall Vote No. 38 Leg.]

YEAS—61

Adams	Ford	Metzenbaum
Akaka	Fowler	Mikulski
Baucus	Glenn	Mitchell
Bentsen	Gore	Moynihan
Biden	Graham	Nunn
Bingaman	Harkin	Pell
Boren	Heflin	Pryor
Bradley	Heinz	Reid
Breaux	Hollings	Riegle
Bryan	Inouye	Robb
Bumpers	Jeffords	Rockefeller
Burdick	Johnston	Sanford
Byrd	Kasten	Sarbanes
Cochran	Kennedy	Sasser
Conrad	Kerrey	Shelby
Cranston	Kerry	Simon
Daschle	Kohl	Specter
DeConcini	Lautenberg	Wellstone
Dixon	Leahy	Wirth
Dodd	Levin	
Exon	Lieberman	

NAYS—39

Bond	Gorton	Nickles
Brown	Gramm	Packwood
Burns	Grassley	Pressler
Chafee	Hatch	Roth
Coats	Hatfield	Rudman
Cohen	Helms	Seymour
Craig	Kassebaum	Simpson
D'Amato	Lott	Smith
Danforth	Lugar	Stevens
Dole	Mack	Symms
Domenici	McCain	Thurmond
Durenberger	McConnell	Wallop
Garn	Murkowski	Warner

So the motion to lay on the table amendment No. 60 was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the President pro tempore.

Mr. BYRD. Mr. President, if I may have the attention of the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, as far as I can tell, there is only one amendment, possibly two—perhaps I should say likely two—amendments remaining. Pending is the Coats amendment, on which there has been some debate already. I wonder if we can get a time agreement on the Coats amendment.

Mr. LEAHY. Mr. President, may we have order. I am having a little trouble hearing the distinguished chairman and I am standing a foot and a half from him.

The PRESIDING OFFICER. The Senate will be in order.

Mr. COATS. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD. Yes, I yield.

Mr. COATS. I would be very happy to enter into a time agreement. As far as I know, there is only one other Senator who wishes to speak, and he is willing to accept a very limited amount of time. I think I need no more than about 3 or 4 minutes to summarize, and I would be ready to vote. I do not know what the opposition needs.

Mr. SPECTER. Mr. President, on our side we have five Senators who wish to speak. We have my colleague from Pennsylvania, Senator HEINZ; we have Senator BIDEN, who is on his feet; we have Senator LAUTENBERG, who is in the Chamber; and also Senator BRADLEY.

How much time does the Senator from Pennsylvania need?

Mr. HEINZ. Mr. President, I will not consume more than 10 minutes.

Mr. SPECTER. The Senator from Delaware?

Mr. BIDEN. Mr. President, I will not need more than 5 minutes.

Mr. SPECTER. The Senator from New Jersey, Mr. BRADLEY? two minutes. We are up to 18 minutes. I would say 25 minutes on our side.

Mr. BYRD. Mr. President, I ask unanimous consent that the time on the pending amendment be limited to 25 minutes for the opponents and——

Mr. COATS. Why not do 25 minutes a side? I expect we would yield back.

Now I realize there are three or four Senators, who see the opposition is going to mount a defense, who want to speak. So if we could do it equally on both sides with the understanding we would attempt to be brief and yield back whatever we do not use, I would be happy to do that.

Mr. SPECTER addressed the Chair.

Mr. BYRD. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. SPECTER. Will the Senator yield for a question?

Mr. BYRD. Yes.

Mr. SPECTER. My question is will the Senator add an additional 5 minutes to the Senator from New Jersey, who does want to speak?

Mr. BYRD. I understood the Senator counted 18 minutes.

Mr. SPECTER. I had not gotten my time and Senator LAUTENBERG. So I think we need 30 minutes at this point.

Mr. BYRD. Thirty minutes.

Mr. COATS. Why not do 30 minutes a side then?

Mr. BYRD. All right, 30 minutes a side. There are some Senators who have some engagements this evening. This Senator does not have, but he does have to prepare for a conference tomorrow. We have to get busy in the morning because it is too late now to have a conference with the House today because they are out. They would not be able to appoint conferees today. But I hope we can bring this to a conclusion.

Thirty minutes a side?

Mr. SPECTER. That would be acceptable, Mr. President.

Mr. BYRD. Mr. President, I ask unanimous consent there be 1 hour on the amendment, to be equally divided between Mr. SPECTER, et al., and Mr. COATS on that side, and that at the conclusion of that time there be a vote on or in relation to the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The time will be equally divided.

Mr. BYRD. Mr. President, I ask unanimous consent that there be no amendments to the language proposed to be stricken.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that upon the disposition of this amendment, there will only be one amendment remaining, that amendment by Mr. LEAHY. I know of no other amendments. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Reserving the right to object, will the distinguished majority leader withhold so I may check?

Mr. BYRD. I withhold the last request, which had to do with Mr. LEAHY's amendment.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HEINZ. Mr. President, will the Senator from Pennsylvania yield?

Mr. SPECTER. I yield 10 minutes to my distinguished colleague from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. HEINZ].

AMENDMENT NO. 50

Mr. HEINZ. Mr. President, earlier today the Senator from New Mexico apparently read his horoscope indicating the rules were going to bend in his favor. Thanks to his copy of the Washington Post, I came across my horoscope today. I am a Libra, barely. It

says that: "Many will be drawn to you, fascinated by voice, charm, and sense of drama."

Well, I note that nobody erupted here in the Chamber. It goes on to say that: "Scenario highlights discovery, adventure, and unique relationship based on clash of ideas."

Regarding clash of ideas, "Gemini, Virgo, Sagittarius in picture." I do not know what Senators SPECTER, BRADLEY, and BIDEN will be, but chances are they will be one of those.

I hope that horoscope is true, because the Senators that I have just mentioned and I are very strongly opposed to the amendment of the Senator from Indiana. One of the reasons that we are opposed is that if the amendment of the Senator from Indiana were to carry, it would virtually preclude the Congress, as well as the Nation, from revisiting the issue of whether 12 carriers is enough for the U.S. Navy.

It would preclude that because the decision, in effect, to end the SLEP Program, for all intents and purposes, immediately would deprive the Navy of the ability to extend the lives of several other conventional carriers which we would need were we to go above the 12 carriers that are currently projected by the Navy to meet their needs.

In discussions only a moment ago with Secretary Cheney, the Secretary indicated to us that because of the way carriers operate, basically one on station, one in port, and one either on the way or coming back, you can operate effectively only four carrier task groups. Yet the number of critical spots that our military must cover have now been expanded to five, that fifth spot being the Arabian Sea, the Persian Gulf, and the Red Sea, where up until recently we had as many as six carriers operating.

As a result, Secretary Cheney admitted that he would have to rob Peter to pay Paul in order to cover those four areas. What he described to us is a scenario where one carrier has to shuttle back and forth between the Arabian Sea and the Mediterranean, where there is traditionally, due to our commitment to NATO, a carrier on station at all times.

Mr. President, clearly the Secretary of Defense is a good soldier. He is trying to make his forces fit changing circumstances. But in this case, I believe that the reduction in the force of carriers down to 12 carriers, which would in effect be mandated and prejudged by the amendment of the Senator from Indiana, would be a grave mistake.

A second issue that is involved here is that not only would the amendment of the Senator from Indiana preclude our having the additional carriers or carrier, depending on whether you went to 13 or 14, but it would also preclude our ability to visit the issue of whether nuclear carriers, which are essentially all that we have built since commissioned in 1968, are indeed the most cost-effective kind of defense that we can buy.

It turns out, after some research, that the Navy did on several occasions do cost-effective research on nuclear carriers. And in every single study from 1963 to the present, oddly enough, it was determined that nuclear carriers, while very good, are not cost effective as conventional carriers. The main rationale had been for them is that nuclear carriers do not have to refuel, and the conventional carriers do, and that they have this range. But as study after study pointed out, the fact of the matter is that the way you lose a carrier is to send it out without its task group, without its support ships, without its Aegis cruisers, without its screening destroyers, because a carrier must be part of a task group of conventionally fueled vessels in order to be properly defended against both air and marine and submarine threats.

So it would be, in my judgment, a great mistake for us to be forced to choose between conventional carriers and nuclear carriers. That would be one of the other effects of the amendment of the Senator from Indiana, and I think as a result we would be forced to make some decisions, and maybe we should make those decisions anyway, about what is the most cost-effective bang for the buck in the Navy.

Third, and quite directly to the amendment of the Senator from Indiana, he talks about how you can get 10 years of life out of a complex overhaul; and how that, therefore, makes it a very desirable and cost-effective alternative to the service life extension programs that the Philadelphia Naval Yard has carried out on the *Forrestal*, the *Saratoga*, the *Independence*, and other carriers, and hopes to carry out, of course, on the carrier that we are discussing here.

Mr. President, it is a fact that a complex overhaul gets you, at most, 5 years additional life out of a conventional carrier. Even more important, it does not provide the systems upgrade, the up-to-date electronics, fire control, and other interdiction systems that you need and ought to have on any carrier.

So that complex overhaul sounds like it might be a good deal if it were 10 years, and if you did not pay any attention to what you got. But it gets you less than one-third of the life, and it gets you a good deal less than one-half of the capability, not including the life, and not including the fact that to get 15 years additional life out of a complex overhaul, you would have to drive out the carrier three times instead of only once for a service life extension program.

A service life extension program takes 26 months for a complex overhaul. You would have to have a carrier out of commission for about 5 or 6 out of its 15 years.

Finally, Mr. President, there is the issue of the cost efficiency at which the work on the service life extension program is done at the Philadelphia Naval Yard. It is a fact that by every significant rating the Navy makes and can bestow on any of its eight yards in terms of the man-day rate, in terms of the productive ratio, in terms of the net operating result, the Philadelphia Naval Yard is either first best or second best out of eight in every single one of those categories, and indeed it is one of only two yards that returned a profit to the Navy in the last 2 years.

Mr. President, I urge our colleagues to defeat the Coats amendment, to defeat it because it precludes some very necessary flexibility that we may be called upon to utilize in making decisions about the number of carriers.

It prejudges whether the fleet should be all nuclear, instead of a mix of conventional and nuclear. I point out that we never sent a nuclear carrier into the Persian Gulf, for reasons that I assume had something to do with the fact that we did not want a nuclear carrier in a small body of water to hit a nuclear carrier or have a nuclear carrier hit by an Exocet missile. It is simply not the case that a complex overhaul is more cost effective, by any stretch of the imagination, to the program, and, to boot, the chances are that work might be taken away from one of the most, if not the most, efficient yard in the entire United States.

For all those reasons, I urge my colleagues to please read my horoscope and do the best to respect what it says.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I yield 5 minutes to the distinguished Senator from New Jersey.

The PRESIDING OFFICER. Senator LAUTENBERG is recognized.

Mr. LAUTENBERG. Mr. President, I do not think I will need 5 minutes.

First, I want to compliment Senator SPECTER for his work on behalf of the Philadelphia Naval Yard. I joined with him in the full committee markup to add the provision that now, suddenly, the Senator from Indiana would like to strike. The provision is fairly simple. It tells the Navy to spend the money that we have already appropriated. It says, follow the law, spend the funds Congress has previously provided for the Service Life Extension Program of the U.S.S. *Kennedy*. To strike the provision now would be penny-wise and pound-foolish. The SLEP Program is a money saver over the long term. The provision in the bill would require the Navy to do simply what was proposed, and that is to spend the money Congress approved for the revitalization of the SLEP Program of the U.S.S. *Kennedy* at the Philadelphia Naval Shipyard, which is, by the way, the most

productive and efficient public yard in the United States, by the Navy's own yardstick for measurement. The Navy supported SLEP of the U.S.S. *Kennedy* last year, and now, to save money in the short term, suddenly the Navy has reversed the field.

The fiscal year 1991 Defense Appropriations Act provided $405 million for the U.S.S. *Kennedy* SLEP advance procurement, 1991-92, with the expectation that the year would begin in fiscal year 1993. The amendment we added in the full committee markup would simply make sure that the Navy moves forward. SLEP is designed to extend the 30-year service life of nonnuclear aircraft carriers by at least 15 years. The alternative would be to overhaul the ship, which would extend the ship's life by only 5 years. On an annualized basis, it would cost over 30 percent more. Moreover, as the amendment proposed, SLEP takes the ship out of commission for even a longer period of time.

The Philadelphia Naval Yard completed the service life extension of the U.S.S. *Saratoga*, the vessel that had a very important role to play in the completed gulf war, and it will soon complete work on the U.S.S. *Kitty Hawk*, and has begun the SLEP Program of the U.S.S. *Constellation* with a completion date of fiscal 1993. It ought to be permitted to begin the program on the U.S.S. *Kennedy*, as well.

Mr. President, a similar provision on the SLEP Program was included in the House-approved version of the dire emergency supplemental.

I urge my colleagues to support these provisions as part of the Senate version of this legislation. It ought to be considered in view of the most recent experience that we had in the Persian Gulf. Thank goodness that we had the aircraft carriers performing as they did in the beginning parts of that war. It made the ground combat effort so much easier and reduced the number of casualties. There is not anybody arguing against the value of the aircraft carriers. In this case, we have a chance to buy a very important advancement at a very reasonable price, and I urge my colleagues to support the striking of the proposal by the Senator from Indiana.

Mr. SPECTER. Mr. President, I yield 5 minutes to the Senator from Delaware.

Mr. BIDEN. Mr. President, I have been here a long time, and it seems I keep fighting the battle of the Philadelphia Naval Yard. The first big battle was with one of the great Senators in this body, Senator John Stennis, and it was about where the SLEP Program should be located. At the time, the State of Virginia, the State of the Presiding Officer, was the single biggest competitor for the program.

Here we are again. What are the arguments? Well, my friend from Indiana makes a persuasive argument. One of his first argument is, hey, the Defense Department does not want this, why are we going to shove it down their throat? He was more articulate than that, but that is the essence of one of his arguments. It is an interesting argument. But I would like to point out that my friend from Indiana is very, very interested in the V-22 Osprey, and one of these days he is going to be here on the floor telling us why we should have that program and how critical it is to our national security. I happen to agree, but the Pentagon does not want it. I assume we can discount his first argument that the Pentagon does not want it, therefore, why should we take it; because, if we accept that argument, then, as we say in the law, he would be estopped from making the argument about the V-22 later. I would not want to do that to him.

Let us go to the second argument. The Senator from Indiana makes the argument that cutting funds for the Service Life Extension Program in Philadelphia is going to save money. But I think he is really being too clever by half. This amendment may save some money now, but it will not save any in the long run. I know we hear that all the time. We hear "this amendment will cost money now and it will save us money down the road." But it is a fact. Currently the Philadelphia Navy Shipyard overhauls aircraft carriers in the SLEP Program, and the carrier is completely gutted. We get virtually a new carrier built, all for less than $1 billion. That sounds astounding, but it is a great deal less than the cost of a new carrier. We extend the carrier service life by 15 years, saving us money at a time when, although we are not increasing the number of aircraft carriers, we have demonstrated how critically important they are to our Armed Forces. Compare the cost of the SLEP Program, of overhauling the existing carrier, to the cost of a brand new carrier. The new one will cost about $3.2 billion. In other words, the SLEP Program gets us one-half the service life of a new carrier at one-third the cost.

The other point I want to make—and there are many to make, and I know my time is running out—is that it is awfully hard to start one of these programs up again. It is a big deal. There is a lot of infrastructure. I do not have to tell the Senator from the State of Virginia, the Presiding Officer, where they do shipbuilding themselves, that if you do not keep the infrastructure in place, and you turn around and think you need it, you are required to exert a great deal of effort and money to get yourself back up to speed.

This is an outfit that has done the job well. No one that I am aware of has made any credible argument to suggest that the assignment that has been given to the Philadelphia Naval Shipyard has not been performed with great efficacy and at costs that were reasonable.

Mr. President, I see the Presiding Officer reaching for the mallet there to tell me my time is about up.

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

Mr. BIDEN. I ask unanimous consent for 20 additional seconds.

Mr. SPECTER. I yield 20 additional seconds.

The PRESIDING OFFICER. The Senator is recognized for an additional 20 seconds.

Mr. BIDEN. Mr. President, this is a valuable program for our national security. I hope my colleagues will join me in opposing the amendment by the Senator from Indiana.

I thank the Chair and I thank my colleagues from Pennsylvania.

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

Who yields time?

Mr. COATS. Mr. President, I have been told that there may be other Senators who want to speak, but they are not here. I am prepared, after yielding myself some time in closing, to yield back whatever time I have. So I guess I will inquire of the Senator from Pennsylvania, if he has additional speakers or wishes time, this will be the time to use it. I will close and we will go to a vote and let Senators get underway.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I am advised that Senator BRADLEY will be on the floor shortly, actually at 6:10. So, we would want to reserve some time for him. I think that we can utilize some time effectively at this point. There was some additional argument and perhaps some discussion between the distinguished Senator from Indiana and myself.

The amendment offered by the distinguished Senator from Indiana seeks to strike the language from the appropriations bill which precludes the Navy from spending money on a comprehensive overhaul. That is because the Navy has requested that there be a Service Life Extension Program in their budget submission for fiscal year 1991. I refer now to page 208 of the proceedings before the Department of Defense Appropriations Subcommittee for fiscal year 1991.

That money was later authorized by the Armed Services Committee and the appropriation has been made for more than that, but at least for the $113 million. My question to the distinguished Senator from Indiana is: In light of the action of the Congress on legislation signed by the President, why should the Department of Defense be permitted to ignore the law of the land and have a comprehensive overhaul?

Mr. COATS. In response to the Senator, it is my understanding that while the Department of Defense at one time was prepared to enter into a Service

Life Extension, commit the *Kennedy* to a Service Life Extension Program, subsequent to that decisions were made, for budgetary reasons, to reduce the number of carriers from 15 to 13—actually 15 to 12 but one of those is a training carrier.

As a result of budgetary pressures on the Department of Defense, and the Department of the Navy, a decision was made that the U.S.S. *Kennedy*, being the newest of the conventional carriers, could have its life extended through an overhaul program which would cost approximately $500 million rather than through a SLEP Program that would cost approximately a billion. I spoke this morning to Secretary Garrett of the Navy who indicated that they can accomplish everything they need to do to extend the life of the U.S.S. *Kennedy* through an overhaul at $500 million and achieve a savings of roughly $500 million and meet the requirements of the authorizations and appropriated amounts that they received for fiscal year anticipated budgets for the 5-year budget plan which we enacted just last year.

Mr. SPECTER. The question I have asked goes to the authority of the Navy and the Department of Defense to make the change on their own after they have come to the Congress and made a request for a Service Life Extension Program. Congress has authorized that. Congress has appropriated the money for that.

Would it therefore be the appropriate practice for the Department of Defense to come back to the Congress and say we want to change the approach, we want to have a deferral, and see if the Congress is going to go along with that?

Mr. COATS. If the Senator will yield for a response to that question, I think that would be entirely appropriate. In fact the very point, the purpose of my amendment is to say that there is a recognized established procedure by which the Department of Defense should come to Congress and request revisions in terms of its plans to meet the security needs of this country.

Mr. SPECTER. But it should not be——

Mr. COATS. If I could finish the answer to the Senator's question. But section 203 which has been placed into this dire emergency supplemental would preclude the Navy from doing the very thing the Senator asked them to do because it takes it out of the authorizing process and it mandates that the Navy have no discretion in the matter. It says they must not spend any funds other than for Service Life Extension Program and that the work must be performed at the Philadelphia Naval Shipyard.

That totally takes away their ability to come before the Armed Services Committee and ask for a revision of plans or a revisit to the question, and it may be that the Armed Services Committee would take the request and reject their request and say no, we think it is more appropriate for this work to be done under a SLEP Program.

Mr. SPECTER. But has such a request been made by the Department of Defense?

Mr. COATS. The Senator is precluding the ability to do that and the Department of Defense—if the Senator will yield for me to respond—the Department of Defense, that is, indicated that is exactly what they would like to do.

Mr. SPECTER. Mr. President, the fallacy with the argument by the distinguished Senator from Indiana is that the Department of Defense has had plenty of time to ask for a deferral or to come to Congress to make some change in the law of the land. But they have not chosen to do so. And it is not a substitute for a telephone conversation between the Secretary of the Navy and the distinguished Senator from Indiana to effectuate that change.

We hear through the back-door rumor that the Navy is going to proceed with the comprehensive overhaul, and that is contrary to the law of the land.

The law of the land is established by an act of Congress, then signed by the President. Congress did not pick this SLEP out of the air; the Congress responded to a specific request by the Department of Defense. That request has been authorized, that request has been appropriated, and the Congress is now saying to the Navy we are tired of dealing with rumor; we want you to follow the law. The Navy has planned—we know it through the rumor mill—to have a comprehensive overhaul and we are simply not going to tolerate the Department of Defense's ignoring the law of the land and going to a comprehensive overhaul.

That is why this language is present and that is why the motion by the Senator from Indiana is premature and inappropriate and wrong. If the Department of the Navy had sent forward a deferral or a formal request to make a change in the law of the United States of America, then it might be appropriate to have this motion to strike.

But I think that the Members of the Congress are really sick and tired of having the laws ignored by the executive branch where the President, the chief executive officer of this country, has signed the bill. That is why a unanimous Appropriations Committee said, perhaps as a matter of principle as much as a matter of concern on the substance here, we are simply not going to allow the Navy to ignore the law. Therefore, they cannot spend the money the way they choose to unilaterally. They have to follow law.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator controls 2 minutes and 5 seconds. Who yields time?

Mr. COATS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for such time as he may use.

Mr. COATS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 10 minutes.

Mr. COATS. Mr. President, it might be appropriate that I respond at this particular point to some of the statements that have been made both by the Senator from Pennsylvania and the Senator from Delaware. The Senator from Pennsylvania indicates that somehow we are attempting to overturn the established law of the land which mandates that the Navy perform a certain type of overhaul, in this case a service life extension, to one of its aircraft carriers.

It is true that decisions have previously been made in the previous Congress relative to what the Navy should do with the carrier *Kennedy*. It is also true, however, and also the law of the land, that, subsequent to that decision, the Navy has been ordered by this Congress to reduce the number of aircraft carriers it has from 15 to 12.

Mr. SPECTER. Will the Senator yield?

Mr. COATS. I will be happy to yield to the Senator as soon as I finish my statement here.

It is also true that it is the law of the land that the funds available to the Navy to meet its commitments have been drastically reduced. Admiral Kelso this morning addressed the Armed Services Committee and presented a chart showing a drastic reduction in the funds available to the Navy for procurement, for operations and maintenance, for performing all of its functions.

The reality that we face is that we are reducing substantially the amount of funds available for the Department of Defense to perform its functions. So it is only natural that they would come forward with proposals in which they can meet the commitments to secure our national defense with the amount of funds that Congress has provided them. And if they can find ways to meet those commitments by spending less money than what Congress has previously ordered them to do, then that is what we should be encouraging them to do.

So the Navy in this particular instance is simply saying we can meet those commitments and those requirements by spending about a half-billion dollars less than what we previously thought we would have to do, and this is the proposal we would like to bring before Congress.

But again the central point of this amendment that we are dealing with is not whether or not the *Kennedy* should be SLEP'd, or overhauled, nor whether it should be done in Philadelphia or somewhere else. The central point of this amendment is that there is an established process which we ought to go through to make these decisions, that this debate ought to be held where Members can come and debate the merits or demerits of the Navy proposal, and that the authorizing committee can change the decision as to whether or not it is appropriate. The Appropriations Committee then can meet its commitments in providing the necessary funding.

But what we are objecting to here in this particular procedure is the idea of making the decision without debate, making the decision without the Navy having the ability to make a request, making a decision by slipping it into a piece of legislation entitled dire emergency supplemental for the purpose of funding Desert Storm and a few other things that we are saying is so important and so dire and such an emergency that it has to be done in this particular legislation.

This would not even have seen the light of day had this Senator from Indiana not offered this particular amendment. So I am really not even debating the merits or demerits of this particular proposal. I am simply saying this is the wrong way to go about it.

That is why Senator MCCAIN and I have offered the line-item veto, because this happens on every appropriations bill that comes before this body. All kinds of little goodies for our particular area are put in spending programs that have not been debated, have not had an up-or-down vote, have not gone through authorizing committees, but because, for one reason or another, they are attached to these bills knowing that the President needs to sign these very, very quickly, they are labeled emergency dire supplemental appropriations and suddenly we are making decisions affecting the security of this Nation by attaching something in here that completely ties the hands of the very people we are giving the authority to carry out there particular mission.

Now, when Senator MCCAIN and I went down here arguing the line-item veto, the appropriators came down and said, "This is not right. We should not give this authority to the executive branch. If you have a complaint with the way things are being done, come down here when the appropriations bills are on the floor and raise the issue."

So that is what we are doing. And I think it points out the fact that this is a bill, like every other appropriations bill, chock full of things that have not gone through the authorizing committee, that would not be debated, that do not receive a vote, and Members are not held accountable for. They are attached as riders to appropriations bills. And later the public says, "Well, why didn't you debate it? How come you did not have a vote on it? Why is it in there?"

So for all those and other reasons which I will detail a little bit in my closing argument, this amendment from the Senator from Indiana is offered.

I know that my colleague is waiting to ask a question and I would be glad to yield for that purpose.

Mr. SPECTER. I thank my colleague for yielding for a question.

The question has two parts. Is it not true that $113 million has been authorized by the Armed Services Committee, adopted by the Senate, with that authorization still standing? Is it not also true that the fiscal year 1991 budget comprehends the reduction to be 25 percent over the first of the 5 years, so that the reduction has already been taken into account by the Department of Defense in requesting the authorization for a Service Life Extension Program for the *Kennedy*?

I repeat, is it not true, factually, conclusively, absolutely that there is an authorization in existence for $113 million for SLEP?

Mr. COATS. It is my understanding there was an authorization for $113 million. It is also my understanding that, given the budget constraints the Navy and the Department of Defense is now under, they would like to accomplish the purpose for which they need to overhaul the *Kennedy* at a rate much less than that. And of course the $113 million would not begin to perform the SLEP which is estimated to cost $1 billion.

Mr. SPECTER. My second question: after noting that $113 million would at least begin it, is it not true that fiscal year 1991 has the cuts for the Department of Defense budget and within those cuts 25 percent over 5 years, fiscal year 1991 being the first year, acknowledging those cuts, the Department of Defense had asked for the SLEP to start with $113 million, which is authorized?

Mr. COATS. Well, that is also true, if I could respond to the Senator, but the point is that the Senator is saying, as soon as $1 of expenditures is authorized and appropriated on a project, no matter how much it costs and no matter what happens to the budget for the department subsequent to that authorization, that no request for changes can be made and that we will simply deny any ability of the Department of Navy or Department of Defense, or other agency, to ever revise their request, change their opinion, try to adjust to new budget realities.

Mr. President, I wonder if I could inquire how much of my 10 minutes is remaining?

The PRESIDING OFFICER (Mr. BREAUX). Thirty seconds.

Mr. SPECTER. If the Senator would yield for a final part of the question, is it not true that when you assert that the number of carriers has been reduced to 12, the fact of the matter has been a request by the Department of Defense and that reduction has not yet been accepted by the Congress?

Mr. COATS. My understanding is that was authorized in last year's Armed Services authorization.

Mr. SPECTER. I would suggest to the Senator that he is not correct. Last year, the Navy—and I would offer the hearings—14 was the number, and the request for 12 has come in now and it has not been acted on by the authorizers or the appropriators.

Mr. COATS. In response to the Senator, whether the number is 15 or 12 or 20 is really irrelevant to this particular amendment because the point of this amendment is that the decision is being made outside the process by which the decision ought to be made and it precludes the Department of the Navy from coming back and making any change in their initial request to respond to the budget realities that we have imposed upon them by the 5-year budget plan adopted by this Congress in the last session.

Mr. President, unless the Senator from Pennsylvania desires to use some time, I will yield 5 minutes to the Senator from Arizona.

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

Mr. MCCAIN. Mr. President, in response to the previous question which my friend from Indiana answered very well, let me add the fact that the Secretary of Defense and the Secretary of the Navy have testified consistently that, due to budget constraints, we will be in a 12-carrier battle group Navy. There are many of us who are very, very unhappy about that. Our danger, in all candor, given the budget problems we are facing, is going down to 10, as many in this body have advocated, and many members of the Armed Services Committee have advocated.

So I think our problem is not going down to 12, in all candor. Our problem is maintain it at 12, given the budget constraints we are facing, if we are indeed going to face the significant budget reductions, which I have, so far, seen no effort to be changed.

I have mixed emotions about this issue, in all candor, because I do not think there is a stronger advocate of a maritime strategy than this Senator. I feel very strongly the carrier is the backbone of a maritime strategy, I feel it is our best way to project power, and I feel it is going to be very badly needed in the future.

I have great affection for the *John F. Kennedy*. But let me say at this time of significant budget constraints, it is ap-

parent to me that we are not fighting to keep the *John F. Kennedy* in commission for a number of years, but what seems to be the goal of this amendment is to keep a shipyard in business. Let us face it. Let us look what we are here for.

I would like to see this shipyard and every other shipyard stay in business and every military base in America, including those in my State, stay open. But it is not going to happen because we cannot maintain that infrastructure with a dramatically reduced budget. So let us understand at least to some degree what we are talking about here is not the *John F. Kennedy* but the Philadelphia Naval Shipyard which is a honorable and outstanding shipyard, which has done outstanding work for many, many years, but, unfortunately, has fallen victim to budget reductions.

Let us talk about a SLEP versus an overhaul. Can we really afford—not only a $500 million differential in costs, which is a difference between the overhaul and a SLEP—but I think we should also remember that if this carrier is SLEP'd, it will still require additional overhauls in the future.

In other words, it is not just $500 million, it may be as much as a $2 billion differential. Because if this carrier is SLEP'd, every 5 years or so it will require an additional overhaul of around $400 to $500 million.

I think it is important to recognize that the Secretary of Defense and the Secretary of the Navy, whom we have charged with the responsibilities, have not only not supported this amendment but they strongly oppose it. They have not had the opportunity to appear before this body because this issue did not come before the Senate Armed Services Committee which is the appropriate forum for this kind of very significant action. Certainly, if we are looking at it in terms of cost, approximately, as I say, a $500 million differential or, given the costs of overhaul, closer to $2 billion.

I repeat, I would love to see a 15-carrier battle group. I think I can draw a scenario to this body, and a convincing one, that we need 15-carrier battle groups. But I think the stark reality is that is not possible. Then we have to make some tough choices and the Navy and the Department of Defense made these tough choices and they came up with the result, which was the *John F. Kennedy* would be overhauled rather than SLEP'd.

This amendment that we are seeing also, I think—and I must say in all due respect to the dedication of my colleagues who have brought up this issue—is another testament to going around the process. This should not be in a dire emergency supplemental appropriations bill.

Where is the dire emergency, except to keep the Naval Shipyard open? That is the only dire emergency that I see here. And in the minds of many it is a dire emergency, I am sure; to the residents of the city of Philadelphia and the surrounding area, New Jersey. I have also seen their representatives weigh in, as well as our friends from Delaware. It is very important to them. But the fact is there is no dire emergency here in a global or national or defense context.

I think the *John F. Kennedy* is a fine aircraft carrier. I think it is vital to this Nation's defense. And I would do everything in my power, under the constraints of the budget, to see that we have a large Navy of which the *John F. Kennedy* will remain a part well into the next century.

At this particular time, this particular amendment, in all candor, is not appropriate because of, simply, the decisions made by the Defense Department in partnership with the Senate Armed Services Committee and the Congress.

I yield.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. I yield 1 minute as requested to the distinguished Senator from New Jersey.

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. BRADLEY. Mr. President, the SLEP Program is a cost-effective program. It has long been viewed as such. The choice before us today is an attempt to deny the fact that the SLEP Program is cost effective.

In its place they will put something called complex overhaul. But look at the numbers. With the SLEP Program you get a 15-year overhaul that costs $825 million. With the complex overhaul, you get 5 years for about $500 million. It will cost $1.5 billion over 15 years.

So what you might say is the message that is being sent by the amendment from the distinguished Senator from Indiana is, "you can pay me now or you can pay me more later." I believe the SLEP Program is effective and the payments should be made now and not in 5-year segments, at almost 80-percent increase in cost to the taxpayer.

But an interesting thing is the Navy wants to close the Philadelphia Naval Shipyard. If they do, this is a great amendment to try to do that. Because if you knock out the SLEP Program, you then can slip in and justify closing it because the SLEP Program is gone. That is why this amendment should be rejected.

The PRESIDING OFFICER. Who yields time?

Mr. COATS. Mr. President, may I inquire how much time remains?

The PRESIDING OFFICER. The Senator from Indiana controls 13 minutes, 16 seconds. The Senator from Pennsylvania controls 25 seconds.

Mr. COATS. Mr. President, I yield myself an additional 5 minutes.

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

Mr. COATS. Mr. President, the argument here is not whether or not the SLEP Program is an effective program or whether overhaul is a better program. In some instances, overhaul can save the taxpayers a lot of money and that is all that is needed. In other instances, SLEP is perfectly appropriate and ought to be employed in order to extend the service life of a particular piece of equipment, in this case an aircraft carrier. That is not what this argument is about at all.

This argument also is not about whether or not we ought to have 15 aircraft carriers or 12 aircraft carriers. This Senator from Indiana has a record of supporting national defense that is second to none in this Congress. I, like the Senator from Arizona, wish we were not in a budgetary situation where we had to reduce our national defense.

This amendment by the Senator from Indiana to remove this section has nothing to do with whether or not we should have 12 or 15 carriers. Nor does it preclude, as the junior Senator from Pennsylvania said, any ability to determine whether nuclear carriers are cost effective. I think we are moving toward a total force of nuclear carriers and probably at some point in the future we should.

This argument is not about that at all. This argument is about whether or not this is the proper procedure with which to make these discussions. If it is, then there is no need to have a Senate Armed Services Committee because whatever decisions are made, whatever evaluations are made, are irrelevant, if, through the appropriations process, those can be overturned or those decisions can be made moot.

Let me just counter one more thing. The Senator from Delaware indicated that if we simply rubber stamped everything that the Department of Defense does not want, then we are jeopardizing the ability of Congress to make those decisions and, in fact, he suggested, of course, this Senator from Indiana is a supporter of the V-22 and the Navy does not want that and the Department of Defense does not want that and, therefore, there seems to be some inconsistency here. That is not the case at all.

There are three programs outlined in this particular section under Department of Defense for spending. One is the V-22, which I support, but it has gone through the authorization process; and even though the Department of Defense does not want it, it has been debated, it has been voted on, and it has been authorized, and so providing funds for that is appropriate because it

has been subjected to the proper debate in authorization.

There is another program in here to continue the remanufacture of the F-14. That is the program this Senator voted against. This is an area where I agreed with the Department of Defense. But I lost. But I am certainly willing to accept the result because, again, it went through the appropriations authorization process and there was a vote. I happened to come out on the short end on that one.

This particular section is something that has not gone through the process and it does one extremely important thing that I do not think we in this body should allow: It not only directs the type of expenditure, it directs where the expenditure must be made.

Mr. President, if we allow this to happen, there is going to be a rush to this floor led by this Senator to use this process to totally circumvent the base closing process. Every Senator is going to want to come down here and say not only are we going to mandate the Department of Defense spend a certain amount of money, but we are going to mandate where they have to spend it. So if anybody has a base or a shipyard or a program they think might be in jeopardy because the Base Closing Commission might come along and recommend closing it, a very simple way of circumventing that is to simply direct that appropriated funds must be spent only at that particular place.

As this section says, these funds can only be spent at the Philadelphia Naval Shipyard.

The Senator from Delaware said we ought to be concerned about the budget, what is most cost effective. I do not think the most cost effective program is to mandate where those funds are to be spent. We ought to have an evaluation of where the taxpayer can get the best return for his or her dollar.

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

Mr. COATS. I yield myself 5 minutes.

Mr. SPECTER. Will the Senator yield for a question?

Mr. COATS. As soon as I finish my thought, I will be more than happy to yield to the Senator for a question.

Mr. President, I am deeply concerned that we have found a very clever way to circumvent what the decisions of the Base Closing Commission are going to be.

There are rumors floating around Indiana that Grissom Air Force Base, which is a base that houses KC-31 tankers, may be on the hit list. In fact, we have a meeting this afternoon with a number of officials from Indiana, as well as the Department of Defense, over that very concern.

There is some concern that, in the future, the needs of Grissom Air Force Base may not survive the recommendation of the Base Closing Commission.

It occurs to me if this is the process we are going to use, when the next urgent supplemental or appropriations bill comes along, I might be able to slip a little piece of language in there that requires the Department of Defense, whether they want to or not, to retrofit or upgrade those KC-135's. If I am clever enough, I will add that retrofit can only take place at Grissom Air Force Base in Indiana and, knowing what their schedule is, that retrofit will have to take place at a time after the base closing commission makes its recommendation.

I suggest as soon as the cat is out of the bag here, every Senator of the U.S. Senate is going to be down here or banging on the door of the Appropriations Committee attempting to add language to supplemental appropriations or other appropriations bills which lock in their particular facility or installation. No doubt about it.

This amendment by the Senator from Indiana has nothing to do with SLEP, has nothing to do with how many task force carriers we are going to have, has nothing to do with anything other than the fact that it points out two very important things:

No. 1, we are through this process tying the hands of the Department of Defense in terms of whether or not they can close a particular facility, where they have to do the work, and what work they have to do.

Second, we are going outside the process that has been established for where these decisions ought to be made. We are getting outside of the authorization process, the decisions will not be made on a rational basis and the Navy will be precluded from making any changes in previous years' requests and the authorizing committees will be precluded from making any changes relative to what work should be done and where it should be done.

Finally, we will have found a way to totally circumvent the process of the Base Closing Commission. We might as well fold that thing up before it even starts because we have now found a very clever way to circumvent it.

Mr. President, I know the Senator from Pennsylvania seeks to ask a question. If I can yield briefly for that question.

Mr. SPECTER. I thank my colleague. Mr. President, when the distinguished Senator from Indiana was responding to the question by the distinguished Senator from Delaware on V-22, and the Senator from Indiana made the principal thrust of his argument that this procedure undercuts the authority of the Armed Services Committee, and then the Senator from Indiana says he thinks the V-22 Program is proper and the language of this appropriations bill is proper, where the Appropriations Committee—this is the focus of the question—the Appropriations Committee has ordered the Department of Defense to spend money within 60 days of a V-22 and the Department of Defense has said it does not want to, just as the Senator from Indiana asserts the Department of Defense does not want to spend money for the SLEP Program, is not the authority of the Armed Services Committee being undercut precisely the same on the V-22 as on SLEP Program, and would not the force of the arguments of the Senator from Indiana require striking the V-22 Program as well?

Mr. COATS. In response to the Senator, in one sense the debate here today has made the point this Senator is trying to make relative to line-item veto, and that is these decisions ought to see the light of day. All of these, I think, ought to be initiated in the appropriate authorizing committee.

We do have a procedure whereby Members, through the Appropriations Committee or on this floor through amendment, can bring up an amendment to deal with a particular procurement program or particular appropriation. It is entirely appropriate to debate that, to debate the merits and demerits of a particular proposal, and take a vote up or down and live by the request.

We may not always agree with what the request of the Department of Defense is.

This has now seen the light of day and Members will vote on this and we are doing it on the merits rather than attaching it to a dire emergency supplemental which is never discussed, debated, and goes outside the regular process.

The PRESIDING OFFICER. The Senator has 2 minutes and 15 seconds remaining.

Mr. COATS. I yield 1 minute to the Senator from Arizona.

Mr. McCAIN. Mr. President, I would just like to, first of all, congratulate my friends from Pennsylvania for their hard work and dedication in behalf of the people of Philadelphia and the Philadelphia Naval Shipyard.

The question here is neither their ability, their hard work, nor the efficiency of their shipyard.

I applaud both of my friends from Pennsylvania in this effort. I also would like to applaud my friend from Indiana because sooner or later—and I am sorry this particular part of this bill has to be the primary target—we have to get these kinds of spending under control.

We have to have these issues debated by the Senate and, indeed, by the whole Congress. We need to get the kind of spending under control which has faced us with an incredible deficit which we have to overcome. The only way, in my view, we can overcome it is by doing away with these kinds of appropriations bills and giving the President the line-item veto.

I thank my colleague from Indiana.

The PRESIDING OFFICER. Who yields time?

Mr. COATS. Mr. President, I yield myself the remainder of the time.

Mr. President, in conclusion, let me also state that I have no objection whatsoever to the Senators from Pennsylvania and Delaware, and wherever else they may want to come from to defend a particular military installation. That is exactly what they should be doing and what this Senator would be doing relative to installations in his State.

As I said, that is not the issue. The issue is whether we will follow the process and procedures which this very body established in terms of how we make these decisions.

I suggest that if we pass legislation which totally removes decisions from the process that has been established whereby we make these decisions, then we are going to continue, whether it is military expenditures or appropriations for any of 1,000 other programs, the practice that the public finds so offensive, and that is not holding debate on issues.

Mr. President, I assume my time has expired.

The PRESIDING OFFICER. The time of the Senator from Indiana has expired. The Senator from Pennsylvania has 45 seconds remaining.

Mr. SPECTER. Mr. President, I think the argument here has shown conclusively that this should not be stricken. The language about the Philadelphia Naval Shipyard is only surplusage, because SLEP can only be done at the Philadelphia Navy Shipyard.

I think, in the final comments by the distinguished Senator from Indiana, he has, in effect, conceded the point when he talks about procedure. The procedure should govern. The law established by Congress and signed by the President is to have this SLEP. It has been authorized. When he says the V-22 was proper on what the Appropriations Committee has done here, the SLEP is exactly the same. It has been authorized and appropriated. The President has signed it to go forward.

Mr. COATS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. All time has expired.

Mr. SPECTER. Mr. President, I move to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SPECTER. Mr. President, I move to table the Coats amendment.

The PRESIDING OFFICER. There has been a motion to table. The question is on agreeing to the motion to table.

Mr. BUMPERS addressed the Chair.

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 44, nays 56, as follows:

[Rollcall Vote No. 39 Leg.]

YEAS—44

Adams	Garn	Lieberman
Akaka	Harkin	Mikulski
Baucus	Hatch	Moynihan
Biden	Hatfield	Murkowski
Bond	Heinz	Packwood
Bradley	Inouye	Pressler
Byrd	Jeffords	Pryor
Chafee	Johnston	Reid
Cranston	Kassebaum	Rockefeller
D'Amato	Kasten	Rudman
DeConcini	Kennedy	Sarbanes
Dodd	Kerry	Simpson
Dole	Lautenberg	Specter
Domenici	Leahy	Stevens
Ford	Levin	

NAYS—56

Bentsen	Fowler	Nickles
Bingaman	Glenn	Nunn
Boren	Gore	Pell
Breaux	Gorton	Riegle
Brown	Graham	Robb
Bryan	Gramm	Roth
Bumpers	Grassley	Sanford
Burdick	Heflin	Sasser
Burns	Helms	Seymour
Coats	Hollings	Shelby
Cochran	Kerrey	Simon
Cohen	Kohl	Smith
Conrad	Lott	Symms
Craig	Lugar	Thurmond
Danforth	Mack	Wallop
Daschle	McCain	Warner
Dixon	McConnell	Wellstone
Durenberger	Metzenbaum	Wirth
Exon	Mitchell	

So the motion to table the amendment (No. 59) was rejected.

Mr. COATS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair observes that the yeas and nays have been ordered on the underlying amendment.

Mr. COATS. I move to vitiate the order for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Without objection, the motion to vitiate the yeas and nays is agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 59) was agreed to.

Mr. COATS. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 63

Mr. LEAHY. Mr. President I send an amendment to the desk on behalf of myself and Mr. JEFFORDS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself and Mr. JEFFORDS, proposes an amendment numbered 63.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of Title I, add the following:

SEC. 103. MAINTENANCE OF NUTRITION PROGRAMS.

(a) MAINTENANCE OF BENEFITS.—In order to ensure that benefits under the Special Supplemental Food Program for Women, Infants, and Children established pursuant to section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) (hereafter referred to in this section as the "WIC" program) are not significantly reduced as a result of the implementation of section 101(a) of this Act, the Secretary of Agriculture shall distribute as soon as possible at the beginning of the second, third, and fourth quarters of 1991 a portion of the funds described in section 101(a)(2)(A) of this Act to each State agency overseeing the WIC program, as needed to prevent any decline in the average monthly participation in the WIC program as determined in subsection (b) caused as a result of the implementation of section 101(a).

(b) DETERMINATION.—Any determination under subsection (a) by the Secretary of Agriculture of a decline in the average monthly participation in the WIC program as a result of the implementation of section 101(a) of this Act shall—

(1) be based upon any difference between the estimated average monthly participation in the WIC program (as set forth in the Budget of the United States Government for fiscal year 1992 submitted by the President of the United States to the Congress of the United States) and monthly participation levels in such program for each of the last three quarters of 1991 (as estimated by the Secretary of Agriculture on a quarterly basis) that is caused by an increase in the seasonally adjusted cost of fluid milk during the last three quarters of 1991 (as measured by the Retail Price Index for Urban Consumers of Whole Milk issued by the Bureau of Labor Statistics) that is greater than—

(A) for the second quarter of 1991, the seasonally adjusted cost of fluid milk during the first quarter of 1991 multiplied by 1.00925;

(B) for the third quarter of 1991, the seasonally adjusted cost of fluid milk during the first quarter of 1991 multiplied by 1.0185;

(C) for the fourth quarter of 1991, the seasonally adjusted cost of fluid milk during the first quarter of 1991 multiplied by 1.02775; and

(2) be made on the record.

(c) DELAY IN DISTRIBUTION OF FUNDS.—The Secretary shall not delay the distribution of funds to producers of milk under section 101(a) of this Act due to provisions of this section.

(d) FINAL ADJUSTMENTS.—If actual monthly participation levels in the WIC program (determined in accordance with subsection (b)(1)) are different from the Secretary's estimate in subsection (b)(1), the Secretary shall make adjustments, based on actual monthly participation levels, in the distribution of funds under this section or under section 101(a) of this Act to carry out the purposes of

subsection (a) of this section and to maintain dairy income under section 101(a) of this Act.

Mr. LEAHY. Mr. President, yesterday, the Senate debated and passed an amendment offered by Senator JEFFORDS and myself that provides emergency assistance to our Nation's dairy farmers.

Some questioned the impact of the amendment on the poor and hungry.

Others questioned its impact on WIC—the Women, Infants, and Children Program.

The debate reminded me of how often a handful of us have stood in this Chamber arguing for full funding of WIC and how often our calls have been ignored.

WIC serves children at some of the most critical times of their lives. It feeds mothers when they are pregnant or breastfeeding. And it feeds children during their important, early development years.

WIC is a proven success story. A 1990 USDA study showed that for every WIC dollar spent on a pregnant woman, between $2.84 and $3.90 was saved in infant Medicaid during the first 60 days after birth.

And, according to the Surgeon General, the average medical cost of a low birthweight baby can exceed $39,000. The average cost of the WIC package is $30 a month.

At retail stores, WIC participants exchange special vouchers for infant formula. The recipients pay nothing; the State reimburses the store for the full retail cost of the formula. The infant formula manufacturers then rebate a portion of the retail price to the State.

To help States get higher rebates from formula companies, I proposed legislation in 1987, which Congress passed, allowing States to obtain higher rebates from infant formula companies through competitive bidding procedures.

Because less than half the States participated, a 1989 law that I sponsored made the competitive bidding procedure mandatory for all States.

By 1991, the average rebate climbed to $1.36 per can. USDA estimates that these two laws have generated $600 million in rebates, allowing WIC to serve 950,000 additional recipients at no extra cost to taxpayers.

Mr. President, as I said before, yesterday, we approved an emergency dairy amendment by a vote of 60 to 40.

Today, the claim is made that the emergency dairy amendment, by raising the price paid by processors for fluid milk, would result in the loss of more than 100,000 participants in the WIC Program or a 30-percent decline in WIC Program benefits.

These numbers are very hard to believe and are not supported by the facts.

The total WIC food benefits request in the President's fiscal year 1992 budget is almost $2 billion. A 30-percent decline in WIC benefits would be approximately $600 million. To support this figure, the price of milk would have to jump by $4 per gallon, $4 per gallon. It should go without saying that the emergency dairy amendment will not raise the price of fluid milk used in the WIC Program by $4 per gallon. This claim should not even need to be addressed on the floor of the Senate.

But that is the argument we are faced with today.

I must repeat what I said yesterday. I do not believe that, as a result of the dairy emergency amendment, there will be substantial or significant changes in WIC benefit levels or WIC Program participation.

But in order to reassure Senator DOMENICI and the other concerned Senators, I am offering today an amendment that will hold WIC Program participants harmless if there are any effects on the WIC Program as a result of the changes in class I prices as a result of the dairy emergency amendment. Dairy farmers will reimburse the WIC Program if there are additional costs to WIC as a result of the emergency dairy amendment.

Senators in this Chamber should be relieved to know that the amendment offered today by Senator DOMENICI would have allowed up to 50,000 WIC participants to leave the program before granting any relief. The amendment I offer now will be of benefit to all WIC participants if it is needed.

Again, I must repeat, the amendment addresses all valid concerns about the WIC consequences of the dairy emergency amendment.

Finally, I want to make clear that the authority provided by this amendment cannot be used to prevent or delay the implementation of the emergency dairy program under section 101.

Mr. President, there was some question yesterday of how the amendment propounded by Senator JEFFORDS, myself and others, which passed 60 to 40, might have affected the WIC Program.

I have tried to assure members that there has not been one piece of WIC legislation that has passed the U.S. Senate in the last 17 years that has not had my name on it. I yield to nobody in this Chamber in my support of WIC. There is some tremendous support of WIC in this Chamber. We want to make absolutely sure, if there are further profits of the dairy farmers, that it does not affect the cost of WIC recipients, by making sure that, under appropriate appropriations, the cost of the WIC Program went up, the profits of the dairy farmers would have to be taken on the formula shown in the amendment to pay for the difference and thus keep people on WIC, not take people off, but guarantee that they stay on. That is the gist of the amendment.

Mr. JEFFORDS. Mr. President, as a strong, longtime supporter of WIC, I am very gratified by the tremendous support the WIC Program is receiving. I hope this support is equally strong during the budget and appropriation processes.

I applaud Senator LEAHY's amendment and support it, as do the Nation's dairy farmers. As I said during the debate yesterday, nobody is going to suceed by trying to pit dairy farmers against consumers. Ironically, dairy farmers themselves are being WIC eligible every day.

Those who are new to WIC Program may assume it is nothing but milk. This is not true. WIC dollars pay for doctors and nurses, eggs and orange juice, cereal and infant formula. Perhaps 15 percent of WIC dollars go to fluid milk.

More to the point, I do not think the amendment adopted yesterday will put any pressure on those dollars. The middleman has increased his price spread 40 cents over the past few months. Any and all of the farm price increases contemplated by our actions can be absorbed in that spread.

But let us use our opponents numbers. They claim a 16-percent price increase will result. What is 16 percent of the 15 percent of WIC costs attributable to fluid milk? Less than 2.5 percent. That, not 30 percent is the outside impact our opponents can claim.

So they are off by a factor of 10. So they assume the middlemen keep their fat price spread. So they assume a passthrough of all costs. Pretty poor assumptions. But—we will put money where their mouths are. We will put an insurance policy in place to make sure no WIC participants will suffer.

People who truly care for WIC will support this amendment. People who want to use WIC as a political football will not.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DOMENICI. Mr. President, in the end, I believe that the chairman of the Agriculture Committee has put to the Senate an amendment that at least indicates what the Senator from New Mexico said about the new dairy program and its potential harm to low-income consumers, and it has some merit.

This amendment which is offered is an effort to let the dairy program reimburse the States for any moneys they might lose and thus to keep the WIC entitlement at its current level.

While I support the idea, and clearly this is better than nothing and I will not oppose it, I doubt very much in the end whether it will do the job because I think it is too cumbersome. I am not at all sure that the way the money will be sent down to the States from the dairy program is going to work.

Nonetheless, I think it is better than where we were yesterday. Let me suggest, however, that it also in my opinion is a clear vindication of another issue. If that dairy amendment has significant impact on the WIC recipients of this country, I guarantee you it is going to have significant impact to all consumers because consumers across America use dairy products, milk, and all the same nutritional items that are in WIC. So what we did with the adoption of the dairy program is to dramatically increase the cost to all consumers of dairy products.

In this amendment we are going to try in a way, albeit less than successful in my opinion, to hold the WIC Program harmless. If if works, if that dairy program becomes law, and I hope it does not, but if it does this will be an effort to see that the lowest-income consumers do not get hurt. What about the rest? All in the name of helping the dairy program.

I thank the Chair and yield the floor.

Mr. LEAHY. Mr. President, I ask unanimous consent that Mr. KOHL be added as a sponsor of the amendment.

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

Mr. KOHL. Mr. President, yesterday the Senate adopted, on a 60 to 40 vote, an amendment offered by Senator LEAHY, Senator JEFFORDS, Senator KASTEN, and myself to provide emergency price relief to dairy farmers. And I want to thank all of my colleagues who supported us in our efforts to keep thousands of dairy farmers from facing bankruptcy this year.

After yesterday's vote, the Senator from New Mexico [Mr. DOMENICI] voiced concerns about the possible impact of the amendment on participation rates and benefit levels under the WIC Program.

Let me respond. First, I am—as I know the other sponsors of yesterday's amendment are—very willing to take whatever precautions necessary to ensure that WIC participation rates do not suffer as a result of our amendment. We did not include such precautions in yesterday's amendment because we do not believe that it will cause significant changes in WIC benefit levels or program participation.

But we are certainly willing to do so, and we have prepared an amendment that will hold the WIC Program harmless. It ensures that funds collected under our amendment will be used as needed to prevent a decline in WIC Program participation rates caused by any increase in retail milk prices.

Mr. President, our amendment will adequately protect the WIC Program from any possible impact of the emergency dairy legislation adopted yesterday. And I urge colleagues to support it.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I say for the record that I am somewhat troubled with this amendment. I understand that its purpose is to protect the WIC Program, which I support, but the reason that it concerns me is that the amendment could have the effect of providing additional funds for the WIC Program. The WIC Program is a discretionary account funded by appropriations legislation. The amendment offered appears to make mandatory funding changes in this discretionary program.

Because of this concern I will say to the Senator from Vermont that I will agree, and I have conferred with Senator HATFIELD and he associates himself with my remarks, to accept the amendment with the understanding that we are accepting it in order to complete action on the bill and take the bill to conference. But it is also my intention not to use this bill as a method for taking away the discretionary nature of the WIC Program.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is agreeing to the amendment.

The amendment (No. 63) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, while waiting momentarily, I ask unanimous consent that upon the passage of the bill the Senate request a conference with the House of Representatives on the disagreeing votes, that the Senate insist on its amendments, and that the Chair be authorized to appoint the conferees on the part of the Senate.

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

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. BYRD. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. CHAFEE. I wonder if during the conference I might proceed for a few minutes?

Mr. BYRD. I yield to the distinguished Senator 2 minutes.

Mr. CHAFEE. Mr. President, I am a staunch supporter of the WIC program and indeed join every year with the senior Senator from Arizona to push for increases in the WIC funding.

I do not object to the amendment by the Senator from Vermont. However, I do have some concerns about it. Frankly, I regret that we have started down this path at all.

It seems to me that what we have done is approve a dairy price increase for fluid milk. Then, realizing that an increase will almost certainly hurt nutrition programs such as WIC, we are now in the process of adding a very complicated provision to offset any additional costs to the WIC Program.

It seems to me to be needlessly complicated and indeed to be starting down a new, untried policy path.

Some of the problems:

First, this amendment would safeguard WIC, or at least it is intended to, but it leaves the dairy processors and the consumers out in the cold. They still have to pay for the price increase.

Second, with regard to the WIC offset, this sets up a complicated chain of aid: the Government raises prices, that helps dairy farmers, they in turn must subsidize WIC participants.

All this subsidizing—a circle of subsidies—gets extremely complicated, and it is not good policy.

Third, at least with regard to the class 1 milk prices, all this is temporary. All this fuss is for an 8-month change in prices.

In sum, I hope that the conference committee will review these dairy/WIC amendments carefully.

Frankly, all this might have been avoided had this bill been studied in committee, and studied thoroughly. Then we might have been able to evaluate the bill with better information about its impact.

AID TO TURKEY

Mr. INOUYE. Mr. President, I would like to express my continued support for the traditional 10-to-7 ratio of United States military aid to Turkey and Greece. In recent years, this tradition has been embodied in specific earmarkings of military assistance in the foreign assistance appropriations bill.

The bill we are about to pass, H.R. 1281, contains an additional $200 million in aid to Turkey to offset losses due to the Persian Gulf crisis. I wish to make it clear, however, that the provision of this assistance is an exception and does not alter the principle of maintaining the 10-to-7 ratio in annual appropriations.

The principle of the 10-to-7 ratio remains intact and continues to be, in the minds of a great many Senators, the best means for the maintenance of a just American foreign policy toward the Eastern Mediterranean region.

PEACE IN THE MIDDLE EAST

Mr. JEFFORDS. Mr. President, this Nation has just emerged from 6 months of crisis and conflict in the Middle East. Yet I am afraid that some our policies for peace may be sowing the seeds for another war.

Several times during the past decade we have had to send U.S. military forces to the region or lend U.S. military protection to Arab nations. While we were successful in driving Saddam Hussein out of Kuwait, Americans do not want to have to commit lives and

resources to a similar battle in the near future. Yet, if we do not seize this short moment of opportunity to advance the cause of peace, chances are great that we will have to send the U.S. military back to the Middle East in the coming decade.

We have seen how Saddam Hussein placed the highest priority upon development of his military, to the detriment of all other aspects of social development. He amassed the fourth largest army in the world and kept it actively involved in waging war for most of the decade. When the 8-year war with Iran ended, he turned his army upon Kuwait. But Saddam didn't develop this army in a vacuum. He was assisted by arms sales and technological assistance from the developed world, including our allies in Operation Desert Storm—France and Germany—and even the United States. Preoccupation with the outcome of the Iran-Iraq war and eagerness to find a market for our goods blinded us and our allies to the true nature of Saddam's rule and ambitions. Over the last 6 months we have paid dearly for that lack of attention.

We must now learn from our past mistakes. There is general international agreement that no military assistance should be provided to Iraq as long as Saddam remains in power. Yet, the rush to rearm the region is in full swing. On February 28, the day after the cease-fire was announced, the administration informed Congress that it plans to go forward with a sale to Egypt of $1.6 billion in new weapons, including 46 F-16 aircraft. Egypt was a dependable ally, both militarily and politically, throughout the gulf conflict and deserves U.S. support for that stand. Last fall, I supported the forgiveness of $6.7 billion in debt incurred from the purchase of military equipment from the United States in prior years. There was general agreement that the poor condition of the Egyptian economy makes it highly unlikely that Egypt would be able to repay this debt in the foreseeable future. So why are we encouraging Egypt to get even further in debt with this new military purchase? How does an Egyptian arms buildup affect the balance in the region?

It has now come to light that the administration is considering selling almost $20 billion in new arms to Turkey and a variety of Arab nations. The argument is being made that if we are to pull our military out of Saudi Arabia and Kuwait, we must beef up the military capabilities of our allies. But I do not buy that. Our role should not be that of permanent policeman of the gulf, nor should we take it upon ourselves to address the military inequities of the region. Both these jobs would best be handled by the United Nations. The causes of instability in the Middle East are many, diverse and ongoing. Simply arming the region today so that we can pull out tomorrow will sow the seeds for another crisis within the decade. The nations of the region would be much better off putting their resources into social and economic development instead of increased military capabilities. And conflicts in the region are best addressed by greater emphasis upon a U.N. role, rather than larger armies and more weapons.

While the administration's request for $650 million for Israel in compensation for military costs incurred during the gulf conflict is different from direct military sales, it could fuel the same fires of militarization. Many of the Arab nations feel intimidated by Israel's military superiority. While Israel considers the total size of Arab armies arrayed against it, the Arab nations tend to compare themselves individually to Israeli military preparedness. The Israeli Government has indicated its willingness to discuss restrictions on arms sales, and we ought to pursue that interest. It is critical that we consider the political and military impact of all arms sales and strive toward greater regional stability.

Israel's fortitude and patience in enduring repeated Iraqi Scud missile attacks without retaliating are very commendable. This, combined with the quick and effective United States response to the threat to Israel have considerably strengthened the United States-Israeli relationship over the past few months. The improved tenor of this relationship is an important condition for any progress toward peace in the region. We should capitalize upon our improved relationship with Israel and our better standing in the Arab community to advance the peace process.

Mr. President, many nations in the Persian Gulf are suffering from the high cost of the war. Beyond the devastation of Kuwait, Saudi Arabia has sustained direct damage and considerable military cost. Turkey is struggling to cope with the sudden losss of a major portion of its foreign trade. Many Arab nations have taken direct and indirect losses because of their participation in the embargo of Iraq. Six gulf nations have also committed troops to the allied effort. Most of these nations are not receiving compensation for these contributions and costs, and a few have pledged additional funds to the Defense Cooperation Account in the U.S. Treasury. We continue to exert considerable pressure on all our allies to follow through on their pledges. Military compensation for only one ally seems to me to make the case for burdensharing more difficult.

Progress toward peace in the Middle East will definitely be slow and grueling. We must be sure that all other aspects of U.S. policy are supportive of this goal. I believe that further arming of the powder keg that is the Middle East is detrimental to that goal. It would be shortsighted of us to get swept up in the short-term political and financial benefit of such sales and ignore their impact upon overall trends in the region and the long-term prospects for peace.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Mr. KERREY. Mr. President, the 1990 farm bill includes a provision authored by the Senator from Arkansas [Mr. PRYOR] and this Senator that directs the Secretary of Agriculture to establish a separate, independent appeals process within USDA's Agricultural Stabilization and Conservation Service.

This independent appeals structure was enacted in response to concerns raised by farmers across the country who believe that the same ASCS people were acting as judge and jury in making final determinations regarding farmers' compliance with our farm programs.

Unfortunately, Mr. President, our efforts to create a separate appeals division at ASCS have been stymied by USDA's determination that a provision in the fiscal year 1991 agriculture appropriations act allows the Department to ignore the farm bill mandate to establish an independent appeals division.

In making its decision, USDA is relying on section 640 of the fiscal year 1991 Agriculture Appropriations Act, which reads as follows:

> None of the funds in the Act may be used to establish any new office, organization or center for which funds have not been provided in advance in Appropriations Acts, except that the Department may carry out planning activities.

Mr. President, as a member of both the Appropriations and Agriculture Committees, I believe that USDA's position on this matter is just plain wrong, for the following reason.

ASCS already has an appeals staff that includes hearing officers, clerks, and so on. Thus we are not asking USDA to create something out of nothing. We are merely asking them to restructure their appeals staff in such way that the system provides farmers an independent and fair means to appeal adverse Farm Program rulings. Congress regularly appropriates money for the existing appeals staff, and we are merely telling USDA to reorganize the appeals staff as a separate structure.

At this time, Mr. President, I would like to ask the senior Senator from North Dakota, the chairman of the Appropriations Subcommittee on Agricutlure, Rural Development and Related Agencies, if he agrees that nothing in the current year's agriculture appropriations act allows USDA to ignore the mandate included

in the farm bill to establish a separate ASCS appeals division.

Mr. BURDICK. Mr. President, I have reviewed the provisions cited by the Senator from Nebraska. I agree that the language included in the fiscal 1991 Agriculture Appropriations Act does not allow the Department of Agriculture to ignore the provision of the 1990 farm bill requiring USDA to establish a separate ASCS appeals division.

The farm bill provision cited by the Senator mandates the restructuring of existing agency resources and personnel, and thus does not violate the prohibition included in this year's agriculture appropriations act that precludes the creation of any new office at USDA not supported by an advance appropriation.

Mr. KERREY. I thank the chairman for his interpretation and I urge the Department of Agriculture to adhere to the mandate from Congress.

Mr. BUMPERS. I thank Senator KERREY and Senator BURDICK for raising this important issue and for clarification that section 640 of the fiscal year 1991 agriculture appropriations act should not be interpreted as prohibiting the implementation of the ASCS appeals process as outlined in the 1990 farm bill.

A few years ago, farmers in Arkansas were caught in a nightmare of inaction by the existing ASCS appeals process and although most of the farmers were eventually exonerated, the lengthy delays forced many farmers out of business. The lesson of that example, and others, led me to applaud the work of Senator KERREY and my colleague from Arkansas, Senator PRYOR, for language in the 1990 farm bill to establish an ASCS appeals process that will remove most of the obstacles that farmers have had in obtaining a speedy and procedurally correct means to address any grievance or complaint they may have with an action by ASCS.

During recent hearings before the Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies, I submitted questions to ASCS to determine their intent to implement this program. Although I have not received a formal response to my questions, all indications are that the answer will be no. In fact, a number of farm periodicals have already reported that ASCS plans not to put the new appeals process in place.

Mr. President, I believe that a failure of ASCS to provide this Nation's farmers with the appeals process as outlined in the 1990 farm bill will be seen as a breach of faith by farmers who looked to this new process as a necessary tool to deal with a very large and complicated Federal agency.

Mr. BURDICK. I thank the Senator from Arkansas for his remarks and agree that farmers need an appropriate forum for fair and equitable review of agency actions. As I have stated, the provision of the 1990 farm bill to develop this new procedure should not be read as to apply to section 640 of the fiscal year 1991 agriculture appropriations act. As the Senator points out, the farm bill requires the program be developed and is not so much the creation of a new office as it is the reformation of an existing practice.

Mr. BUMPERS. I thank the chairman and the Senator from Nebraska for their statements and I join with Senator KERREY in urging the Department of Agriculture to adhere to the congressional mandate.

UNEMPLOYMENT INSURANCE ADMINISTRATIVE EXPENSES CONTINGENCY RESERVE FUND

Mr. RIEGLE. Mr. President, I would like to commend the Committee on Appropriations on its effort to include in the supplemental appropriations bill before us additional funding for the administrative expenses of the Unemployment Insurance Program. Due to the recession, unemployment claims have increased far beyond the level anticipated when the fiscal year 1991 appropriations bill was being drafted. Several weeks ago, I initiated a letter, signed by 11 of my colleagues, calling on the committee to provide as much as twice the $100 million which the President had requested. We asked for this higher amount because the state agencies which administer the program believe they may need as much as $200 million to provide benefits on a timely basis to people in need.

Congress has a habit of underfunding the administrative expenses for the Unemployment Program. Supplemental appropriations for unemployment insurance administrative expenses have been required in 10 of the past 18 years. It is difficult to predict the future course of the economy. So it really should not be surprising that the Appropriations Committee have difficulty estimating accurately the amount of administrative funding that will be needed over the course of the year.

For this reason, I and my 11 colleagues asked the committee to consider legislating a contingency reserve fund, to be drawn upon in the event the committees' projections are wrong. I remind Senators that the Unemployment Insurance Program more than pays for its own administrative expenses; last year the administrative account of the UI trust fund generated a surplus of about $1 billion. These revenues are being used to hide the size of the overall fiscal deficit while unemployed people are forced to wait between 4 and 6 weeks before receiving their unemployment checks. This is unacceptable.

So while I was pleased that the committee appropriated $150 million, and the White House has agreed to designate this as emergency funding—indeed I wrote to the President last month to ask him to do just that—I am concerned that the $150 million is on the low range of what the states project their needs to be. Unemployment insurance is the first line of defense in our society's safety net. The Unemployment Insurance Program is not the place to scrimp or cut corners. Companies and workers finance this program directly; the least the Federal Government can do is ensure that the program delivers the benefits when they are needed. During a recession, an unemployment check is sometimes the only thing that stands between a person and foreclosure or even hunger.

For this reason, I continue to believe strongly that Congress should include in this supplemental appropriations bill a contingency reserve fund. The language I propose would provide an additional $30 million in fiscal year 1991 for every 100,000 person increase in the average weekly insured unemployment level—including a pro rata amount for any increment less than 100,000—above the 3.345 million level assumed in the President's fiscal year 1992 budget request. The moneys would be appropriated from the employment security administration account of the unemployment trust fund.

This is similar to the way the Social Security system provides for adequate administrative expenses. I would submit that there is an even greater need for a contingency fund in the UI Program, since it is much harder to predict the number of unemployed persons a year in advance than it is to predict the number of Social Security beneficiaries. The former is a function of the notoriously unpredictable business cycle; the latter is primarily a function of demographics.

It has been my intention to offer an amendment to the supplemental appropriation bill establishing such a contingency reserve; however, it is my understanding that the distinguished chairman of the Appropriations Committee, Senator BYRD, and the distinguished chairman of the Subcommittee on Labor, Health and Human Services and Education, Senator HARKIN, have agreed to pursue this proposal and address it in the fiscal year 1992 appropriations bill. On the basis of these assurances from the distinguished Senators I will withhold my amendment at this time.

Mr. HARKIN. I would like to thank the Senator for his courtesy in this matter. He and his colleagues have identified a legitimate problem area and put forward an interesting and promising proposal. As he knows, in our review of this proposal, we have had favorable consultations with the Congressional Budget Office with respect to how such a contingency reserve fund would be scored as part of the budget. I regret, however, that the administration's lack of support for this provision could slow down the supplemental appropriation bill. Nevertheless, I want to assure the Senator from

Michigan that I intend to pursue this proposal and will attempt to address it in the context of the fiscal year 1992 appropriations bill.

Mr. BYRD. Let me just say that I share the Senator from Michigan's concern about the need to provide for fully adequate administrative funding for the Unemployment Insurance Program. As the Senator knows, I negotiated extensively with OMB to get funding for unemployment insurance declared an emergency. According to the latest data from the Labor Department, a supplemental of $150 million will fully reimburse States for all anticipated costs of processing unemployment claims from April 1, 1991, through the end of fiscal year 1991.

I also want to thank him for his courtesy in withholding his amendment in order to expedite passage of this urgent supplemental appropriation bill. I would like to join my colleague from Iowa in indicating to the Senator from Michigan my support for revisiting this proposal in fiscal year 1992.

Mr. RIEGLE. I thank the Senators for their consideration and assurances.

NAVY REPAIR AND MAINTENANCE OF READY RESERVE FORCE VESSELS

Mr. HOLLINGS. Mr. President, I would like to call to the attention of my distinguished colleague, the chairman of the Defense Appropriations Subcommittee, Senator INOUYE, an issue that is of mutual interest and of national concern.

The workers at our Navy shipyards are a critical national asset that is in jeopardy if current Navy plans continue unabated. According to the latest figures provided by the Navy, reductions in the Navy ship repair and maintenance budget will cause the loss of almost 12,000 workers at our public shipyards by fiscal year 1993. This total represents almost 20 percent of the skilled workers at our shipyards. That is more workers than are employed in many Federal agencies.

These are the same skilled workers whose dedicated contributions to fleet readiness were so evident in the responsiveness and dependability of the fleet during the Persian Gulf conflict. In my own State, the Charleston Navy Shipyard, long recognized for the dedication of its work force and quality of its workmanship, is threatened by a reduction in force in fiscal year 1992 that could affect over a thousand employees.

Mr. INOUYE. Mr. President, my colleague is raising an important issue. I, too, am concerned about the erosion of our industrial base and capability to respond to future situations in which U.S. military forces may need to be deployed. These shipyard workers are highly skilled and have acquired expertise from long years of training and experience.

I am very aware of the reductions that some in the Navy leadership believe will occur during the next few years. As the Senator knows, Pearl Harbor Navy Shipyard also employs a skilled work force with a long and proud tradition of excellence. The Hawaii shipyard also is threatened by the same magnitude of employment reductions that the Senator mentioned.

Mr. HOLLINGS. The question is what to do to avert such a significant degradation in our industrial facilities and manpower. Obviously, the Senate could adopt legislated manpower floors such as the Congress has previously done with the work force at Army depots.

That should not be our course. Rather, I believe, that we should focus on workload and making our Navy shipyards more productive. To this end, I would like to point out to the chairman of the Defense Appropriations Subcommittee that the U.S. Navy is currently operating over 70 maritime administration Ready Reserve Force vessels in support of our forces in the Persian Gulf. With the cessation of hostilities, these ships will return to the United States and the Navy is obligated to repair and refurbish them before placing them back into RRF ports.

It would seem a wise and appropriate course of action to ensure that a substantial number of these ready reserve force deactivations are carried out at our Navy shipyards. I believe it would be fair and in the best interests of the Navy and the Maritime fleet if half of these RRF refurbishments were performed in U.S. Navy shipyards. This would appear to provide the type of diversity and workload to enable our shipyards to become more efficient and retain an adequate workforce.

Mr. INOUYE. I believe that my colleague, the Senator from South Carolina, has made an excellent suggestion. He and I have worked together for many years on sealift and defense issues. This proposal has merit and I will request that it be endorsed by the conferees to the dire emergency supplemental appropriations bill.

JSTARS FISCAL YEAR 1991 FUNDING

Mr. DECONCINI. Mr. President, would the distinguished chairman of the Defense Appropriations Subcommittee yield to this Senator to enter into a colloquy on the joint surveillance target attack radar system [JSTARS] ground station modules funding.

Mr. INOUYE. I would be pleased to yield to the senior Senator from Arizona for that purpose.

Mr. DECONCINI. I thank the chairman. As the chairman may be aware, when the original fiscal year 1991 supplemental was forwarded to Congress, it included a request for $7.9 million in Army research and development funding for the ground station modules to continue the JSTARS Research Program which was interrupted when the JSTARS system, and its ground station modules, were shipped to Saudi Arabia for use in Operation Desert Shield and Desert Storm. By all accounts, the system—even though it is only in the development state—proved its worth beyond the Army and Air Force's expectations.

Mr. MCCAIN. If my colleague from Arizona would yield, I would like to expand on his comments.

Mr. DECONCINI. I am pleased to yield to my colleague from Arizona for a comment.

Mr. MCCAIN. I thank the Senator. Mr. President, there is no question that the Joint STARS equipment deployed during the Persian Gulf war was a highly critical factor in our military achievements. In hearings before Congress in the past 2 weeks, Joint STARS has been given special praise by Pentagon representatives. JSTARS provided the eyes for following Iraqi troops, vehicles, and convoy movements. Its imagery is remarkable. It provided necessary intelligence both before and after an attack. There is no question that it saved allied lives. I thank my colleague for yielding.

Mr. DECONCINI. Because the JSTARS Development Program was interrupted by the gulf war, the Army has already acknowledged that there may be a 3- to 6-month slip in the program without the appropriation of supplemental funds. There may also be valuable operational data which may have been collected during Operation Desert Storm and which may have an impact on this development program.

Mr. President, am I correct that, if the Army and Defense Department provide the Defense Subcommittee accurate and reliable data on the need for, and ability to effectively use, supplemental funds in the current fiscal year, they could submit to Congress an expedited reprogramming request for the Army's Ground Station Module Development Program?

Mr. INOUYE. The Senator is correct. The Defense Department may be able to provide accurate and reliable data on the necessity for an above threshold reprogramming in order to avoid any further delay in the program.

Mr. DECONCINI. I thank the distinguished chairman. If I may ask another question, should the Pentagon provide reliable data as part of a reprogramming request to Congress, would the chairman be willing to consider such a request on an expedited basis? Similarly, if the Defense Department submits a revised list of items—including JSTARS—that it has determined should be made a part of a supplemental appropriations bill, would the chairman be willing to work with me on resolving this issue in conference?

Mr. INOUYE. I can assure the Senator that if reliable and accurate data is provided to this subcommittee in a reprogramming request, that request will be expeditiously considered. Also,

if the Defense Department provides the subcommittee with additional information, I can assure both Senators that I will see what we can do in conference.

Mr. DECONCINI. I thank the chairman for his courtesy in considering this request.

Mr. MCCAIN. I join my colleague from Arizona in thanking the chairman.

CHALLENGER CENTER FOR SPACE SCIENCE EDUCATION

Mr. GARN. Mr. President, Senators, ADAMS, MIKULSKI, BOND, and myself wish to enter into a colloquy during consideration of the supplemental appropriations bill today.

Mr. President, in October 1988, Public Law 100-104 was enacted by Congress establishing the Challenger Center for Space Science Education and allowing for its headquarters to be located in the District of Columbia. In April 1989, an exclusive rights agreement was signed by the Challenger Center and the D.C. Redevelopment Land Agency conveying, at no direct cost to the Challenger Center, parcel 76 for purposes of locating their headquarters there. Any minimal negotiated value of the property would be offset by the value of the center's services to the public schools of the District and economic impact on the community.

Mr. ADAMS. Mr. President, if the Senator from Utah will yield for a question. The Senator from Utah indicates a value offset by the center's services to the District's public schools. What are those services?

Mr. GARN. Challenger Center was established as a learning center for everyone, but primarily children, in space science. Its hope is to get children excited about science education by giving them a hands-on experience with life in the 21st century. The center would benefit teachers and students of the District and the broader community. It would benefit Challenger Center as well by providing direct access to those underrepresented minority students which are the heart of its purpose.

Mr. ADAMS. Has the conveyance of the land taken place?

Mr. GARN. Mr. President, the land conveyance has not taken place. The District of Columbia has been dragging their feet on this matter. In fact, in March 1990, the Redevelopment Land Agency erroneously attached a $16,768,000 price tag to parcel 76. Even with this cash payment demand, the Challenger Center Board reaffirmed their intent to build the headquarters in the District of Columbia, and to attempt to negotiate with the Redevelopment Land Agency to convey the land as originally agreed, at no cost. The Challenger Center proposed an exchange of appraisals for comment, after they had an independent appraisal which set the value of parcel 76 at $3,500,000. In January of this year, the Redevelopment Land Agency rejected the Challenger Center's appraisal without comment on technical inadequacies. The Challenger Center continues to attempt to negotiate with the Redevelopment Land Agency, but to no avail.

The Challenger Center has also recently attempted to speak with the Mayor of the District of Columbia, Sharon Pratt Dixon. Although they have been unable to meet with her as of yet, the Challenger Center continues to reaffirm their intent to build their headquarters in the District of Columbia, in keeping with the original intent of Public Law 100-104.

Ms. MIKULSKI. Will the Senator from Utah yield?

Mr. GARN. Yes.

Ms. MIKULSKI. I first wish to express my support for the efforts of the Mayor of the District of Columbia, Sharon Pratt Dixon, in her attempts to get the city back on track. She has a difficult task.

The Challenger Center's Learning Center would be of immeasurable value to the children of the District, and many others as well. The Challenger Center has a learning center in my State, which I have visited many times. It provides a fabulous resource for children and adults as well to learn about life in the future and about space science. I look forward to working with the Mayor in this regard.

Mr. President, I want to know if the Challenger Center is prepared to go ahead with construction if the land conveyance can be secured?

Mr. GARN. Mr. President, the learning center headquarters is ready to be built as soon as they get the property. The designs are finished. We simply await action by the D.C. government. In fact, the Challenger Center, while waiting for the outcome of the land conveyance, has been negotiating with the D.C. Public Schools Administration to pursue use of an empty warehouse, located across the street from parcel 76, on H Street, as an interim facility. In August 1990, Challenger Center signed a preliminary agreement with D.C. Public Schools to use the H Street warehouse as an interim facility. That effort has now been sidetracked as well by the D.C. government, who owns the property. The Challenger Center, to this point, has spent $900,000 in their effort to abide by their decision to locate their headquarters in the District of Columbia. Mr. President, this amount of money could have built three learning centers. That could have benefited numerous children. However, none of the money spent has gone to help children, which is a shame. Afterall, they are the reason the Challenger Center was established.

The Challenger Center Board is extremely frustrated with the government of the District of Columbia, and frankly, Congress should be as well. The Nation's Capitol stands to loose a very valuable learning tool for its children. The Challenger Center has several valid, outstanding offers of alternate locations for their headquarters. They have been extremely patient. The time is now to act to secure this property for the benefit of the children of the District of Columbia.

Mr. BOND. If the Senator from Utah will yield.

Mr. GARN. I will be happy to yield to the Senator from Missouri.

Mr. BOND. Mr. President, I agree with what the Senator from Utah is saying. It is a shame that this much time has gone by, and no one has benefited.

Mr. GARN. Mr. President, I ask that the chairman and ranking minority member of the Subcommittee on the District of Columbia appropriations include language in the D.C. chapter of the conference report on H.R. 1281 reflecting the desire of the subcommittee that the Mayor's office work with the subcommittee and the Challenger Center in securing the conveyance of this property for their headquarters, and that they work in an expedient manner.

Thank you, Mr. President.

SOLID WASTE DISPOSAL

Mr. WARNER. Mr. President, I rise today not to offer an amendment to H.R. 1281, the dire emergency supplemental appropriations bill, but to offer my thoughts on an issue approved by the Senate last year during debate on H.R. 5311, making appropriations for the government of the District of Columbia, fiscal year 1991.

During consideration of the District's fiscal year 1991 appropriations, Senator ROBB and I offered an amendment which was adopted to require that an environmental impact statement be completed prior to the expansion of the I-95 sanitary landfill at Lorton, VA.

Mr. President, in March 1909, the Congress enacted a statute which authorized the Federal Government to begin acquiring property in Lorton, VA, for the purposes of housing a prison workhouse and reformatory for the District of Columbia. The United States continues to hold title to the more than 3,000 acres which comprise the District's Lorton Reformatory Reservation.

In 1971, the District, Fairfax County, Arlington County, and the city of Alexandria entered into an agreement under which 290 acres of this Federal reservation were set aside for use as a municipal waste landfill. Leachate flowing from this landfill into Mills Branch of the Occuoquan River has caused Fairfax County, the operator of the landfill since 1982, to be cited with numerous violations of State and Federal clean water statutes.

While the House and Senate agreed to require an environmental impact statement, the conference committee of the fiscal year 1991 District of Columbia appropriations bill agreed to delete this provision because of good faith commitments by Fairfax County to conduct an environmental impact statement without a Federal mandate.

The ongoing environmental problems at the existing landfill including leachate flowing into Mills Branch and the Occuoquan River, the associated increase in truck and private vehicular traffic from any expansion on the already severely congested Interstate 95 corridor and local arterial roads, the lack of impact mitigation measurs and failure to examine alternatives continues to give me great concern.

In February 1988 the Alexandria-Arlington waste to energy facility opened and in June 1990 Fairfax County's I-95 energy resource recovery facility opened and does process some of the District's solid waste. Because of these facilities, Virginia jurisdictions send less than 220 tons per day of solid waste to the Lorton landfill.

The existing landfill at Lorton receives approximately 1,800 tons per day of waste. Of this amount, about 1,600 tons of solid waste per day is received from the District of Columbia and the Federal Government. A portion of this waste is landfilled and a portion is sent to Fairfax County's incinerator at Lorton because of the available capacity.

In recent actions by the Fairfax County Board of Supervisors, the proposal for a 147-acre expansion of the landfill has been terminated. The current landfill will close either when it reaches its design capacity or as mandated by State regulations.

While it is unclear at this time what the District of Columbia may do to manage their solid wastes. It is my understanding that the District of Columbia could proceed with an expansion of landfill capacity and assume the operations of the new landfill under the District's current rights at Lorton.

Mr. President, I join with my colleagues in wishing the new Mayor of the District of Columbia every success in the formidable tasks ahead of the city. Also, I recognize the legitimate needs of local jurisdictions to effectively manage their solid wastes. However, our first priority must be the protection of the public health and the environment in the Lorton area.

While I have joined in discussions with the affected jurisdictions on improving the management of solid wastes generated by the region, it is my intention to return the Senate's attention to this matter during debate on the fiscal year 1992 District of Columbia appropriations bill.

More effective measures must be implemented to reduce the volume or quantity of waste generated in the District of Columbia and by the Federal Government through improvements and upgrades needed at the District's SWRC facility. And, if any expansion in landfill capacity occurs on the Lorton reservation, regardless of the operator, an environmental impact statement must be completed.

BUREAU OF RECLAMATION FUNDING

Mr. SEYMOUR. Mr. President, the fact that California is in its fifth and worst year of a drought is well known. And it is not just California that is feeling the effects of drought; many Western States are seeing their reservoir levels at all time lows.

In California alone, the State has severely curtailed the allocation of State project water, and has halted deliveries for agricultural users. On the Federal level, the Bureau of Reclamation's Central Valley project [CVP] has reduced its urban and agricultural allocations by approximately 75 percent.

The drought has placed all Californians and many Western State communities in the difficult position of trying to balance the need of our families, our communities and our industries, with the legitimate needs of our precious environmental resources—fish and wildlife.

Commissioner Dennis Underwood of the Bureau of Reclamation has informed the California congressional delegation that despite the recent rains, cumulative precipitation in the State is about 52 percent of average and the storage in major resorvoirs is 53 percent of average. Using these figures, the Bureau estimates that carryover for next year will be only slightly higher than it was in 1977, the driest year on record.

Relief is needed, Mr. President, and I am pleased the bill before us, the urgent supplemental appropriations bill, provides $20 million in supplemental funding for the Bureau of Reclamation to provide for high priority, emergency needs caused by the drought.

I am concerned, the level of funding in the committee's bill is below the House-passed measure which provides $30 million for these purposes, and provides urgently needed relief to California and the other Western reclamation States.

I appreciate the attention and support Senators JOHNSTON and HATFIELD have shown in providing this funding assistance, but I am concerned that it may not be enough. Seeing that the distinguished chairman and ranking member of the Energy and Water Subcommittee are on the floor, I would ask for their commitment to consider and hopefully support the higher appropriation when they meet with the House in conference later this week.

Mr. JOHNSTON. Mr. President, I want to thank Senator SEYMOUR for his kind remarks and the opportunity to discuss California's drought needs. Without a doubt, the subcommittee is aware of the crisis California and the other 16 reclamation States are facing, and we did make an effort to provide for the full funding level, but bumped up against our budget ceiling. We have reviewed the reports out of California and the other Western States and agree that current precipitation will not fully alleviate the burden of the drought. We want to help.

As the Senator has stated, the House did provide $30 million for these purposes, so it is an issue that we will discuss with the House conferees. I hope that agreement can be reached to provide the maximum benefit possible to California and the other drought-stricken States, and I will work to this end in conference.

Mr. HATFIELD. Mr. President, I would like to confirm what the chairman of our subcommittee, Senator JOHNSTON, has said. I am aware of the serious problems facing California and the other 16 reclamation States at this juncture and understand the importance of this Bureau of Reclamation funding to emergency relief efforts. I want to give my friend from California every assurance of my willingness to work with him and the members of the conference committee to see that California's and other Western States' drought needs are adequately addressed.

Mr. SEYMOUR. Mr. President, I thank my distinguished colleagues for the willingness to discuss this matter in conference, and appreciate their support for emergency drought relief funding.

ATMOSPHERIC RESEARCH

Mr. WIRTH. Mr. President, attention to the atmospheric sciences, particularly as it relates to global warming, has reached unprecedented levels. We in Colorado are proud of the role the National Center for Atmospheric Research [NCAR] has played—and will continue to play—in providing more and better information on the changes we have wrought on Earth's biosphere.

For nearly 30 years, NCAR has been one of the world's most important and respected atmospheric research institutions. It is not an overstatement to say that NCAR has credentials—particularly in the computer modeling area—that are superior to any organization in the world.

Unfortunately, as the need for more definitive answers from the atmospheric science community has increased significantly, the resources provided to the Nation's premier research institution have been dwindling. It is apparent that the declining budget trends at NCAR are precipitating a sharp decline in the morale and capabilities of NCAR's scientists.

During the past 5 years, NCAR has met a number of pressing national priorities in the atmospheric sciences—from the deployment of advanced equipment for observing the atmos-

phere and the oceans to the development of new ocean circulation models. NCAR also conducts programs in atmospheric chemistry, solar variability, climate analysis and modeling, oceanography, cloud systems and the hydrologic cycle, atmosphere-biosphere interactions and climate impacts that are essential to the United States Global Change Program. NCAR provides valuable scientific, computing and experimental support to the entire university atmospheric sciences community.

Advanced global climate change modeling is impossible without the use of supercomputers. NCAR lacks a supercomputer of its own, but has discussed the possibility of sharing supercomputer time with the National Test Facility [NTF] at Falcon Air Force Base in Colorado Springs. They have submitted a proposal to fund this cooperative effort to the DOD's Strategic Environmental Research and Development Program [SERDP]. Would the chairman of the Armed Services Committee, who was the leader in the creation of the SERDP, comment on whether in his view this sort of project would be an appropriate use of SERDP funds?

Mr. NUNN. One of the reasons for creating the Strategic Environmental Research and Development Program was to focus the use of Department of Defense assets for environmental research purposes. The collaborative effort of the National Center for Atmospheric Research with the Strategic Defense Initiative office is exactly the type of work the SERDP was created to encourage.

Mr. WIRTH. I thank the chairman. NCAR has identified an opportunity for the SERDP to accelerate progress toward reliable predictions of global and regional climate changes in the decedes ahead. This proposal solicits supercomputer time on the supercomputers within the SERDP domain, upgrades to the NCAR Mass Storage System [MSS], and money for programming support. These facilities will be dedicated to climate change modeling research, with particular emphasis on defining and reducing model uncertainties and on climate model performance assessment.

The availability of allocated supercomputer time dedicated to climate modeling would accelerate progress in quantifying and reducing major uncertainties associated with current models, particularly those at the regional scale where climate changes are likely to be the largest and have the greatest impact. Focused studies to define better the critical role of the clouds, oceans, greenhouse gasses, ecosystems processes and ice in climate change would be possible. More extensive studies of the regional impacts of global change would also be possible with these additional computational resources available. Perhaps most important, a large number of sensitivity and validation studies could be conducted to identify which research objectives are of the highest priority and to quantify the accuracy of current climate change predictions.

Under this proposal, SERDP would provide allocated supercomputer time over a 2-year period, for the execution of climate models. The vast amount of model output data generated would be transported to the NCAR MSS for archiving and analysis. Various upgrades are requested for the NCAR MSS because of the impact that will be caused by importing an additional one to three terabytes of data per year. In addition, support staff will be needed at NCAR for climate model development and management of the ongoing execution of climate models at the remote SERDP Computer Center. NCAR proposes to contribute many of its existing facilities and support functions to this effort, thus enabling the scientific staff to rapidly make use of the model results. The model output data archived from this effort will contribute to future studies by both NCAR scientists and university researchers to resolve the issues of model sensitivity, validation, and improved model performance.

Mr. President, I believe that NCAR has performed outstanding work in the past. I am convinced that it can play a leading role in the United States and the world on global climate research in cooperation with the NTF in Colorado Springs. But, as I have just explained, NCAR will require funds to implement this cooperative effort. It is this Senator's hope that the DOD will fund this program in the fiscal year 1991 budget for the SERDP.

Mr. NUNN. I too fully support the work of this center, a national consortia of universities actively engaged in global climate research. However, for the SERDP to work as envisioned, we must refrain from earmarking any of these funds for specific projects. The Defense Department must have the flexibility to determine its priorities and its capabilities in making funding decisions under the environmental research program.

Mr. WIRTH. I appreciate and share the chairman's concerns.

Mr. NUNN. I would conclude by saying to my good friend from Colorado that I do hope the Defense Department decides to fund this worthwhile research project proposed by NCAR, and I encourage them to do so.

Mr. INOUYE. Mr. President, the Senator from Colorado wants the Defense Department to allocate $2,500,000 of previously appropriated, fiscal year 1991 funds for the Strategic Environmental Research and Development Program [SERDP] for execution of climate models and upgrading a data storage system by the National Center for Atmospheric Research. This effort would be conducted at the National Test Facility of the Strategic Defense Initiative Organization.

It is our understanding that, upon release of an appropriate amount of SERDP funds, the Office of the Secretary of Defense already intends to make these funds available for this purpose. Our colleague seeks to expedite and ensure this allocation process, and we support him in this endeavor.

U.S. DEPARTMENT OF AGRICULTURE USER FEES

Mr. INOUYE. Will the distinguished chairman of the Senate Agriculture Appropriations Subcommittee engage in a discussion with me regarding the proposed U.S. Department of Agriculture rule to establish user fees for agricultural quarantine and inspection services?

Mr. BURDICK. I would be pleased to discuss this very important matter with the Senator.

Mr. INOUYE. I thank the Senator from North Dakota. I have two major concerns, one of procedure and the other of substance. On the matter of procedure, I am very opposed to USDA's 2 week comment period, rather than the 30 days required by the Administrative Procedure Act, and the April 1, 1991, automatic effective date for the airlines to collect the fees. I see no reason to bypass the APA procedures which are intended to provide all interested parties with a sufficient time to comment and an adequate time for the agency to respond to those comments. In addition, the proposed rule has an automatic effective date of April 1, and would require the retroactive application of the fee to airline tickets sold prior to the effective date. This would mean that a passenger who purchases a ticket before April 1, for travel after that date, would be required to pay the fee at the gate before boarding the plane.

This is further complicated by the fact that a new user fee has been proposed for domestic airline passengers traveling between Hawaii or Puerto Rico and the continental United States. There is no existing mechanism for the airlines to collect such a fee. A specific procedure will have to be developed and shared with the more than 50,000 travel agencies in conjunction with the U.S. airlines. Additionally, a uniform designator must be established to indicate that collection has occurred. I think that the Senator from North Dakota would agree with me that such an elaborate procedure cannot be implemented on April 1—the day the airlines receive the final rule, setting forth exactly what will be required of them.

Would the Senator from North Dakota agree with me that these proposed rules should be reissued in accordance with APA requirements, and that the airline industry be given sufficient lead time to implement the necessary pro-

cedures, at least as it relates to the new domestic user fees.

Mr. BURDICK. I would agree with the Senator from Hawaii. It seems to me that adequate time should be given for all interested parties to have input into the new procedures. Furthermore, adequate time must be given to implement the proposed changes. The dates set by USDA at this point are not adequate.

Mr. INOUYE. The second concern I have relates specifically to the new user fee that USDA is proposing for domestic travel between Hawaii or Puerto Rico and the continental United States. The only fee authority approved in the farm bill related to international user fees. USDA relies on another authority, the Independent Offices Appropriations Act, as the justification for this domestic fee, the proceeds of which will go toward deficit reduction. Additionally, it plans to issue a proposed rulemaking at a later date on user fees for domestic agricultural cargo originating from Hawaii and Puerto Rico. I sent a strong letter of opposition to the proposed rule relating to the domestic user fee. In my letter, I put USDA on notice that I plan to move legislation in the very near future to correct the unfairness of its rules which treat Hawaii as an international destination while exempting Canada from international user fees.

This is not the appropriate legislative vehicle to accomplish my goal. However, I am committed to legislatively mandate equity regarding the treatment of Hawaii and Puerto Rico as it relates to domestic passenger fees and agricultural cargo. Accordingly, it would make sense for the USDA to provide a reasonable period of lead time because I intend to pass legislation to correct the unfair system USDA is planning to implement.

Mr. BURDICK. The Senator from Hawaii makes very compelling arguments. And, as I know from our years of service together in this honorable body, the Senator from Hawaii keeps his word.

Mr. INOUYE. I thank the Senator from North Dakota for his gracious comments, and for engaging in this discussion with me on a matter of extreme importance to Hawaii's two major industries—tourism and agriculture.

DROUGHT RELIEF TO WESTERN STATES

Mr. SIMPSON. Mr. President, I rise only briefly today to express my sincere gratitude to my distinguished colleague from West Virginia for his understanding and accommodation on funding for drought relief to the Western States. There is $20 million appropriated in this legislation for that purpose and that will go a long way in helping all the Western States to deal with a water emergency that, if it accelerates, can lead to dire consequences for the entire Nation.

Mr. President, I also want to commend the Bureau of Reclamation for its diligence in working with Congress to deal with the ever increasing drought in a fiscally responsible manner. I would ask unanimous consent that a letter, addressed to me from Commissioner Dennis Underwood, be printed in the RECORD immediately following my remarks. This is further evidence that the Bureau is very sensitive to the needs of all Western States and that they are eager to do whatever they can to help as swiftly as is possible to do so.

This provision of the dire emergency supplemental legislation also includes the much needed authority to finally finish the completion of the raising of a dam and increasing the capacity of a reservoir near my home town of Cody, WY: the Buffalo Bill Reservoir. We have been waiting a very long time in Wyoming to finally finish this worthy project. As my colleagues know, this project has been on a 50-50 cost share with the State of Wyoming and Wyoming has "ponied up" its share long ago. While we have been waiting for the Congress to act on this, people around the area have been suffering a number of construction-related problems.

One of the most troubling is the massive increase in dust levels resulting from the draw down of the reservoir in anticipation of the final construction phase. That work can now begin and those good people will finally have some relief in sight.

So I do sincerely thank the distinguished chairman for his cooperation, his sensitivity, and his objectivity in working so hard in crafting a responsible dire emergency supplemental appropriations bill. This will go a long way towards helping a large portion of our country through some tought, dry, years and will also directly help some very deserving people.

I thank the Chair.

There being no objection, the order to be printed in the RECORD, as follows:

BUREAU OF RECLAMATION,
Washington, DC, March 19, 1991.

Hon. ALAN SIMPSON,
U.S. Senate,
Washington, DC.

DEAR SENATOR SIMPSON: You have requested information on which areas of the West will use the funds included in the Dire Emergency Supplemental bill for drought-related activities to be undertaken by the Bureau of Reclamation of the Department of the Interior.

I have requested the Regional Directors of all five Reclamation Regions to identify projects in the 17 Reclamation States throughout the West which should be placed on a priority list to receive funds to relieve drought problems.

That work is underway at the present time in order to make it possible for Reclamation to be able to specify at an early date exactly what funds are needed in each Region in the West to deal with problems brought on by the prolonged drought.

There will be no effort to have these funds used in just one State or Region because the drought affects several areas that are located great distances from each other, including California, eastern Oregon, and parts of Montana, Idaho and Wyoming.

The Bureau of Reclamation wants to make the very best possible use of the additional funds provided for fiscal year 1992 under the terms of the Dire Emergency Supplemental bill; you may be sure all areas in the Reclamation West now suffering from drought are being studied and every effort will be made to maximize the funds allocated to our programs.

Sincerely,

DENNIS B. UNDERWOOD,
Commissioner.

EMERGENCY FUNDING FOR ISRAEL

Mr. LAUTENBERG. Mr. President, this dire emergency supplemental spending legislation includes emergency funding to help our friend and ally, Israel, pay for the significant costs it incurred as a result of the Persian Gulf war. I strongly support providing this funding to Israel.

Israel was a strong, silent coalition partner in the war to get Saddam Hussein out of Kuwait. Although Israel was not a party to the conflict, Saddam Hussein cynically tried to draw Israel into the conflict in an effort to divide the coalition and undermine the United States' effort in the gulf. Fortunately, he did not succeed. In the face of 39 Scud missile attacks fired by Saddam Hussein, Israel demonstrated remarkable restraint. Israel showed that she is a reliable friend who can be trusted.

Unfortunately, the people of Israel paid a high price for this restraint. Innocent lives were lost. Entire neighborhoods were devastated. Over 8,000 homes and apartments were damaged or destroyed. Nearly 2,000 Israeli families were left homeless.

The war cost the Israeli Government and the people of Israel billions of dollars. Throughout the conflict, the Israeli military was kept on the highest state of alert. Reservists had to be paid for additional service. Extra flight missions, equipment, and ordnance were secured to protect innocent Israeli citizens from Saddam Hussein's aggression. Because the threat that Saddam Hussein would use chemical weapons was very real, gas masks had to be purchased and distributed to Israeli citizens.

Israel needs and deserves assistance to help pay for significant costs she incurred during the war. The international community, acting through the Gulf Crisis Financial Coordination Council, has contributed billions to the frontline Arab States to help ease the pain of the war. Even Jordan's King Hussein, who sided with Saddam Hussein during the war, has received assistance from the international community.

Despite the important role Israel played as the coalition's strong, silent,

partner, however, Israel has received very little financial support from the countries of the world. Germany has stepped forward. The European Community is considering an aid package. But those contributions pale in comparison to the billions provided to frontline Arab States.

To help Israel pay for the costs of the war and to show our gratitude for the important role Israel played in the conflict, the United States should provide this emergency funding for Israel immediately.

I am glad the Administration reversed its position on providing emergency assistant to Israel. Despite the fact that I and 21 other members of the Senate Appropriations Committee sent a letter to President Bush urging him to provide emergency assistance for Israel, the administration did not include a dime for Israel in the original version of the emergency spending bill it sent to Congress for consideration. It resisted providing emergency funding. I'm delighted that now, however, the administration has lifted its opposition and has agreed that Israel needs and deserves assistance to help pay for the costs of the war.

Mr. President, Israel was a critical and good friend throughout the gulf war. I urge my colleagues to approve this legislation so we can provide this emergency funding to Israel without delay.

AID TO TURKEY AND GREECE

Mr. D'AMATO. Mr. President, the Congress has a long standing policy of maintaining a 10-to-7 ratio of military aid going to the countries of Turkey and Greece. The existence of this ratio has played a major role in the very positive relations which our country enjoys with that very strategically located nation. In addition to being our long time ally—in World War I and World War II, where one out of every nine Greeks lost their lives for the allied effort, and the Korean war—they were one of the very few nations which contributed manpower and equipment to our efforts in the Persian Gulf.

Greece should understand that the American people greatly value the fact that the Government of Greece recently renewed our American bases on the strategically located island of Crete, Greece, in the Mediterranean and the extraordinary cooperation they have given to American efforts to combat international terrorism.

As a member of the Senate Appropriations Committee I have supported the legislation before us today which contains within it a $200 million grant aid to Turkey because it is a one-time payment in an effort to help Turkey recover some of its economic losses due to the Persian Gulf effort. These monies do not change the American commitment to the 10-to-7 ratio and to maintaining a balance in the eastern Mediterranean which assures our ally, Greece, that the United States is acutely sensitive to its security needs.

REFUGEE RESETTLEMENT AND H.R. 1281

Mr. SEYMOUR. Mr. President, I rise today to voice my concern with a provision the committee included in this fiscal year 1991 supplemental appropriations bill regarding our Nation's refugee resettlement programs.

Specifically, the provision takes $1.7 million from the refugee cash and medical assistance fund and directs it to an expanded private sector initiative sponsored by the Cuban-American National Federation.

I understand the intent behind the provision, and the commitment of members of the Appropriations Committee to promote self-sufficiency among our refugee population.

This funding may be warranted, Mr. President, so I do not come to the floor today to dispute the work and dedication of the Cuban-American National Federation.

What I dispute is the process and the precedent it sets for future refugee resettlement funding allocations.

This provision sets a dangerous precedent because it puts the Congress in the position of earmarking cash and medical assistance funds for one private sector initiative that it is serving one specific refugee group. Cash and medical assistance funding is intended to reimburse State and local government costs.

I am concerned with the precedent this provision sets, and am worried that it could open the flood gates to additional earmarking of this refugee cash and medical assistance account, especially when other refugee groups and certainly the States see how they have been excluded.

States and local governments are the workhorse of our Nation's refugee resettlement program.

Unfortunately, since 1985 States and local governments have seen Federal funding assistance reduced to but a fraction of what the Refugee Act of 1980 intended. In fiscal year 1990, for instance, a majority of the States were forced to absorb shortfalls of over $34 million in the cash and medical assistance program. This fiscal year, it is anticipated that the Office of Refugee Resettlement [ORR] may have to reduce the reimbursement period for cash and medical assistance programs below 12 months.

These funding reductions are already forcing States to make unilateral reductions in their fiscal year 1991 refugee unaccompanied minor programs. Needless to say, the pie is already too small; this diversion of funds, albeit small, harms my State's resettlement efforts, and it sends the message that the Federal Government has little interest in supporting their refugee resettlement needs.

I am also concerned because this provision contradicts the intent of the private sector initiative program. Previously, the admission of refugees under this program was contingent upon the availability of private sector funding sufficient to cover the resettlement costs. Despite this fact, the provision before us provides a Federal funding commitment; again, a precedent will be established that could open the way for future requests from numerous refugee groups for Federal funding commitments. By giving medical assistance funds to this private sector initiative, we are limiting the funds available to the states and other refugees for medical assistance programs.

Mr. President, the Congress established the Fish-Wilson provisions of the Refugee Act to create new methods of resettling refugees, and it did so in such a manner that it ensured coordination between ORR, the sponsoring organization, and the States. The provision in this bill end-runs that process, and, based on the reaction from California, it could end up pitting refugee service providers against each other.

Private sector initiatives may be worthy of our support and funding assistance, Mr. President, but not if it is done in a manner that undermines the States and local governments.

USTF MEDICARE REIMBURSEMENT AMENDMENT

Mr. ADAMS. Mr. President, I rise to engage the distinguished chairman of the Finance Committee, the Senator from Texas, concerning an amendment that I and my colleagues from Washington, Senator GORTON, and Maryland, Senator MIKULSKI, had planned to offer during the Appropriations Committee markup of H.R. 1281, the dire emergency supplemental appropriations bill.

As the Senator understands, the amendment addresses a serious problem facing an important public health care provider in Seattle, as well as institutions in Baltimore and Boston, all three of which have been designated uniformed services treatment facilities [USTF's]. Between the fall of 1986 and the end of 1989, the three USTF's provided health care services to elderly patients eligible for both military and Medicare health care benefits. Because the Department of Defense [DOD] USTF reimbursement agreements in effect at the time did not pay for the care, the facilities, with the knowledge of DOD, billed Medicare for services provided to these patients. DOD and the Department of Health and Human Services subsequently determined that the billings were inappropriate for institutions designated USTF's and directed that they cease. The USTF's stopped billing Medicare promptly upon being directed to do so but now face probably recoupment by Medicare for these evidently mistaken billings. Such recoupment would be very harmful and perhaps even fatal to these facilities. It also would be unjust under

the circumstances, requiring, in effect, the facilities to have provided care to beneficiaries of two Government health care programs at no cost to either.

Our amendment would have prevented the recoupment. The distinguished chairman has expressed his interest in this matter and his sympathy for the plight of these facilities; however, he notes that the Finance Committee is the more appropriate venue for its resolution. Accordingly, we have decided against pursuing our amendment to this Appropriations bill.

Mr. BENTSEN. The distinguished Senator from Washington has made a number of compelling points. I appreciate his diligence in calling this important matter to our attention. It is under review, and I am hopeful that we can find an appropriate resolution, either through administrative action or as part of health legislation we plan to report later this year. I appreciate my colleagues' understanding of my preference for handling this matter this way as well as their efforts in bringing this unfortunate problem to my attention. I can assure them that its reasonable resolution will have my attention.

Mr. ADAMS. Mr. Chairman, I know that you are also aware that the Health Care Financing Administration may feel compelled to pursue recoupment in the meantime but I hope you also understand how harmful the actual assertion of any claim against these facilities would be while your committee has the matter under consideration.

Mr. BENTSEN. I certainly do understand and concur with my colleague's assessment that we expect to work with HCFA to resolve this issue before HCFA takes steps to recoup these Medicare billings.

Mr. ADAMS. I thank the Chairman and appreciate his continuing assistance with this matter.

Mr. BENTSEN. I thank the Senator and his colleagues on the Appropriations Committee, Senators MIKULSKI and GORTON.

Mr. GORTON. Mr. President, I rise to join my colleagues from Washington in expressing my appreciation to the distinguished chairman of the Finance Committee. I have always had an abiding interest in the preservation of uniformed services treatment facilities. In 1981, I worked with the late Senator Jackson on an amendment to designate ten former public health services hospitals across the country as USTF's. This amendment authorized USTF's to continue to serve military beneficiaries and their dependents after the public service hospital system ended. Since the passage of the Jackson amendment, these facilities have been exceedingly popular with the patients they service. These facilities offer an excellent innovative approach to assuring that the health care we provide our military and their dependents is the best possible. I am a strong believer in the survival of the uniformed service treatment facilities and will continue to work to remedy this problem. I appreciate the Chairman's interest in resolving the matter as well as the interest and support of his colleagues on the committee.

Mr. GRASSLEY. Mr. President, I would like to commend my colleagues for the action taken yesterday to ban arms sales to allies who have not fulfilled their pledges to the United States to help pay for the Persian Gulf war. As you are aware, the issue of honoring gulf war pledges has been of great interest to me from the very beginning.

The distinguished Senator from New Jersey [Mr. LAUTENBERG] and I were chief sponsors of legislation in the Senate to require detailed reports from the administration on foreign pledges. The legislation would track the pledges made to defray the war's costs, and the progress made by our allies in meeting their commitments. That legislation was strengthened in the Armed Services Committee and later passed the Senate. It has also passed the other body.

As recent events have demonstrated, Mr. President, it was indeed prudent and prescient on the part of the U.S. Senate to take these two steps—the requirements for detailed reports and the ban on arms sales to allies who fail to meet their pledges. At this time, we are right to be concerned about the actions of two of our allies engaging in what I consider to be back-peddling on their financial commitments to the United States. These allies are Germany and Japan.

As recent news reports indicate, Japan has unilaterally changed its 1991 commitment to the war effort from $9 billion to $8.6 billion. This change was accomplished by changing the mode of payment from dollars to yen, hereby losing $400 million through foreign exchange manipulations.

Mr. President, this would be an extra $400 million that the U.S. taxpayer would have to cough up to cover the war's expenses. Not only has Japan unilaterally reduced its pledge, but it has now attached numerous strings as to how the $8.6 billion contribution can be spent.

First of all, the money will not be paid directly to the United States. It will go instead to the Gulf Cooperation Council for eventual disbursement to recipients. The United States is by no means guaranteed to receive all of the $8.6 billion. Furthermore, Japan has restricted what the money can and cannot be used for. For instance, the money cannot be used for weapons; it can, however, be used for food and transportation.

Germany's mode of back-peddling, while different, has the same end-result. As the distinguished chairman of the Appropriations Committee pointed out this morning, the German Government—under pressure from opposition parties—has agreed to send a delegation to Washington to request a reduction in Germany's financial commitment to fight the war. It is yet unclear how much of the $5.5 billion pledge for 1991 Germany would like to take back.

Mr. President, neither of these allies—Germany or Japan—contributed any fighting forces to the Persian Gulf war. I find it particularly troubling—now that the war is over—that even a financial commitment is being reconsidered by our allies. The American people and the international community should take note. They should take note of who fulfilled their commitments during this crisis, and who back-peddled once the worst seemed to be over.

Today, Senator LAUTENBERG and I will send a letter to the White House. In that letter, we ask the President—in his ongoing discussions on this matter with the allies—to send a very strong signal to them. Otherwise, we risk opening a Pandora's box in which all our other allies start back-peddling on their pledges. And before long, the entire burden is shouldered by the American taxpayer once again.

Mr. President, our allies have a moral obligation to fulfill their commitments. It is a moral imperative for them to do so. It is a prerequisite for those countries who wish to be viewed as leaders in the new world community. We must take a resolute stand on this matter to be fair to the American taxpayer, and to those countries who are diligent in fulfilling their commitments.

I would urge the President, when the delegation from Germany arrives next week, to stand firm. Let's not open up Pandora's box. Let's not make it easy for an ally to turn its back on its own moral obligation. Let's not turn our backs on what is fair to the citizens of our own country.

Instead, let us resist these attempts to renegotiate. And let the signal be loud and unmistakable. Indeed, I have confidence that the President will insist on fairness, and will turn down such requests.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. If there be no further debate, the question is, Shall the bill pass. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

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

The result was announced—yeas 92, nays 8, as follows:

[Rollcall Vote No. 40 Leg.]

YEAS—92

Adams	Exon	McConnell
Akaka	Ford	Metzenbaum
Baucus	Fowler	Mikulski
Bentsen	Garn	Mitchell
Biden	Glenn	Moynihan
Bingaman	Gore	Murkowski
Bond	Gorton	Nunn
Boren	Graham	Packwood
Bradley	Gramm	Pell
Breaux	Grassley	Pressler
Bryan	Harkin	Pryor
Bumpers	Hatch	Reid
Burdick	Hatfield	Riegle
Burns	Heflin	Robb
Byrd	Heinz	Rockefeller
Chafee	Hollings	Rudman
Coats	Inouye	Sanford
Cochran	Jeffords	Sarbanes
Cohen	Johnston	Sasser
Conrad	Kasten	Seymour
Craig	Kennedy	Shelby
Cranston	Kerrey	Simon
D'Amato	Kerry	Simpson
Danforth	Kohl	Specter
Daschle	Lautenberg	Stevens
DeConcini	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Lieberman	Warner
Dole	Lott	Wellstone
Domenici	Mack	Wirth
Durenberger	McCain	

NAYS—8

Brown	Lugar	Smith
Helms	Nickles	Wallop
Kassebaum	Roth	

So the bill (H.R. 1281), as amended, was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Pursuant to the previous order, the Chair appoints the following conferees on the part of the Senate: Mr. BYRD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BURDICK, Mr. LEAHY, Mr. SASSER, Mr. DECONCINI, Mr. BUMPERS, Mr. LAUTENBURG, Mr. HARKIN, Ms. MIKULSKI, Mr. REID, Mr. ADAMS, Mr. FOWLER, Mr. KERREY, Mr. HATFIELD, Mr. STEVENS, Mr. GARN, Mr. COCHRAN, Mr. KASTEN, Mr. D'AMATO, Mr. RUDMAN, Mr. SPECTER, Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. BOND, and Mr. GORTON.

Mr. BYRD. Mr. President, I want to thank my friend, the ranking member of the Appropriations Committee, the Senator from Oregon [Mr. HATFIELD] for his usual diligence and cooperation throughout the deliberations on the two supplemental appropriations bills on which the Senate has completed action. As always, he has been most helpful in working with me and with the leadership in expediting consideration of these two important measures.

I thank my colleagues also on the committee and on both sides of the aisle. I thank our two leaders, Mr. MITCHELL and Mr. DOLE, for their fine cooperation and support, and the splendid help which they gave.

As to Mr. HATFIELD, I have been working with him quite a long time on the Appropriations Committee. He was formerly the chairman of the Appropriations Committee, as I stated many times. I not only thank him for his able assistance again, but I also look forward to working with him in the upcoming conference on these measures which we hope to begin on tomorrow.

I certainly would be remiss if I did not also thank the very capable staff of the Appropriations Committee in the Senate; the staff members who have put in many hours of work on these measures, who will continue to do so, and who are doing so even now until the final conference report is passed by both Houses and sent to the President.

These are supplemental appropriations bills. They are usually referred to as Christmas trees in that they gather many amendments on the way through the subcommittee, the full committee, and through the Senate.

But I also want to commend the House of Representatives on their restraint which was shown by the House committee members and House Members in dealing with these two supplemental appropriations bills, as well as my own members of the Senate Appropriations Committee and all of my colleagues in the Senate. There were some amendments added but I believe that as I look back over the years, this seems to be a case to me when our Members did exercise restraint in this body, and I believe that the conference will be made easier thereby.

The entire staff of the Appropriations Committee was involved, and I would like to recognize each member of the staff. I thank the majority and minority clerks, and their assistants for their dedication and professionalism. Without their efforts the work of the committee in the Senate would be, and the Senate would be, much more difficult.

I would like to take a moment to say a special thanks to the full committee staff for their dedication and professionalism: Jim English, staff director; Terry Sauvain, deputy staff director; Mary Dewald, chief clerk; Dick D'Amato, counsel for international and national security policy; Marsha Berry, professional staff member; Jack Conway, professional staff member; Bob Putnam, professional staff member; Anita Skadden, staff assistant; Diana Gourlay, staff assistant; Jodi Capps, staff assistant; Rheda Freeman, telephone operator; Nancy Bradel, telephone operator; Norman Edwards, clerical assistant; Joseph Chase, clerical assistant; and Keith Kennedy, minority staff director.

My appreciation and thanks is also extended to both the majority and minority clerks of our subcommittees:

Agriculture: Rocky L. Kuhn, majority clerk; Irma H. Pearson, minority clerk.

Commerce: Scott B. Gudes, majority clerk; John Shank, minority clerk.

Defense: Richard L. Collins, majority clerk; Keith Kennedy, minority clerk.

District of Columbia: Tim Leeth, majority clerk; Rick Pierce, minority clerk.

Energy and Water: Proctor Jones, majority clerk; Mark Walker, minority clerk.

Foreign Operations: Eric Newsom, majority clerk; Jim Bond, minority clerk.

Interior: Charles Estes, majority clerk; Cherie Cooper, minority clerk.

Labor/HHS: Mike Hall, majority clerk; Craig Higgins, minority clerk.

Legislative: Jerry Bonham, majority clerk; Sean O'Hollaren, minority clerk.

Military Construction: Mike Walker, majority clerk; Rick Pierce, minority clerk.

Transportation: Pat McCann, majority clerk; Anne Miano, minority clerk.

Treasury: Patty Lynch, majority clerk; Rebecca Davies, minority clerk.

VA/HUD: Kevin Kelly, majority clerk; Stephen Kohashi, minority clerk.

I would also like to take a moment to thank my chief of staff, Barbara Videnieks, for her excellent advice and counsel on all matters relating to both supplementals and to thank Melvin Dubee for his special assistance in relation to the issues in connection with the Desert Shield/Desert Storm supplemental, as well as other matters in the dire supplemental appropriation bill.

Mr. CHAFEE. Mr. President, I voted for the legislation we just passed. There was much in it I did not approve of. It is my hope the bill can be cleaned up in conference. Should it not be, I reserve, obviously, the right to not only vote against it but to support a veto of the President, should that become necessary on the President's part.

I wanted to make that clear, Mr. President.

The PRESIDING OFFICER. The Senator from Kentucky [Mr. FORD], is recognized.

ORDER OF PROCEDURE

Mr. FORD. Mr. President, there are several Senators who wanted to speak and I am not going to try to restrict them. But I wonder if we might have some idea how long they will require. I see the Senator from Vermont, 5 minutes; the Senator from Pennsylvania, about 5 minutes; the Senator from Montana?

Mr. BURNS. That is correct, about 5 minutes, sir.

Mr. FORD. So I will give some idea—there will be about half an hour of speeches—to give people an understanding of about how long it is going to be before we close for the evening.

I thank the Chair.

Several Senators addressed the Chair.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there be a period for morning business, and that Senators be allowed to speak therein.

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

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. I thank the Chair.

(The remarks of Mr. BURNS pertaining to the introduction of S. 715 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The Senator from Pennsylvania.

ISRAEL'S RESTRAINT

Mr. HEINZ. Mr. President, I want to take a moment just to reflect on one item in this bill and how it relates to the recent victory in the gulf, because with the victory in the gulf behind and the task of securing a lasting peace before us, the United States is about to embark on a diplomatic odyssey of great and perhaps historic importance. Before we delve into the intricacies of postwar politics in the Middle East, it is appropriate at this time to consider the question of who our friends are.

We are grateful, of course, to the members of the coalition, our old friends, England and France, joined with more recent allies, including Saudi Arabia and Egypt, to stop Saddam Hussein's aggressive rampage in the region.

I wish to pay special tribute, however, to the leaders and the people of the State of Israel, a noncombatant nation. Israel was the target of a cowardly attack designed to pull her into war and shatter the coalition. The cynical calculation employed by Saddam Hussein would have shamed Machiavelli, and many of us thought he would get his way.

I well remember, Mr. President, that first night as I stood watching on television with deep disbelief as reporters in Jerusalem and Tel Aviv donned gas masks and told us that missile warheads were falling in the streets of Israel. Like many, I thought that Israeli retaliation was inevitable. Certainly, it was justifiable. And then what many of us thought the impossible would be actually happened: Israel stayed her hand.

The reward for this restraint was a furious blitzkrieg of Scud attacks, dozens of them, night after night, and still the Israeli sword remained in its scabbard long after virtually anyone in this Chamber, had our Nation been under attack, would have struck back with as devastating a force as we could muster.

I say this, Mr. President, because I personally have experienced exactly those same feelings of rage. I experienced them the day I learned of the death of over a dozen young members of the 14th quartermaster's detachment from Greensburg, PA. They were killed by the last Scud missile to fall in the war, and it fell, unfortunately, on their barracks near the air base in Dhahran.

I can tell you, Mr. President, I felt a fury that would never have allowed me to forswear retaliation the way the Israelis did. I have been amazed ever since by the monumental effort of self-restraint it must have taken for the Israelis to do what so many, including myself, I doubt, could have done.

What guarantees did the Israelis have? The air war raged on, and the United States and its allies tried to assure Israel that we would eliminate the Scuds still left in the field. But still those missiles fell, and still the Israelis waited. Fears that the coalition would unravel would prove groundless as Saudi Arabia, Egypt, and even Syria indicated that they would not object if the Israelis did, indeed, exact their vengeance.

Even Syria, Mr. President, Syria, Israel's most dedicated enemy, made it clear that they would not defect from the coalition or otherwise object if the Israelis did what I think we would all say was their right to do. And still the Israelis waited, even as the Palestinians, in their own nation, cheered the sight of falling warheads, and Jordanian authorities warned that their airspace was not to be violated unless the violator was a bomb-laden Scud.

Mr. President, what was the source of this remarkable restraint? In essence, the Israelis decided to forego vengeance and to do what was best, not necessarily for themselves, but for the international community. This entailed great risk to Israeli security.

It is instructive to consider here the difference between Jordan and Israel. When the chips were down and the Jordanians sensed the dangers of war mounting about them, they panicked and joined forces with the neighborhood bully rather than take the risk of doing what was right.

The Israelis took those risks and the price paid in Israeli lives and property when the flaming remnants of Saddam's Scuds rained down on the homes of Haifa and Tel Aviv.

Mr. President, it is my hope that the Iraqi people will throw off the dictatorship of Saddam Hussein and that he and his henchmen will be brought to justice as the war criminals they most certainly are. The Iraqi people need to know we bear them no ill will. Indeed, I look forward to the day when we can welcome Iraq and Jordan, as well, back into the family of civilized nations, as we did with Germany and Japan before them.

But for Israel, we must show our gratitude, we must make clear that we have understood the awesome nature of the burden they undertook in their patience, and we must be firm in our assurances that we will never forget that Israel chose the path of resolve rather than the path of fear.

In that regard, Mr. President, I am pleased that the legislation that we have just passed, H.R. 1281, reimburses the people of Israel for a portion of the material costs inflicted on them because they chose the course of responsibility and restraint.

EXPLANATION OF SUPPORT OF H.R. 1281

Mr. HEINZ. Mr. President, I do want to make clear that although I did indeed support the final passage of H.R. 1281 for a variety of reasons, there are things in that legislation that I am not in support of.

It is my hope in sending the legislation to conference that some of the decisions made, both in committee and on the floor, will be worked out and will be reversed, and that this will be legislation that the President can sign.

If, however, the bill is not improved and if the bill should be vetoed, I may well decide to support such a veto should it come.

Mr. President, I thank my colleagues, and I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 716 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

NO HOMECOMING FOR HOSTAGES

Mr. DOLE. Mr. President, as we celebrate the return of our POW's and our other forces from the Persian Gulf, we must not forget that, for some Americans, there is still no homecoming.

Six Americans—six totally innocent Americans—remain hostage in Lebanon. In a very real sense, too, their families remain hostage to uncertainty, anxiety, and fear.

Six innocent Americans. By name—Terry Anderson, Thomas Sutherland, Joseph Cicippio, Jesse Turner, Alan Steen, and Edward Austin Tracy.

Terry Anderson has been captive the longest—6 years.

I wonder how often any of us really think about that. Six years. Our term in the Senate; Terry Anderson's term in a living hell.

Think about erasing from your mind all that you have seen, heard, and learned these past 6 years. Do the hos-

tages know that we have won a great victory in Desert Storm? Do they know that there was a Desert Storm?

Do they know of the great leadership of our President, George Bush? Do they even know that our President is George Bush?

Think about what each of us has done, experienced, enjoyed, these past 6 years. By any reasonable guess, Terry Anderson has enjoyed not 1 day of it.

Think about how long just these last 7 or 8 months have been for those Americans who have had family members serving in the gulf; how each day has dragged on, filled with uncertainty and anxiety.

And multiply that period of time by 10 times or more, and those feelings by a hundredfold—and perhaps you can begin to sense the anguish of the hostage families.

Mr. President, in many ways, these are days filled with joy and celebration.

That is as it should be.

But let us never forget, even in those moments of celebration, that our final and full celebration cannot come until all Americans—including our hostages in Lebanon—come home again.

YUGOSLAVIA IN CRISIS

Mr. DOLE. Mr. President, the crisis in Yugoslavia deepens by the hour; it is, in essence, a struggle between democracy and communism—the outcome of which will determine the future of Yugoslavia.

This ongoing struggle was evident in recent anti-Communist demonstrations in Belgrade—demonstrations which were met by brutal force—as well as at the highest levels of the Yugoslav Government. A dramatic vote in the federal presidency last week revealed the battle lines that have been drawn.

In collaboration with the Yugoslav army, the President of Yugoslavia brought forward, to the other members of the collective presidency, a proposal to impose martial law in Yugoslavia. Well, the representatives of the four democratic republics and the representative from the Province of Kosova, saw the proposal for what it really was: A last ditch effort to retain Communist control at the federal level and to bolster the regime of the hardline President of the Republic of Serbia. As a result, the measure failed by a 5-to-3 vote.

In response, the President of Yugoslavia—who is also the representative of the Republic of Serbia—and the Communist representatives from the republic of Montenegro and from the province of Vojvodina, all resigned. The Serbian Government then fired the Kosova representative in retaliation for his refusal to vote for martial law.

So, having failed in their takeover attempt at the federal level, the Communists adopted new tactics—tactics designed to create a pretext for army intervention. The three resignations and the dismissal were intended to undermine the federal presidency, to give the impression that things were out of control and that army intervention was the only option. Nevertheless, the representatives from the democratic republics have continued to meet in order to keep the presidency functioning.

Yesterday, the Yugoslav Army issued a statement that left supporters of Democracy very uneasy. The statement was ambiguous; it did not clarify what the army's plans or intentions were. Although the statement indicated that the army would "not interfere in political talks on the country's future," it left open the possibility of unilateral action in response to "armed interethnic conflicts and civil war in Yugoslavia." This type of excuse was used by the army twice before when it deployed troops in Belgrade against anti-Communist Demonstrators, and, in a small village in Croatia.

Today, there are news reports that the resignation of Yugoslav President Jovic has been rejected by the Serbian Assembly. Does this mean that the other hardliners are coming back, too? If so, what will their next move be? Will the representative from Kosova return? Or will a new representative—A puppet—be chosen by the Serbian hardliners?

Mr. President, I don't have the answers to those questions. The situation in Yugoslavia is very uncertain and very volatile.

However, Mr. President, what is certain is that the democratic republics of Yugoslavia are doing all they can to fight attempts by the military and Serbian hardliners to crush democracy and to spread the oppressive policies of Kosova throughout Yugoslavia. These leaders are meeting with each other continuously and are keeping the channels of communication open with Serbian President Milosevic and with the Serbian opposition—who recognize that Milosevic and his policies are to blame for the problems in Serbia and the crisis in Yugoslavia as a whole.

Mr. President, what we need to do is let these courageous leaders, from the fledgling democracies of Bosnia, Croatia, Macedonia, and Slovenia, know that we support their efforts to keep the peace and to protect the gains made in free elections last year. But, we also need to send a clear message to the Yugoslav army and the hardliners, that if martial law is imposed there will be grave reprecussions for our relations with Yugoslavia. Last week, our Ambassador in Belgrade, indicated in a TV interview, that a military crackdown would lead to a cut-off in United States foreign assistance to Yugoslavia. Mr. President, that is not a hollow threat—there is no doubt that the U.S. reaction to the imposition of martial law in Yugoslavia, would be swift decisive, and punitive.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Mr. DOLE. Mr. President, the final vote on the appropriations bill was 92 to 8. I commend the distinguished chairman of the Appropriations Committee and also Senator HATFIELD, the ranking Republican, but I do not want anybody to misunderstand that vote. I did insert earlier in the day a letter from the OMB Director, Richard Darman. I also had an opportunity to meet with Chief of Staff John Sununu and briefly with the President at noon. There are a number of provisions in that legislation that are very distasteful to the administration.

I hope that, and I would just say I believe, the bill be improved in conference, but I also want to indicate that I suggest if the bill should be vetoed that the veto will be sustained.

I talked with a number of Members on my side who have indicated they were voting for final passage but they cast individual votes on different provisions, and they were opposed to some of those provisions.

So I hope when the bill comes back from conference it will be one that is acceptable to the administration, to the President of the United States, and one that we can pass very easily.

A TASTE OF IMMORTALITY AND THE FUTURE

Mr. BYRD. Mr. President, I understand that one of our colleagues, the very distinguished senior Senator from New York, DANIEL PATRICK MOYNIHAN, has recently enjoyed the miracle of being presented with his first grandchild. I wish to take this opportunity to be the first Senator to welcome Senator MOYNIHAN publicly into the senatorial grandfathers fellowship, and to extend to our illustrious colleague all of the rights and privileges appertaining thereunto.

Through no merit of my own, over the years I have several times experienced the joy of grandfatherhood, and I can testify that life offers few existential moments more humbling, more marvelous, more awesome, or more stunning than for the first time holding one's grandchild in one's arms.

Erma and I, as grandparents, have often reflected on the blessings of grandchildren. So often a grandchild is a mirror—a speculum— one's self. There I see—in boy child or girl child—my nose, my mouth, my eyes, my chin or my ears, and in a more perfect degree, each in miniature but reflective of their ancestry.

There I witness—in a boy child or girl child—a glimmer of my own immortality, and a glimpse of the future that will be, even when I am no more.

If a father can take pride in his child, how much more can a grandfather take absolute limitless and uncritical pride in his grandchild. A father must be aware of his own child's errors and correct them. A father must be aware of misbehavior and change it. A father must, from time to time, use a light hickory switch on those darling little ones.

But in the fullness of his pride, a grandfather seldom notices any blemish or misstep to correct in his grandchild. To be a grandfather is to love and to revel in this tiny extension of himself.

I welcome Senator MOYNIHAN to that incomparable experience, and Erma and I join in hoping for him and for his dear and wonderful wife, Liz, the fullest portion of the blessings of grandparenthood. They now have reached a new plateau in life, indeed, their first taste of immortality.

Likewise, I welcome young Michael Patrick Avedon into the Senate family, and I hope that right soon young Michael Patrick awakens to an appreciation of the distinguished lineage into which he has been born as the grandson of Senator and Mrs. Patrick Moynihan.

Indeed, without fear of contradiction, I can say that few men in U.S. history have entered the Senate with the credentials and the record that Senator MOYNIHAN brought with him subsequent to his 1976 election. He could well have graced a Senate seat in any Congress beginning with the first and continuing through the beginning of the 102d.

A native of Oklahoma, DANIEL PATRICK MOYNIHAN was educated in the public and parochial schools and the City College of New York City. Following service in the U.S. Navy from 1944 to 1947, PAT MOYNIHAN continued his education at Tufts, from which he earned a B.A. (cum laude) in 1948, an M.A. in 1949, and a Ph.D. in 1961.

Subsequently, Mr. MOYNIHAN served Cabinet and subcabinet positions under Presidents Kennedy, Johnson, Nixon, and Ford. From 1973 to 1975, he was Ambassador to India. From 1975 to 1976, he was our Permanent Representative to the United Nations.

In addition, Senator MOYNIHAN has taught and lectured at Syracuse, Cornell, and Harvard, as well as several other colleges, and has been the recipient of numerous national and international awards.

He has written many books, so many that I cannot recall the names of all, but they are excellent books, and they should be, because PAT MOYNIHAN is an excellent and talented intellectual.

Senator MOYNIHAN'S marriage to the former Elizabeth Brennan, a talented, accomplished woman in her own right, has given the Senate one of its most admired and distinguished contemporary pairings.

Mr. President, I know that I speak for all of our colleagues—and most especially for all of our grandfather colleagues—in congratulating Senator and Mrs. Moynihan on the arrival of their first grandchild. To the Moynihan family, I wish every blessing and pleasure that a grandchild can bring, both now and in the years ahead.

And to that fine young grandson, Michael Patrick Avedon, I say:

First, in thy grandfather's arms, a new-born child,
Thou dids't but weep while those around thee smiled;
So live that in that lasting sleep,
Thou mayes't smile while those around thee weep.

SENATOR MOYNIHAN'S GRANDCHILD

Mr. FORD. Mr. President, let me join with the distinguished Senator from West Virginia in his remarks about welcoming our distinguished friend from New York into the grandfatherhood of the Senate.

I want to be a little more practical, maybe, or get practical from experience. Being a grandfather is just what it says. It costs you an extra grand a year. And so he is just beginning the cost of grandchildren. That is another experience, I say to my good friend from West Virginia, that the distinguished Senator from New York will experience.

IN RECOGNITION OF THE 96TH BIRTHDAY OF FREDERICK BENSON OF BLOCK ISLAND, RI

Mr. CHAFEE. Mr. President, it is my honor and privilege to pay tribute to Mr. Frederick Benson of Block Island, RI, in recognition of his 96th birthday on April 14, 1991.

Since his arrival in 1903 on this picturesque island 11 miles off the Rhode Island coast, Mr. Benson has been leaving his mark on generations of Block Islanders. Born in Boston in 1895, he was abandoned by his parents when he was 3 years old and placed in an orphanage. Gordon and Hannah Milliken, who had always cared for foster children, brought Fred to the island, his new home. He lived in the same house for more than 80 years until he recently moved into the new island elderly housing facility.

Many Block Islanders have fond memories of Fred from their school days. His involvement with the Block Island School dates back to his days as the high school baseball coach. However, because he ran the island's only repair garage the principal asked Fred if he could teach auto shop at the school. At the age of 55, Fred returned to school and obtained his high school diploma so he would feel more qualified to teach. He remained as the island's auto shop teacher until he retired at the age of 69, eventually branching out to teach carpentry, machine repair and driver instruction.

Fred has been involved in almost every level of community activity from coaching the island baseball team to his present position as the island registrar of motor vehicles. His list of accomplishments includes service as the island civil defense director for 12 years, police commissioner, first captain of the local rescue squad, president of the chamber of commerce five times, and island man of the year.

Always deeply concerned about the youth of the island, Mr. Benson established a scholarship fund in 1977 for students who graduate from the Block Island High School. This unique generosity helped make possible a college education for many deserving island students.

I commend Mr. Benson for his years of community service and I join with all his many island friends in congratulating him on this happy occasion.

THE LEADERSHIP AMENDMENT TO S. 578

Mr. MURKOWSKI. Mr. President, I am pleased to rise in support of the leadership amendment to S. 578. This amendment would provide additional benefits for our military personnel, some of whom served in the Persian Gulf war. I applaud those who have diligently worked on this amendment—especially Senators DOLE, MITCHELL, MCCAIN, and GLENN.

As former ranking minority member of the Veterans' Affairs Committee and a current member of that committee, I am pleased to have played a role in the development of the veterans portion of this amendment. Our committee will continue to explore the needs of the Persian Gulf war veterans and make necessary adjustments which may be needed in the future.

I am pleased a compromise agreement was reached with respect to the $50,000 death gratuity. Under this package, servicemembers who died after August 2, 1990, and before March 31, 1991, in the performance of military duty will receive a $50,000 death gratuity. The dollar figure is equal to the amount of the proposed increase in the Servicemen's Group Life Insurance Program. I appreciate the leadership's acceptance of the suggestions made by Senator SIMPSON and myself on this provision.

The package does not include a provision to require employers to rehire reservists who had been employed as temporary employees, as had been suggested by Senator KENNEDY. However, I would note that with respect to seasonal employees—like those who work in some Alaska industries such as fishing—the current practice, as provided for under the current law, is that employers would be required to reemploy

the reservist during the next season. That is, if the season is over, the employer would not be required to create a new job but rather hire the reservist during the next season.

Again, I take this opportunity to acknowledge the outstanding performance of our troops in the Persian Gulf. We are proud of them and I hope that this benefits package will help to address some of the challenges they will face upon their return to the States.

I urge my colleagues to vote in support of the leadership package.

I ask that a summary of S. 578 be included in the RECORD.

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

LEADERSHIP PACKAGE—PERSIAN GULF BILL—S. 578 SUMMARY OF MAJOR PROVISIONS

Total cost $500 million over 5 years.

DOD benefits:

Increases the Servicemen's Group Life Insurance (SGLI) Program from $50,000 to $100,000.

Pays a death gratuity of $50,000 to those who have died in the performance of duty before date of enactment and after 8/2/90.

Provides a $6,000 death gratuity for those who don't have SGLI.

Provides 30 days of DOD health coverage for separated reservists.

Veterans:

Defines Persian Gulf era (needed for VA Pension purposes).

Extends eligibility for these Vets to get counseling at VA's Vet Centers.

Extends presumption of psychosis to these veterans if the illness occurs within 2 years after discharge (automatic service-connected disability compensation).

Requires employers to take steps to retrain employees returning from duty and to make accommodations for their disabilities.

Extends the filing date for reimbursement for burial expenses for two years.

Strengthens reemployment rights for returning disabled Persian Gulf Veterans.

Provides eligibility for Persian Gulf Veterans of other veterans programs (including: home loan) who served for 90 days.

Increases Montgomery GI Bill Education for active duty and reservists.

Other:

Excludes from taxes hazardous duty pay.

Permits federal employees to donate annual leave to be distributed equally among Federal Employee veterans of Desert Storm.

Provides loan repayment deferral under the Stafford loan program for military personnel serving in Desert Storm.

TRIBUTE TO JIM CLAYTON, KNOXVILLE, TN

Mr. SASSER. Mr. President, I rise today to pay tribute to Mr. Jim Clayton of Knoxville, TN, who is 1 of 10 recipients selected from across the country to receive the 1991 Horatio Alger Award. It is with great pride that I recognize Jim on behalf of all Tennesseans. His life typifies the spirit that made the lives of the Horatio Alger characters so inspirational—despite somewhat humble beginnings as the son of a tenant farmer, Jim has achieved great success, and he has shared the fruits of that success with his fellow man.

Jim founded his namesake business—Clayton Homes—in 1966 on a single lot in Knoxville. Since that time, the company has become a multimillion-dollar business and the Nation's largest retailer of manufactured homes. Even in the face of the current recession, Clayton Homes continues to prosper and was one of the top 10 performing companies on the New York Stock Exchange last year.

Jim's accomplishments are not limited to his role as a business leader and leading employer in the Knoxville area. Over the years, he has also been a major benefactor to both the Knoxville Museum of Art and the Knoxville Symphony Society. It is because of this kind of generosity that these organizations can continue to enrich the lives of thousands throughout east Tennessee.

In light of these achievements, it's easy to see why Jim was chosen to receive the Horatio Alger Award. Mr. President, I join my fellow Tennesseans in congratulating Jim for this great honor and expressing our appreciation for his years of corporate leadership and civic commitment to the Knoxville area and the entire State of Tennessee.

LESSONS FROM THE WAR

Mr. BOREN. Mr. President, my distinguished colleague, Senator ROBERT KERREY of Nebraska, visited the State of Oklahoma to address the Jefferson-Jackson Dinner. His remarks were thoughtful, provocative, and eloquent. I ask unanimous consent that the full text of his comments be printed in the CONGRESSIONAL RECORD.

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

STATEMENT OF SENATOR ROBERT KERREY, LESSONS FROM THE WAR, MARCH 9, 1991, OKLAHOMA CITY, OK

The war to liberate Kuwait is over.

From now until the Fourth of July we're going to be welcoming home the men and women who went to the Gulf, and whose lives will always bear the imprint of that sacrifice. For many of us argued against the President, ours is a rather difficult position.

We have one foot in a vote for an alternative course of action and the other, in the joy we feel for this victory and the good America has done. We stand vulnerable to illegitimate as well as legitimate criticism.

The illegitimate criticism is simply grounded in political natures, and threatens to do little damage to this country, except perhaps to our chances for re-election. Perhaps the worst of these kinds of political statements occurred last week when Rep. Newt Gingrich—that great chaser of parked cars—was quoted in the Atlanta Constitution using the example of Desert One—the mission in 1980 to free Americans held hostage by Iranian terrorists—for apparent political expediency.

He gained a headline, and I suppose he got some points for political cleverness. This avoider of military service also gained my permanent enmity, debasing the memory of those men who died in that noble, dangerous, heroic, and—yes, in the end—unsuccessful try to liberate their fellow Americans.

The legitimate criticism that we face focuses upon what we as Democrats stand for, what we will fight for, and as well, what we will die for. The answer, I believe, can be seen in the fact that we gave strong support for this war once it begun. For, in spite of their attempt to say that we tried to obstruct President Bush, after making our case for an alternative, most of us were behind the President all the way.

Ironically, this places us in the uncomfortable position at times of having to explain ourselves in two directions at once. The first is to those who are disappointed stopped our criticism. The second is to those who disapproved of our ever beginning that criticism.

It would be a terrible mistake for us to pay much attention to this temporary discomfort. It would be the height of self-indulgence to fret about the political impact upon the Democratic Party.

Rather, I believe we should examine the events of Desert Storm, and examine them carefully, giving full credit where credit is due, and, most of all, trying to learn from our own mistakes. If we do, if we pay attention to policy, look for mistakes and try to learn from them, America will benefit. And if America is the beneficiary we will be too—even if it's not in time to salvage our political careers.

My own voyage this past seven months has been an interesting one. It reminds me of a similar voyage taken by a friend, John Zier, may he rest in peace. John was a Second Lieutenant in the First Marine Division. John and I met while we were patients in the Philadelphia Naval Hospital in 1969.

Zier led a platoon out one night, a platoon that he was quite convinced he was going to be able to lead out safely and back safely. He had done a great deal of work planning the operation. But he wasn't out long before he realized that he didn't notice any of the things he thought he was going to be noticing. It occurred to him that he was someplace that he wasn't supposed to be and he began to worry that perhaps he had strayed off course.

He called his compass man back. And his compass man said, "Lieutenant don't worry, I know exactly where we are." Zier proceeded on for a couple more minutes before he was certain he was lost.

Then he moved up behind his point man and took charge expecting to lead his platoon to safety. He took over, as all good commanders should when they're in doubt. He took the compass, and he said, "I know what we're doing, son, I'm in charge."

Again he went forward, convinced and knowing where he was going. However, it wasn't long after that that he saw in the path ahead the unmistakable form of men moving right to left perpendicular to his line of movement. In that split second where you have to decide whether or not to engage, he knew they were Americans by the way they walked, by their unmistakable body language.

So he stopped his platoon, and sent his point man ahead. And his point man came back. You could see he was quite upset, he wanted to know who was out there. Who was operating in his area of operation? The point man came back and said, "Lieutenant, they're ours." And John said, "Yes I know they're ours; I can see they're Americans."

And the point man said, "No, Lieutenant, it's our platoon; we've been going in a circle."

Zier—as I think we as Democrats must do—got up, moved out and as he passed the men, he asked who they were with. And they said, "We're with Lieutenant Zier." And he said: "I know him; he's a good man; you're in good hands."

The voyage that I've made the past seven months provides me with more than just a powerful and jolting awakening to the fallibility of my own nature. It awakens me, as well, to many other sides, that have lain in the shadows of my own forgetfulness.

My own war experience affected me throughout. And I say, as I have said to Nebraskans—not always in a constructive fashion. The political lies of Vietnam, and their tragic impact, have put me on constant alert for a battle cry that is tainted with insincerity or evasiveness.

Thus, I reacted against the unwillingness to level with the American people about how we got into this issue about being terrorized by Saddam Hussein. And I still believe it is important to get this full understanding if we're not going to repeat our mistakes in the future. The fact of politicians hiding their own complicity or exaggerating the extent of the danger in a battle situation is not one which should cause the policy to fail all by itself.

Thus, the first awakening that I must declare openly is that President Bush led this nation and the world in a fight against a terrible enemy. He led us—supporters and critics alike—to a successful conclusion because he was committed, he was courageous, and because he was strong. He did not, as he has been known to do on other occasions, put his finger in the changing winds of political polls. He marshalled the forces of Americans who know we must constantly give ourselves to the battle for freedom.

But I also must tell you that my own awakening to the value that Americans place on this thing called freedom did not occur because of President Bush. Indeed, I believe his driving cause all along from the beginning was dominated by a desire and need to protect an economic interest.

Instead, I, as one human being, began to awaken when the Berlin Wall fell, due to the combined weight of millions of people who had a simple, powerful yearning to be free—and the resistance of Americans to tyranny by repressive military police states. The tears of a trusted U.S. ambassador to Germany, Vernon Walters—a man not easily given to such expressions of emotion—at the sight of East Germans' gratitude, said it all.

I began to awaken, as well, to the strong poetry of Vaclav Havel; the honest determination of Lech Walesa; and the proud dignity of Nelson Mandela. They, in appearing before Joint Sessions of Congress to thank the American people for standing for their freedom, opened a skeptical heart and an absent-minded brain to the value of our gift.

We sacrificed much to free them from the jails of their former lives. We influenced their jailers with our opposition and our resolve. And we encouraged, as well as emboldened, the prisoners themselves to revolt.

I believe it happened so quickly that it was easy to miss what it cost. I believe, as well, that while we paid attention to the benefits of freedom for the people who now struggle with the imperfections of self-rule, we missed the benefits for those of us who have enjoyed freedom all our lives obtained as well.

To illustrate that benefit, let me call your attention to Czechoslovakia. Prior to their peaceful revolution they were a haven and a resource for the world's terrorists. Their manufacturing expertise supplied some of violence's best explosives and weapons.

After they became a democracy the transformation was stunning. When they became a government of, by, and for the people, they changed. Not only did Vaclav Havel and other prisoners turned leaders teach us a lot about the Fourth Amendment—about unreasonable search and seizure—and the tangible nature of freedom denied, they asked our help in advancing the benefits of democratic rule.

Most important for our policy in the Middle East, Czechoslovakia became an example of the value of subordinating economic interests to the interests of life. They are no longer an arms merchant in this world. They are no longer providing a safe haven nor are they providing any of the weapons they have been able to produce and sell in the past.

I would also call your attention to East Germany. Two years ago they were a threatening, hard-lined state. But they are no longer. They are part of a larger Germany. And the only threat they pose to us is that the German people are taking consumption today and making productive investments in roads and water systems and communication; and the only threat they pose to us is the threat five years from now they will start to reap the rewards from those productive investments.

Democracy: Something a lot of Americans have taken for granted, or worse, have become to doubt. The rule of laws made by and for the people is a disorderly way of doing business. The emotions which power us can produce intolerance and vindictiveness, as we are seeing in the aftermath of our debate about the wisdom of the war in the Persian Gulf.

Still, democracy offers not only the best hope for protecting and embracing and enhancing the dignity of the weak and the strong. It offers the best hope for a world at peace. Democracy offers the best hope for a world where nations reconcile bitter, hate-filled differences rather than destroying the lives of their children at war.

The importance of this awakening for me is that I now see the origin of the Iraqi government's danger to their own people and their neighbors. It is not the singular person of Saddam Hussein, but a military dictatorship which permits no dissent, disagreement, or opposition. And if we are timid in opposing that dictatorship now; if we are unwilling to be concerned about the repression of Iraqi people that is going on today; if we are blind to Iraqi citizens who are being tortured and abused today by Saddam Hussein; then I believe and fear that we run the risk of once again having to face not only him but others like him.

Thus, I believe as we rejoice at the return of our sons and daughters and as we prepared to make certain their freedom is made more meaningful with the helping hand of jobs, education, and health care, we should not close our eyes to the brutal repression of Iraqi dissidents by Saddam Hussein. It is simply not enough to make certain that he is no longer a threat to our economic interests. If all we do after this war is over is take advantage of construction contracts, cheap oil, and new buyers of military hardware, the sweet taste of victory could become as bitter as the defeat in Vietnam.

And if we respond at home to the stunning superiority of our weapons systems by only building more of the same, we will be judged the biggest fools of all. The people of the Soviet Union are moving in the direction of democracy and private individual ownership of property. Lord help us if we are so intimidated by the reactionary words fo lifetime members of the Soviet Communist Party that we cringe in fear from the opportunity of nuclear and conventional arms reductions treaties.

We should tell the people of the Soviet Union that we understand their fear about the risk of free markets, and the disorderliness of free speech. We should tell them we are by their side as they make the leap to go. It is in their interest, and it is in ours.

Finally, I am moved by the unselfish sacrifice of Desert Storm's participants and the awakening of glory of liberty and freedom which occurs in that moment when I feel a love so strong I am freed from the fear of losing what I have. Do not be so impressed by our technology that you ignore the individual willingness of soldiers to risk it all for something more valuable than their own lives. I tell you the destructive power of our impressive military force simply will not and cannot turn our neighborhoods, schools, businesses, or hospitals into places worthy of the description: the best place on earth.

In war, we are drawn to the heroic performance of the single individual. General Powell. General Schwarzkopf. Fighter pilots. Tank commanders. The brave actions of a single soldier. In doing so, some have been strengthened in their belief in the ideal of the rugged individual operating alone.

My own experience has taught me to believe the opposite. That all individuals derive their strength and achieve the possibility of becoming more as a result of the support of the group. That group may be family. That group may be friends. That group may even be strangers. Whatever I have done in my life, whatever I have accomplished in my life, is in no small measure the result of others—family, friends, strangers, who have helped me every step of the way.

This respect for what I can if I am helped did not remove from me the obligation of listening—listening for God's voice in the midst of the cacophony of today's world. My conscience still creates my responsibilities.

This respect for the help of others leads me to the strong belief as to what we should be doing, what Americans should be doing with the pride we feel as a result of Desert Storm. I'd like to give you some examples. But let me point out at the beginning something which is unifying of the entire list: We will not advance any of it if we worry only about ourselves; and we cannot win this battle by merely trying to please the audience.

First, I believe, and believe so strongly, that we should share much more of our abundance with mothers and children who we serve with Head Start and WIC. I believe that we would be rewarded if we fully funded these Democratic programs for the next 10 years—and we are nowhere near fully funding either one.

In 10 years, the performance of our schools would be improved. The cost of our welfare programs would be reduced. And the productive capacity of our workplace would be enhanced. Some will say we can't afford to do this. They will say that the deficit reduction package of last year dictates restraint. But I tell you these children didn't cause our deficit. Our disregard for them did.

Second, I believe we need to face the rising cost and decreasing access of health care in America with a national plan that guarantees access to health care as a right. A plan

that places upon Americans the obligation of deciding how much we will spend and how we will allocate the resources. A plan that moves the basing of health care benefits away from businesses, and preserves the private, diverse system of health care itself. And we will not do this unless we care enough about our country and its future to do something for others now. If we continue to cover our own needs first, we cannot possibly do what is best for all of us.

Third, I believe we need radical change in our public schools. We are squandering human potential every day. We allow this assembly line to stay in operation turning out too high a percentage of defective products.

In the 1980s American businesses awakened to the threat of international competition. The marketplace was no longer as tolerant of poor-quality goods as it was in the 30 years after World War II. Business leaders who saw this began quality control programs which required them to change an entire workplace culture grown accustomed to carelessness. But we have not done this same thing with our schools.

The reason I believe we have not is because we tend to look for someone else to blame, rather than to accept, in a personal way, the responsibility for the million United States students each year who drop out. We blame teachers. We blame school boards. We blame each other. We blame administrators. Sometimes we even blame the students themselves.

I tell you that these students belong to us. They're our responsibility. They do not belong to someone else. They are part of our heart and our soul and we must care for them as if they were our own children.

And I also believe that we, as a people, will suffer the consequences of their inadequate achievement until at least a majority of us accept this. The sad part is, we already know what do to. If we fully funded Head Start and WIC, we'd go a long way toward achieving the President's goal of having every American child ready for school by the year 2000. If we held parents responsible for helping their children, and schools for helping the parents, we would also supply a crucial element. If we recognized, that in a competitive marketplace, it's going to be increasingly difficult to recruit our teachers unless we're willing to pay them what the marketplace will pay them, we would as well stand a chance of getting the best Americans to enter education. If we started earlier to prepare the student for the workplace, I believe we'd also be focusing on the right problem.

In general, as a people, we're simply waiting too long to act. We arrive on the scene after a problem develops, rather than before. Those of you who can put a pencil to a percentage and understand what it means, take seven percent of a million and extend it out for 10 years. We have a million people in jails and prisons all across this country—a million people—and we're growing at seven percent a year. It costs us $50,000 to build us one of those cells, and $20,000 a year to keep them there. That's what it costs.

Some politicians tell us that we need to build more jails; throw them in jail and we'll lock them up and throw away the key. That policy hasn't worked. We need to get there before the problem is created. We know what to do.

Fourth, I believe we are misapplying the technologies of communication. Not only are we damaging the minds of our children and weakening the bonds of families, but we are missing a tremendous opportunity to give our teachers and our students an advanced tool to discovery. Doors are shut simply because we are unable to imagine what is on the other side.

Fifth, I believe—and I am not discouraged by past failure—we can break this cycle of poverty which traps too many of our people and threatens to destroy our cities. And I believe the deficit which must be filled first—first, if we want to succeed—is not a fiscal or a trade deficit. It is quite simply and regrettably a deficit of love: unselfish, non-indulgent love. It is still the lowest-cost, best way to build a better tomorrow for poor Americans. If we begin hating the poor, as is often the case, our world will steadily get worse.

Sixth, and the last item on my short list is this: America needs to relearn the magic of the lesson of compounding interest and the impressive, powerful force of a productive investment. The precursor of sustainable economic growth fueled by increases in our capacity to produce higher quality goods and services is a massive cultural change in America towards production and consumption.

We need to connect today with tomorrow by setting aside some of today's consumptive needs for tomorrow's productive requirements. If we continue to insist on having everything we want today, even if it means borrowing from our children to do it, the sacrifice of Desert Storm will not be viewed as a real turning point in the history of America. Tomorrow's roads, tomorrow's water systems, tomorrow's communications infrastructures, and tomorrow's productive citizens are being built today. And I must tell you what I think you already know, that we are not building them enough.

In this regard, one of the starting awakenings for me in the past seven months is that I now see oil as a productive asset. It was created, it was given to us by God, to use in our lives, and we Americans are using too much. Our profligacy today reduces opportunity for our children tomorrow.

The failure to view oil as an asset affects more than just our future. It also blinds us in this application of its benefit today. Look at the example of what we are going to do in Kuwait—what the rebuilding of Kuwait entails. The short economic and social description of what we will do in Kuwait is this: Over the next five years, we are going to convert two-and-a-half to five billion barrels of that God-given asset to rebuild a city of 1.5 million people that is run by a man with 80 wives. Now, you be the judge.

Finally, I have observed in my short and happy life that the greatest moments of human history occur when a single man or woman saves or improves the life of another. That single man or woman can be you and I. To do so we must overcome deep personal fear and cross dangers capable even of ending our own lives.

I pray, and I pray with the power I have, that Americans will use this great moment of confidence, pride, and thanksgiving to leap across our political, economic, and social fears—to help save the lives and improve the lives of our neighbors. I believe we are capable of it. I believe we have the courage to try. In this hour of triumph, let us summon the desire and the strength to go further.

EDUCATION SECRETARY LAURO CAVAZOS

Mr. HATCH. Mr. President, this week is a new beginning for the Department of Education. However, it is also a good time to pause and reflect on the accomplishments of former Secretary Lauro Cavazos, who served our Nation well.

Education is currently viewed as a major concern by every State, local, and national leader in this country. Much of this increased focus can be attributed to the efforts of former Secretary of Education Lauro Cavazos. I think this Nation owes him a hearty thank you for his dedication and for his accomplishments.

One of the major vehicles for achieving this prominence for education was the educational summit called by the President in Charlottsville. Secretary Cavazos took the lead in organizing that successful summit. Governors are now working together in a bipartisan fashion to ensure that the end result of that summit is a stronger educational system. National goals have been adopted and are being implemented. Experts in education and assessment are working with the Governors to measure our success in reaching those goals. Government and business leaders are uniting to upgrade all programs in education so our children can compete in the international environment in which we find ourselves. Much of this activity was generated by Secretary Cavazos.

Secretary Cavazos worked hard during this tenure to ensure that a quality education was available to all Americans. He has been especially sensitive to the needs of disadvantaged populations. Knowing all too well that dropping out of school spelled failure for our Nation's youth, Secretary Cavazos worked tirelessly together with State and local educators, business, and community leaders to encourage teenagers to stay in school. I am also grateful for the efforts he made to help thwart the traditional turf battle among Federal agencies. He developed and maintained a solid working relationship with the Department of Labor which, if carried on by new Secretaries Alexander and Martin, will continue to insure to the benefit of structually unemployed citizens through greater coordination and more targeted programs.

The former Secretary spoke often of the need for parents to become involved in the education of their children. Supportive families are crucial to the success of our children in school. They are also crucial to our success as a nation. The best teachers, the most sophisticated teaching materials, and the newest facilities will not significantly improve educational achievement if a child does not receive encouragement from home. Encouraging parents to become involved in schools will result in increased communication as well as greater accountability. Parents in this Nation have responded by accepting this challenge. Our Nation will be strengthened by Dr. Cavazos' concern for parental responsibility.

A new emphasis on parental choice and site-based management exists in our schools. Choice programs throughout this Nation have shown remarkable success as one way to increase the competitiveness and quality of our schools. Secretary Cavazos has been a strong advocate of such programs.

Within the Department of Education, and within the educational system, Dr. Cavazos urged accountability on all participants. Students, lenders, schools, and guaranty agencies were called upon to work together to reduce the student loan default problem. Much has been accomplished under his direction. New accountability measures were built into legislation affecting vocational education to ensure that desired outcomes are achieved.

I salute former Secretary Cavazos for his leadership in education and for his commitment to a quality education for all Americans. Students in our schools today have benefited from his dedication to education. The workplace and community of tomorrow will be a better place because of his leadership in shaping the schools of this country.

TRAVEL AND TOURISM EXPORT PROMOTION ACT OF 1991

Mr. HOLLINGS. Mr. President, recently my colleague, the junior Senator from West Virginia [Mr. ROCKEFELLER], introduced the Travel and Tourism Export Promotion Act of 1991. This is important legislation, of which I am pleased to be an original cosponsor.

The tourism industry is critical to our Nation's economy and represents important jobs and revenue. As a leading employer in the United States, it employs 6 million people directly and 25 million people in related industries. In my own State of South Carolina, I have witnessed how tourism has increased exponentially—tourism is now the second largest employer in South Carolina.

It has been 30 years since I helped convince a friend, Commerce Secretary Luther Hodges, to establish the U.S. Travel and Tourism Administration [USTTA]. In the span of these 30 years, thanks in part to the efforts of the USTTA, tourism has grown into this country's largest export industry. Last year the tourism industry posted a $4 billion surplus.

The bill introduced by my distinguished colleague, Senator ROCKEFELLER, is an important step in providing the USTTA with the direction and funding to carry out its mission in promoting the United States. I hope we can move it expeditiously through the Senate.

I also intend to work with our colleagues in the House and pass a tourism bill this year. It is important that we build upon the progress that we have made in promoting this industry.

S. 602—CHILDHOOD HUNGER PREVENTION ACT OF 1991

Mr. DASCHLE. Mr. President, I rise today to express my support for the Childhood Hunger Prevention Act of 1991, introduced by my distinguished colleague from Tennessee, Senator SASSER.

I applaud Senator SASSER's efforts to improve the programs that help nourish our Nation's most valuable resource—children. While this country produces more food, at a lower cost to the consumer, than any other country in the world, we have a deplorable number of children who do not get enough to eat. Nearly 20 percent, or one out of every five, of our country's children live in poverty—a level that is higher than for any other age group. Studies show that a staggering 2 to 5 million children go hungry every day, while nearly twice that number may be at risk of being hungry. Thus, our most fragile citizens, the children of this country who have the highest nutritional requirements, also face the greatest risk.

Many unfortunate children arrive at day care or school hungry. If a free lunch program is not available, they face the possibility that they will come home still hungry. If this child's family is not eligible for food stamps, or if it is the end of the month and the food stamp allotment for that month has already been spent, he or she may go to bed at night without dinner. And with the current recession this Nation is experiencing, more children may soon be swept into this cycle of daily hunger. It is our moral duty to ensure that the children of our country do not lose any more battles in the war against hunger.

Senator SASSER's bill would make significant improvements to a number of valuable programs that are designed to provide relief to hungry children: the WIC Program, the School Lunch Program, and the Food Stamp Program.

The WIC Program has been unanimously hailed as a successful and cost-effective measure to improve pre- and post-natal nutrition, and reduce subsequent health care costs. However, this program is not available to all those that are eligible, and rising food costs are further reducing the number of mothers and infants that can be served by this program. This bill provides a much-needed increase of $250 million for this program, that would provide food for an additional 400,000 participants.

Currently, many children from low-income families attending for-profit child care slip through the cracks, and fail to receive adequate food. By providing needy children with equal access to the Child Care Food Program, regardless of the status of their child care center, this bill would help remove this barrier to proper child nutrition and also provide greater food services to homeless preschool children.

Throughout the 1980's the number of eligible poor who received food stamps steadily shrank. When this trend is combined with the fact that over half of food stamp recipients are children, it is obvious that this program must be improved and made more accessible if we hope to reduce childhood hunger.

Only 18 percent of eligible homeless individuals receive food stamps. Consistently for the past decade, less than half of eligible rural poor families have received food stamps. This bill will make several significant changes to the Food Stamp Program that would remove some of the barriers that face the homeless and rural citizens of this country.

A large number of poor households have averted homelessness only by using a large proportion of their income to pay for housing, resulting in less money to buy groceries. Mr. SASSER'S bill would eliminate the cap on shelter deductions that currently reduces food stamp benefits for over 1 million households.

Currently there is a critical need to raise food stamp benefits so that they match actual food costs. On the thrifty food plan, fewer than one in six households are able to purchase enough food to obtain the recommended daily allowances of the basic nutrients.

Lastly, this bill will help rectify a problem that has long kept many rural families out of the Food Stamp Program. In rural America mass transit does not exist, and, thus, a reliable vehicle is a necessity, not a luxury. The current vehicle allowance of $4,500 has not been changed since 1977, during which time the price of used cars has increased 120 percent. Mr. SASSER's bill would provde a new baseline of $5,500 and allows for indexed adjustments in the vehicle allowance.

In conclusion, Mr. President, while we must remain mindful of the budgetary limitations that we face, we must take action to eliminate the scourge that is childhood hunger. David Packard, board chairman of Hewlett-Packard and a man who obviously knows the value of tight fiscal management, has stated that "we mortgage our future as a nation to a much greater extent by the negligence of child welfare than by our failure to reduce the budget deficit." I commend the distinguished Senator from Tennessee for his continued devotion to this critical issue, and am pleased to lend my support to this legislation.

TRIBUTE TO GYORGY KRASSO

Mr. HEINZ. Mr. President, I have recently learned of the death of Mr. Gyorgy Krasso, a Hungarian economist, activist, and intellectual, with whom I had the fortune to meet in April 1986. I would like to pay tribute

to Mr. Krasso, whose experience during the 1956 revolution and the years it earned him in jail helped inspire his deep and unflagging devotion to the dissident movement in Hungary.

In 1979, Gyorgy Krasso was the first person to publicly describe the events of 1956 as a democratic national revolution. His determination to reveal the truth about the 1956 revolution in Hungary, about who its real heroes and victims had been, exposed him to increasing harassment and intimidation from the Communist authorities—including fines, house searches, and refusal of the right to travel, even to other Soviet bloc countries. But his perseverance and courage also won him the respect and trust of many Hungarian citizens.

Gyorgy Krasso was loyal to the Hungarian people throughout his career, embracing their causes as his own. As he wrote in 1981, "There is no more important nor more timely task than for us to sweep away the propaganda lies that have been told against the revolution for the last quarter of a century, and to give back to the people their own, forgotten history." He was among the most vocal and the bravest of dissidents, and for these reasons he was among those who suffered the most.

The past 18 months have witnessed tremendous changes in Hungary's political system and tremendous advances in the area of human rights. As we look hopefully toward the future, we must not forget the important contributions of individuals like Gyorgy Krasso, who stood resolute through far grimmer days. I am honored to have met him and to pay tribute to him here.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,195th day that Terry Anderson has been held captive in Lebanon.

REMARKS OF RABBI ANGEL

Mr. MOYNIHAN. Mr. President, the Rabbinical Council of America recently hosted its midwinter conference in Washington, DC. Dr. Marc Angel, the spiritual leader of the Congregation Shearith Israel in New York City, serves as president of the Rabbinical Council, the largest orthodox rabbinical group in the world. Congregation Shearith Israel was founded in 1654 and is the oldest synagogue in North America. I have visited this synagogue and spoken there on several occasions.

I believe the Members of the Senate will appreciate Rabbi Angel'c thoughtful remarks on the occasion of this conference, and I ask unanimous consent to place excerpts of his address in the CONGRESSIONAL RECORD.

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

JANUARY 21, 1991.

We congratulate the United States on its leadership in confronting Iraqi aggression. We commend President Bush; our prayers of gratitude and good wishes go to the military personnel who have risked their lives for the good of America.

Following the resolution of this Gulf Crisis, we are hopeful that the United States will use its good offices to work towards a genuine peace in the entire Middle East. With its great stature and power, the United States has the respect of all parties. We hope that President Bush will support diplomatic efforts to bring about direct negotiations between Israel and her Arab antagonists. We are confident that the Palestinian issue can be solved within the context of an overall peace plan between Israel and her neighbors.

Any peace negotiations should include the following stipulations:

1. The United Nations should immediately rescind its heinous resolution equating Zionism with racism. Any country which maintains support for this resolution should be disqualified from any role in the Middle East peace negotiations. Understandably, Israel must reject suggestions and demands from those who are on record for denying the integrity and legitimacy of Israel.

2. Jews, Christians and Muslims should have the right to live in freedom and dignity in all the countries of the Middle East, including Saudi Arabia.

3. The claims of Palestinian Arabs must be addressed as must the claims of the 600-700,000 Jews who were driven out of Arab lands after 1948. The process of negotiations should keep in mind the injustices committed against Arabs and Jews. One must not forget that Arab countries systematically persecuted Jews and confiscated Jewish property.

4. There must be an immediate end to propaganda which vilifies and demonizes Jews or Arabs. A climate of trust and respect must be forstered. Educational materials, popular media, etc. should be purged of materials which lead to hatred. (Vicious attacks on Jews and Israel have been prevalent in the Arab world's media, even in Egypt which has diplomatic relations with Israel.)

Israel does not and has never asked for special treatment. Israel asks only for fairness and justice, for a proper hearing of its needs and concerns.

TRIBUTE TO LUCILLE SIMPSON

Mr. MITCHELL. Mr. President, I rise today to pay special tribute to Lucille Simpson. On February 28, 1991, she celebrated 25 years of service with the York County Community Action Agency in Sanford, ME, and is retiring in her position as director of the Fuel Assistance Program.

To the residents of York County, ME, Lucille is known to all. A former research chemist at Parke-Davis and selectwoman in the town of Shapleigh from 1956 to 1968, Lucille Simpson joined Community Action in February of 1966.

After serving in several positions within the agency, including director of the Outreach Program, Transportation, Operation Health Mobile, the WIC Program, family planning, and as deputy director for 12 years, Lucille Simpson accepted the position of director of the Fuel Assistance Program in 1980 and continued her dedication to this program even after her semiretirement 3 years ago.

During these many years of hard work and dedication, Lucille Simpson has also devoted herself to the betterment of her community through her service with many social service organizations, including the Cumberland-York Council on Aging, the York County Extension Program, the Maine Ambulatory Care Coalition, the New England Public Health Association, and many many more.

Lucille Simpson was recognized for her exemplary service to her community with the Outstanding Citizen of the Year by the Kiwanis, as well as the Jefferson Recognition Award in 1978.

Lucille Simpson is a public servant in the greatest sense of the word. She has used her many talents and abilities to work in behalf of the neediest within her community and State. She is a great leader and a true friend to all. I know that my colleagues join me in commending her on her many years of service with York County Community Action and wishing her well in her retirement.

GONZE LEE TWITTY: FATHER OF SOUTH CAROLINA'S COOPERATIVE MOVEMENT

Mr. HOLLINGS. Mr. President, I rise to pay my very special respect to a distinguished son of South Carolina, Gonze Lee Twitty, who will be inducted into the Cooperative Hall of Fame tomorrow evening here in Washington.

Gonze is a sterling example of the dictum that one does not have to be on the public payroll in order to be an outstanding public servant. For three decades, he has worked tirelessly to found and develop more than 100 cooperatives and credit unions throughout the Southeast. In the process, he has made a positive difference in the lives of countless thousands of poor and low-income rural Americans.

What is more, his leadership of both the Federation of Southern Cooperatives and the Southern Cooperative Development Fund for the last 20-plus years has been nothing short of inspirational. It is fitting and appropriate that, at long last, the man known as "father of the cooperative movement in South Carolina" is receiving national recognition through induction into the Cooperative Hall of Fame. On behalf of the U.S. Senate and the people of South Carolina, I extend congratulations to Gonze Lee Twitty for an honor well earned and richly deserved.

HEARING THE DALAI LAMA

Mr. MOYNIHAN. Mr. President, the Chinese Government has worked tirelessly in an effort to prevent Tibet's tragic story from reaching the world. But its story is being told. In the Dalai Lama the Tibetan people have had a champion for peace, freedom and nonviolence who would not and could not be silenced.

But it has not been easy. On Tuesday, that most eminent commentator, A.M. Rosenthal, wrote an important column describing the efforts of the administration to insure that the Dalai Lama is not given the opportunity to address the Congress. I urge my colleagues to read this column and consider whether we can truly launch a new world order and ignore the situation in Tibet. As the New York Times said in a 1989 editorial:

Since 1950, China has shown Tibet the rawest face of imperialism—destruction of thousands of monasteries, suppression of the Tibetan langauge and culture and widespread settlement by Chinese colonists. This has resulted in the death of perhaps a million Tibetans.

In 1960, the International Commission of Jurists issued a report on Tibet which concluded that "acts of genocide had been committed in Tibet in an attempt to destroy the Tibetans as a religious group * * *." The report also concluded that "from 1913 to 1950 the conditions of statehood as generally accepted under international law" were present in Tibet.

I ask unanimous consent that the article entitled "One Small Country" be printed in the RECORD.

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

[From the New York Times, Mar. 19, 1991]

ONE SMALL COUNTRY

(By A.M. Rosenthal)

There was no way to escape writing this column. I thought I was going to write about other things, which I knew would interest more people, like the Soviet Union's approaching civil war of Saddam Hussein's approaching annihilation, or those sickening lynching pictures from Los Angeles.

But I could not escape knowing that now was the time to write about Tibet—and how cruel April will be in Washington for one small country unless members of Congress say no, they have had enough.

Every person has certain things about which he feels he must speak now and then, not because people listen but because they don't. Something strong coming out of experience or convictions insists that eventually attention may be paid but even if not, at least speak.

Some of the reasons I cannot escape the Dalai Lama and his countrymen are personal—years spent in Asia as a foreign correspondent, and detestation of Communism and all other forms of dictatorship—all, no picking and choosing.

Another reason has to do with Raphael Lemkin. Raphael Lemkin was a very annoying man. For years he wandered the headquarters of the United Nations, plucking at diplomats, trying to persuade the member countries to sign a convention making it a crime to destroy a whole people or its culture. After a long time they did sign, and he died, almost alone.

Tibet is a victim of a case of genocide as ugly as any since World War II. The country had 6.5 million people when Communist China invaded in 1950. Its Government of monks was tyrannical in its own ways. But its people were united by common history, common language, the common religion of Buddhism.

Nine years later the Dalai Lama, for Tibetans the 14th incarnation of the spirit of godliness and their national leader, escaped to India. In exile, traveling the world, he has grown to be a celebrated international political and religious figure and, ever more, his people's leader.

But in the Himalayas, at least a million Tibetans were murdered or tortured to death, or died of starvation because of Chinese colonialism.

Beijing annexed two-thirds of Tibet. Scores of thousands of children were shipped to China for education and indoctrination. Millions of Chinese were sent into Tibet, a criminal, genocidal attempt to erase Tibet's reality. In the annexed area they outnumber Tibetans.

The United States refuses to recognize the Tibetans. Be sensible—what kind of a market is Tibet compared with China and how many missiles does it have?

The Dalai Lama goes on. He offers to give up foreign and military affairs if Beijing gives Tibetans self-rule. He outlines a Tibetan government based on democracy and nature. And in 1989 this man who cannot get beyond State Department doors, literally, receives the Nobel Peace Prize.

Tibet asks no soldiers from the United States, no Patriots, just attention, and plain words to its oppressors that genocide is as ugly in the mountains as in the desert.

The greatest of all American assets, tested and proved repeatedly, is not that it is a world policeman but that it will give its political support to freedom. There lies American national interest in Tibet.

In Washington are senators and representatives of both parties who believe this. Congress has passed seven resolutions supporting Tibetans. In Tibet they are passed from hand to hand, a secret wheel of prayer.

Last year, members of both Houses tried to organize a joint session of Congress for the Dalai Lama. The White House objected, so they selected a new date—April of this year when the Dalai Lama would again be in the United States.

But just a few days ago the White House was seized by a sudden desire to have President Violeta Barrios de Chamorro of Nicaragua speak to a joint session in April, and of course Queen Elizabeth is coming in May. Congressional leaders said that eliminated the Dalai Lama because after all, how many joint sessions could you have?

Traditionally Congress follows the White House lead on joint sessions for foreigners, but there is no law about it. Representative Charles Rose, the North Carolina Democrat, says he is so mad he may have a meeting on the Capitol steps. Others talk about a meeting in the Rotunda.

Everybody knows it won't be the same thing at all. A joint session, such as Lech Walesa had after he received the Nobel Peace Prize, would be recognition of the captivity and hope of the Tibetan people. It does not seem too much, in the interest of one small country and this large one.

SENATOR MOYNIHAN'S RECEIPT OF THE WOLFGANG FRIEDMANN AWARD

Mr. BIDEN. Mr. President, I rise today to inform the Senate of a prestigious—and very well-deserved—honor that our colleague from New York, Senator MOYNIHAN, has recently received.

The Wolfgang Friedmann Award is given each year by Columbia Law School's Journal of Transnational Law, the most esteemed publication of its kind. The Friedmann Award goes to a distinguished author and scholar who has produced the most important and significant work on international law that year.

Senator MOYNIHAN won that award, for his highly regarded new book, "On the Law of Nations." Anyone who has read Senator MOYNIHAN's book—as I have—knows why it is so deserving of this honor.

For those of you who have not yet read it, I offer the assessment given by Columbia Law School Dean Barbara Black, who called it, "powerful, witty, passionate, eloquent, and reasoned." A fitting description of the work—and a fitting description of our colleague, as we all know.

It should be no surprise that Senator MOYNIHAN has received this honor for his insightful and intelligent analysis of the role of international law in foreign policy. He is the Senate's leading expert on this topic, and in my view, the Nation's foremost thinker in this field.

It is a pleasure to see his work receive the honors it deserves, and I ask unanimous consent that the remarks of Dean Black in presenting the award to Senator MOYNIHAN—and the Senator's remarks at the ceremony where he received it—be printed in the RECORD at this time.

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

INTRODUCTION BY DEAN BARBARA ARONSTEIN BLACK ON THE OCCASION OF THE WOLFGANG FRIEDMANN AWARD FOR "ON THE LAW OF NATIONS" TO DANIEL PATRICK MOYNIHAN, COLUMBIA LAW SCHOOL, MARCH 1, 1991

Senator Moynihan, Mrs. Moynihan, Honored Guests:

It is an honor to welcome you to the 1991 Wolfgang Friedmann Memorial Award Dinner. The Friedmann Dinner and the Friedmann Conference (in which many of you participated this afternoon) are special events for Columbia Law School, and particularly so for the students who produce the Journal of Transnational Law and participate in the Society of International Law. Conducted in the memory of Wolfgang Friedmann, a distinguished member of the international law faculty whose life was violently ended, these events remind members of the law school community of Professor Friedmann's unrelenting attention to the welfare of this community, his steadfast principles and his unyielding courage. Those of you who studied under, or knew, Professor

Friedmann will be delighted to know that his legacy in the law school lives on.

A central element of the Friedmann dinner is the presentation of the Friedmann Award, given by the Journal of Transnational Law each year since 1975. Tonight it is my pleasure to introduce to you this year's Friedmann Award recipient, after which I will turn the podium over to Tom Scherer, currently editor-in-chief of the Journal, for the presentation of the award.

In recent years the Columbia Law School Faculty has had a practice, which is by now a tradition, known as the faculty lunch—a regular biweekly gathering of the faculty for the presentation of a paper by a colleague. For the first few years the organizer and leader of this event was my colleague Henry Monaghan. Professor Monaghan introduced the speakers, and his method of doing so was to stand up and say "Our speaker today needs no introduction" and sit down. Well, this year's Friedmann Award recipient certainly needs no introduction—but that won't stop me. (It will, however, produce brevity.)

It is, personally and on behalf of the Columbia Law School, my privilege and my pleasure to introduce to you the senior United States Senator from New York, Daniel Patrick Moynihan.

Senator Moynihan has had a long and distinguished career of service to the public as sailor, scholar, educator, Presidential advisor, diplomat, and, since 1976, United States Senator. Along the way, presumably in his spare time, he has authored or edited fifteen books. That's right, fifteen! How, one asks, has he done it all? And the answer is, of course, brilliantly.

As Senator from New York, Pat Moynihan has, as we would expect, important affiliations with New York's great University, Columbia, including delivering the Feingold Lectures here in 1985 and receiving a Doctor of Law degree, honoris causa, in 1987. He was also, in May '87, commencement speaker for the Columbia Law School graduating class. Indeed that was the occasion on which I first made his acquaintance. This is actually a rather bizarre way to meet someone, since the attention of all concerned is on academic regalia, and conversation in at the level of "Is my hood on straight?" But it was a start, if a curious one, and the Senator and I have, since, shared other occasions, and we have had some opportunity for exchange of views on a variety of subjects—people, politics, policy. And that has been my good fortune.

It is also my good fortune to own a copy of Pat Moynihan's latest book, and to be reading it. This book, titled "On the Law of Nations" is subtitled "a historical and personal account of the role of international law in foreign policy". There is a finite group of people from whom one would expect such an account—historical and personal—to be a treasure, and Pat Moynihan is one of that number. And the work does not disappoint. Erudite, powerful, witty, passionate, eloquent, reasoned—these are the words that readers of this book have used, and will surely use, in commenting on it, these and other equally complimentary words and phrases. And they are the words that capture what the world has come to know as the qualities of our distinguished honoree: Erudition, power, wit, passion, eloquence, reason have marked him in his many roles. I am pleased that I have, in recent years, come to know Senator Moynihan, and most honored to have had this opportunity to say a few words in introduction of this man who certainly needs no introduction.

A WORLD REGAINED? DANIEL PATRICK MOYNIHAN ON THE OCCASION OF RECEIVING THE WOLFGANG FRIEDMANN AWARD FOR "ON THE LAW OF NATIONS," COLUMBIA LAW SCHOOL, MARCH 1, 1991

The honor of receiving the 1991 Wolfgang Friedmann award at Columbia University is exceeded only by my gratitude to those who brought this about. In the first instance, I would thank my friend, the Honorable Richard Gardner, Henry Moses Professor of International Law here at Columbia. We met some 39 years ago in the "press cuttings" room of Chatham House, the home of the Royal Institute of International Affairs in St. James Square in London. We were working on our respective theses, and even then it was evident that he had twice the energy and considerable more natural endowment than I, but also the diplomatic skills to soften these disparities with an unaffected friendship. He was later to employ those diplomatic skills to the great advantage of our nation, with the same composure with which he has sustained our friendship.

My esteem for the Chancellor Kent Professor of Law at this University, President Michael I. Sovern, is boundless, as I hope he knows. And I yield to none save that eminent poet Charles Black in my affection for the Dean of the Law School Barbara Aronstein Black.

Nor should I fail to thank all at the Harvard University Press, and especially my editor, Ann Hawthorne, who is here tonight. As is my associate and mentor Stephen Rickard.

The book begins here at Columbia. More specifically, the opening passage is taken word for word from the opening of Chancellor Kent's enduring classic, Commentaries on American Law.

PART I.—OF THE LAW OF NATIONS

Lecture I.—Of the Foundation and History of the Law of Nations.

When the United States ceased to be a part of the British empire, and assumed the character of an independent nation, they became subject to that system of rules which reason, morality, and custom had established among the civilized nations of Europe, as their public law. During the war of the American revolution, Congress claimed cognizance of all matters arising upon the law of nations, and they professed obedience to that law, "according to the general usages of Europe." By this law we are to understand that code of public instruction, which defines the rights and prescribes the duties of nations, in their intercourse with each other. The faithful observance of this law is essential to national character, and to the happiness of mankind.

The plain purpose of my book was to describe the steady growth of this conviction in at very least the pronouncements of American statecraft, reaching a peak of sorts in the early part of this century, only to recede and finally to be "lost in the fog of the cold war."

I did not write as one proposing a felicific calculus for the greater perfection or pacification of mankind.

To the contrary, I wrote as a United States Senator, sworn to uphold the Constitution of the United States against "all enemies, foreign and domestic." This particular formulation of the oath of office was crafted in 1868 having, obviously, the Civil War in mind. I had a newer conflict in mind. Article I, Section 8 of the Constitution explicitly provides:

"The Congress shall have power * * * To define and punish * * * Offenses against the Law of Nations. * * *

Article VI continues:

* * * Treaties * * * shall be the supreme Law of the Land.

It was clear to me—I hope I am not wrong in this—that whilst customary international law is still relevant in many situations, a very large and growing body of "international law" is now treaty law, including, of course, the Charter of the United Nations. Treaties into which the United States has entered are the "supreme Law of the Land". No less so than Congressional enactments, both having received the approval of the President and the peoples' representatives in Congress. Having sworn to uphold such law, I had become concerned that it was held in such obvious contempt in portions of the executive branch, and general indifference in the legislative and judicial branches.

And so I produced this modest volume, asking, that if we don't believe what we once believed, then surely the question arose as to just what we do believe. I offered the alternative of Wordsworth's Rob Roy:

"The good old rule * * * the simple plan,
That they should take, who have the power,
And they should keep who can."

The book concludes with the invasion of Panama.

Then a funny thing happened, as you could say, on the way to the printer. The fog of the Cold War lifted. But aggression, if anything, resumed. On the Law of Nations was published September 12, 1990. Forty-one days earlier Iraq had invaded and conquered Kuwait.

Of a sudden the United States had turned to the theretofore not unreasonably disparaged United Nations. And, to the U.N. Charter, a document, by contrast, of considerable nobility and honorable lineage. With equal suddenness, the President commenced to invoke principles of international law in expounding and defending American foreign policy. In a press conference of August 23, 1990, he used that term no fewer than six times, added eight references to the United Nations, with three specific citations of Chapter VII of the Charter, and one appeal to the rule of law thrown in for good measure. On the day he launched Operation Desert Storm President Bush gave an address to the nation, stating:

"This is a historic moment. We have, in this past year, made great progress in ending the long era of conflict and Cold War. We have before us the opportunity to forge, for ourselves and for future generations, a new world order—a world where the rule of law, not the law of the jungle, governs the conduct of nations."

As the war coming to an end, last Monday, February 25, the President again invoked the rule of law:

"This was a war thrust upon us, not a war that we sought, but naked aggression such as we have seen must be resisted if it is not to become a pattern. And our success in the Gulf will bring with it not just a new opportunity for peace and stability in a critical part of the world, but a chance to build a new world order based upon the principles of collective security and the rule of law."

Just this morning President Bush had this to say in an exchange at a White House press briefing concerning a report in LeMonde that Saddam Hussein had agreed to go into exile in Algeria if he was assured that he would not be pursued as a war criminal.

"QUESTION. It [is] said the Algerians had worked out a deal whereby the allies including yourself had agreed that Saddam if he came there, he would not be tried for any war crimes. You have said that no one can be

absolved. Would you not agree to any deal whereby he got political asylum?

"President BUSH. [W]e cannot absolve anyone from his responsibility under *international law.* * * * The report is simply fallacious if it included that.

"QUESTION. But to get him out of the country, you wouldn't agree to not try him.

President BUSH. I would leave that matter to the *international system of justice.* * * * I cannot wave a wand and absolve somebody from their responsibilities under *international law.* (My emphasis.)[1]

Now what was this all about?

Historians will tell us more; the principles may yet do before long. But let me offer, an hypothesis which I set forth in a 1985 address to the American Bar Association conference on restoring bipartisanship in foreign affairs:

"To the degree that law—the Law of the Charter included—is seen to be, and is, the basis of our international conduct, a bipartisan foreign policy does not require a party out of office to agree with policies of the party in power, but rather simply to agree with the principles of law on which those policies are based.

"Principles prior, as you might say, to whatever is the present emergency, the incumbent president, the prospects for the next election. The same principle applies to allied and non-aligned nations, who can far more readily support (or at least accept) American policies if our conduct is seen to be based on law that binds them as well as us.[2]"

Let no one detract from the immense diplomatic skill President Bush deployed in compiling the Security Council resolutions and assembling the great coalition which ended Iraqi aggression with such thundering finality. Yet, it is also fact that he was able to ask this extraordinary coalition to join in support of the Charter and not of the United States. The latter would have served, in many instances, but not in all. Probably not in most. International law served us well when we needed it. There, still standing in the ruins, were the guideposts of an earlier world, and world that might yet be regained.

Perhaps most importantly, the events in the Gulf have exorcised at least for now and possibly for a long while, the notion that international law is somehow a refuge from reality, more particularly, a way to avoid the use of force. It is nothing of the sort, of course. Or need be nothing of the sort.[3] Law does not eschew force; it defines the circumstances in which force may and will be exercised.

And now we move on to a new world order. On that point, let there be no question. The age of totalitarianism is over. It lasted most of this century, indeed threatened, as The Economist wrote, to take the century by storm.

Well, it didn't. Alright? I would like to make the point—tentatively, even a little defensively—that we might have figured this out a bit earlier. In 1979, Newsweek magazine featured a symposium on what large events might happen in the 1980s. I submitted a brief entry on a simple enough theme:

"The Soviet empire is coming under tremendous strain. It could blow up. The world could blow up with it.[4]"

By 1989, this forecast had just about come to pass.

It is not clear whether the Soviet Union will, in fact, "blow up" or will just disintegrate, but something such is happening. My statement that, "The world could blow up with it," referred to the question of which groups would end up with control of those 10,000 nuclear warheads. The current New Republic has a fine article by Gabriel Schoenfeld, entitled "Loose Cannon: The Scary State of Soviet Nukes," which makes exactly this point:

"As nationalism tears apart the Soviet Union, the chance [emerges] that it could split into fifteen or more states—some of them armed with nuclear weapons. * * *[5]"

(Just yesterday at a coffee hour with the Committee on Foreign Relations, Hans-Dietrich Genscher remarked on the irony, that we have spent what, a generation, since the signing of the Non-Proliferation Treaty seeking to prevent the emergence of new nuclear powers. Little did it occur to us that we might look up one day and find that one old nuclear power had become six new ones!)

Here is my point. In the 1970s, a reasonable person with reasonable access to a decent library could conceive that the Soviet empire might be on the verge of collapse, with all the attendant worries that that might bring about. But the idea was inaccessible to the policy centers of the national government. Hence, we find ourselves at present lurching about, improvising from day to day.

Much the same may be said of our concept of a New World Order. There is going to be one. The President was wholly right to insist on this, to announce it, if you like. But the concept has very little content in Washington just now. This is not the worst thing, We grew perhaps too heady, triumphalist you could say, in the atmosphere of 1918 and 1945. More modest aims may prove more practical ones. We could do worse than simply espousing what the President has called for: the Rule of Law.

Let me put it this way. During most of 1989, as the Soviet hegemony in Eastern Europe collapsed, and it appeared the Cold War had ended—the Cold War in the sense of the Marxist-Leninist claim to be the next stage in history— you could feel the old cold warriors in Washington asking that celebrated question Metternich is said to have posed at the Congress of Versailles. Informed that the Russian Ambassador had just dropped dead, he paused and pondered: "What can have been his motive?" In our case, it was more a question of why were the Soviets pretending to implode. To induce complacency? Ah!

The same may be said of a New World Order. There was no anticipation that we would ever face such a question, still less a question framed in the terms of international organization and international law that President Bush has chosen.

Very well. Let us get to work. For I really do believe the fog is lifting in Washington.

I cite a passage in Haynes Johnston's surpassingly excellent new book, Sleepwalking Through History. It concerns the mining of the Nicaraguan harbors in 1984 at the behest of the Central Intelligence Agency. Now, this clearly was an act contrary to international law. (Or so I and 14 judges on the International Court of Justice believe.) In any event, it was a measure which by statute should have been reported in advance to the Senate Select Committee on Intelligence. This was not done. When, in time, the harbor mining emerged, Senator Goldwater protested in a letter to the head of the CIA, stating among other things, "This is an act violating international law." As I remarked in the introduction to On the Law of Nations, Goldwater and I were effortlessly discredited.

"It was put about that we were merely trying to cover up our own failure, as chairman and vice-chairman respectively of the Senate Intelligence Committee, to pay attention to what we had been told.[6]"

Nor was there the least political protest when soon thereafter the United States renounced the compulsory jurisdiction of the World Court. (I know perfectly well that a case could be made that Nicaragua had never fully accepted the compulsory jurisdiction of the Court. But so what? The Court was our idea, not theirs.) Now Johnson's work has appeared. In five simple pages, he has not the least difficulty explaining what happened. Explaining events that no national newspaper could grasp in 1984. He had no greater access to information. It is just that the fog has lifted.

Haynes Johnson ends this section with a remark I made sometime later:

"What we had here, however unwitting, was an effort to subvert the Constitution of the United States. Such is the fruit of contempt of government.[7]"

The disdain for international law, or its neglect, in recent decades had the effect of encouraging lawlessness in general. Something like a crisis of the regime emerged. It is in this sense that the mining of the harbors led directly to the Iran-Contra scandals. Of which Theodore Draper noted:

"If ever the constitutional democracy of the United States is overthrown, we now have a better idea of how this is likely to be done.[8]"

And this is a point on which I would close. International law is our law, and ought to be our pride. It is no more surety against misfortune than any other law. Wolfgang Friedmann, who escaped Hitler's Germany alive, was murdered on Amsterdam Avenue years later. By three youths. For $95.

Yet, he taught international law to the day he died, and he believed in it. I would ask this question. Is this not the time for the universities of the land, the laws schools of the land to join Columbia in vigorously pursuing his legacy? The nation needs you. It needs men and women trained to international law, it needs journals, it needs faculties, it needs energy of a kind once routine, but preserved only in a few settings such as this one on Morningside Heights. It needs you a damned sight more than it needs experts on mergers and acquisitions.

Seventy-eight years ago, when Woodrow Wilson went to Washington, he took with him for the position of counsellor to the Department of State, John Bassett Moore, professor of international law at Columbia University. In those times it was just assumed that a President would need such an advisor and that such an advisor would be at hand. It is time that assumption returned. It is in the American interest.

We will hear much in the months and years to come of moving forward to a Pax Americana, of moving back to a balance of power, of moving over to isolation. Yet we have a more powerful tradition and prospect than any of these. It is to pursue our national interests in accord with a revived national tradition. Edward C. Banfield of Harvard, not known for his excessive enthusiasms, writes of just this matter:

"That the United States should set the standard of law-abidingness is a proposition that needs shouting from the high places, including the Capitol Dome."

FOOTNOTES

[1] Secretary Baker repeated this point during his appearance on "Meet the Press" on March 3, 1991: "The President spoke to that in his press conference on Friday when he was asked would we agree not to prosecute any war crimes, claims against him if he did that. And the President's response was we are not in a position to absolve anybody of their international responsibilities. They have responsibilities under *international law. . . .*" (My emphasis.)

[2]Daniel Patrick Moynihan, "The Role of International Law in Restoring Bipartisanship in Foreign Affairs," Address to the American Bar Association Conference on Restoring Bipartisanship in Foreign Affairs, May 23, 1985.

[3]Brian Urquhart makes the valid point that Article 42 of the Charter states: "Should the Security Council consider that measures provided for in Article 41 [sanctions] would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security." Clearly, no such determination about the inadequacy of sanctions was ever made by the Council. From the President down, civil and military officials judged that they had been tried and failed. Portions of the Congress argued that a much longer time would have been required to reach this judgment with any certainty. Just as clearly, there had been little thought given the subject within the Executive branch. Brian Urquhart, et al., "The Wake of 'Desert Storm'", *New York Review of Books*, March 7, 1991, p. 35.

[4]Daniel Patrick Moynihan, "Will Russia Blow Up?", Newsweek, November 19, 1979.

[5]Gabriel Schoenfeld, "Loose Cannon: The Scary State of Soviet Nukes", New Republic, March 11, 1990, pp. 16-18.

[6]Daniel Patrick Moynihan, "On the Law of Nations" (Havard University Press: Cambridge, 1990), p.5.

[7]Haynes Johnson, "Sleepwalking Through History: America in the Reagan Years" (W.W. Norton & Company: New York, 1991), p. 279.

[8]Theodore Draper, "Getting Irangate Straight", New York Review of Books, October 8, 1987, p. 47.

SENATOR JOHN HEINZ SPEAKS FOR THE NEEDS OF MASS TRANSIT

Mr. D'AMATO. Mr. President, last Monday, March 11, my colleague from Pennsylvania, Senator HEINZ, gave an eloquent speech before the American Public Transit Association about the need for all Americans to recognize the important role mass transit plays in our Nation's transportation net-work.

Since coming to the Senate in 1977, Senator HEINZ has played a key role in developing the structure and direction of the Federal Transit Assistance Program.

As the Banking and Urban Affairs Committee begins its consideration of the 1991 transit reauthorization legislation, I look forward to working with Senator HEINZ toward strengthening this Nation's transit program.

Mr. President, I urge my colleagues to read this important speech and I ask unanimous consent that a copy of it be printed in the RECORD at this point.

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

REMARKS OF SENATOR JOHN HEINZ, AMERICAN PUBLIC TRANSIT ASSOCIATION, WASHINGTON, DC, MARCH 11, 1991

Thank you, it's a pleasure to be here today to discuss mass transit with people who really care about the program. This week marks the beginning of the transit reauthorization process and it's appropriate that I start off this important week before you.

Above all, this week marks the beginning of the toughest job I've had since coming to the Senate in 1977—convincing my colleagues of the importance of transit. All of us in this room have fought many battles over the years and I'm glad to be in the trenches with you again.

The importance of transit is now beyond getting an office worker downtown. Transit is now an important solution to today's problems of smog, traffic congestion, dependence on foreign oil, and improving economic productivity.

Just think where we would be without public transportation. In areas fortunate enough to have heavy rail transit, a subway system can carry up to 34,000 passengers per hour. That means 30,000 automobiles can remain parked at home. More important, that's some 30,000 vehicles that aren't clogging roads and highways, or damaging bridges that are extremely expensive to repair.

Even fixed route bus service has the capability to carry nearly 90 passengers every time a bus makes its rounds. Put another way, that's 90 less vehicles highway engineers, traffic managers, and city planners have to worry about.

And yet, traffic congestion is now a way of life for many commuters even in areas thought to be relatively kinder and gentler in their way of life. In hospitable Charlotte, North Carolina, the number of congested freeways is forecasted to double by the year 2005. In Minneapolis-St. Paul, the miles of congested freeways is forecasted to double by the year 2005.

It isn't only the commuter worried about traffic jams that transit helps. Transit helps all of us who worry about breathing clean air. In my own state, Philadelphia not only fails to meet ozone requirements, but it also fails to meet carbon dioxide requirements. One doesn't have to be an EPA scientist to figure out a solution to Philadelphia's critical problem: Southeastern Pennsylvania must reduce the amount of pollutants it loads into the atmosphere. And that means getting cars off the road and people into mass transit.

The Persian Gulf war should be a reminder to all of us that reducing America's dependence on huge quantities of imported oil should be of paramount priority. We should remind people that transportation accounts for over 65 percent of our petroleum use and the most cost effective way to reduce that use is to substitute mass transit for individual transit.

For my part, I intend to remind my colleagues of these facts of life and work with them to translate these matters of simple common sense into strong Federal support for mass transit. But there will be an aggressive contest during the reauthorization process. The Administration will push its bill to the same Senators that I will push to restore operating assistance, to increase Federal funding of capital projects, and to help you fund the unfunded Federal mandates, like the Americans with Disabilities Act.

While I am still studying the Administration's bill, I would like to share with you some of my impressions about the direction the Administration would like to steer the Federal transit program.

First, the good.

For the first time in a decade an Administration has sent a bill that is not automatically dead on arrival.

Let's give some credit to Brian Clymer, Sam Skinner and President Bush for agreeing with the principle that mass transit needs and deserves federal support. Now, if I can help it, they won't get everything they want, but at least we've got something to talk about.

After a decade of downright miserly Federal budget support for transit, the Bush Administration has proposed an over $3 billion transit program. By contrast, for years we have had to start off with what might have been called—at least for mass transit—"zero-based budgeting."

For years, many of us have said we aren't investing enough in infrastructure. The Administration has given us a plan, a comprehensive look at transportation. One that seeks to create more investment in transportation infrastructure and takes responsible positions on several underutilized modes. Take railroads. The Administration recognizes that there is significant underutilization of railroad capacity. It won't support bigger, heavier trucks unless truckers pay their fair share.

While I can't and don't support lock, stock and barrel where they want transit to go, they've got some good ideas.

Predictability. From spending down the trust fund, to relying more on formula funding, the Administration has some good ideas about addressing the budgetary uncertainties you face every year.

Greater local accountability. The bill's increase in the local share for new start projects generally reflects the trend we have witnessed in recent years. And up to a point there should be greater local funding of new rail projects. We don't need anymore Miami metro movers where the 25% of projected ridership actually attained is the reciprocal of the 75% federal funding share.

Together with strict, cost effective criteria for building new rail projects, I think the Administration is on the right track.

Flexibility. In principle, the proposal enabling shifting of transit and highway dollars is an important new tool for transportation planners. Like you, I've got some very strong concerns about the highway bias in this proposal, but it is at least a good start toward greater local involvement in overall transportation planning.

Having said this, I must admit that this plan still falls short of meeting the needs of transit and of the people who depend on it.

Cutting operating assistance while increasing the local share of projects is a plan to raise fares to a level no one can afford.

Keeping federal transit assistance at current levels for five years, while increasing federal highway aid by almost 40% strengthens America's love affair with the private auto.

The highway bias becomes even more clear considering only 30% of highway funds can be used for transit, while nearly all transit funds can be used for highways.

Don't get me wrong. I'm a big fan of the highway and bridge program. Coming from Pittsburgh, the City of a Thousand Bridges, I know the criticality of the need for greater investment in our roads and bridges.

But that investment must not come at the expense of moving people. It must not come at the expense of your systems.

The Administration's proposal to invest the mass transit account, to spend it down, is a proposal we all support. But to rely solely on the transit penny-and-a-half set aside of the gas tax is a dangerous idea.

The mass transit account, given access to the unobligated balance and all current revenues plus interest, seems to be able to support a $3.3 billion annual spend down from FY 92 to FY 96.

But where will we be five years from now? $900 million in the trust fund and only one cent of the gas tax supporting the program. Not only will even a $3 billion program be impossible under this scenario, but transit will be left high and dry, without any Federal support from general appropriations.

Transit must not be left high and dry. The transit program must remain viable beyond FY 96. It is for this reason, I will continue to fight for general revenue support from appro-

priations, while fighting for spending the trust fund.

These are tough issues. But the Secretary of Transportation and the head of UMTA both have solid experience in running a major transit system. They do understand your needs.

Last year, I was very involved in reauthorizing the Washington, D.C., Metro system. I heard from many of you—keep Metro out of Section 3! We don't want to compete with America's Subway for dollars! We were able to accomplish just this.

Sam Skinner and Brain Clymer negotiated in better than good faith. They're tough, but fair. They listen. We made a clear case for Metro, and they understood the needs of the transit community. They do understand your needs and I'm confident we can put together a good bill that will take UMTA well into the '90's.

While we have a good chance in convincing the Administration, I don't think we've convinced all the people of transit's importance. And we need to broaden our focus.

We need to support the type of transportation policies that address America's obsession with the car. That means supporting stricter CAFE standards. That means ensuring the tax code doesn't encourage parking while treating transit passes with kid gloves. That means getting gas guzzlers off the road.

Suppose Saddam Hussein had been lucky and burned the Saudi oil fields as well as Kuwaiti. Suppose the President's hands were tied and Saddam captured the entire Gulf's oil resources.

How would people get to work if they couldn't afford to drive? Transit.

Our highways are called the National System of Interstate and Defense Highways. The Federal Government invested in highways for national security reasons. It's time we recognize that transit too plays an important role in our national security, our national well-being.

The day will come when driving is simply too expensive to make it worthwhile. And our transit systems are the only ones who will be there to fill the void.

RELIEF FOR MICHIGAN'S UNEMPLOYED WORKERS

Mr. RIEGLE. Mr. President, I rise today on a subject that affects working men and women across the country, particularly in those areas like my home State of Michigan.

I am both pleased and saddened that we are discussing this matter today. I am pleased that the White House and the distinguished Senator from West Virginia have responded to my requests and the requests of others to consider the increased needs of State unemployment insurance offices. We have a nationwide shortfall of between $150 and $200 million, resulting in waiting lines of half a day or more, and processing delays of 6 to 7 weeks.

A few weeks ago I wrote the Senator from West Virginia and the President asking for more money on an emergency basis. I am pleased that the Appropriations Committee has responded by passing $150 million to cover administrative costs for State offices, and they have given this funding emergency designation.

Working men and women across the country are losing their jobs or facing indefinite layoffs. We owe these people some protection against the hardships of job loss. In fact, while they were working, they paid in a little each month to the unemployment insurance system. Now that they are out of work, they have a right to expect that the system will work when they need it.

But in recent years, the Federal Government has cut back on assistance to the State offices. To some, those cuts made sense when our economy boomed in the 1980's. And as we cut that Federal aid, the States cut budgets and staff at unemployment offices. In my State alone, the total staff in State unemployment offices has dropped from 6,200 to 2,400 in a decade. Now as Michigan workers turn to their State unemployment system that they have paid for, they face a system overwhelmed by an $8 million shortfall, a system that cannot respond to their needs.

I represent a trucker from Sterling Heights, MI, named Tim Peck who lost his job and had to wait 7 weeks to get his first unemployment check. When he called the local unemployment office, the phone was busy or it was not answered. Discouraged with his inability to get any information on his application's status, Mr. Peck finally had to get in line at 7 on a cold winter morning with 30 other people to ask in person why he had not seen any money. Lynn Feehan is another constituent of mine. She lost her job at a photography studio and had to wait 9 weeks, I repeat, 9 weeks for her first unemployment check to arrive.

These cases and the many like them across the country are not statistics. They are real people who cannot pay the mortgage, the grocery bills, the rent, the doctor's bill, or put something away for their children's tuition. We set up a system that promised to help working men and women when times got rough. Well, times have gotten rough. It's time for us to live up to our end of the bargain.

I urge my colleagues to rectify this problem, to get the help to the people in our States who need it. I urge you to vote for this appropriations bill so we can help our State unemployment offices work the way they were intended to.

NOMINATION OF ROBERT MARTINEZ TO BE DIRECTOR OF NATIONAL DRUG CONTROL POLICY

Mr. FORD. Mr. President, as in executive session, I ask unanimous consent that when the Senate proceeds to consider the nomination of Bob Martinez to be Director of National Drug Control Policy, it be considered under a 90-minute time agreement, equally divided between the chairman and ranking member of the Committee on the Judiciary; that following the conclusion or yielding back of time, the Senate vote on the nomination without any intervening action; that the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

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 OF THE ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT—PM 30

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 Foreign Relations:

To the Congress of the United States:

I am pleased to transmit the United States Arms Control and Disarmament Agency annual report for 1990. This report deserves your close review.

The year 1990 witnessed the signing of the multilateral Conventional Armed Forces in Europe (CFE) Treaty, which, when satisfactorily implemented, will be a major step in reducing the numbers of deployed weapons in the area bounded by the Ural Mountains and the Atlantic Ocean. The U.S.-U.S.S.R. Chemical Weapons Destruction Agreement was also signed. Significantly, both the Treaty Between the United States and the Soviet Union on Underground Nuclear Weapon Tests (TTBT) and the Treaty on Underground Nuclear Explosions for Peaceful Purposes (PNET) entered into force. Substantial progress was made during 1990 in the Strategic Arms Reductions Talks (START) and in our efforts to curb the worldwide proliferation of weapons of mass destruction.

The Arms Control and Disarmament Agency's 1990 annual report provides details of these and other developments, including the conduct of arms control negotiations, the coordination of treaty implementation procedures, and other activities conducted pursu-

ant to the Arms Control and Disarmament Act.

As the report illustrates, the dramatic changes in Eastern Europe and in U.S.-U.S.S.R. relations have not diminished the importance of effective and verifiable arms control agreements.

GEORGE BUSH.

THE WHITE HOUSE, *March 20, 1991.*

MESSAGES FROM THE HOUSE

At 4:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 751. An act to enhance the literacy and basic skills of adults, to assure that all adults in the United States acquire the skills necessary to function effectively and achieve the greatest possible opportunity in their work and in their lives, and to strengthen and coordinate adult literacy programs;

H.R. 831. An act to designate the Owens Finance Station of the United States Postal Service in Cleveland, Ohio, as the "Jesse Owens Building of the United States Postal Service";

H.R. 902. An act to provide assistance to recipients of loans from the Small Business Administration who are affected by military service as a part of Operation Desert Storm, and for other purposes;

H.R. 971. An act to designate the facility of the United States Postal Service located at 630 East 105th Street, Cleveland, Ohio, as the "Luke Easter Post Office"; and

H.R. 1285. An act to resolve legal and technical issues relating to Federal postsecondary student assistance programs and to prevent undue burdens on participants in Operation Desert Storm, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 57. A concurrent resolution deploring the blatant destruction of the environment in the Persian Gulf region, and declaring that Saddam Hussein and the current Iraqi regime should be held liable under United Nations Security Council Resolution 686 for these cruel acts against the environment.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 831. An act to designate the Owens Finance Station of the United States Postal Service in Cleveland, Ohio, as the "Jesse Owens Building of the United States Postal Service"; to the Committee on Governmental Affairs; and

H.R. 971. An act to designate the facility of the United States Postal Service located at 630 East 105th Street, Cleveland, Ohio, as the "Luke Easter Post Office"; to the Committee on Governmental Affairs.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 57. A concurrent resolution deploring the blatant destruction of the environment in the Persian Gulf region, and declaring that Saddam Hussein and the current Iraqi regime should be held liable under United Nations Security Council Resolution 686 for these cruel acts against the environment; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

Pursuant to the order of the Senate of March 11, 1991, the following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 751. An act to enhance the literacy and basic skills of adults, to ensure that all adults in the United States acquire the basic skills necessary to function effectively and achieve the greatest possible opportunity in their work and in their lives, and to strengthen and coordinate adult literacy programs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-779. A communication from the Secretary of Agriculture and the Administrator of the Agency for International Development, transmitting jointly, pursuant to law, the seventh quarterly report on progress made in implementing the recommendations of the Agricultural Trade and Development missions; to the Committee on Agriculture, Nutrition, and Forestry.

EC-780. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report of the Department of Defense Reserve Forces Policy Board for fiscal year 1990; to the Committee on Armed Services.

EC-781. A communication from the Acting Under Secretary of Defense (Acquisition), transmitting, pursuant to law, certification with respect to the Harpoon program; to the Committee on Armed Services.

EC-782. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a "Pay-As-You-Go Status Report"; to the Committee on the Budget.

EC-783. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the National Sea Grant College Program Act, as amended, to authorize appropriations for fiscal years 1992 and 1993; to the Committee on Commerce, Science, and Transportation.

EC-784. A communication from the Administrator of the Federal Aviation Administration, transmitting, pursuant to law, the semiannual report on the effectiveness of the Civil Aviation Security Program for the period July 1 to December 31, 1989; to the Committee on Commerce, Science, and Transportation.

EC-785. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-786. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-787. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-788. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, a report stating that it is necessary to construct modifications to the O'Neill Forebay Dam, Central Valley Project, California; to the Committee on Energy and Natural Resources.

EC-789. A communication from the Acting Assistant Secretary of the Interior (Policy, Management, and Budget), transmitting, pursuant to law, the final reports of the Bureau of Land Management and the Fish and Wildlife Service on the implementation of section 318 of the 1990 Department of the Interior and Related Agencies Appropriations Act; to the Committee on Energy and Natural Resources.

EC-790. A communication from the Administrator of General Services, transmitting, pursuant to law, copies of certain lease prospectuses; to the Committee on Environment and Public Works.

EC-791. A communication from the Chairman of the Advisory Committee for Trade Policy and Negotiations, transmitting, pursuant to law, the findings and recommendations of the Committee regarding the President's request that Congress extend fast-track procedures implementing legislation for trade agreements; to the Committee on Finance.

EC-792. A communication from the President of the African Development Foundation, transmitting a draft of proposed legislation to authorize appropriations for the African Development Foundation; to the Committee on Foreign Relations.

EC-793. A communication from the Executive Director of the Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973, as amended, to authorize appropriations for fiscal years 1992 and 1993 for carrying out that Act and the Inspector General Act of 1978, as amended; to the Committee on Foreign Relations.

EC-794. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to March 14, 1991; to the Committee on Foreign Relations.

EC-795. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report of the Board under the Government in the Sunshine Act for calendar year 1990; to the Committee on Governmental Affairs.

EC-796. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission on competition advocacy for fiscal year 1990; to the Committee on Governmental Affairs.

EC-797. A communication from the Secretary of Housing and Urban Development, as Chairman, and the Secretary of Health

and Human Services, as Vice-Chairman, of the Interagency Council on the Homeless, transmitting jointly, pursuant to law, the annual report of the Council for 1990; to the Committee on Governmental Affairs.

EC-798. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the annual report of the Board for fiscal year 1990; to the Committee on Governmental Affairs.

EC-799. A communication from the Chairman of the Federal Reserve Board, transmitting, pursuant to law, the annual report for calendar year 1990; to the Committee on Governmental Affairs.

EC-800. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, a draft of proposed legislation to amend the Ethics in Government Act of 1978 to authorize an extension of time for filing financial disclosure reports required by such Act for persons serving in a designated combat zone for up to 180 days after the person returns from such combat zone; to the Committee on Governmental Affairs.

EC-801. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a copy of the report entitled "Review of Receipts and Disbursements of the Office of the People's Counsel Agency Trust Fund"; to the Committee on Governmental Affairs.

EC-802. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a copy of the report entitled "Review of Fiscal Year 1990 Promotions—June 1, 1990–September 30, 1990"; to the Committee on Governmental Affairs.

EC-803. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the annual report of the Department of Defense under the Freedom of Information Act for calendar year 1990; to the Committee on the Judiciary.

EC-804. A communication from the Assistant Administrator of the Agency for International Development (Legislative Affairs), transmitting, pursuant to law, the annual report of the Agency under the Freedom of Information Act for calendar year 1990; to the Committee on the Judiciary.

EC-805. A communication from the President of the Institute of American Indian and Alaska Culture and Arts Development, transmitting, pursuant to law, the annual report of the Institute for calendar year 1990; to the Committee on the Judiciary.

EC-806. A communication from the Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, the annual report of the Endowment under the Freedom of Information Act for calendar year 1990; to the Committee on the Judiciary.

EC-807. A communication from the Postmaster General, transmitting, pursuant to law, the annual report of the United States Postal Service under the Freedom of Information Act for calendar year 1990; to the Committee on the Judiciary.

EC-808. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1990; to the Committee on the Judiciary.

EC-809. A communication from the Chairman of the Consumer Product Safety Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar year 1990; to the Committee on the Judiciary.

EC-810. A communication from the Attorney General of the United States, transmitting a draft of proposed legislation to amend the Civil Rights Act of 1964 to strengthen protections against discrimination in employment, and for other purposes; to the Committee on Labor and Human Resources.

EC-811. A communication from the Chairman and Members of the Railroad Retirement Board, transmitting, pursuant to law, a report on the Railroad Retirement Account's ability to pay benefits in each of the next five years; to the Committee on Labor and Human Resources.

EC-812. A communication from the Acting Secretary of Education, transmitting, pursuant to law, notice of final funding priorities for the Upward Bound and Talent Search Programs for Fiscal Year 1991; to the Committee on Labor and Human Resources.

EC-813. A communication from the Secretary of Veterans Affairs, transmitting, pursuant to law, the annual report on Department of Veterans' Affairs contract care programs; to the Committee on Veterans' Affairs.

EC-814. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to provide comprehensive regulatory supervision over stocks and stock derivative instruments, to protect investors and assure the stability of the United States capital markets, to enhance innovation and competition in financial products, and for other purposes; to the Committee on Agriculture.

EC-815. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the report on the taxation of Social Security and Railroad Retirement benefits in calendar years 1987 and 1988; to the Comittee on Finance.

EC-816. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, reports on implementation of the SEED Act of 1989 and the Environment; to the Committee on Foreign Relations.

EC-817. A communication from the Senior Vice President and Chief Financial Officer of the Tennessee Valley Authority, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect for fiscal year 1990; to the Committee on Governmental Affairs.

EC-818. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report on all calendar year 1990 actions taken by NASA which involve actual or potential cost to the United States in excess of $50,000; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, without amendment and with a preamble:

H. Con. Res. 45: A concurrent resolution permitting the use of the rotunda of the Capitol for a ceremony to commemorate the days of remembrance of victims of the Holocaust.

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 79: A resolution authorizing printing additional copies of Senate report titled "Developments in Aging: 1990."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from a Committee on Labor and Human Resources:

George H. Oberle Jr., of Oklahoma, to be a member of the National Council on Disability for a term expiring September 17, 1992;

Mikiso Hane, of Illinois, to be a member of the National Council on the Humanities for a term expiring January 26, 1996;

Donald Hall, of New Hamsphire, to be a member of the National Council on the Arts for a term expiring September 3, 1996;

Catherine Yi-yu Cho Woo, of California, to be member of the National Council on the Arts for the remainder of the term expiring September 3, 1994;

Marta Istomin, of the District of Columbia, to be a member of the National Council on the Arts for a term expiring September 3, 1996; and

Bernadine P. Healy, of Ohio, to be Director of the National Institutes of Health.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. NUNN, from the Committee on Armed Services:

Duane H. Cassidy, of Virginia, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 102d Congress;

William L. Ball III, of Georgia, to be a member of the Defense Base Closure and Realignment Commission for a term expiring at the end of the first session of the 102d Congress; and

The following-named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Anthony J. Burshnick, 193-26-5025, U.S. Air Force.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' 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. SANFORD:

S. 696. A bill to amend the Bank Holding Company Act of 1956; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SYMMS (for himself, Mr. CRAIG, Mr. COATS, Mr. LOTT, Mr. COCHRAN, Mr. KASTEN, and Mr. WALLOP.

S. 697. A bill to amend the Internal Revenue Code of 1986 to provide for the indexing of certain assets, to restore a capital gains tax differential for small business stock, and for other purposes; to the Committee on Finance.

By Mr. CRAIG (for himself and Mr. SYMMS):

S. 698. A bill to amend the Internal Revenue Code of 1986 to provide for 50 percent exclusion of long-term capital gains, and for other purposes; to the Committee on Finance.

By Mr. BRYAN (for himself and Mr. REID):

S. 699. A bill to amend the Nuclear Waste Policy Act of 1982 to allow commercial nuclear utilities that have contracts with the Secretary of Energy under section 302 of that act to receive credits to offset the cost of storing spent fuel that the Secretary is unable to accept for storage on and after January 31, 1998; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER (for himself, Mr. MCCAIN, Mr. WALLOP, and Mr. JEFFORDS):

S. 700. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on insurance companies not meeting certain requirements with respect to health insurance provided to small employers; to the Committee on Finance.

By Mr. COATS:

S. 701. A bill to amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to $3,500, and for other purposes; to the Committee on Finance.

By Mr. PRESSLER (for himself and Mr. DASCHLE):

S. 702. A bill to authorize the planning and construction of the Mid-Dakota Rural Water System Project; to the Committee on Energy and Natural Resources.

By Mr. HEINZ (for himself and Mr. ROCKEFELLER):

S. 703. A bill to amend the Harmonized Tariff Schedule of the United States to correct the tariff rate inversion on certain iron and steel pipe and tube products; to the Committee on Finance.

By Mr. HEINZ:

S. 704. A bill to provide for the temporary suspension of duty on certain chemicals, and for other purposes; to the Committee on Finance.

S. 705. A bill to suspend temporarily the duty on certain chemicals, and for other purposes; to the Committee on Finance.

S. 706. A bill to extend the temporary duty suspension on certain knitting machines and parts, and for other purposes; to the Committee on Finance.

S. 707. A bill to extend until January 1, 1995, the existing suspension of duty on certain wools; to the Committee on Finance.

By Mr. NUNN (for himself and Mr. FOWLER):

S. 708. A bill to suspend temporarily the duty on fluometuron and IBTF; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. COCHRAN, Mr. CRAIG, Mr. HELMS, Mr. LEVIN, Mr. LOTT, Mr. LUGAR, Mr. MCCONNELL, Mr. PRESSLER, Mr. SHELBY, Mr. SIMON, Mr. SYMMS, and Mr. THURMOND):

S. 709. A bill to amend the Internal Revenue Code to allow a deduction for qualified adoption expenses, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. DIXON, Mr. SIMON, and Mr. DOLE):

S. 710. A bill to amend the Internal Revenue Code of 1986 to provide a permanent extension for the issuance of first-time farmer bonds; to the Committee on Finance.

By Mr. SEYMOUR:

S. 711. A bill to authorize the Secretary of the Interior to undertake certain activities to reduce the impacts of drought conditions, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SYMMS (for himself, Mr. LIEBERMAN, Mr. GRASSLEY, Mr. LOTT, Mr. WALLOP, Mr. BURNS, and Mr. CRAIG):

S. 712. A bill to amend section 411F(2) of the Higher Education Act of 1965 to exclude as an asset the net value of the family's principal place of residence and a family farm on which the family resides; to the Committee on Labor and Human Resources.

By Mr. RIEGLE (for himself and Mr. GARN) (by request):

S. 713. A bill to reform the Federal deposit insurance system, to improve the supervision and regulation of federally insured depository institutions, to reform the financial services industry as to the activities in which that industry may engage, to consolidate the regulatory structure for depository institutions, to recapitalize the bank insurance fund, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. COCHRAN:

S. 714. A bill to provide for the establishment of the Margaret Walker Alexander National African-American Research Center; to the Committee on Labor and Human Resources.

By Mr. BURNS (for himself, Mr. DOLE, Mr. DIXON, Mr. BOREN, Mr. SYMMS, Mr. BAUCUS, Mr. GRASSLEY, Mr. LOTT, Mr. WIRTH, Mr. BROWN, Mr. CONRAD, Mr. NICKLES, Mr. PRESSLER, Mr. COCHRAN, Mr. SHELBY, Mr. MACK, Mr. WALLOP, Mr. COATS, Mr. FORD, Mr. SMITH, Mr. BURDICK, Mr. BOND, Mr. HELMS, Mr. KASTEN, Mr. GRAMM, Mr. SIMPSON, Mr. LUGAR, Mr. FOWLER, Mr. PRYOR, Mr. STEVENS, Mr. MCCONNELL, Mr. DASCHLE, Mr. KERREY, Mr. EXON, Mr. HEINZ, Mr. DOMENICI, and Mr. HEFLIN):

S. 715. A bill to permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer; to the Committee on Commerce, Science, and Transportation.

By Mr. JEFFORDS (for himself, Mr. DOMENICI, Mr. WIRTH, Mr. BURDICK, Mr. BURNS, Mr. DASCHLE, Mr. CONRAD, Mr. SHELBY, Mr. CRAIG, Mr. SEYMOUR, Mr. REID, Mr. KERREY, Mr. AKAKA, and Mr. BINGAMAN):

S. 716. A bill to establish a replacement fuels and alternative fuels program, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself and Mr. INOUYE):

S.J. Res. 97. A joint resolution to recognize and honor members of the reserve components of the Armed Forces of the United States for their contribution to victory in the Persian Gulf; to the Committee on Armed Services.

By Mr. EXON (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BENTSEN, Mr. BIDEN, Mr. BRADLEY, Mr. BRYAN, Mr. BURDICK, Mr. BURNS, Mr. BYRD, Mr. COATS, Mr. CONRAD, Mr. D'AMATO, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. FORD, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GRASSLEY, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JEFFORDS, Mr. KASTEN, Mr. KENNEDY, Mr. KERRY, Mr. KERREY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. PRYOR, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. SANFORD, Mr. SARBANES, Mr. SIMON, Mr. SPECTER, Mr. WARNER, and Mr. WELLSTONE):

S.J. Res. 98. A joint resolution to express appreciation for the benefit brought to the Nation by Amtrak during its 20 years of existence; to the Committee on Commerce, Science, and Transportation.

By Mr. GLENN (for himself, Mr. BRADLEY, Mr. REID, Mr. MOYNIHAN, Mr. CONRAD, Mr. SANFORD, Mr. WARNER, Mr. DIXON, Mr. JEFFORDS, Mr. CRANSTON, and Mr. MURKOWSKI):

S.J. Res. 99. A joint resolution designating November 24–30, 1991, and November 22–28, 1992, as "National Family Caregivers Week;" to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MACK (for himself and Mr. GRAHAM):

S. Con. Res. 23. A concurrent resolution deploring the blatant destruction of the environment in the Persian Gulf region, and declaring that Saddam Hussein and the current Iraqi regime should be held liable under U.N. Security Council Resolution 686 for these cruel acts against the environment; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SANFORD:

S. 696. A bill to amend the Bank Holding Company Act of 1956; to the Committee on Banking, Housing, and Urban Affairs.

BANK EFFICIENCY ACT

Mr. SANFORD. Mr. President, I rise to introduce an important piece of banking legislation, the Bank Efficiency Act. I am pleased that my colleague from North Carolina, Mr. NEAL, is introducing the same legislation in the House of Representatives today as well. I am confident that this legislation, if enacted, would go a long way toward permitting many of our banks to operate more efficiently and more effectively, without costing taxpayers any money, without expanding the powers of banks and without trampling on the rights of our States to regulate State-chartered banks.

Many of our banking laws were enacted during the early 1930's, at a time when few banks expanded beyond their local market. Our laws governing the expansion of banks into other States reflect many of those 1930s concepts. But they do not reflect the world of today, when bank customers often live in one State, work in another and want access to their funds wherever they might be.

Nor do our laws reflect the realities of today. Thirty-three States have voted to permit nationwide interstate banking; 13 others permit interstate

banking within regional compacts. But Federal law prohibits branching across state lines. So although changes in state laws have permitted banks to set up operations in a variety of places, these operations must be set up through the more cumbersome and inefficient system of a separate bank. This makes no sense. We do not require industrial companies who sell in all 50 States to set up 50 separate companies, each with their own boards, accounting and reporting requirements and we ought not to require such an inefficient legal structure for banks.

My bill is very simple—it basically says that where institutions are permitted to set up a bank, they are permitted to set up a branch of their bank. This means that banks who already operate in a number of States can consolidate and streamline their operations into branches of their home banks, rather than being forced to set up separate institutions in each State.

Current law prohibits interstate branching. Thus, when a bank wishes to expand into another State, as permitted by State law, the bank can only do so through establishing a separate bank in that new State. The establishment of that bank carries with it substantial operating costs for separate boards of directors, separate regulatory requirements, separate audits, separate legal fees, separate accounting systems and duplicative personnel. My bill would allow banks to save those costs, without expanding their activities beyond those currently permitted and without giving them access to new geographic markets.

The costs that could be saved from permitting such interstate branching are substantial. The Treasury Department, in announcing it financial modernization approach, noted that Bank of America believes it could save $50 million per year, year after year from such an approach. It has been suggested that C&S/Sovran bank could save in the order of $35 million. Numerous other banks with multi-state operations could realize similar savings. All and all, at a time when banks need more capital, it only makes sense to permit banks to streamline their operations into a legal structure that is as efficient as possible, without undermining our current regulatory structure. Given the need to make banks more profitable so that there is less of a demand on the FDIC, we ought not to leave in place a government-mandated inefficiency in operating structure, when it costs the government nothing to change that structure.

Also, many of these savings could be passed on to consumers, making banking more competitive and cost efficient. In addition, interstate branching can create convenience for consumers, especially those who cross State lines for work or other activities. Removing the restrictions on interstate branching would remove the current impediment consumers face who have a bank account in one State but cannot get full-service banking from an affiliated bank in another State without opening a separate account.

Mr. President, I do not introduce this bill because I believe that it is the only approach to this issue. Indeed, I am currently a cosponsor of a bill introduced by my colleague from Connecticut, Mr. DODD, of a bill to permit nationwide interstate branching. I think that is the best approach. The Treasury, with some phase in times, has also suggested nationwide interstate branching. I hope we can achieve that. I would like to see the Congress pass laws that permit banks to diversify their risk and move outside of any narrow geographic regions.

However, I am concerned that there may be resistance to nationwide interstate branching. If that is the case, then I think the Bank Efficiency Act represents a fine compromise. It permits branching wherever interstate banking is already permitted, but does not go as far as nationwide interstate branching. It therefore represents the minimum of what I think the Congress should do this year. We simply must change some outmoded laws to permit our banks to operate in as efficient a manner as possible, particularly when we can do so without cost to the taxpayers and without changing the scope of activities of banks.

I urge my colleagues to take a look at this compromise approach. I welcome their support for the Bank Efficiency Act. I also ask unanimous consent that the text of the Bank Efficiency Act be printed in the RECORD.

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

S. 696

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 "Bank Efficiency Act".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to facilitate the efficient operation of banks that are subsidiaries of multistate bank holding companies;

(2) to enhance the interstate delivery of banking services to both consumers and businesses; and

(3) to strengthen generally the operation of the banking system.

SEC. 3. AMENDMENTS TO THE BANK HOLDING COMPANY ACT.

(a) DEFINITIONS.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by adding at the end the following new subsection:

"(n) APPROPRIATE FEDERAL BANKING AGENCY.—For purposes of this Act, the term 'appropriate Federal banking agency' shall have the same meaning as such term is given in section 3(q) of the Federal Deposit Insurance Act.".

(b) INTERSTATE BANKING.—Section 3(d) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(d)) is amended—

(1) by striking "(d)" and inserting the following:

"(d) LIMITATION BY STATE BOUNDARIES.—

"(1) IN GENERAL.—"; and

(2) by adding at the end the following new paragraph:

"(2) INTERSTATE COMBINATION.—

"(A) A bank holding company having subsidiary banks located in more than one State may combine two or more of such banks into a single bank by means of merger, consolidation, or other transaction.

"(B) Nothing in this paragraph shall be deemed to authorize—

"(i) a national bank to operate branches at locations in a State unless a national bank having offices only in such State could operate branches at such locations;

"(ii) a State-chartered bank to operate branches at locations in a State unless a State-chartered bank having branches only in such State could operate branches at such locations; or

"(iii) a State-chartered bank to operate branches at locations outside its chartering State in contravention of such chartering State's laws.

"(C) This paragraph does not affect any other requirement for regulatory approval or any other procedures that are applicable under Federal or State law to a combination authorized by subparagraph (A).

"(D) A bank resulting from a combination authorized by subparagraph (A) may retain and operate all existing main offices and branches in each bank involved in such combination and in existence at the time of such combination.

"(E) A national bank resulting from a combination authorized under subparagraph (A) may establish additional branches in any State in which it has branches to the same extent and same manner that a national bank having branches only in such State, may establish branches in such State.

"(F) A national bank resulting from a combination authorized by subparagraph (A) shall be entitled to exercise at each of its branches, all powers and privileges conferred by Federal law. To the extent that Federal law references State law, the applicable State law for each branch shall be the law of the State in which the branch is located, except that for purposes of section 5197 of the Revised Statutes, the appropriate State law shall be the law of the State in which the main office named in the bank's organization certificate is located.

"(G) A State-chartered bank resulting from a combination authorized under subparagraph (A) may, subject to the approval of the appropriate State regulatory authority, establish additional branches in any State in which it has branches, to the extent and in the same manner as a State bank chartered in such State and having branches only in such State. For purposes of this subparagraph, the appropriate State regulatory authority is solely the State bank supervisor for the State in which the branch is proposed to be established.

"(H) A State-chartered bank resulting from a combination authorized by subparagraph (A) shall be entitled to exercise at each of its branches, all powers and privileges conferred by the law of its chartering State and Federal law. However, a branch of such bank located in a State other than the chartering State of the bank, may not exercise any power or privilege that is not permitted under the laws of the State in which

the branch is located, for a branch located within such State of a bank chartered by such State. The State bank supervisor of the State in which the bank is chartered shall have authority to determine whether an activity of a branch is permissible as a matter of State law. If a branch is located in a State other than the chartering State, the State bank regulator for the State in which the branch is located may independently determine whether an activity of the branch is permissible under the law of such State.

"(I) A State-chartered bank resulting from a combination authorized by subparagraph (A) shall be subject to State supervision only by the State bank supervisor for the State in which the bank is chartered. The State bank supervisor for the State in which a branch is located may enter into a cooperative agreement with the supervisor for the chartering State to facilitate supervision of the bank and its branches. Nothing in this subparagraph shall affect the jurisdiction or authority of the appropriate Federal banking agency to supervise or examine a State chartered bank and all of its branches.

"(J) A bank may not participate in a combination otherwise authorized by subparagraph (A) if, as of the date of the filing with the appropriate Federal banking agency of an application for approval of such combination, the State in which such bank is located has a statute, enacted within 2 years following the effective date of this paragraph, that provides by express language and not merely by implication that no bank located in such State may combine with any other bank pursuant to the authority conferred by subparagraph (A).

"(K) If a bank resulting from a combination authorized by subparagraph (A) ceases to be a subsidiary of a bank holding company, it shall, within 2 years after the date on which it is no longer a subsidiary of a bank holding company, no longer be entitled to the benefits of this paragraph, and shall comply with all provisions of Federal or State law restricting the geographic location of its branches. The appropriate Federal banking agency may, upon application by a bank, extend the 2-year period described in this subparagraph, for not more than one year at a time, if such extension would not be detrimental to the public interest. No such extensions shall, in the aggregate, exceed 3 years.

"(L) If a bank that is combined with another bank pursuant to subparagraph (A) is subject to conditions imposed by State law pursuant to paragraph (1), the resulting bank shall comply with such conditions to the same extent that the bank originally subject to such conditions was obligated to do so.

"(M) For purposes of this paragraph—

"(i) a national bank is located in the State named in its organization certificate, and a State-chartered bank is located in the State in which it is chartered; and

"(ii) when a bank seeks pursuant to this paragraph to operate branches in a State other than the State in which the bank is located, the first location in such other State at which the bank seeks to operate a branch shall be considered to be the main office of the bank located in such other State.".

SEC. 4. NATIONAL BANK ACT AMENDMENTS.

(a) CONVERSIONS TO NATIONAL BANKS.—Section 5154 of the Revised Statutes (12 U.S.C. 35) is amended in the first sentence by inserting before the period "unless said conversion is undertaken in connection with a combination authorized by section 3(d)(2) of the Bank Holding Company Act of 1956".

(b) DIRECTOR QUALIFICATIONS.—Section 5146 of the Revised Statutes (12 U.S.C. 72) is amended in the first sentence by striking "and at least two-thirds" and all that follows through "continuance in office,".

SEC. 5. EMERGENCY ACQUISITION AUTHORITY.

Notwithstanding any other provision of this Act—

(1) the amendments made by this Act shall not be construed to limit or otherwise impair the authority of the Federal Deposit Insurance Corporation to authorize extraordinary or emergency acquisitions under section 11(n)(8)(B) or subsections (f) or (k) of section 13 of the Federal Deposit Insurance Act;

(2) no bank holding company that has acquired a bank in accordance with section 11(n)(8)(B) or section 13(f) of the Federal Deposit Insurance Act shall, by reason of the combination of such bank with any other bank in accordance with section 3(d)(2) of the Bank Holding Company Act of 1956, as amended by this Act, lose or otherwise be deprived of any rights or privileges provided to the bank holding company under Federal law by virtue of the acquisition, including rights or privileges provided under section 13(f) of the Federal Deposit Insurance Act.

By Mr. SYMMS (for himself, Mr. CRAIG, Mr. COATS, Mr. LOTT, Mr. COCHRAN, Mr. KASTEN, and Mr. WALLOP):

S. 697. A bill to amend the Internal Revenue Code of 1986 to provide for the indexing of certain assets, to restore a capital gains tax differential for small business stock, and for other purposes; to the Committee on Finance.

CAPITAL GAINS INDEXING ACT

Mr. SYMMS. Mr. President, I would bet every Senator has had more than his fill of debate over capital gains. It seems we've had to fight this battle every year since the capital gains exclusion was repealed as part of the 1986 Tax Reform Act.

In the last Congress we went through a long and difficult debate over capital gains. As the 102d Congress unfolds, it seems we'll have to go through the debate again. Those of us who support reducing the tax are readying our arguments, as are those on the other side.

And all the time we're debating, long-term investment is suffering and taxpayers are subjected to a tremendously unfair tax.

This year, when President Bush included capital gains reduction in his State of the Union Address there was a near audible sigh of relief in some quarters, and of derision in others.

Some opponents of a capital gains reduction criticized the President for offering up, in their words, "the same old, tired policies of the past."

Perhaps it's not the policies but the politicians who are old and tired.

In any case, I think it's ironic that the President should be accused of bringing back failed proposals when the only thing failed about them is that they couldn't overcome certain powerful interests in the Congress, particularly in this body, while at the same time his accusers are bringing back their own defeated and discredited policies, such as job quotas and higher taxes.

Senators and Congressmen and Congresswomen may be tired of this debate, but the American people are fed-up. They are fed-up with talk. They are fed-up with paying taxes on capital gains that are due solely to inflation.

You know what's really sad? No matter how it turns out, if we continue down the present course we'll be back at it in the 103d Congress, and the 104th, and so on. If we pass a broad, flat exclusion with a 1-year holding period this year, somebody will try to repeal it next year.

And it'll only be a matter of time before they succeed. Maybe it'll be repealed as part of another major tax reform. Maybe it'll be repealed as a simple revenue-raiser. Who knows? What I do know is that it'll be repealed again on some sad day.

And if we cannot pass a simple capital gains exclusion this year we'll try again next year, and the year after that, and the year after that until we succeed.

Whatever happens, as long as we remain stuck on a broad exclusion for 1-year capital gains, the issue will never be settled, and taxpayers and our economy will continue to suffer.

So, what's the solution? How do we get out of this unproductive cycle?

Simple, index capital gains for inflation as the bill I am introducing today along with Senators CRAIG, COATS, COCHRAN, LOTT, and KASTEN proposes. And give an exclusion for all assets that are held for 5 years or more, as the bill introduced by my fellow Idahoan, Senator CRAIG, proposes.

I think a large majority of the Senate could agree to both indexing and a long-term exclusion. This would remove a great unfairness in the Tax Code—the taxation of inflationary capital gains—and would encourage long-term investment.

My bill does two things. First and foremost, it indexes capital gains for inflation. When a taxpayer buys and later resells an asset, he figures his capital gains tax liability. The inflation that occurs between the time he buys the asset and the time he sells it is reflected in the sale price. Part of the capital gain reflects a real increase in its value. But part of the gain reflects the increase in the general price level. This part of the gain isn't real, it's a phantom, and it shouldn't be taxed.

Capital gains indexing would mean a taxpayer would owe tax on the increase in the asset's value, not on its inflation-distorted price.

To see how indexing works, suppose you bought a grocery store for $100,000 and you resold it 20 years later for $250,000. Suppose inflation averaged 4 percent a year over the period, and the statutory tax rate was 28 percent.

Under the current rules, you would owe $42,000 in tax on $150,000 in nominal capital gains.

In fact, however, over 80 percent of the nominal capital gain is due solely to inflation. Under current law, you have to pay $42,000 on just over $130,800 in real capital gains. That's not fair in anybody's book.

With capital gains indexing, the taxpayer would be able to adjust the purchase price to just over $219,000 for calculating taxable capital gain. Subtracting the adjusted price from the sales price leaves this small businessman paying $8,650 in tax on real capital gains.

Even the best solutions sometimes have imperfections, and this is true of capital gains indexing. The one fair criticism of indexing is that it provides too little benefit to companies trying to raise venture capital.

When a company first issues shares to raise capital, the market demands a very high risk premium for those shares, which means the cost of capital to these companies is extraordinarily high. These growing companies have no choice, however, they must raise the equity capital to continue to grow.

One way of expressing the problem is that the price a company gets for its shares when it issues them is very low relative to the price the share purchaser hopes to get some years later if the company is successful. And this is where the criticism of capital gains indexing comes in. Because the basis or purchase price is so low relative to the sales price, and because indexing works by adjusting the basis upward to reflect inflation, indexing does little to reduce the capital gains tax for venture capital.

I believe the ability of small companies to grow is absolutely essential to the health of our economy. Through the energy and creativity of smaller companies comes many of the new products and new processes which raise our standard of living while sharpening our competitive edge in international trade.

To play this part, however, small companies must be able to raise equity capital, and to do this, we must lower their cost of capital.

And so the second part of my bill is a capital gains exclusion directed exclusively to the benefit of venture capital companies. Specifically, when a relatively small company issues shares, and provided the share purchaser holds those shares for at least 4 years, then the investor would be allowed a 33-percent exclusion, thereby reducing his statutory tax on venture capital gains to no more than about 20 percent.

This bill, in combination with Senator CRAIG's bill to encourage long-term investment, will help protect the American dream. By protecting, savers and homeowners, investors and pensioners, family farms and family businesses against being taxed on capital gains due to inflation, this bill removes a very real disincentive to save and to invest for the future.

By giving small businesses access to the capital they need to grow, this bill will bring new life to the hope of starting one's own business and succeeding in commerce.

And by encouraging long-term investment, Senator CRAIG's bill will help our economy to create new jobs, to raise incomes, to increase saving and investment, and to compete through the 1990's and beyond.

I would prefer to reduce the tax rate for assets held for 1 year and to allow indexing for assets held for 1 year. But I doubt we can win that battle. Maybe we could if the American people could vote on it, but not if the U.S. House of Representatives and the U.S. Senate vote on it.

But I think we can all agree that no one should have to pay tax on capital gains due to inflation. It is hard to imagine any tax policy that could be more unfair than taxing phantom capital gains.

And I think all of us accept the need to give small businesses better access to the capital they need to grow.

And I think all of us accept the need to encourage long-term investment and the vast majority of us can accept the idea of allowing an exclusion for assets that are held for at least 5 years.

So I believe it should be possible for an overwhelming majority of the Congress to support both of these bills. Let's pass these bills. Let's stop the unfair policy of taxing inflationary gains. Let's improve our economy's long-term performance. Let's stop holding the taxpayer and our economy hostage to a never-ending debate.

I ask unanimous consent that the full text of my bill be included in the RECORD following my remarks.

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

S. 697

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

TITLE I—INDEXATION OF CERTAIN CAPITAL ASSETS

SEC. 101. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 of the Internal Revenue Code of 1986 (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 or 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 FOREIGN CORPORATIONS.—Stock in a foreign corporation.

"(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—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 December 31, 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).

"(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 por-

tion 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 corporation 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 the 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.

"(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) of section 414.

"(g) TRANSFERS TO INCREASE INDEXING ADJUSTMENT.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is to secure or increase an adjustment under subsection (a), 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 chapter 1 of such Code 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 of such Code (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 December 31, 1991, see section 1022(a)(1)."

SEC. 102. EFFECTIVE DATE.

The amendments made by this title shall apply to dispositions after December 31, 1991, in taxable years ending after such date.

TITLE II—RESTORATION OF CAPITAL GAINS EXCLUSION FOR SMALL BUSINESS STOCK

SEC. 201. RESTORATION OF CAPITAL GAINS EXCLUSION FOR CERTAIN SMALL BUSINESS STOCK.

(a) TAXPAYERS OTHER THAN CORPORATIONS.—

"SEC. 1202. DEDUCTION FOR CAPITAL GAINS ON SMALL BUSINESS STOCK HELD MORE THAN 4 YEARS.

"(a) GENERAL RULE.—If for any taxable year a taxpayer other than a corporation has a qualified small business net capital gain, there shall be allowed as a deduction from gross income an amount equal to 33 percent of such qualified small business net capital gain.

"(b) QUALIFIED SMALL BUSINESS NET CAPITAL GAIN.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business net capital gain' means the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the net capital gain for the taxable year determined by taking into account only gain or loss from qualified small business stock with a holding period of at least 4 years at the time of the disposition.

"(2) QUALIFIED SMALL BUSINESS STOCK.—

"(A) IN GENERAL.—The term 'qualified small business stock' means stock which—

"(i) is issued by a qualified small business after the date which is 6 months after the date of the enactment of this section,

"(ii) is first acquired (whether directly or through an underwriter) by the taxpayer, and

"(iii) is not issued in redemption of (or otherwise exchanged for) stock not issued during the period described in clause (i).

"(B) QUALIFIED SMALL BUSINESS.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified small business' means a corporation the paid-up capital of which immediately after the date of issuance described in subparagraph (A) is $100,000,000 or less.

"(ii) ACTIVE TRADE OR BUSINESS REQUIREMENT.—A corporation shall not be treated as a qualified small business unless such corporation—

"(I) was engaged in the active conduct of a trade or business during the 3-year period ending on the date of issuance described in subparagraph (A) (or if shorter, its period of existence), and

"(II) is so engaged immediately after such date.

"(iii) EXCEPTION FOR PERSONAL SERVICE CORPORATIONS.—The term 'qualified small business' shall not include a personal service corporation (within the meaning of section 269A(b)(1)).

"(c) ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction under subsection (a) shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under section 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets."

(b) CORPORATIONS.—Section 1201 of the Internal Revenue Code of 1986 is amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) DEDUCTION FOR SMALL BUSINESS NET CAPITAL GAIN.—

"(1) IN GENERAL.—If for any taxable year a corporation has a qualified small business net capital gain—

"(A) there shall be allowed as a deduction from gross income an amount equal to 33 percent of such qualified small business net capital gain, and

"(B) paragraph (2) of subsection (a) shall be applied as if it read as follows:

'(2) a tax equal to the sum of—

'(A) 23 percent of the qualified small business net capital gain, plus

'(B) 34 percent of the net capital gain, reduced by the amount taken into account under subparagraph (A).'

"(2) QUALIFIED SMALL BUSINESS NET CAPITAL GAIN.—For purposes of this subsection, the term 'qualified small business net capital gain' has the meaning given such term by section 1202(b)(1)."

(c) MAXIMUM 21 PERCENT RATE.—Section 1(h) of the Internal Revenue Code of 1986 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 rate and in the same manner as if this subsection had not been enacted on the greater of—

"(i) taxable income reduced by the amount of the net capital gain, or

"(ii) the amount of taxable income taxed at a rate below 28 percent, plus

"(B) a tax of 28 percent of the amount of taxable income in excess of the amount determined under subparagraph (A).

"(2) SPECIAL RULE WHERE TAXPAYER HAS QUALIFIED SMALL BUSINESS NET CAPITAL.—

"(A) IN GENERAL.—If a taxpayer has qualified small business net capital gain for any taxable year, then the tax imposed by this section shall not exceed the lesser of—

"(i) the amount determined under paragraph (1), or

"(ii) the sum of—

"(I) the amount determined under paragraph (1) without taking into account qualified small business net capital gain for purposes of subparagraphs (A) and (B) thereof, plus

"(II) 21 percent of the qualified small business net capital gain.

"(B) DEFINITIONS.—For purposes of this paragraph, the term 'qualified small business net capital gain' has the meanings given such term by section 1202."

(d) CONFORMING AMENDMENTS.—

(1) Section 62(a) of such Code is amended by adding after paragraph (13) the following new paragraph:

"(14) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202."

(2) Subparagraph (B) of section 170(e)(1) of such Code is amended by inserting "(or, in the case of qualified small business stock under section 1202(b)(2), 67 percent of)" before "the amount of gain".

(3) Section 172(d)(2) of such Code (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets; and

"(B) the deduction for long-term capital gains provided by section 1202 shall not be allowed."

(4) Subparagraph (B) of section 172(d)(4) of such Code is amended by inserting ", (2)(B)," after "paragraph (1)".

(5)(A) Section 220 of such Code (relating to cross reference) is amended to read as follows:

"SEC. 220. CROSS REFERENCES.

"(1) For deduction for long-term capital gains in the case of a taxpayer other than a corporation, see section 1202.

"(2) For deductions in respect of a decedent, see section 691."

(B) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out "reference" in the item relating to section 220 and inserting "references".

(6) Paragraph (4) of section 642(c) of such Code is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain from the sale or exchange of capital assets held for more than 4 years, proper adjustment shall be made for any deduction allowable to the estate or trust under section 1202. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(7) Paragraph (3) of section 643(a) of such Code is amended by adding at the end thereof the following new sentence: "The deduction under section 1202 shall not be taken into account."

(8) Paragraph (4) of section 691(c) of such Code is amended by striking out "1(h), 1201, and 1211" and inserting in lieu thereof "1(h), 1201, 1202, and 1211".

(9) Clause (iii) of section 852(b)(3)(D) of such Code is amended by striking out "66 percent" and inserting "the rate differential portion (within the meaning of section 904(b)(3)(E))".

(10) The second sentence of paragraph (2) of section 871(a) of such Code is amended by inserting "such gains and losses shall be determined without regard to section 1202 (relating to deduction for qualified small business net capital gains) and" after "except that".

(11) Section 904(b)(3)(E) of such Code is amended by striking out "1201(a)" in clause (iii)(II) thereof and inserting "1201 (a) or (b)".

(12) Section 1402(i)(1) of such Code is amended to read as follows:

"(1) IN GENERAL.—In determining the net earnings from self-employment of any options dealer or commodities dealer—

"(A) notwithstanding subsection (a)(3)(A), there shall not be excluded any gain or loss (in the normal course of the taxpayer's activity of dealing in or trading section 1256 contracts) from section 1256 contracts or property related to such contracts, and

"(B) the deduction provided by section 1202 shall not apply."

(13) Section 1445(e)(1) of such Code is amended by striking out "34 percent (or, to the extent provided in regulations, 28 percent)" and inserting "34 percent (or, to the extent provided in regulations, the alternative tax rate determined under section 904(b)(3)(E)(iii))".

(14) The table of sections for part I of subchapter P of chapter 1 of such Code is amended by inserting after the item relating to section 1201 the following new item:

"Sec. 1202. Deduction for capital gains on small business stock held for more than 4 years."

(15)(A) The heading for section 1201 of such Code is amended by inserting "; DEDUCTION FOR GAIN ON QUALIFIED SMALL BUSINESS STOCK" after "CORPORATIONS".

(B) The item relating to section 1201 in the table of sections for part I of subchapter P of chapter 1 of such Code is amended by inserting "; deduction for gain on qualified small business stock" after "corporations".

SEC. 202. EFFECTIVE DATE.

The amendments made by this title shall apply to stock issued after the date which is 6 months after the date of the enactment of this Act.

By Mr. CRAIG (for himself and Mr. SYMMS):

S. 698. A bill to amend the Internal Revenue Code of 1986 to provide for 50 percent exclusion of long-term capital gains, and for other purposes; to the Committee on Finance.

LONG-TERM GROWTH AND JOB OPPORTUNITY ACT

Mr. CRAIG. Mr. President, first of all, let me associate myself with the remarks of the senior Senator from Idaho, Senator SYMMS, in the introduction of his capital gains legislation. Today I also introduce capital gains legislation as a companion legislation for this body to begin to consider the variety of capital gains proposals that are currently before it.

What is so fundamentally critical to this country is that in the building and maintaining of the economic vitality of our economy we have to recognize that capital gains treatment is fundamental and foremost in doing so. There are other pieces of legislation of which I am a cosponsor that deal with this issue. This one in particular would encourage long-term investment by allowing taxpayers, whether corporate or individual, to exclude 50 percent of the capital gains for assets held for 5 years or more.

Just yesterday, as this body was debating a need, a recognizable need of treating the dairy industry of this country with some concern as it relates to their market conditions, I had several farmers call me who said they would like to get out of the business now but they simply did not see that they could afford to disinvest or sell their farms and/or their dairies because of the capital gains treatment. Uncle Sam would just be demanding and taking too much of the money, that we would view as their savings and their hard-earned gain that they would retire to, away from them. The kind of legislation that I introduce today and that my colleague from Idaho does, would treat that and other types of gain in the appropriate fashion.

These are the kinds of questions that this body must ask itself in the coming days if we are to continue to encourage and see our economy move in the direction that we would want it to move in. If we are to also encourage all old money that would like to move to new investments, that would like to create new jobs and obviously new opportunity to do so, then we must at some time in the very near future address the appropriate method in dealing with capital gains. We have not done that.

Mr. President, Members of both parties and President Bush have called for

a change in the tax treatment of capital gains.

They have spoken about the advantages of such a change—such as jump-starting the economy and creating jobs, making U.S. business more competitive and freeing up dollars for new investment. They have furnished statistics revealing that the change would benefit nearly half of all Americans at some time in their lives. They have even cited studies showing that a change would increase revenues to the Government.

Yet, while they agree on the goal and the benefits of achieving that goal, they have offered more than one legislative proposal that could take us there.

Mr. President, that variety of proposals isn't a weakness. On the Contrary, it reflects the strength of the movement to cut the capital gains tax. It is a testament to the basic soundness of this initiative that such a broad coalition has emerged to champion a capital gains tax cut.

Why does support continue to grow? One important reason is that more and more people are discovering that a working American homeowner's biggest single investment and savings plan is his or her family's home, and a huge tax on the sale of that home is a tax on his or her life's work.

That is why I am pleased today to join with Senator SYMMS to introduce two bills to provide additional avenues to the goal of a capital gains tax cut. With a number of good proposals to choose from—each offering its own advantages—Congress can tailor the change the Nation requires.

My bill today does not offer the only acceptable approach. I also support Senator SYMMS' bill and a number of other capital gains tax cut proposals because there are several alternatives that could work. Congress may well decide the best alternative is a hybrid approach.

But I believe my bill would trigger some additional considerations that should be part of the current debate. In particular, my bill would encourage long-term investment by allowing taxpayers—whether corporate or individual—to exclude 50 percent of a capital gain for assets held 5 years or more.

Mr. President, it is long-term investment that will provide the capital needed for new businesses to form, existing businesses to expand and improve, and research and development to take place. That means more jobs—and better jobs.

My bill offers many of the advantages of other capital gains tax cut proposals with one crucial enhancement: instead of just promoting a temporary economic surge—it will foster long-term economic growth and jobs for the future.

As a side note, several dairy farmers called my office yesterday saying they were ready to retire or sellout if only the capital gains were low enough to allow some personal savings.

The question is not whether it is good for America to cut the tax on capital gains—the question is how. Although I strongly support the efforts of Senator SYMMS and others on this issue, I think my Long Term Growth and Job Opportunity Act offers significant advantages, and I encourage my colleagues to support it and 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. 698

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

SECTION 1. SHORT TITLE; AMENDMENT TO 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Long Term Growth and Job Opportunity 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.

SEC. 2. REDUCTION IN CAPITAL GAINS TAX.

(a) TAXPAYERS OTHER THAN CORPORATIONS.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by adding at the end thereof the following new section:

"SEC. 1202. CAPITAL GAINS DEDUCTION FOR NONCORPORATE TAXPAYERS.

"(a) IN GENERAL.—If a taxpayer other than a corporation has a qualified net capital gain for any taxable year, there shall be allowed as a deduction an amount equal to 50 percent of such qualified net capital gain.

"(b) QUALIFIED NET CAPITAL GAIN.—The term 'qualified net capital gain' means the lesser of—

"(1) the net capital gain for the taxable year, or

"(2) the net capital gain for the taxable year determined by taking into account only gain or loss from capital assets with a holding period of at least 5 years at the time of disposition.

"(c) ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction under subsection (a) shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets."

(b) CORPORATIONS.—Section 1201(a) is amended—

(1) by striking paragraph (2) and inserting:

"(2) a tax equal to the sum of—

"(A) 17 percent of the qualified net capital gain, plus

"(B) 34 percent of the net capital gain, reduced by the amount taken into account under subparagraph (A).", and

(2) by adding at the end thereof the following new paragraph:

"(3) QUALIFIED NET CAPITAL GAIN.—For purposes of this subsection the term 'qualified net capital gain' has the meaning given such term by section 1202(b)(2)."

(c) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 is amended by inserting after paragraph (11) the following new paragraph:

"(12) SPECIAL RULE FOR COLLECTIBLES.—

"(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

"(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

"(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof)."

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end thereof the following new sentence: "For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)."

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end thereof the following: "and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)".

(d) TREATMENT AS PREFERENCE ITEM FOR MINIMUM TAX.—Section 57(a) is amended by adding at the end thereof the following new paragraph:

"(8) CAPITAL GAINS DEDUCTION DISALLOWED.—An amount equal to the deduction for the taxable year determined under sections 1201(a)(2) and 1202."

(e) REPEAL OF SECTION 1(h).—

(1) IN GENERAL.—Subsection (h) of section 1 is hereby repealed.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (4) of section 691(c) is amended by striking "1(h), 1201, and 1211" and inserting "1201 and 1211".

(B)(i) Subparagraph (D) of section 904(b)(3) is amended to read as follows:

"(D) SPECIAL RULE WHERE CORPORATE CAPITAL GAIN RATE DIFFERENTIAL.—In the case of a corporation there is a capital gains rate differential for any taxable year if any rate of tax imposed by section 11, 511, or 831 (a) or (b) (whichever applies) exceeds the alternative rate of tax under section 1201(a) (determined without regard to the last sentence of section 11(b)(1))."

(ii) Clause (iii) of section 904(b)(3)(E) is amended to read as follows:

"(iii) ALTERNATIVE RATE OF TAX.—For purposes of clause (i), the term 'alternative rate of tax' means, in the case of a corporation, the alternative rate of tax under section 1201(a)."

(f) CONFORMING AMENDMENTS.—

(1) Section 62(a) is amended by inserting after paragraph (13) the following new paragraph:

"(14) CAPITAL GAINS DEDUCTION.—The deduction allowed by section 1202."

(2) Clause (ii) of section 163(d)(4)(B) is amended by inserting ", reduced by the amount of any deduction allowable under

section 1202 attributable to gain from such property" after "investment".

(3) Section 170(e)(1)(B) is amended by inserting "(50 percent in the case of a qualified net capital gain as defined in section 1202(b)(2))" after "the amount of gain".

(4)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets; and

"(B) the deduction provided by section 1202 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(5)(A) Section 220 (relating to cross reference) is amended to read as follows:

"SEC. 220. CROSS REFERENCES.

"(1) For deduction for net capital gains in the case of a taxpayer other than a corporation, see section 1202.

"(2) For deductions in respect of a decedent, see section 691."

(B) The table of sections for part VII of subchapter B of chapter 1 is amended by striking "reference" in the item relating to section 220 and inserting "references".

(6) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain from the sale or exchange of capital assets held for more than 5 years, proper adjustment shall be made for any deduction allowable to the estate or trust under section 1202 (relating to deduction for net capital gain). In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(7) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The deduction under section 1202 (relating to deduction for net capital gain) shall not be taken into account."

(8) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such gains and losses shall be determined without regard to section 1202 (relating to deduction for net capital gain) and" after "except that".

(9) Section 1402(i)(1) is amended to read as follows:

"(1) IN GENERAL.—In determining the net earnings from self-employment of any options dealer or commodities dealer—

"(A) notwithstanding subsection (a)(3)(A), there shall not be excluded any gain or loss (in the normal course of the taxpayer's activity of dealing in or trading section 1256 contracts) from section 1256 contracts or property related to such contracts, and

"(B) the deduction provided by section 1202 shall not apply."

(10) Section 1445(e)(1) is amended by striking "34 percent (or, to the extent provided in regulations, 28 percent)" and inserting "34 percent (or, to the extent provided in regulations, 17 percent)".

(11)(A) Subparagraph (A) of section 7518(g)(6) is amended by striking the last sentence and inserting the following:

"With respect to any portion of any nonqualified withdrawal made out of the capital gain account during any taxable year which involves a qualified net capital gain (as defined in section 1202(b)(2)), the rate of tax taken into account under the preceding sentence in the case of a taxpayer other than a corporation shall not exceed 15.5 percent (or, in the case of a corporation, if section 1201(a) applies to the taxable year, the rate of tax taken into account under the preceding sentence shall not exceed 17 percent)."

(B) Subparagraph (A) of section 607(h)(6) of the Merchant Marine Act, 1936, is amended by striking the last sentence and inserting the following:

"With respect to any portion of any nonqualified withdrawal made out of the capital gain account during any taxable year which involves a qualified net capital gain (as defined in section 1202(b)(2)), the rate of tax taken into account under the preceding sentence in the case of a taxpayer other than a corporation shall not exceed 15.5 percent (or, in the case of a corporation, if section 1201(a) of such Code applies to the taxable year, the rate of tax taken into account under the preceding sentence shall not exceed 17 percent)."

(g) CLERICAL AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1202. Capital gains deduction for noncorporate taxpayers."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or exchanges after the date of the enactment of this Act in taxable years ending after such date.

By Mr. BRYAN (for himself and Mr. REID):

S. 699. A bill to amend the Nuclear Waste Policy Act of 1982 to allow commercial nuclear utilities that have contracts with the Secretary of Energy under section 302 of that act to receive credits to offset the cost of storing spent fuel that the Secretary is unable to accept for storage on and after January 31, 1998; to the Committee on Energy and Natural Resources.

INDEPENDENT SPENT NUCLEAR FUEL STORAGE ACT

Mr. BRYAN. Mr. President, I rise today to introduce the Independent Spent Nuclear Fuel Storage Act of 1991. This legislation is necessary to protect the utility ratepayers and taxpayers, and to set the Nation on a sound policy course in attempting to deal with the sensitive issue of high-level radioactive waste management.

When President Reagan signed the Nuclear Waste Policy Act on January 7, 1983, less than a week after I became Nevada's Governor, our Nation embarked on a complex strategy to resolve a vexing technological problem—how to manage for hundreds of thousands of years the most toxic and dangerous waste products that man has ever created.

The premise of the 1982 Nuclear Waste Policy Act was to fairly and scientifically evaluate a variety of sites and different geological formations so that the best solution to the high-level commercial radioactive waste disposal problem could be found. That act also contemplated a geographically balanced approach to ensure that no single area of our country would be unfairly burdened with all of the waste products generated by the nuclear utilities.

A regionally balanced approach would also minimize the transportation of these lethal materials over long distances and through communities never before touched by nuclear waste.

In the Nuclear Waste Policy Amendments Act of 1987, signed by President Reagan on December 22, 1987, a political decision was made to abandon the fairness and safety that was the premise of the 1982 act and to shift the national policy away from a scientific approach to solving our Nation's high-level nuclear waste problem.

That legislation targeted only one site—Yucca Mountain, Nevada—for further consideration for a repository location.

This ill-conceived policy—abandoning science for politics when trying to solve a great scientific problem—was tangible evidence of the undue influence the commercial nuclear utility industry has had on the repository program since its inception.

The DOE and nuclear industry policymakers, however, underestimated the resolve of Nevada's citizens to rise up against this injustice. Even more fundamentally, the special interests were blind to the merits of the State's technical arguments that Yucca Mountain was a bad choice for further study.

Years of scientific study by the State has been very revealing about the merits of the Yucca Mountain site. As our technical knowledge increases, Nevada's misgivings about the Yucca Mountain site are being confirmed. At least 32 active geological faults are associated with the site, and recent volcanic activity appears to have occurred—either of which indicate the site cannot and should not be licensed by the NRC.

The geology, hydrology, volcanism, and mineral potential at Yucca Mountain all indicate it is unable to isolate these radioactive wastes from the environment for the tens of thousands of years necessary for the wastes to decay.

The repository program has been paralyzed by management, scientific, and legal deficiencies since the 1987 amendments were adopted. As a result, the target date for repository operations has slipped further with each passing year—first from 1998 to 2003, and now according to DOE's newest revised plan, no repository can open earlier than the year 2010.

As a result, utilities are having to face the reality of solving, at least on an interim basis, their own spent fuel storage needs. This occurs despite the fact that the Nation's utility ratepayers have contributed $6 billion to the nuclear waste fund, the utilities

owe an additional $1.6 billion, and $3 billion has been spent on the program.

Fortunately, technology has advanced the options available so that no fuel storage crisis looms. At reactor, dry cask storage has been proven to be safe and to require only minimal ongoing monitoring and maintence when compared to existing spent fuel storage pools. Some reactors have already approached or exceeded their spent fuel storage pool capacity.

A growing number of utilities—out of necessity—are purchasing and planning on using NRC licensed dry cask storage units at reactor sites to meet their interim storage needs.

The Nuclear Regulatory Commission has issued a revision of its waste confidence rule which indicates that all reactor spent fuel storage can be safely and effectively implemented for a period up to 100 years.

Thus the crisis that prompted the 1982 act and its unrealistic deadlines—which DOE was unable to meet—has now vanished with better technological approaches gaining acceptance.

Unfortunately, existing law does not protect utility ratepayers from having to finance both the faltering Federal effort and the interim storage that will be necessary because the Department of Energy will not be able to accept spent fuel for storage in 1998 as was promised in the original act.

The legislation I am introducing today corrects this inequity so that ratepayers only pay once for necessary waste storage efforts.

Currently, ratepayers finance the existing Federal program by paying more than $1 million per day into the nuclear waste fund. This legislation allows a nuclear utility to retain a portion of its existing payments equal to the on-site storage expenses incurred so that the ratepayers receive the waste management and disposal service for which they are already paying. Without such a provision, ratepayers will continue to pay billions for the existing program, and will also have to pay for interim fuel storage needed to allow for continued reactor operations.

The remaining fees paid will accrue in the dedicated nuclear waste fund to finance final storage once DOE has licensed permanent disposal sites.

Since the passage of the Nuclear Waste Policy Act in 1982, nearly $3 billion has been wasted with no progress made toward solving this problem.

In the 8 years the program has operated, it has already required one major legislative revision in 1987. During that time, the target date for repository operations has slipped by 12 years, and DOE itself has characterized the new target date for repository operations to begin—the year 2010—as optimistic.

Now, in the recently released national energy strategy, the administration is again proposing a fundamental legislative change to the act, this time proposing to strip Nevada of its remaining legal rights in the dump location process.

It is time for the Nation to face the fact that expanded on-site storage will become a reality for most nuclear utilities during the 1990's, whatever the outcome of DOE's efforts to build a waste dump at some future time.

On-site storage minimizes transportation risks, allows spent fuel to cool, and allows needed waste management flexibility so that a sound, equitable, and scientifically based disposal policy for the Nation's nuclear waste ultimately may be achieved.

The legislation I introduce today will be a first step in setting the Nation's nuclear waste management policy on a fiscal sound course.

Mr. President, I ask unanimous consent to submit for the RECORD a copy of a letter to the President dated February 14, 1991, from Nevada Governor Bob Miller, the entire Nevada congressional delegation, and Nevada's attorney general, Frankie Sue Del Papa, concerning the administration's proposed legislation. I am also submitting for the RECORD a collection of newspaper editorials from across the country which point out the flaws of the current program, a recent New York Times article about Yucca Mountain entitled "A Mountain of Trouble", and a thoughtful analysis of this topic by a Pennsylvania Public Utility Commissioner, Mr. Joseph Rhodes, Jr., entitled "Pyramids Underground." Finally, Mr. President, I ask unanimous consent that a copy of the bill and the articles I have just mentioned be printed in the RECORD.

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

S. 699

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "Independent Spent Nuclear Fuel Storage Act of 1991".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.
Sec. 4. Findings.
Sec. 5. Amendments to the Nuclear Waste Policy Act of 1982.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "Commission" means the Nuclear Regulatory Commission; and

(2) the term "Secretary" means the Secretary of the Department of Energy.

SEC. 4. FINDINGS.

The Congress finds that—

(1) approximately 18,000 tons of spent nuclear fuel are now stored at 111 commercial nuclear reactors in the United States; by 1998, approximately 45,000 tons of spent nuclear fuel will be stored at commercial nuclear reactors;

(2) the deep geologic high level radioactive waste and spent nuclear fuel repository envisioned by the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101 et. seq.) will not be constructed in time to permit the Secretary to receive and accept high level radioactive waste or spent nuclear fuel as contemplated by sections 123 and 302 of that Act (42 U.S.C. 10143, 10222), with the result that the Secretary will be unable to perform contracts executed pursuant to section 302(a) of that Act with persons who generate or hold title to high level radioactive waste or spent nuclear fuel;

(3) there have been no orders for the development or construction of civilian nuclear power generating facilities since the enactment of the Nuclear Waste Policy Act of 1982; several such facilities that were anticipated when the Act was enacted are not operating now;

(4) it does not now appear that a deep geologic high level radioactive waste and spent nuclear fuel repository will be available before the year 2010 or later;

(5) by the time a deep geologic repository is available many currently operating commercial nuclear reactors will need spent fuel storage capacity beyond the maximum now available in at-reactor spent fuel storage pools; nuclear utilities have spent and will spend major sums to construct facilities, including dry cask spent fuel storage facilities, for use in the interim before a deep geologic repository is available;

(6) the sums spent for the purposes described in paragraph (5) are the same funds that commercial nuclear utilities intended to contribute to the Nuclear Waste Fund established by section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222 (c));

(7) the technology for long term storage of spent nuclear fuel, including the technology of dry cask storage, has improved dramatically since the enactment of the Nuclear Waste Policy Act of 1982;

(8) the existing statutory jurisdiction of the Commission, under the Atomic Energy Act of 1954 (42 U.S.C. 2001 et. seq.), the Energy Reorganization Act of 1974 (42 U.S.C. 5801 et. seq.), Executive Order 11834 (42 U.S.C. 5801 note), the Nuclear Regulatory Commission Reorganization Plan No. 1 of 1980, and the Commission's various authorization Acts includes the jurisdiction to review and evaluate the spent fuel storage capability of commercial nuclear utilities that hold or seek licenses to receive and possess nuclear materials from the Commission;

(9) commercial nuclear utilities that hold licensed to receive and possess nuclear materials are generally well suited to maintain the institutional capability necessary to become stewards of spent nuclear fuel during a period of interim storage;

(10) the increased radioactive decay that will occur in spent nuclear fuel that has been stored for interim periods prior to delivery to the Secretary pursuant to section 123 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10143) will ease and facilitate its subsequent handling, transportation, and final disposal; and

(11) the median estimated cost to commercial nuclear facilities of acquiring or constructing at-reactor dry storage facilities, plus the long term operating cost, is approximately 0.56 mil per kilowatt-hour under average industry fuel burnup rates.

SEC. 5. AMENDMENTS TO THE NUCLEAR WASTE POLICY ACT OF 1982.

Section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(a)) is amended by inserting at the end thereof the following new subsection:

"(f)(1) After January 31, 1998, if the Secretary does not have a facility available to

accept spent fuel from persons holding contracts under this section, those persons may, through credits on fee payment under subsection (a)(2), offset the expenses of providing storage of spent fuel generated after that date (including expenses reasonably incurred before that date in anticipation of the necessity of providing such storage) and until the date of the Secretary's first acceptance of that person's spent fuel at a storage or disposal facility authorized by this Act.

"(2) The credits described in paragraph (1)—

"(A) shall be deducted from each remittance of a person's fee payments to the Nuclear Waste Fund from the time that the person meets the conditions of paragraph (1) until the time that the Secretary first accepts that person's spent fuel at a storage or disposal facility authorized by this Act; and

"(B) shall be in the amount of 0.56 mil per kilowatt-hour for electricity generated by the person's civilian nuclear power reactor and sold during the period the person is eligible for the credit, or in such other amount as may be certified to the Secretary by the regulatory authority which establishes the rates charged to customers for electricity generated by the person's civilian nuclear power reactor.".

STATE OF NEVADA,
EXECUTIVE CHAMBER,
Carson City, NV, February 14, 1991.

Mr. PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We are writing to convey to you our grave concern regarding the Nuclear Waste Management section of the National Energy Strategy. The energy strategy document proposes that the Nuclear Waste Policy Act be amended to strip the State of Nevada and local governments of their statutory and regulatory authorities as they affect the continuation of the U.S. Department of Energy work at the candidate Yucca Mountain higher-level nuclear waste repository site. The document further proposes that the State's right to challenge the constitutionality of this unprecedented federal action be limited to sixty days of its enactment; further, it prohibits the court in which State action is brought from enjoining the DOE's activities at Yucca Mountain.

The proposed amendment of this nation's nuclear waste policy subverts the democratic process and threatens the foundation of state-federal relations, not only for Nevada, but for all states that may find themselves in a difficult conflict with stated federal purposes in the future.

For sound and widely supported reasons, states have been provided the opportunity to accept delegation of federal regulatory authority under various environmental and other statutes. The proposal to intrude upon this established process for purposes of resolving a unique, statute-driven conflict with a single state sets a precedent that tests for all states the full meaning and intent of the process of federal-state delegation of authorities.

Furthermore, the proposed nuclear waste policy amendment sets a precedent which dangerously imposes federal interference on state and local governmental rights, authorities and jurisdictions. And, it boldly infringes upon the separation of powers which have empowered the courts to fulfill the constitutional adjudication of questions of federalism.

The significance of this matter's treatment in the National Energy Strategy is of such magnitude that it may color and jeopardize the national debate of what some might otherwise consider to be the merits of the approach to providing an energy policy to keep our nation healthy and secure.

It is our most sincere request that the Nuclear Waste Management section of the proposed National Energy Strategy be deleted, and permit the traditional forces of our democratic principles and processes to prevail in this incident of disagreement between a state and the federal government. To do otherwise promotes a dangerously foreboding precedent for future state-federal relations, especially in areas of ongoing national concern over protection of public health and safety and the environment as related to the many already contaminated federal facilities nationwide.

We look forward to your attention to this matter of urgent concern to Nevada and all of the states of our Republic.

Governor Bob Miller, Senator Richard Bryan, Representative Jim Bilbray, Senator Harry Reid, Representative Barbara Vucanovich, Atty. General Frankie Sue Del Papa.

[From the Los Angeles Times, Dec. 11, 1990]

IF AMERICA EVER RUNS OUT OF IDEAS, IT'LL RUN OUT OF ENERGY—TIME TO PUT NUCLEAR POWER IN PERSPECTIVE AND DEVELOP OTHER OPTIONS

The United States will not soon break petroleum's stranglehold on its way of life because it has nothing to take the place of oil. Why? In large part because political and industrial leaders have refused to level with American voters. Instead, they led Americans to think they can avoid hard energy choices, on nuclear power or any other energy source. Instead, they led them into an energy trap.

Disposing of nuclear waste is just one example. For nearly two decades, the nuclear industry preached that getting rid of nuclear waste was more a matter of political will than technical skill. If politicians would stop pandering to public concerns about where to bury nuclear waste, the message went, safe hiding places would be found in short order.

You don't hear that sermon anymore. Not since Nevada's Yucca Mountain, the sole survivor of a long list of possible waste sites, began sending geological signals that it may not be the perfect place that scientists once said it was.

Not that the bureaucrats were wrong about Washington's lack of backbone.

Congress seized upon the general sentiment among Americans that nuclear power is a good thing—as long as it is being generated far from their neighborhoods. Thus, members wanted to keep government geologists from poking around granite masses in their own Atlantic states or salt domes in states along the Gulf of Mexico. So they effectively put every place but Yucca Mountain off limits.

The Yucca site, northwest of Las Vegas, no longer seems the perfect place, because there is some evidence that ancient earthquakes have let deep ground water force its way to the surface through cracks in the rock. If so, it could happen again. And if canisters of radioactive fuel rods were buried in the mountain, some future earthquake could send water into the Yucca nuclear waste burial site. If the ground water bathed canisters that were still hot, the encounter could cause a steam explosion that would scatter radioactivity around the West. Some scientists say this notion is far-fetched, but it could leach radioactive waste into Nevada's water table and perhaps into California's.

Further study may show that Yucca is as safe as any place, or a better site may turn up. But that could take 20 years.

The 1982 law that narrowed the search to Yucca Mountain also requires scientists to certify that any disposal site the government chooses will stay bone dry for 10,000 years. Science can deliver no such guarantee, the National Academy of Sciences said in July, only the best possible research.

Energy Secretary James D. Watkins had that figured out before the academy report was issued; his team was told to stop trying to find evidence to support Congress' choice of Yucca Mountain and was ordered to prepare a study based solely on science.

What happened at Yucca is a classic example of energy decisions without energy policy. First, Congress picked a desert site so remote from most Americans that few members would get complaints from home. Technicians then tried to prove that burying nuclear waste was simple when politics did not interfere.

Watkins' energy report may be Washington's last chance to level with Americans about their energy future. It must start a free-swinging debate over the real energy choices. It must force the nation to decide whether it can live with only a promise from science that it will do its best to bury nuclear waste safely. If not, does nuclear power have a real future? How much should be spent on alternative energy resources? And what should they be?

Setting energy policy by following the line of least resistance is leading toward a buildup of 400,000 or more American troops in the Middle East, the world's largest treasure of oil. Guarding that treasure may be America's only choice, but the desperate fact is that nobody knows for sure—because nobody asked the hard questions on energy policy. Time is up.

[From the St. Petersburg (FL) Times, December 1990]

NIGHTMARE AT YUCCA MOUNTAIN

There is not one reassuring detail in the United States' plan to build a repository for the nation's most deadly nuclear waste products deep inside Yucca Mountain, a ridge in the southern Nevada desert.

Not, for instance, the fact that pressure is on to keep the project on schedule because there currently is no place to bury this material, which is stacking up in temporary storage at the government's nuclear weapons factories and many nuclear power plants around the country;

And certainly not the notion that the underground repository is intended to protect the earth from the worst radioactive substances for 10,000 years, by which time the items will be merely less hazardous than they are now.

One development in particular, however, is nothing short of alarming. A geologist with the U.S. Department of Energy has been raising serious objections to the Yucca Mountain site since he discovered deposits of calcium carbonate throughout the mountain rock. The deposits are evidence of ground water welling upward from the water table originally thought to be a safe distance below the repository level. An intrusion of water upon the 70,000 metric tons of waste buried in the repository could cause a release of radioactive poison greater than that generated by nuclear war.

According to a compelling report in the New York Times Magazine, Jerry Szymanski

has been trying since 1984 to convince his Energy Department superiors that Yucca Mountain is no place to bury nuclear waste.

Yet they remain unconvinced. Szymanski's bosses gathered a team of experts who came up with the theory that the calcium deposits are from rain water, not an underground source, despite the presence of travertine limestone. Travertine, another geologist told the magazine, is a signal to even the most inexperienced in the field of the presence of an ejection of water. "It shouts at you, it screams at you."

Another scientist who concurs with Szymanski's work, Charles B. Archambeau at the University of Colorado, offered the magazine this frightening assessment of the danger: "At the very least, the radioactive material would go into the ground water and spread to Death Valley, where there are hot springs all over the place, constantly bringing up water from great depths. It would be picked up by the birds, the animals, the plant life. It would start creeping out of Death Valley. You couldn't stop it. That's the nightmare. It could slowly spread to the whole biosphere. If you want to envision the end of the world, that's it.

From the moment he discovered the calcium, Szymanski, a Polish immigrant who fled the repression of his country 20 years ago, has persevered courageously. He aptly likens the "banality of thought, absence of depth" that causes people to disregard his findings to the same attitude that allowed the Holocaust to happen. Until the government of Nevada released one of Szymanski's reports at a news conference, the 322-page document had not been read by his own boss.

The state of Nevada opposes the Yucca repository, and filed a suit that has stopped work there for the moment. Officials from the Geologic Survey have toned down criticism of Szymanski's work, admitting that the ground-water effects "probably do occur to some degree" but don't have any implications for the repository because they occurred so long ago. An independent panel is reviewing Szymanski's work, and further research is under way by the Department of Energy.

Szymanski is not an opponent of nuclear energy, and is not trying to derail the industry. Official treatment of his findings so far is appalling. His credible concerns about Yucca Mountain should be more than enough to force another choice for the repository.

The future of nuclear power depends on being able to properly dispose of its byproducts, but then so does our future.

[From the Seattle Post-Intelligencer, July 22, 1990]

U.S. SHOULD DROP WASTE BURIAL PLAN

At last, scientists have admitted what any layman could have told them: It is impossible to build an undergound repository for nuclear waste that can be guaranteed safe—as federal law requires—for 10,000 years.

This means we have to face two risky options: Bury it underground anyway and hope for the best, or keep the waste above ground—and hope for the best.

Simply put, it's a choice of whether we assume the risk ourselves, as seems only fitting, or assign it to our descendants, which seems immoral.

Few but the most deluded technocrats ever believed any structure could be built that would keep radioactive wastes from escaping into the human environment for 10,000 years.

But the Department of Energy has clung to the fiction that it could be done. To prove that, it has charged ahead with tests in a deep hole in the Nevada desert. However, the agency's efforts to demonstrate the safety of this disposal method have not gone well.

So now a National Academy of Sciences panel has issued a report calling for a "rethinking" of the safety standards, recommending they be relaxed. Rightly enough the scientists have concluded that present safety requirements are "unrealistic" and impossible to meet, especially since either volanic or earthquake activity might wreck the repository and allow air or waste to breach it.

The advantage of keeping this misbegotten waste above ground at such places as Hanford is that we can watch and control it. The disadvantage is that until new technology offers a better solution, the waste will have to be repackaged into uncontaminated containers every other generation or so for the next 250,000 years which is how long some of the waste will remain deadly.

To be sure, continuing above-ground storage for this dangerous waste is not a cheery economic or political prospect.

But it seems preferable to stuffing it into a dump that—perhaps even before the protective packaging has crumbled away centuries hence—might turn into an uncontrollable nuclear hellhole.

[From the Kansas City State, Reprinted in the Las Vegas Sun, Dec. 5, 1989]

GET THAT NUKE DUMP ROLLING AGAIN

More dismal planning now plagues the federal government's attempt to build a disposal facility for high-level nuclear waste from the nation's 110 nuclear power plants.

Energy Secretary James Watkins says he lacks any confidence in preliminary geological evaluations his department made at a site in the Nevada desert. Watkins says a burial spot for the waste won't be completed until 2010, instead of 1998. And that's if everything goes right.

Don't bet on that happening. Until now, the government has failed miserably in carrying out a mandate, delivered by Congress seven years ago, to develop a facility where spent nuclear fuel can be stored for thousands of years without endangering people or the environment.

The government in 1998 has to start accepting the high-level nuclear waste from reactors run by private electric utilities. Included are the Wolf Creek plant in Kansas and the Callaway County plant in Missouri, Utilities, through their customers, are paying the government to construct the storage area.

Now the government probably will have to develop temporary storage facilities for the nuclear waste. Guess how well that's going to go over in most places.

Reactor operators have good reason to be mad and concerned about this arrangement. The effort to develop more nuclear power will be set back. Opponents will have even more evidence that scientists still haven't found the answer to how to best handle nuclear waste, a solution they have been seeking for 30 years in the United States.

Two years ago, Congress ordered the Department of Energy to abandon other potential sites and concentrate on developing the Yucca Mountain disposal facility in Nevada. "It's fair to say we've solved the nuclear waste program," said Sen. J. Bennett Johnston of Louisiana. Right?

Wrong. Worse, $500 million has been spent to crawl this far. Watkins and his department ought to try to avoid throwing away more money and do the job right. That should include looking at other potentially safe sites in the nation, even if political problems crop up in doing that.

[From the New York Times Magazine, Nov. 18, 1990]

A MOUNTAIN OF TROUBLE

(By William J. Broad)

Yucca Mountain is a barren flat-topped ridge rising out of the Nevada desert. Located 100 miles northwest of Las Vegas, it stands amid a desolate expanse that is broken every so often by a Joshua tree or yucca plant. The mountain rises some 1,500 feet and runs six miles or so. Within two decades it could hold the most dangerous nuclear facility in the world.

The Government plans to build a dump inside Yucca Mountain for the most highly radioactive nuclear waste in the nation. The job is considered urgent. More than four decades after the start of the nuclear era, there is no permanent place to put the vast and rapidly growing accumulation of the most lethal of America's nuclear refuse—the spent fuel rods and radioactive debris that constitute a largely forgotten legacy of this country's conquest of the atom. The nation has sites for the storage of low-level waste—and one, under construction in Carlsbad, N.M., for some higher-level military byproducts—but none for the most deadly substances of all.

The Government wants a final burial place for these items, now stored at Federal sites for nuclear weapons production and at many of the nation's 111 operating nuclear power plants. It wants a repository that will keep them isolated from the earth's environment for 10,000 years, until radioactive decay has rendered them less hazardous than they are today.

Yucca Mountain is the last candidate, selected after a stormy, decades-long, multibillion-dollar search that criss-crossed much of the nation and eliminated dozens of other potential sites, often for reasons of politics rather than science. Today, the site's 1,800 federal and contract workers feel great pressure to stay on schedule in assessing the site's suitability and planning the repository, which would be a labyrinth of tunnels up to 115 miles long. Its cost is expected to be up to $15 billion, some $1 billion of which has already been spent. If everything goes according to plan, it will open for business in 2010.

At first glance, Yucca Mountain seems perfect for the job. Its main virtue is aridity. The Nevada desert is one of the driest places in the United States. The water table beneath Yucca Mountain is unusually low, a third of a mile down. By contrast, the water table in the East can be within a dozen feet of the surface. In theory, canisters of radioactive waste (which are very hot both physically and radioactively) could be deposited deep inside Yucca Mountain and still be hundreds of feet above the water table, safe and dry for thousands of years, unlikely ever to contact or contaminate ground water, unlikely ever to spread radioactivity.

One scientist, however, has quietly but persistently warned that this vision of a safe repository is little more than a delusion.

Jerry S. Szymanski (pronounced sha-MAN-ski) is a geologist who works on the Yucca Mountain project for the United States Department of Energy, which is in charge of evaluating the site and would run the repository. For years, he has argued that ground water under the mountain could eventually well up, flood the facility and prompt a calamity of vast proportions. The geological action is easy to visualize. Crustal stresses

in the area slowly open fractures and faults under and within the mountain. Water seeps into them. An earthquake occurs, compressing the fractures and forcing the ground water upward into the dump. As the inrushing water comes into contact with the hot canisters of nuclear waste, the water is vaporized, threatening to cause explosions, ruptures and the release of radioactivity.

Szymanski has worked for the D.O.E. since 1983. He takes pains to distance himself from foes of nuclear power. "This report is not the act of a disgruntled employee or an anti-nuclear freak," he wrote in the preface of a study he made on Yucca Mountain. "Rather, it is the act of a deeply concerned scientist, a public servant and a pro-nuclear activist."

He chain-smokes Winstons and drinks Scotch, neither of which seems to impair his ability to take brisk hikes up the mountain with his dog Max, a fierce-looking but friendly creature that is half Labrador, half pit bull. Szymanski's eyes flash when he speaks of those who oppose his view of the evidence. "It's banality of thought," he growls, "absence of depth." That same kind of banality, he says, was responsible for the Holocaust, around which his earliest memories revolve, and for a brutal crackdown in his native Poland, which prompted him to flee that country two decades ago with his wife and 6-month-old son. Today, he says, banality is prompting the Federal Government to court disaster.

Squinting in the bright Nevada sunlight, a cigarette firmly in his mouth, Szymanski walks into Trench No. 8, a deep scar on the side of Yucca Mountain dug at the behest of the Energy Department. It runs across a fault. He bends down to examine a one-yard-wide vein of rock whose creamy color stands in contrast to the dark, surrounding earth tones. His fingers play over its surface. The vein was deposited, he says, by mineral-laden water that welled up and turned this desolate site into an oasis.

"This is above the repository level," he says with studied understatement. The implication is clear and troubling—where water once flowed, it might flow again.

The repository would hold up to 70,000 metric tons of waste. A large release would have an environmental impact that, by some estimates, would exceed that of a nuclear war. For perspective, the explosion of the Chernobyl reactor in the Soviet Union shot into the atmosphere just a few dozen pounds of highly radioactive nuclear waste, one of the most dangerous components of which was cesium 137 (it would also be a significant part of the waste at Yucca Mountain). Various studies say the consequences of Chernobyl will eventually be somewhere between 17,000 and 475,000 deaths from cancer, as well as an alarming number of serious ailments.

For half a decade, Szymanski's was a lone voice. His grim appraisal was opposed by almost everyone else on the Yucca Mountain project, who let their displeasure be known in subtle and not-so-subtle ways. But recently, growing ranks of geologists have backed his view. The dispute is by no means resolved.

If Szymanski is right and his warnings are heeded, it could mark the end of the Yucca Mountain project. The retreat would be a stunning setback for the Government and the nuclear-power industry, which is poised for a revival. If he is right and his warnings go unheeded, some experts say it might be the beginning of the ultimate end.

"You flood that thing and you could blow the top off the mountain," says Charles B. Archambeau, a geophysicist at the University of Colorado who has reviewed Szymanski's work and found it persuasive. "At the very least, the radioactive material would go into the ground water and spread to Death Valley, where there are hot springs all over the place, constantly bringing water up from great depths. It would be picked up by the birds, the animals, the plant life. It would start creeping out of Death Valley. You couldn't stop it. That's the nightmare. It could slowly spread to the whole biosphere. If you want to envision the end of the world, that's it."

Jerry Szymanski was born, in 1943, to Polish nobility. The family's prosperity ended during the Second World War as waves of invading Germans and Russians swept the area. Born amid the turmoil, Szymanski says his earliest memory is of his grandmother telling a friend about a mass grave in which thousands of Jews were buried, many of them half alive. "Hands were sticking out of the ground," he recalls his grandmother as saying. "The earth was moving." His father, active in organized resistance against the Germans and Russians, was eventually sent to a labor camp in Russia for six years.

Szymanski grew up in Communist Poland, bright, eager to learn, and marked for advancement. He was sent to the University of Warsaw, where he graduated in 1965 with a geology degree. Two years later, he was hard at work on doctoral research and teaching when, in March 1968, he joined students clamoring for economic and social reform. "We wanted a dialogue," he says. "What we saw was brute, bloody force, storm troopers beating people." Students were arrested on charges of "anti-state activities," and hundreds of Jews were fired from newspaper and university posts as the Government blamed them for shortcomings in the Polish economy. Though not Jewish, Szymanski was fed up. The Government was eager to be rid of university agitators. So, in December 1968, he was allowed to board a plane with his wife, baby and two suitcases, bound for the United States.

Penniless, Szymanski went to work as a consultant to the burgeoning nuclear-power industry, helping find and evaluate sites for reactors and related facilities. Paramount in his work was the study of fault lines, breaks in rock strata that can shift and cause earthquakes. In 1972, he landed a job with Dames & Moore, a civil-engineering company with a global reputation for site-selection skill. Within some five years, Szymanski became a senior geologist, advising American companies and foreign governments in places like Iran, Korea, Spain and Chile on the geologic feasibility of setting up nuclear reactors. He also worked extensively with Federal regulators in charge of reactor licensing.

Peers held him in high esteem. "He's brilliant," says James G. McWhorter, the senior geologist at Dames & Moore. "One of his greatest talents is the ability to see the forest and the trees."

In 1977, at an international conference in Stockholm, Szymanski got a severe shock. Attending a session on the geologic disposal of used nuclear fuel, he was astonished to hear that the field was in its infancy, with one speaker after another talking only in theoretical terms. Nowhere in the world was there a permanent disposal site for the growing mountain of high-level nuclear waste. "I had been convinced there was somebody on the other end," Szymanski says. "I was wrong. The fuel cycle was not complete."

In 1982, he switched jobs, intending to address what he considered a looming obstacle to the industry's growth. At Decision Planning Corporation, a private company, he worked on Federal contracts to evaluate the merit of different types of deep geologic disposal. But he found himself only on the periphery of the process. In early 1983, he accepted a job with the Energy Department itself, though it meant a $20,000 cut in annual pay. "I figured I would have some influence," he says. Soon after, the D.O.E. offered him a position at the Yucca Mountain site, which was starting to undergo intense evaluation.

In February 1984, he arrived at the project offices in Las Vegas, blocks from the swirl of casinos, lights and illusion that make up the strip. Szymanski was one of the unit's four officials. He was in charge of gathering and assessing data from teams of scientists (mainly the U.S. Geological Survey and various contractors) whose work was to form the basis for evaluating the mountain. Equally important, he was in charge of packaging that data for the Nuclear Regulatory Commission, the Federal body that would be asked to license the nuclear-waste repository.

Everything went fine until Szymanski took his first field trip that September. It became what he calls "the most incredible three days of my life." He led a party of some 30 Federal and Nevada state officials to the mountain, and as they traveled back and forth across its arms and valleys, he grew increasingly edgy. From atop the mountain he could see 10 volcanic cones. Some showed little erosion, suggesting they were geologically quite young. Also visible were signs of six major fault lines. The area clearly had a history of intense geologic activity.

At Trench No. 14, on the mountain's east side, a scientist from the U.S. Geological Survey, which had done much of the exploratory work, used the word "travertine" to describe a large cream-colored deposit of fine, crystalline calcium carbonate exposed at one end of the ditch. Alarm bells went off in Szymanski's head. Travertine is a type of limestone found in caves (in the form of stalactites and stalagmites) and around springs. It is synonymous with the presence of water and is deposited in bands over long periods of time. Szymanski was no stranger to travertine, which is often associated with fault lines and which he had repeatedly searched for, found and examined all over the world. Its analysis can reveal the age of a fault, a fact that is important in evaluating whether it is likely to shift and damage a nuclear reactor.

Szymanski kept his concerns to himself. He doubted his perceptions, even his sanity. After all, none of the other geologists on the field trip seemed to be worried. The party continued its tour. But then came the evidence that tipped the balance. At Trench No. 8, on the west side of the mountain, was another deposit of travertine, situated, as usual, along a fault line. This time Szymanski examined it closely.

The travertine held many rock fragments in suspension, caught there by the mineral-coating process. Some had been cut in half by bulldozers. Those near the main vein had a shell of discoloration. Those farther away did not.

To Szymanski, the disparity was evidence that a warm spring had formed the travertine, etching rocks near the source but having no effect on those farther away, where the water would have been cooler. Other signs caught his eye. Travertine at the source was laced with vertical bands of minerals, including opal. The spring had definitely been warm, Szymanski concluded,

carrying different kinds of water-soluble minerals up from deep within the earth.

The tour group pulled away. Szymanski stayed behind, kicking the tires of his vehicle, blind with rage. For seven years, from 1977 to 1984, he had visualized in ever greater detail what a repository should look like. Yucca Mountain did not come close. In many respects, it was the least likely site he could imagine. Moreover, he could see no means of improvement. Trying to waterproof the dump was hopeless. Barriers could be broken by earthquakes. And diversion channels for water might not be big enough, or last long enough. At best, complex man-made structures survived for hundreds of years, not thousands. In any case, the whole philosophy of the project was to have the site be safe naturally—not made that way.

Yucca Mountain was predicated on dryness—falsely, Szymanski was now convinced. Yet here he was, in charge of the Federal team meant to explain to the Nuclear Regulatory Commission why this site was good. Szymanski knew there was no way he could do it. In that instant, he foresaw the fights, the bureaucratic battles, the personal attacks. "Why me?" he thought to himself. "I'm just an immigrant."

It was Friday, Szymanski drove back to Las Vegas, where a friend from Dames & Moore, Timothy R. Harper, was arriving to spend the weekend. The next day, Szymanski took Harper, a geologist who is now a research scientist with a major British oil company, on a tour of Yucca Mountain, eager for an independent analysis.

"It was so obvious," Harper recalls. "Travertine is well known by the most inexperienced geologist to be a spring deposit. You walk into that trench and it shouts at you, it screams at you: 'This was an ejection of fluid.' Familiarity with a situation sometimes closes your eyes to understanding. It's quite possible that people became too familiar with seeing these deposits all over the place. But an outsider could see it straight away. You just look at the thing and know it's a fluid flow."

Harper was the first of more than a dozen independent geologists Szymanski would take through the site over the next few years. Without exception, they supported his views.

Szymanski told his Energy Department superiors of his concerns. The officials, not being geologists themselves, were in a bind. They had to rely on advice from contractors, the Geological Survey and the nation's nuclear-weapons laboratories: Los Alamos, Livermore and Sandia. Very quickly, these experts, led by the Geological Survey, came up with an explanation that became the standard reply. The deposits were superficial, they said, the result of rain, dating from an age when Nevada's climate was wetter. Calcium dust on certain kinds of exposed rock, this theory went, was picked up by the wind, carried many miles, caught in raindrops over Yucca Mountain and deposited over the course of millions of years in pools, fractures and faults, where it grew ever more concentrated.

This vision was immensely reassuring. It said that while the mountain's surface might once have been wet, the repository area deep underground had always been dry and would stay that way into the distant future. No ground water would rush up from beneath the mountain. Except for Szymanski, no one spoke of travertine any more. * * *

Szymanski pressed his superiors to continue the investigation, to take core samples, to further expose the rein, to resolve the issue once and for all. "Nothing happened," he says. He pressed the contractors and Federal experts to document the findings and explain what they meant. "They resisted," Szymanski says.

For two years, Szymanski fought a losing battle to try to get the problem addressed. Finally, in frustration, he decided to do it himself.

Szymanski thought the source of the surface deposits was clearly warm water bubbling up from below. So he decided to wrestle with the problem of how the springs got there in the first place, hoping a clear explanation would persuade skeptics and give his science teams an intellectual framework on which to base their work.

Ground-water levels are usually governed by climatic trends. But Szymanski theorized that levels in the Yucca Mountain area could be altered by earthquakes, and sustained that way for hundreds or even thousands of years by the earth's inner heat, through a process known as thermal convection. "It's like water percolating up in a coffee pot," he says.

To test his hypothesis, Szymanski examined the huge amount of data on the geology and hydrology of Yucca Mountain and its environs, which had been accumulated over the years. The evidence, he concluded, was indisputable. Rock samples from the mountain's core showed calcium carbonate deposits extending down many hundreds of yards. Analysis of trace elements in the deposits showed that the water creating them had been warm—again, suggesting it came from below rather than in the form of cool rain.

But the powers that be were still not persuaded by the evidence. "My desk was moved closer and closer to the door," Szymanski recalls. "I was a forgotten man." In November 1987, he submitted a 322-page draft report. It sat in the mail room, untouched by his superior.

Meanwhile, a copy of the report came into the hands of Richard H. Bryan, then Nevada's Governor, who had strongly voiced the state's opposition to the repository. In January 1988, over Szymanski's objections, Bryan released the draft at a news conference. "If the conclusions of the report are accurate—and state scientists have every reason to believe that they are—there can be no doubt that Yucca Mountain should never have been selected as a possible repository site." Bryan told reporters. His comments threw the Federal bureaucracy into action.

More than 40 scientists were now put onto the job of reviewing Szymanski's draft. Their 133-page review, issued in July 1989, said the majority "doubt that there is sufficient technical basis to warrant pursuing the author's hypothesis further," adding that Szymanski's evidence was ambiguous at best. The lead reviewer, William W. Dudley Jr. of the Geological Survey, called the draft "deceitful" and riddled with "violations of scientific ethics."

In an interview last month, Dudley softened his tone, saying Szymanski's effects "probably do occur to some degree" but were blown "out of proportion." He even said that the area around Yucca Mountain may hold examples of calcium carbonate produced by the welling up of ground water but were too old to have any bearing on the repository project.

John S. Stuckless, a Survey geologist on the Yucca Mountain project, also remains unpursuaded. The disputed calcium on Yucca Mountain "cannot be deposited from the ground water," he said in an interview this fall. "That leaves only soil-forming processes." He said such action could account for much of the field data, including deposits of opal, although he conceded that the thickness of the band found in Trench No. 14 is "more than is typical in a soil horizon."

Asked about calcium carbonate found at great depths beneath Yucca Mountain, Stuckless acknowledged the possibility of ground water, but he, too, discounted its relevance. "We have a suspicion, unconfirmed, that we are looking at two different kinds of calcite, one up and one down," he said—one deposited by rain, the other by ground water far below the repository level, too far below to threaten the project.

Szymanski was calm amid the storm. During the yearlong review, he had been listening carefully to the criticism and revising his draft. He was confident. There was no way rainwater could become concentrated enough to produce opal that was as thick, pure and banded as that found here. Only a flowing source of ground water could carry enough of the dissolved minerals. And from careful study of rock cores, Szymanski knew the mountain was riddled with calcium from top to bottom, strengthening his thesis. Moreover, chemical analysis showed these calcium deposits were, for all practical purposes, identical.

Szymanski's final report, 911 pages long, was made public in July 1989. He wrote that evidence for his groundwater model was overwhelming and dismissed the Energy Department plan for Yucca Mountain as "wishful thinking." Privately, he viewed most of his critics as decent men who were blinded to the obvious by bureacratic inertia, a desire for career and financial security and a fear that the nation and the nuclear industry would be thrown into turmoil if Yucca Mountain were to be abandoned.

The report had an introduction written by Gerald A. Frazier, a scientist at the Science Applications International Corporation who had quit the internal-review panel because he felt it was biased. After listening to the criticisms and Szymanski's responses, and after traveling extensively through the desert with Szymanski, Frazier was sure his thesis had merit. "If there is but 1 chance in 10 that his postulates are valid," Frazier wrote, "then we must jointly share his concerns and seek resolution."

The battle between Szymanski and the Federal bureaucracy had by now been going on for five years. In 1989, it was moved to a higher plateau by Carl P. Gertz, a civil engineer who had become head of the Yucca Mountain project two years earlier. After making public the conflicting reports, Gertz announced that Szymanski's work would be reviewed again, this time by experts outside the Federal preserve. A five-member independent panel (with two members picked by Szymanski and three by Gertz) and a 17-member group from the National Academy of Sciences, a prestigious group that advises the Government, would separately review the material.

Gertz says he is openedminded. "We want to ask the hard questions right now," he said in an interview. "My personal view is that it's healthy for a scientific program to have debate at this stage." Even healthier, he says, would be more research to help resolve the ground-water issue. A lawsuit brought by the State of Nevada has stopped much work at the site.

"There are many things we don't know about Yucca," Gertz said. "Until we gather the data, I don't think I'll be surprised about anything out there." However, he said, the consequences of a flooded dump would prob-

ably not be as severe as Szymanski fears. The slow corrosion of canisters would be more likely than their explosive rupture, Gertz said, lessening the odds of a massive release.

John Stuckless feels that further research will resolve the ground-water riddles. "We're just starting a three-year study of this whole problem," he noted this fall, referring to a "site characterization" study the D.O.E. is undertaking "It's not like anybody is finished." After the data has been gathered, he said, it will undergo a fairly lengthy period of analysis. By this schedule, the issues Szymanski raised in 1984 might conceivably be answered a decade later.

Meanwhile, the five-member independent panel is expecteed to report near the end of the year. The National Academy of Sciences group is to file an interim report in 1991 and a final one is 1992.

"Max!" Szymanski shouts. The dog bounds out of the desert into the vehicle. As we drive off, Szymanski holds up a yellow butane lighter. "My objective is to make sure we see reality and act accordingly," he says. "I don't really care what the specific actions are. But when a society starts calling a yellow lighter black, that's the end."

He says the waste project needs no more data. It simply needs to examine objectively the huge amount of evidence already in hand.

What are the odds of ground water welling up through the mountain in the next 10,000 years? "It's a sure thing," Szymanski answers, "just like death."

The project has so far failed to weigh seriously the worst-case consequences, he adds—a major release from waste containers.

We leave Yucca Mountain behind, crossing a valley dotted with volcanic cones. At Bare Mountain, we get out and climb its lower elevations, still in sight of Yucca. Gold miners have dug on the mountain's side, exposing layers of rock as they worked their way along a fault line. Clearly evident are the same cream-colored deposits of calcium carbonate, alternating with thick, four-inch bands of opal, some of gem quality. Gold ore lies along the fault, Szymanski says, deposited there in the same manner as the calcium carbonate. "That stuff has uranium in it," he says. "You don't get that from the sky."

He picks up a cream-colored, heavily banded rock. "To say this is the result of rain is preposterous," he asserts. "Take it to Columbia University and say that. They'll throw you out of the office."

We drive away, across the dry, dusty valley toward the state highway. I ask if there are springs around like the ones he is suggesting may someday appear on Yucca Mountain. Yes, Szymanski says, including ones on the sides of mountains.

We pull up to a site known as Devil's Hole. The rocky outcropping is cut by a deep gash. At its bottom is a pool of crystal-clear water, which Szymanski says goes down hundreds of feet. "This is not rainwater," he says. A gorge leading to the gash is obviously a fault, covered with the same calcium deposits we have seen all day long.

We drive down the mountain. The sun is setting, the desert tinged with gold. Ahead is a lake surrounded by dense foliage. It is known as Crystal Pool, Szymanski says. It is spring fed, an oasis in the desert.

Covered with dirt, I pull off my clothes and plunge into the water, swimming far from shore. A flock of birds glides by. Looking back, I see Szymanski sitting on a bank near the shoreline, fully clothed. He is smoking a cigarette, waiting patiently, staring into the distance.

COMMENTS OF JOSEPH RHODES, JR. AT THE 102D ANNUAL CONVENTION OF NARUC, ORLANDO, FL, NOVEMBER 13, 1990

NUCLEAR POWER: WASTE DISPOSAL, NEW REACTOR TECHNOLOGY—"PYRAMIDS UNDERGROUND"

This morning as I look around at this distinguished panel about to address this complex and important pair of subjects, I must confess that the thought that runs through my mind is a rather simple one: "How did I get here?"

How did I get here? I do not sit on the NARUC electricity committee and hence not on the Subcommittee on Nuclear Issues—Waste Disposal. This panel presentation today represents the first challenge I have had as a Pennsylvania commissioner to think about these issues in a detailed and national way. After I'm finished, I hope you won't go away muttering "who was that guy anyway?"

I suspect I received this assignment for a simple reason. At the last meeting of the Finance and Technology Committee in Los Angeles I happened to ask Bruce Morrison of Westinghouse a few technical questions about the AP600. In other words my presence here today is a practical manifestation of the adage: "no good deed should go unpunished." Gerry Gunther, I'm going to get you wherever you are.

As I prepared for this presentation I reflected on the experiences that I have had that have shaped my views on nuclear power. Earlier this year the Pennsylvania commission rendered a decision in the Limerick II rate case, undoubtedly the most recent nuke-going-into-rate-base case in the country and probably one of the last of such cases in this century. Over the past year I have learned more about Mark II containment and crud induced localized corrosion than I ever wanted to know.

The very first issue I took up when I came on the commission in 1988 was the situation at Peach Bottom and the efforts by PECO to "jump start" the reactor long before they were really prepared to do so. As it turned out the schedule was lengthened, and so far things seem much improved at this station forty miles down river from Three Mile Island.

Three Mile Island, now there was a formative experience. I lived through Three Mile Island on a personal level. I was there. The contemplation of nuclear disasters is not an abstract exercise for me. In my last term as a State representative, I heard the sirens in the capital complex go off to warn us to close our windows because another big release has just escaped from the reactor. My home in Pittsburgh was filled with friends from Harrisburg who were only part of the tens of thousands who voluntarily evacuated central Pennsylvania while Governor Thornburgh and the NRC tried to calm everyone down with what turned out to be a gross underassessment of the extent of the accident.

Though you might think otherwise at this point, I don't consider myself either pro- or anti-nuke. The dream of becoming a nuclear engineer was the sustaining vision that got me out of the inner city. I can still see Dr. Williams at the University of Virginia reactor facility in the summer of 1964 drilling us National Science Foundation high school students with two group reactor theory. Late at night I would look down into the reactor pool, and fascinated with the eerie blue glow of the Cherenkov radiation, I would dream of someday running a big power reactor.

I don't believe one should be ideological about technology. I do, however, believe that given the potential for catastrophic and virtually permanent environmental damage from nuclear operations, when in doubt we should err on the side of caution when it comes to nuclear power. In my book, nuclear proponents have a heavy but not insurmountable burden of proof to satisfy before they carry the day.

Now, what about "waste disposal and advanced reactor designs"? Of the two issues, to me, the former is more critical than the latter. If we don't solve the waste problem, it won't matter if a passively safe, standardized nuclear power system is developed. This is true even if the new designs include, as I am led to believe they do, enough on-site storage capacity for the useful life of the station. Eventually the station will be decommissioned and the waste removed to a permanent site. And just how permanent is "permanent"?

It is now the end of 1990. What will life be like in the year 12,000? What was life like in 8,000 B.C.? The time span of 10,000 years encompasses all of recorded human history. All we know from 10,000 years ago we decipher from geologic sediments and waste heaps. The period of 10,000 years is relevant because that's how far out the EPA regulations currently call for a measurable limit of ground water contamination from high level waste stored in the permanent repository. Given probabilistic risk assessment, time horizons of sufficient length and sufficiently unacceptable outcomes, you may not be able to get there from here with known or even imagined technologies and geological sites. To paraphrase the Bard: "That's the rub."

And the problem of time horizons is even worse. When we talk about building a permanent site for high level nuclear waste disposal, we are actually trying to develop a structure before 2010 which will last eons of time longer than known human history and protect the human population from its existence throughout that period. This plan is tantamount to constructing an underground facility with the durability of the pyramids. We are talking about building the modern equivalent of "pyramids underground." Can you imagine the archaeologists of 12,000 A.D. scratching at the hieroglyphics of a nuclear waste repository wondering what the symbols mean?

The question of nuclear waste that must be answered is: Given current technologies, Earth sciences, the law of the land and politics, can a safe, permanent repository for high level waste be built in a reasonable period of time? This is the $64 question for regulators, scientists, the industry, ratepayers and the public.

To a regulator who must set electricity rates, this is more than a curiosity. It is a mega buck calamity. As of June 30, 1990 almost $7 billion had been contributed by utilities and their ratepayers to the nuclear waste fund in the U.S. Treasury. Since its inception, $2.7 billion has been disbursed from the fund for DOE use for research and development, roughly a billion of that having gone into Yucca Mountain. So the remaining $4.3 billion is being used to offset the Federal deficit just like the Social Security funds. In addition, DOE hasn't contributed the $483 million it owes to the nuclear waste fund. Do you think their contributions made it into the deficit reduction package? It is estimated that the total cost to establish that the high level waste depository might approach $40 billion.

And this is the good news. The decision to push back the active date of the permanent repository has necessitated an interim solution: Expanded on-site storage and the Monitored Retrievable Storage Program. The estimates for storing the waste essentially twice vary so much I really couldn't guess how much the mil/kWh charge will rise in the near future.

Are we making ratepayers pay for something that will amount to the utility regulator's nightmare: A phantom facility that costs more and more each year but never gets built or used?

All of us know that time is money. In 1982 we promised to collect the dollars for development, and the Feds promised to have a facility in place to receive the waste in 1998. They have not lived up to their side of the bargain. In the six years from 1983 to 1989 the estimated cost of the nuclear waste program has escalated 60%, of which ⅓ is due to inflation, but DOE's current estimate contains no contingency for future escalation other than inflation.

Will the first permanent repository be built by 2010, the current schedule? And more important: will it be built and licensed in Yucca Mountain, Nevada? This is the real question because the current strategy seems to be Yucca Mountain or bust, an all or nothing bet.

A major factor is the legal question. Two months ago, in Nevada vs. Watkins, the ninth circuit shredded Nevada's claim that Secretary Watkins' decision to proceed with the site characterization of Yucca Mountain was unconstitutional. Furthermore, the court found that Nevada was premature in exercising its veto power. But the legal fight is far from over. There is no doubt that Nevada will appeal this decision and attempt to maintain the district court stay order against DOE implementation of its plan pending Supreme Court disposition of the case.

What about the political dimension? The ninth circuit decision notwithstanding, I can't imagine that there will ever be a usable Yucca Mountain repository if the people of Nevada don't want it. The political barrier is a deal breaker. There are just too many ways to delay the program, even if the site characterization proceeds.

Will the people of Nevada accept a high level waste repository in Yucca Mountain or anywhere else? Regrettably, my conclusion is that they will not. A recent poll commissioned by the "Las Vegas Review Journal" found that 78 percent of Nevadans oppose the siting of any such repository anywhere in Nevada. In addition, 80 percent want State leaders to oppose such siting with any means available. Call out the National Guard.

My rough estimate is that if Nevada exhausts all of its options and wages total political and regulatory war over Yucca Mountain, it would be at least another twenty years before all the other States could gang up on Nevada and force this site down their throats. This might not have been the case if an eastern site had been simultaneously designated with Yucca Mountain, but that would have ignited its own political maelstrom—the proverbial catch 22.

Can a safe repository be built and licensed at Yucca Mountain within a reasonable span of time? The issue of safety is what the characterization is all about. Last year the National Research Council's Board on Radioactive Waste Management issued its report: "Rethinking High-Level Radioactive Waste Disposal." In the body of that report the Board concludes that: "There is no scientific reason to think that an acceptable HLW repository cannot be built and licensed." Case closed? Not quite.

The NAS/NRC report goes on to conclude that "the U.S program, as conceived and implemented over the past decade is unlikely to succeed." In other words, science does not rule out the possibility of siting and constructing a safe repository, but we won't get there the way DOE has chosen to do the job. A principal reason for this is the U.S. having adopted a waste disposal program that "is characterized by a high degree of inflexibility with respect to both schedule and technical specifications."

Let's take this a step further. Even if all that we have reviewed so far is wrong, is it prudent to believe that the DOE can manage a Yucca Mountain once it is built? Given the legacy of Hanford, Fernald, West Valley, Savannah River etc., the answer to that question must be—no. I know that under Admiral Watkin's leadership there is a high level commitment to reverse this dismal record. But we are not there yet. We cannot base our plans on promises, only on past performance.

Time is running out. Much of what I have read and heard from the industry, DOE and even my fellow regulators sounds painfully like whistling past the graveyard. A permanent disposal site won't happen because we want it to, or because we hope it will and maybe not even if well meaning and able managers make every effort for it to happen. At some point—and I would posit that that time is sooner rather than later—we must decide that we just aren't going to make it. Then what?

The options facing us are not pretty. The underlying premise behind any consideration of options is that the current plan for permanent disposal in general, and the specific use of Yucca Mountain, just won't work. Given that assumption, and I am prepared to advance it as the only realistic conclusion to draw, there are five options available to us.

We can: (1) continue along the path we are now following knowing that it won't work but believing that for appearances' sake we ought to spend the billions on a doomed effort in the hope that we are buying time; (2) adopt a permanent on-site storage approach; (3) deploy the monitored retrievable storage program; (4) revisit fuel reprocessing; or (5) delay the siting of the permanent respository for several decades and store on-site in the interim.

Option one—the ostrich approach—is attractive but unconscionable. If the gig is up, we have to admit it. The reason is simple. Without such an admission we will lose critical time to develop an alternative.

What about option two—permanent on-site storage? This too is unacceptable. Option two is expedient in the short term but grossly irresponsible if I remember any of my sophomore physics. As many have pointed out, as bad as a permanent, poorly sited underground repository might be, it is infinitely safer than a program of permanent storage above ground in dry casks or in fuel pools. Unfortunately option two does not constitute a fix of the nuclear waste crisis and will effectively terminate any future expansion of the U.S. nuclear power option. With global warming and acid rain we cannot accept this result.

What about the MRS—option three? The Waste Act calls for the siting of an above ground monitored retrievable storage program. This supposedly would offer an interim solution to delays in the geological permanent repository. However, Congress coupled the MRS with the permanent repository precisely because it thought, and rightly so, that no State would accept an MRS unless a permanent repository had been licensed for fear that the MRS would become the permanent site.

Decoupling the MRS from the permanent repository won't work. Congress will not likely do it, and if Congress did so, no State would accept it. If Congress or DOE tried to force an MRS on a State, we would have Yucca Mountain all over again and we would be back to square one. As the Red Queen said to Alice: "it takes all the running you can do to keep in the same place."

If we cannot build pyramids underground, perhaps we could scale the problem down to size and that might mean recycling and reprocessing spent fuel—option four. The Europeans and Japanese have both recognized this reality of the equation for waste relief. Call it a "bottle bill" for nuclear power.

Now, I said the alternatives to permanent storage of spent fuel are ugly. Establishing a credible nuclear fuel reprocessing program for the American nuclear industry on the scale required would be really ugly. Any such system of facilities would vastly multiply the physical security problem of the current plan. With Saddam Hussein lurking on the horizon, can anyone argue that the nuclear proliferation issue is any less ominous now than it was in 1977 when we abandoned the reprocessing option?

In addition, the residue from such plants would also require permanent disposal albeit at a greatly reduced scale. The economics of yellow cake now seem to make reprocessing the uneconomical choice. But does such an analysis factor in the $40 billion anticipated cost of the current plan?

Reprocessing is no easy option. To develop a credible reprocessing option would take time, and to implement it would take even more time. And time is what we think we don't have. The biggest obstacle to overcome for a reprocessing option would be, in my opinion, the question of the management of the program. The logical choice for this assignment would be the DOE, but the litany of DOE management disasters at existing nuclear material processing plants does not recommend this agency for this role. Again, I didn't say there are any easy choices here. That's why we are paid the big bucks.

Now we come to the final option: Delay the siting of the permanent repository for several decades and store on-site in the interim. What would this option entail? As far as I can determine, option five must include at least four elements. First, it would necessitate the abandonment of the Yucca Mountain site or at least the scaling back of the characterization effort for Yucca to put it in the context of other potential sites. It would most certainly require that Congress and the DOE lift the designation yoke from Yucca's throat.

Second, option five would require that the lead Federal agency charged with the High Level Waste Program launch a thorough national evaluation of potential geological sites with the objective of developing a list of acceptable sites within the next three decades. I left the identity of the designated agency deliberately blank because it is not self-evident to me that DOE should automatically be that agency. Maybe it should be the USGS.

We need to acknowledge that the time of Draconian siting approaches which force States and communities to accept waste facilities is probably over (if it ever really existed). There needs to be an up front commitment to voluntarism in the siting of the re-

pository. That means giving States and local governments full participation rights in the process as well as affording local control in important decisions. This approach is being tried right now, with some success, in Canada with respect to low-level waste sites, and it has promise for affording new, innovative and potentially workable approaches for the high-level waste disposal morass in this country.

It is also not self-evident that we should confine this search to U.S. boundaries. As suggested by Wolf Hafele in a recent "Scientific American" article, this effort might be best accomplished in an international context because the High Level Waste Program is international by its very nature. All nuclear power nations have a stake in solving this problem, and solutions like mid-ocean island storage would become more likely if adopted by an international process.

The third element of option five would be the implementation of a plan of on-site storage of spent fuel for the next 100 years. Karl Cohen, formerly of G.E., has advanced this intermediate solution. We have the technology to accomplish this already at hand. The NRC has certified dry cask storage as safe as geological storage for between 120 and 150 years. Perhaps concrete canisters would meet the same standards.

The fourth element of option five would be the launching of a serious re-examination of the fuel reprocessing option. If it were possible to negotiate the hurdles to this option that I have already enumerated, it would reduce our high level waste disposal problem by roughly a factor of five. We must remember that all this sound and fury about Yucca Mountain is only over the first repository siting. If we continue with nuclear power, we will need to site many more.

Option five has its obvious drawbacks. Unless launched with a clear mandate and commitment, it carries with it all the negative baggage of a pure option two solution: namely, it brings to a halt nuclear power in the U.S. because on-site storage is clearly not a permanent solution. Furthermore, from the utility regulator's point of view it guarantees that our ratepayers will have to pay twice for spent fuel storage. Finally, from the industry's point of view and perhaps even from the viewpoint of Washington policy makers, option five could be construed as going backward in time to a pre-1987 or even 1982 status. Alice, where are you when we need you?

I recognize all of these drawbacks with this proposal, but I don't believe the other options are viable. We most certainly cannot plunge ahead in pursuit of a mirage-like permanent repository at Yucca Mountain. Let's face the truth. It ain't going to happen.

Now, as for the other topic of this panel, I have very little to say. It is undoubtedly a good and proper thing that various vendors are working hard to develop an inherently safer nuclear generating system. To you I can only say: Good luck. No, I have a little more than that to say.

In my opinion, the challenge you have undertaken must take into account two spheres of reality: the safety issue as it animates public opinion about nuclear power and the economics of power generation in this last decade of the century. If you satisfy the one sphere of reality without the other, you will most certainly fail.

In terms of the safety sphere of reality, I will only offer a couple of observations. Credibility will be everything in this game. Be modest. Don't oversell your product. If your emergency water injection systems rely on sensor activation, you don't have a passively safe system. If your physical activation system for any backup water injection can be set for different pressure settings carefully explain that this is a crucial judgment call that must be made by institutions that have little or no credibility. And if your control and safety rods still must defy gravity to operate, try another design. By the way, I personally believe that all of these hurdles can be overcome.

Here I speak only to the light water designs under development. As for the more exotic advanced reactors, I will only observe that if you must eliminate containment to make the numbers work, forget it. People died at Chernobyl and nobody died at TMI. The difference was containment, and I will state categorically that no nuclear power station will ever be built in this country without a containment structure.

As for the economic sphere, nuclear power stations will not be ordered unless they can beat the economic bogeyman. Don't expect any special treatment from regulators because this is clean nuclear power—that is, unless you can come up with some plan to magically transform the costs of the "externalities" into money in ratepayers' pockets.

One of the biggest economic hurdles is the excess capacity disallowance. Given the recent history and current forecasts of load growth, it will be very difficult to even add 600MW chunks of capacity to our systems without triggering excess capacity penalties. The economics of the plant must take this eventuality into account.

Another major hurdle will be the least cost procurement test. Each new unit must be able to compete with other sources of power on a least cost basis at the time of selection of the unit, and the unit will be held accountable for any escalation in cost. The least cost test is becoming a significant early hurdle for any generating unit to clear. Up front hearings on the incorporation of a unit into a production plan places greater risk at the developmental phase but can reinforce the selection during its construction.

I was pleased to hear an estimate of the AP600 at under $1300/kW at the recent summer meetings of NARUC. But a gas-fired combined cycle unit is $800/kW and can be built on a schedule with more flexibility to meet expected load growth. Wake up people! Until you can match that performance, you won't sell a single unit in the U.S.

Finally, a third economic hurdle is the restructuring of the generation side of the electric business. Can you bid the opportunity to provide power for a fixed price within a known time horizon? I believe the only way Westinghouse or GE will get an AP600 or an SBRW to the market is not to be an equipment supplier but to be an electricity supplier. They would be nuclear IPP's bidding to provide energy at such and such a price, at such and such a future date, just as B&W, Wheelabrator, AES, Bechtel, Air Products, Bonneville Pacific, O'Brien Energy, Long Lake Energy and Pyropower all are doing today.

There is very little you can do to make the future nuclear technology more attractive until you come to grips with the industry restructuring which is placing the risks of power development on independent entrepreneurs. These independents will be less likely to take a risk on nuclear technology when they can avoid the hazards of the industry with virtually any other technology on the market and beat nuclear's price.

In conclusion, I believe there is still time to rejuvenate the nuclear power industry in the U.S. To do so, however, will require new thinking and a willingness to hear what is said, not what we want to hear. And now I'd like to follow the admonition of the king to the white rabbit when he said "Begin at the beginning, and go on till you come to the end: then stop." Thank you.

By Mr. DURENBERGER (for himself, Mr. MCCAIN, Mr. WALLOP, and Mr. JEFFORDS):

S. 700. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on insurance companies not meeting certain requirements with respect to health insurance provided to small employers; to the Committee on Finance.

AMERICAN HEALTH SECURITY ACT

• Mr. DURENBERGER. Mr. President, it goes without saying that the American people are dissatisfied with their health care. We have problems of access: One in eight Americans have no health insurance protection, public or private. We have problems with costliness: Insurance premiums and benefit costs continue to rise at alarming rates.

As cochair of the Pepper Commission, I can say that the problems of our system are agreed upon and well understood. The challenge now is how to span the gap between where we are today, and where we want to be next year and 10 years from now.

Today, I am introducing legislation which I hope will be the first plank in a crosswalk which will bridge the inadequate system we now have, to the improved system the American people want, and deserve.

I am introducing along with Senator MCCAIN and Senator WALLOP the American Health Security Act of 1991. This legislation will help address the issue of America's uninsured by adding essential consumer protection standards into the private health insurance market as it relates to employees of small businesses.

I invite my colleagues on both sides of the aisle to join me in cosponsoring this legislation. This is a bipartisan issue and I believe I have crafted a solution that has great bipartisan appeal.

Today, over 30 million Americans lack health insurance protection. They are vulnerable not only to the high costs of medical care, but their very economic security can be threatened by the expense of a major illness.

Significantly, most of the uninsured are not jobless. It has been estimated that 70 percent of the uninsured, or about 20 million people, are either employed workers or the dependents of workers. Further, three out of every four working uninsured persons are employed in small businesses, with the biggest gap in health insurance coverage occurring in companies with fewer than 25 employees.

Why is this the case? Is it because small employers do not want to offer this important fringe benefit to their

employees? No. The fact is that many small firms are interested in securing these benefits, but when they go to the private insurance market to get them, they run into serious obstacles.

Insurers can and do refuse to sell insurance contracts if they don't want to accept the employer's group—for any reason—and can cancel contracts unilaterally. They can and do selectively deny or restrict coverage for specific employees or an employee's dependent child—with preexisting medical conditions. They can and do charge prohibitive risk premiums.

In addition, insurers often low-ball the premiums offered to an employer in the first year, and once they've hooked the account, raise the premiums abruptly in later periods by 20, 30, 40 percent or more.

They also market carefully to attract primarily lower risk groups. Selecting low risks is known as creaming or cherry-picking.

These practices foster enormous instability and turnover, or churning, among small employers who try to buy health benefits, and discourage many employers from even trying.

These are not just run-of-the-mill sharp business practices that we can deplore, but shrug our shoulders over. They have important and negative societal consequences.

For instance, in the Pepper Commission field hearings, we heard testimony from individuals who could not leave dead-end jobs because they had a sick child and could not risk losing their health care coverage.

Reverend Oakes of West Virginia told us about how he was fired from his job when his wife was diagnosed with cancer because his employer feared that the company's health benefit plan premiums would skyrocket or that the plan would be terminated for everyone.

So the question for us as legislators is what can we do to help small employers do the job they'd like to do.

If we want to help expand health benefits through the small business workplace, then we must act to stabilize this market. We must have consumer protection standards that are clear and effective, that insurers can comply with, and whose fairness all small employers can rely upon.

The legislation I am introducing, the American Health Security Act of 1991, will tackle these problems by setting uniform standards nationwide that require the following: Guaranteed issue of policies; limits on insurers' ability to impose coverage restrictions due to preexisting conditions; guaranteed renewability of policies; and restrictions on experience rating and limits on annual increases in premiums.

In addition, the bill includes two benefit packages designed expressly with the needs of small businesses in mind.

Although these are Federal standards, this legislation permits States to regulate these practices provided the State laws are at least as rigorous as the Federal standards.

The No. 1 problem for small employers is the costliness of private health insurance. The high cost of medical care is a major part of this and an issue we cannot continue to neglect.

However, another important cost factor is the trend in State legislatures to mandate that health insurance policies include all manner of costly benefits that are not essential to most people's basic health insurance needs. Yet these State mandates can raise premium costs an estimated 20–30 percent.

To address this problem, I propose to require insurers to make available to small employers, two specially tailored benefit packages called Medplans. One is a core plan, the second is an enriched standard plan. However, both are exempt from State benefit mandates and will give small employers a more affordable alternative.

We estimate that the core Medplan could be marketed at a premium of about $900 to $1,200 per year or as low as $75 per month. The standard Medplan could be marketed at about $1,200–$1,600 per year, or as low as $100 per month. This is much lower than the average cost of $2,000 per year for benefit plans now on the market.

I would be the first to acknowledge that these are not ideal health plans—but, they are ideal income security plans. And that is the main issue for employees who currently get no insurance protection.

Mr. President, if these reforms are enacted, it will be a watershed event in the evolution of the private health insurance industry in this country. Can the private health insurance industry rise to the challenge?

The industry itself acknowledges the need for the basic reforms contained in this legislation. If we work together, there is a real opportunity to preserve the choices, diversity, and potential for innovation that resides in the private sector.

I, for one, believe that insurers can thrive financially by "doing good," so long as all carriers must abide by the same rules. If even one company can undercut these rules, our efforts to perfect America's unique system of mixed public and private benefits will be doomed.

Mr. President, it has been suggested to me that this boils down to two simple tests for the industry:

First, the market test. Can insurance carriers give us what we want at a price the serves the insurer's necessary economic goals of market share and profit margin?

Second, the social test. Can insurance carriers give us what we want—namely access to financial protection, affordable premiums and coverage for the health care services we most need?

The course that we currently are on in the private health insurance market will most assuredly make it fail both these tests. Some carriers will inevitably fail on the market side due to competitive pressures and poor management. However, I'd like to focus now on why many companies are failing the social test.

Insurance plans compete to give buyers what they want, but only within the limits that will produce acceptable financial margins to them as businesses! The very practices companies must engage in to survive and compete on economic terms, are fundamentally at odds with our social objectives of broad-based affordable, comprehensive coverage.

Companies can't survive if their premiums aren't competitive. Therefore, they deny coverage to high-risk groups and individuals to keep their premiums down. The facts are that in today's market, risk selection is a much more powerful tool and generates much greater competitive advantages to companies than does the much harder task of managing people's care and keeping their claims expenses down. It is this dynamic that we must stop.

Mr. President, the industry is in a crisis. It is facing a severe loss of public confidence in its ability to play a viable role in the future. Unless we act now to create a level playing field, the future ability of insurers to provide us with the financial security and services we need will be in grave jeopardy.

And my solutions are geared toward solving the social problems not toward protecting the status quo in the private insurance industry, nor in the regulatory framework that has allowed it to evolve into what it is today.

The challenge for me and others who share these concerns is to put a new framework together that better meets our social needs.

In closing, Mr. President, as I said at the beginning, this is merely the first plank in building a crosswalk to a new order in our health care system. This new order must be a system where protection against the high cost of getting sick is seamless. By that, I mean that there must be no gaps left in the future between private and public programs for indviduals to fall through.

The American Health Security Act of 1991 cannot and will not do the whole job of closing the existing gaps in health insurance coverage. We must also redesign our major public programs like Medicare and Medicaid to achieve seamless protection for all regardless of age, employment or economic circumstances. To this end, I will be introducing major restructuring proposals for these programs later this session to achieve universal access for all Americans.

In addition, we must reexamine the $40 billion in tax subsidies that underlie employer-based health benefits. It

is incumbent upon us to make sure that public subsidies of this magnitude support only those health benefit plans that meet social objectives of equity and efficiency. These are large undertakings. But if we are to have a socially just approach to meeting people's basic health care needs, we must tackle these issues. Mr. President, I ask unanimous consent that the complete text of this bill and a section-by-section summary be printed in the RECORD.

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

S. 700

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 "American Health Security Act of 1991".

SEC. 2. FAILURE TO SATISFY CERTAIN STANDARDS FOR HEALTH INSURANCE PROVIDED TO SMALL EMPLOYERS.

(a) IN GENERAL.—Chapter 47 of the Internal Revenue Code of 1986 (relating to excise taxes on qualified pension, etc. plans) is amended by adding at the end thereof the following new subchapter:

"Subchapter B—Health Insurance Provided to Small Employers

"Sec. 5000A. Failure to satisfy standards for health insurance of small employers.

"Sec. 5000B. General issuance requirements.

"Sec. 5000C. Specific contractual requirements.

"Sec. 5000D. State compliance agreements.

"Sec. 5000E. Definitions and other rules.

"SEC. 5000A. FAILURE TO SATISFY CERTAIN STANDARDS FOR HEALTH INSURANCE OF SMALL EMPLOYERS.

"(a) GENERAL RULE.—In the case of any person issuing applicable accident and health insurance contracts, there is hereby imposed a tax on the failure of such person to meet at any time during any taxable year—

"(1) the general issuance requirements of section 5000B, or

"(2) the specific contractual requirements of section 5000C.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of tax imposed by subsection (a) by reason of 1 or more failures during a taxable year shall be equal to 20 percent of the gross premiums received during such taxable year with respect to all accident and health insurance contracts issued by the person on whom such tax is imposed.

"(2) GROSS PREMIUMS.—For purposes of paragraph (1), gross premiums shall include any consideration received with respect to any accident and health insurance contract.

"(c) LIMITATION ON TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) with respect to any failure for which it is established to the satisfaction of the Secretary that the person on whom the tax is imposed did not know, or exercising reasonable diligence would not have known, that such failure existed.

"(2) TAX NOT TO APPLY WHERE FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) with respect to any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 30-day period beginning on the 1st date any of the persons on whom the tax is imposed knew, or exercising reasonable diligence would have known, that such failure existed.

"(3) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a).

"(d) LIABILITY FOR TAX.—The person issuing the applicable accident and health contract with respect to which a failure occurs shall be liable for the tax imposed by subsection (a).

"SEC. 5000B. GENERAL ISSUANCE REQUIREMENTS.

"(a) GENERAL RULE.—The requirements of this section are met if a person meets—

"(1) the mandatory policy requirements of subsection (b), and

"(2) the guaranteed issue requirements of subsection (c).

"(b) MANDATORY POLICY REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if any person issuing accident and health contracts to any eligible small employers makes available to such eligible small employers—

"(A) an accident and health contract which provides benefits which are identical to the benefits under the core Medplan described in subsection (d), and

"(B) an accident and health contract which provides benefits which are identical to the benefits under the standard Medplan described in subsection (d).

A person shall not be treated as failing to meet the requirements of this paragraph if the deductible and copayment requirements are less than those in the core or standard Medplan.

"(2) PRICING AND MARKETING REQUIREMENTS.—The requirements of paragraph (1) are not met unless—

"(A) the price at which the contract described in paragraph (1) is made available is not greater than the price for such contract determined on the same basis as prices for other accident and health contracts within the same class of business made available by the person to eligible small employers, and

"(B) such contract is made available to eligible small employers using at least the marketing methods and other sales practices which are used in selling such other contracts.

"(c) GUARANTEED ISSUE.—

"(1) IN GENERAL.—The requirements of this subsection are met if the person offering applicable accident and health insurance contracts to eligible small employers issues such contracts to any eligible small employer seeking to enter into such a contract.

"(2) FINANCIAL CAPACITY EXCEPTION.—Paragraph (1) shall not require any person to issue a contract to the extent that the issuance of such contract would result in such person violating the financial solvency standards (if any) established by the State in which such contract is to be issued.

"(3) EXCEPTIONS FOR CERTAIN EMPLOYERS.—Paragraph (1) shall not apply to a failure to issue a contract to an eligible small employer if—

"(A) such employer is unable to pay the premium for such contract, or

"(B) in the case of an eligible employer with fewer than 15 employees, such employer fails to enroll at least 60 percent of the employer's eligible employees for coverage under such contract.

"(d) MEDPLAN.—For purposes of this section—

"(1) CORE MEDPLAN.—The term 'core Medplan' means an accident and health plan which provides the core benefits described in paragraph (3).

"(2) STANDARD MEDPLAN.—The term 'standard Medplan' means an accident and health plan which provides—

"(A) the core benefits described in paragraph (3), and

"(B) the supplemental benefits described in paragraph (4).

"(3) CORE BENEFITS.—The term 'core benefits' means benefits for any of the following which are determined to be medically necessary:

"(A) Inpatient and outpatient hospital services.

"(B) Inpatient and outpatient surgical services.

"(C) Inpatient and outpatient physicians' services.

"(D) Diagnostic and screening services.

"(E) Prenatal care.

"(F) Ambulance services.

"(G) Durable medical equipment.

Such term does not include a supplemental benefit.

"(4) SUPPLEMENTAL BENEFITS.—The term 'supplemental benefits' means benefits—

"(A) for inpatient or outpatient treatment for a mental disorder, or

"(B) for inpatient and outpatient treatment of a chemical dependency disorder.

"(5) DEDUCTIBLES AND COPAYMENTS.—A plan shall not be treated as providing the benefits described in paragraphs (3) and (4) unless the following requirements are met:

"(A) The plan does not require—

"(i) a deductible amount for any plan year in excess of $500 per individual and $1,000 per family, and

"(ii) a deductible amount for any plan year for prenatal care.

"(B) The plan does not require out-of-pocket expenses for any plan year in excess of $3,000 per individual and $6,000 per family.

"(C) The amount of any copayment required to be paid by an employee for any core benefits does not exceed—

"(i) 20 percent for core benefits described in subparagraphs (A), (B), (C), (D), and (E) of paragraph (2),

"(ii) 50 percent for core benefits described in subparagraphs (F) and (G) of paragraph (2).

"(D) The amount of any copayment required to be paid by an employee for supplemental benefits does not exceed 50 percent.

"(E) The plan provides benefits of not less than 45 days for supplemental benefits which are provided on an inpatient basis and not less than 25 visits for supplemental benefits provided on an outpatient basis.

"SEC. 5000C. SPECIFIC CONTRACTUAL REQUIREMENTS.

"(a) GENERAL RULE.—The requirements of this section are met if, with respect to any applicable accident and health insurance contract, the following requirements are met:

"(1) The coverage requirements of subsection (b).

"(2) The rating requirements of subsection (c).

"(3) The disclosure and recordkeeping requirements of subsection (d).

"(b) COVERAGE REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met with respect to any applicable accident and health contract if, under the terms and operation of the contract, the following requirements are met:

"(A) GUARANTEED ELIGIBILITY.—No eligible employee (and the spouse or any dependent child of the employee eligible for coverage) may be excluded from coverage under the contract.

"(B) LIMITATIONS ON COVERAGE OF PREEXISTING CONDITIONS.—Any limitation under the contract on any preexisting condition—

"(i) may not extend beyond the 6-month period beginning with the date an insured is first covered by the contract, and

"(ii) may only apply to preexisting conditions which manifested themselves, or for which medical care or advice was sought or recommended, during the 3-month period preceding the date an insured is first covered by the contract.

"(C) GUARANTEED RENEWABILITY.—

"(i) IN GENERAL.—The contract must be renewed at the election of the eligible small employer unless the contract is terminated for cause.

"(ii) CAUSE.—For purposes of this subparagraph, the term 'cause'—

"(I) includes nonpayment of premiums, fraud or misrepresentation, noncompliance with plan provisions (including participation requirements), or misuse of network provisions, but

"(II) does not include any reason related to risk characteristics.

"(2) WAITING PERIODS.—Paragraph (1)(A) shall not apply to any period an eligible employee is excluded from coverage under the contract solely by reason of a requirement applicable to all employees that a minimum period of service with the employer is required before the employee is eligible for such coverage.

"(3) DETERMINATION OF PERIODS FOR RULES RELATING TO PREEXISTING CONDITIONS.—For purposes of paragraph (1)(B), the date on which an insured is first covered by a contract shall be the earlier of—

"(A) the date on which coverage under such contract begins, or

"(B) the first day of any continuous period—

"(i) during which the insured was covered under 1 or more other health insurance arrangements, and

"(ii) which does not end more than 120 days before the date employment for the employer begins.

"(4) CESSATION OF SMALL EMPLOYER HEALTH INSURANCE BUSINESS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, a person shall not be treated as failing to meet the requirements of paragraph (1)(C) if such person terminates the class of business which includes the applicable accident and health insurance contract.

"(B) NOTICE REQUIREMENT.—Subparagraph (A) shall apply only if the person gives notice of the decision to terminate at least 90 days before the expiration of the contract.

"(C) 5-YEAR MORATORIUM.—If, within 5 years of the year in which a person terminates a class of business under subparagraph (A), such person establishes a new class of business which includes contracts within the class of business so terminated, the issuance of such contracts in that year shall be treated as a failure to which this section applies.

"(D) TRANSFERS.—If, upon a failure to renew a contract to which subparagraph (A) applies, a person transfers such contract to another class of business, such transfer must be made without regard to any risk characteristic.

"(c) RATING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met with respect to any applicable accident and health insurance contract if—

"(A) the premium rate or rates under the contract are within the acceptable premium range, and

"(B) any increase in any premium rate under the renewal contract over the corresponding rate under the contract being renewed does not exceed the applicable annual adjusted increase.

"(2) ACCEPTABLE PREMIUM RANGE.—For purposes of paragraph (1)(A)—

"(A) IN GENERAL.—The acceptable premium range includes premium rates which are not more than 120 percent, or less than 80 percent, of the lowest index rate for all classes of business of the issuer which include applicable accident and health insurance contracts.

"(B) INDEX RATE.—For purposes of subparagraph (A), the term 'index rate' means, with respect to any class of business, 50 percent of the sum of—

"(i) the lowest premium rate, determined under the rating system for the rating period which covers the contract, which may be charged by the person issuing the contract for substantially similar coverage to employers with similar case characteristics (other than risk characteristics) as the employer under the contract to which paragraph (1) is being applied, plus

"(ii) the highest premium rate which may be so charged.

"(C) RANGE MAY BE DETERMINED BY SECRETARY.—In the case of any class of business covering applicable accident and health insurance contracts—

"(i) with respect to which employers who are eligible are not, and have never been, rejected for coverage on the basis of risk characteristics as defined under section 5000C(b)(2)(B),

"(ii) to which business may not be involuntarily transferred from another class of business, and

"(iii) which is currently available for purchase,

the acceptable premium range with respect to such contracts shall be the range (if any) established by the Secretary in accordance with the principles of this subsection.

"(3) APPLICABLE ANNUAL ADJUSTED INCREASE.—

For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—The applicable annual adjusted increase is an amount equal to the sum of—

"(i) the applicable percentage of the premium rate under the contract being renewed, plus

"(ii) any increase in the rate under the renewal contract due to any change in coverage or to any change of case characteristics (other than risk characteristics).

"(B) APPLICABLE PERCENTAGE.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the applicable percentage is the percentage (if any) by which—

"(I) the premium rate for newly issued contracts for substantially similar coverage for an employer with similar case characteristics (other than risk characteristics) as the employer under the applicable accident and health contract (determined on the 1st day of the rating period applicable to such contracts), exceeds

"(II) such rate on the 1st day of the rating period applicable to the contract being renewed.

"(ii) CASES WHERE NO NEW BUSINESS.—If no new contracts are being issued for a class of business during any rating period, the applicable percentage shall be the percentage (if any) by which the lowest premium rate determined under paragraph (2)(B)(i) with respect to the renewal contract exceeds such rate for the contract to be renewed.

"(d) DISCLOSURE AND RECORDKEEPING, ETC. REQUIREMENTS.—The requirements of this subsection are met if—

"(1) DISCLOSURE.—Any person issuing an applicable accident and health insurance contract includes in any sales materials the following:

"(A) The extent to which premium rates are based on risk characteristics and on factors other than risk characteristics.

"(B) The extent to which the person may change the premium rates.

"(C) The class of business within which the contract falls, including a description of the grouping of contracts within a class of business.

"(D) Provisions relating to renewability.

"(2) RECORDKEEPING, ETC.—Any person issuing an applicable accident and health insurance contract—

"(A) maintains at its principal place of business a complete and detailed description of its rating and renewal underwriting practices, and the information on which such practices are based, and

"(B) files with the Secretary each year an opinion of a qualified health actuary, based on a review of appropriate records, that the rating practices of such person for the preceding year are based upon commonly accepted actuarial assumptions and in accordance with the provisions of this section and sound actuarial principles.

For purposes of paragraph (2), the term 'qualified health actuary' means a member of the American Academy of Actuaries who is qualified by reason of prior and continuing education and relevant experience to render the actuarial opinion.

"SEC. 5000D. STATE COMPLIANCE AGREEMENTS.

"(a) AGREEMENTS.—The Secretary may, in his discretion, enter into an agreement with any State—

"(1) to apply the standards set by the laws of such State for applicable accident and health insurance contracts in lieu of the requirements of this subchapter, or

"(2) to provide for the State to make the initial determination as to whether a person is in compliance with the provisions of this subchapter.

"(b) STANDARDS.—An agreement may be entered into under subsection (a)(1) only if—

"(1) the chief executive officer of the State requests such agreement be entered into,

"(2) the Secretary determines that the State standards to be applied under the agreement will apply to substantially all applicable accident and health contracts issued in such State, and

"(3) the Secretary determines that the application of the State standards will carry out the purposes of this subchapter.

"(c) MEDPLAN REQUIREMENT MAY NOT BE WAIVED.—Any agreement entered into under subsection (a)(1) shall not waive the mandatory policy requirement under section 5000B(a)(1) (relating to offering of Medplan).

"(d) TERMINATION.—The Secretary shall terminate any agreement if the Secretary determines that the application of State standards ceases to carry out the purposes of this subchapter.

"SEC. 5000E. DEFINITIONS AND OTHER RULES.

"(a) APPLICABLE ACCIDENT AND HEALTH INSURANCE CONTRACT.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'applicable accident and health insurance contract' means a contract under which a person authorized

under applicable State insurance law provides a health insurance plan or arrangement to an eligible small employer. Such term does not include any self-insured plan of an employer.

"(2) CERTAIN CONTRACTS NOT COVERED.—The term 'applicable accident and health insurance contract' does not include any contract—

"(A) which provides for accident only, dental only, or disability only coverage,

"(B) which provides coverage as a supplement to liability insurance,

"(C) which provides insurance arising out of a workmens' compensation or similar law, or automobile medical-payment insurance, or

"(D) which provides insurance which is required by law to be contained under any self-insured plan of an employer.

"(3) EXCEPTION FOR SMALL ISSUERS.—The term 'applicable accident and health insurance contract' shall not include any contract issued during a taxable year by a person which had less than $1,000,000 in gross premiums from accident and health contracts during the preceding taxable year. For purposes of the preceding sentence, the aggregation rules of section 448(c) shall apply.

"(b) OTHER DEFINITIONS.—For purposes of this subchapter—

"(1) CLASS OF BUSINESS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'class of business' means, with respect to accident and health insurance provided to eligible small employers, all accident and health insurance provided to such employers.

"(B) ESTABLISHMENT OF GROUPINGS.—An issuer may establish separate classes of business with respect to accident and health insurance provided to eligible small employers but only if such classes are based on 1 or more of the following:

"(i) Business marketed and sold through persons not participating in the marketing and sale of such insurance to other eligible small employers.

"(ii) Business acquired from other insurers as a distinct grouping.

"(iii) Business provided through an association of not less than 20 eligible small employers which was established for purposes other than obtaining insurance.

"(iv) Business related to managed health care arrangements.

"(v) Business within groupings under clauses (i) through (iv) which is based on risk selection or underwriting criteria expected to produce substantial variations in claims costs.

"(vi) Any other business which the Secretary determines needs to be separately grouped to prevent a substantial threat to the solvency of the insurer.

"(C) MANAGED HEALTH CARE ARRANGEMENT.—For purposes of subparagraph (B)(iv), the term 'managed health care arrangement' means an arrangement which integrates the financing and delivery of health care services to covered individuals by employing the following:

"(i) Contracts with selected health care providers to furnish health care services to members.

"(ii) The adoption of explicit standards for the selection and recertification of providers.

"(iii) An explicit, formal program for ongoing quality assurance and utilization review.

"(iv) Significant financial incentives for members to use the providers and procedures associated with the arrangement.

"(2) CHARACTERISTICS.—

"(A) IN GENERAL.—The term 'characteristics' means, with respect to any insurance rating system, the factors used in determining rates.

"(B) RISK CHARACTERISTICS.—The term 'risk characteristics' means factors related to the health risks of individuals, including health status, prior claims experience, the duration since the date of issue of a health insurance plan or arrangement, industry, and occupation.

"(C) GEOGRAPHIC FACTORS.—In applying geographic location as a characteristic, an insurer may not use for purposes of this subchapter areas smaller than Census Bureau designations of metropolitan statistical areas and nonmetropolitan statistical areas.

"(3) ELIGIBLE EMPLOYEE.—The term 'eligible employee' means any employee other than an employee who works less than 30 hours per week. For purposes of this paragraph, the term 'employee' includes a self-employed individual as defined in section 401(c)(1).

"(4) ELIGIBLE SMALL EMPLOYER.—The term 'eligible small employer' means an employer who normally employed more than 1 but not more than 50 eligible employees on a normal business day. For purposes of the preceding sentence, all employers covered under the same health insurance plan or arrangement covered by a contract shall be treated as 1 employer."

(b) CONFORMING AMENDMENT.—So much of chapter 47 of the Internal Revenue Code of 1986 as precedes section 5000 is amended to read as follows:

"CHAPTER 47—CERTAIN GROUP HEALTH PLANS

"SUBCHAPTER A. Nonconforming group health plans.

"SUBCHAPTER B. Health insurance provided to small employers.

"Subchapter A—Nonconforming Group Health Plans

"Sec. 5000. Certain group health plans."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to contracts issued, or renewed, after the date of the enactment of this Act.

(2) GUARANTEED ISSUE.—The provisions of section 5000B(c) of the Internal Revenue Code of 1986 shall apply to contracts which are issued, or renewed, after the date which is 18 months after the date of the enactment of this Act.

(3) PREMIUM RANGE.—In the case of any contract in effect on the date of the enactment of this Act, the provisions of section 5000C(c)(1)(A) of such Code shall not apply to the premiums under such contract or any renewal contract for benefits provided during the period beginning on such date and ending on the last day of the 2nd plan year beginning after such date.

AMERICAN HEALTH SECURITY ACT OF 1991

SECTION-BY-SECTION SUMMARY

A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on insurance companies not meeting certain requirements with respect to health insurance benefits provided to small employers.

Section 1. Title:

Section 2. Failure to satisfy certain standards for health insurance provided to small employers:

Section 5000 A:

Insurers must satisfy certain mandatory product offering, coverage and rating standards in selling health insurance contracts to small employers.

Failure to meet one or more of these standards during a taxable year shall make the insurer liable for an excise tax penalty equal to 20 percent of gross premium income on accident and health insurance contracts issued by the insurer.

Secretarial discretion on applying the tax penalty is permitted where: insurer did not know or exercising reasonable diligence would not have known the failure existed, and failures are corrected within 30 days, or if failure was due to reasonable cause.

Section 5000 B: This section describes mandatory product offering and guaranteed issue (of contracts) requirements.

Guaranteed issue of contracts: No eligible small employer can be denied issuance of a health insurance contract except for the employer's failure to achieve minimum employee participation rates, where applicable. There is a separate (delayed by 18-months) effective date solely for this requirement, to permit States to enact appropriate enabling legislation for reinsurance.

MANDATORY PRODUCT OFFERING: MEDPLANS

Insurers marketing any health insurance products to small employers must make available (but employers are not required to purchase) a dual product offering known as MEDPLANS, described below. These two products must be priced consistently with the standards employed by the insurer in pricing and marketing their other products in the small group market, and with the requirements of this Act.

MEDPLANS are exempt from state benefit mandates. This preemption does not exempt from state benefit mandates other health insurance products marketed to small employers.

Benefits	Core Medplan	Standard Medplan
Deductible (single/family).	$500 to $1,000	$500 to $1,000.
Out-of-pocket limit (single/family.	$3,000 to 6,000	$3,000 to $6,000.
Hospital services (IP/OP).	20 to 80 percent (EE/ER).	20 percent.
Surgical services (IP/OP).	20 percent	20 percent.
Physician services (IP/OP).	20 percent	20 percent.
Diagnostic and screening services (IP/OP).	20 percent	20 percent.
Prenatal care	20 percent [1]	20 percent.[1]
Mental disorders		
Inpatient		30 days/50 percent.
Outpatient		25 visits/50 percent.
Chemical dependency disorders:		
Inpatient		30 days/50 percent.
Outpatient		25 visits/50 percent.

[1] No deductible.

Section 5000 C. Specific contractual requirements: This section sets standards for coverage, rating, disclosure, and recordkeeping.

Limits on preexisting medical conditions: Any limitation on coverage may not extend beyond 6 months after the initial issuance of coverage. This limit can apply only if the preexisting condition manifested itself during the 3-month period prior to issuance of coverage (aka "look-back" provision). No further waiting period for the preexisting condition can be imposed under any circumstances (such as change of carrier, or change to a different plan through switching jobs), unless an individual has had a break in coverage in excess of 120 days.

Guaranteed renewability: Contracts must be renewed at the election of the small employer, unless the contract is terminated for cause, such as non-payment of premiums.

Contracts cannot be canceled due to adverse claims experience.

Rating requirements:

Acceptable premium ranges are defined within classes of business and between classes of business.

Within class range: Premiums must be within 80–120% of the average rate (aka index rate) of the class.

Between classes range: If an insurer has two or more classes of business, the average (or index) rate for any class cannot be more than 20 percent above or below the average (or index) rate for any other class.

Exceptions: The Secretary may develop different ranges, as appropriate, for insurer's who do not underwrite premiums based on health status or claims experience and who offer policies on an open enrollment, basis.

Annual rate change limitation: Within a class, rate increases on existing contracts are capped at the level of rates charged to new businesses, with adjustments for changes in a group's coverage and/or case characteristics.

Disclosure and recordkeeping: These are rules requiring disclosure in sales materials of how premiums are set, the extent to which they can change, and the class into which a contract would fall.

Further, insurers must maintain at their principal place of business detailed descriptions of rating factors and procedures. Insurers must file annually with the Secretary, a qualified actuarial certification that their rating practices are based on commonly accepted actuarial assumptions and principles.

Section 5000 D. State compliance agreements:

The Secretary, at his discretion, may enter into agreements with States to permit State laws to govern instead of the federal standards.

The CEO of the State must request such an agreement, and

The Secretary must determine (1) that the State's standards will carry out the purposes of this Act, and (2) that the State's standards will apply to substantially all small-employer health insurance contracts issued in the State.

Regardless of the above, the mandatory policy offering known as MEDPLANS cannot be waived.

Separately, even if a State does not obtain an agreement permitting State laws to carry out the purposes of this Act, the State may still enter into a separate agreement with the Secretary to make determinations of whether insurers are in compliance with the federal standards.

Section 5000 E. Definitions and other rules: This section defines contracts, classes of business and class groupings, eligible employers and employees, permissible rating factors and other rules.

Important to note:

(1) Exception for small insurers: Insurers who had less than $1 million in gross accident and health premium income during the preceding taxable year are exempt from the requirements of this Act for the subsequent taxable year (aggregation rules apply).

(2) A small employer is defined as an employer who normally employed more than 1 but not more than 50 employees, and self-employed individuals as defined under section 401(c)(1) of the Internal Revenue Code.

(3) Prohibited factors in determining rates (beyond the boundaries permitted within classes) include health status, prior claims experience, industry, occupation or duration since the date of issue of a policy. If geographic location is used, insurers may not use areas smaller than Census Bureau designations of metropolitan statistical areas and non-metropolitan statistical areas.

(4) Effective date is upon enactment for all requirements except guaranteed issue. That requirement will not be effective until 18 months after enactment.

(5) Transition rules permit rates on contracts issued prior to the effective date to exceed the premium ranges within classes and across classes for two years or the second renewal of a contract, whichever is earlier.•

• Mr. McCAIN. Mr. President, I rise today to join my colleague Senator DURENBERGER of Minnesota in introducing the American Health Security Act of 1991. This legislation is needed to help enable more small businesses to provide health insurance coverage to their employees, and to assist in the national effort to make affordable health insurance available to more American families and individuals.

Today, between 32 and 37 million Americans are without adequate health insurance. Because of the continuing escalation of health care costs in this country, many of these people are forced to go without routine and needed medical care. The result is more acute health problems in some individuals, including children. When this happens, government must frequently step in.

Mr. President, contrary to what most of us believe, the bulk of uninsured Americans are not unemployed. Rather, between 70 and 80 percent are employed or are dependents of employed individuals. The vast majority of these work for small businesses. Also, contrary to general opinion, these people are without insurance not because small business owners are unwilling to provide coverage, but in large part because of the business is unable to pay the high cost of health coverage as mandated by most States.

If we are to make significant progress toward filling this need and rectifying this difficult situation, we must look for solutions which are fair and equitable to employees who need insurance coverage, to small firms who may experience difficulty in obtaining and paying for coverage, and to insurance providers as they struggle to keep pace with inflation in health care. This legislation represents what I believe to be the best available solution to this problem.

Mr. President, let me say first that this legislation in no way mandates coverage. While that may be an easy solution, in practice it will not work because mandating coverage in no way addresses the fundamental reasons why many small firms are unable to buy and pay for employee health care plans. Mandates exacerbate the symptom of the problem rather than attacking the root of the problem.

Rather, this legislation seeks to provide alternatives to existing insurance plans, and to ease the cost of buying insurance by providing tax incentives and limitations on premium increases for some types of coverage.

Mr. President, this bill applies to businesses having between 2 and 50 employees, and to insurers who provide health care plans to small business.

We know that a great deal of the cost of small group health policies reflects the many mandates imposed by State governments on insurers. While there may be many good reasons for the practice of mandating certain minimum coverage requirements for group policies, the effect has been to make those policies cost prohibitive to many small businesses. In fact, Mr. President, premium rate increases of 50 to 100 percent are not uncommon for this class of insurance consumer.

To alleviate this problem, this legislation takes five important steps.

First, it guarantees that policies must be issued to small businesses wishing to purchase them.

Second, it places reasonable but not absolute limits on an insurer's ability to impose coverage restrictions due to preexisting conditions of those to be insured.

Third, it guarantees renewability of policies where the contract has not been terminated for cause.

Fourth, it places limitations on annual rate increases, such that increases cannot exceed the percentage increase charged to new businesses plus adjustments for changes in coverage and class characteristics.

And, fifth, it mandates the creation of minimum coverage insurance plans which are exempted from State mandates.

Mr. President, this last point is important. As we know, benefits and coverage mandated by States has become a key factor leading to powerful upward pressure on premium rates. This legislation requires insurers who market to small business to offer a dual product called Medplans. Medplans provide minimum basic coverage and are exempted from State mandated benefits, thus enabling insurers to offer this product at a significantly reduced cost. There is, however, nothing in this legislation that would prohibit a small business' purchase of a more generous plan should that be the desire of the purchaser.

Mr. President, in addition to this legislation, we have offered S. 88 and S. 89 which would make permanent the small business deduction for health insurance premiums, and which would raise the deduction for small businesses from 25 to 100 percent thus bringing small employers into line with IRS regulations governing large businesses. Together, this forms a complete and thorough package that will make real progress toward making health insurance available to more Americans, at a reasonable cost.

But, most importantly, this is fair legislation. It does not seek to penalize employers or insurers. No mandatory coverage is called for, and premium rates are capped within ranges that will reflect the marketplace and actual experience.

Mr. President, this legislation represents a real, working solution for millions of uninsured Americans. I urge my colleagues to look carefully at this bill, along with S. 88 and S. 89.

By Mr. PRESSLER (for himself and Mr. DASCHLE):

S. 702. A bill to authorize the planning and construction of the Mid-Dakota Rural Water System Project; to the Committee on Energy and Natural Resources.

MID-DAKOTA RURAL WATER SYSTEM ACT

Mr. PRESSLER. Mr. President, today I am introducing legislation with my colleague Senator DASCHLE to authorize the Mid-Dakota Rural Water System. This water pipeline system would bring clean drinking water to the citizens of South Dakota.

For many years we have attempted to use Missouri River water in a positive way for the citizens of our State. We are presenting this legislation with the support of Governor Mickelson's office, the electrical power community, and other local groups. Mid-Dakota would provide clean drinking water for a large area of eastern South Dakota. It is another step in our long struggle to get fair treatment for South Dakota.

The proposed Mid-Dakota Rural Water System would provide clean, safe drinking water to 29,000 people and 650,000 head of livestock in a 7,000 square mile, 12-county area in South Dakota. The proposed pipeline project is the only feasible means of providing the area with good quality water. Twenty-three towns within the Mid-Dakota area presently fail at least one EPA drinking water standard. If Congress is at all concerned about protecting human health and environmental protection, then we cannot overlook the tremendous good that would be provided by this proposed project. We have a responsibility to protect the health of the people we represent.

I remind my colleagues once again of the sacrifice South Dakota made for the construction of the four Missouri River mainstem dams in our State. In the 1940's, South Dakota agreed to sacrifice over 500,000 acres of farmland for the construction of these dams. The dams have provided hydroelectric power, flood control, and navigation for downstream States. In return for the sacrifices South Dakota made for the construction of the dams, the Federal Government made a commitment to South Dakota. That commitment was to support water development in the State. Since first coming to Congress, I have continually fought for the development of South Dakota water projects. We have had some success in the area of water development during that time with the construction of the WEB project and the rehabilitation of the Bell Fourche irrigation project, but the Federal commitment to South Dakota is far from being fulfilled. The authorization of the Mid-Dakota Rural Water System is an effort to obtain at least a partial fulfillment of the Federal commitment to South Dakota.

Mr. President, the future of South Dakota depends on responsible water development of Missouri River water resources. My goal is to see South Dakotans from border to border enjoy clean, safe drinking water. This proposed project has been planned carefully and great attention paid to the protection of the environment, as well as to the needs of the citizens in the project area.

Many people have put years of hard work into this much-needed water project. I especially commend Julie Apgar, the project manager, for her tireless efforts and selfless dedication to this project. She and countless other Mid-Dakota Rural Water System supporters deserve to enjoy the fruits of their labors. I urge my colleagues to support this important pipeline project.

Mr. President, I ask unanimous consent that the text of the Mid-Dakota Rural Water System Act be printed in the RECORD at this point.

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

S. 702

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 "Mid-Dakota Rural Water System Act of 1991".

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term "feasibility study" means the study entitled "Mid-Dakota Rural Water System Feasibility Study and Report" dated November 1988 and revised January 1989 and March 1989, as supplemented by the "Supplemental Report for Mid-Dakota Rural Water System" dated March 1990 (which supplemental report shall control in the case of any inconsistency between it and the study and report);

(2) the term "Foundation" means the South Dakota Game, Fish and Parks Foundation, a nonprofit corporation under the laws of the State of South Dakota with its principal office in South Dakota;

(3) the term "pumping and incidental operational requirements" means all power requirements incident to the operation of intake facilities, pumping stations, water treatment facilities, reservoirs, and pipelines up to the point of delivery of water by the Mid-Dakota Rural Water System to—

(A) each entity that distributes water at retail to individual users; or

(B) each rural use location;

(4) the term "rural use location" includes a water use location—

(A) that is located in or in the vicinity of a municipality identified in appendix A of the feasibility report, for which municipality and vicinity there was on December 31, 1988, no entity engaged in the business of distributing water at retail to users in that municipality or vicinity; and

(B) that is one of no more than 40 water use locations in that municipality and vicinity;

(5) the term "Secretary" means the Secretary of the Interior;

(6) the term "summer electrical season" means May through October of each year;

(7) the term "water system" means the Mid-Dakota Rural Water System, substantially in accordance with the feasibility study;

(8) the term "Western" means the Western Area Power Administration;

(9) the term "wetland component" means the wetland development and enhancement component of the water system, substantially in accordance with the wetland component report;

(10) the term "wetland component report" means the report entitled "Wetlands Development and Enhancement Component of the Mid-Dakota Rural Water System" dated April 1990; and

(11) the term "wetland trust" means a trust established in accordance with section 11(b) and operated in accordance with section 11(c).

SEC. 3. FEDERAL ASSISTANCE FOR RURAL WATER SYSTEM.

(a) IN GENERAL.—The Secretary shall make grants and loans to Mid-Dakota Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water system.

(b) SERVICE AREA.—The water system shall provide for safe and adequate municipal, rural, and industrial water supplies, mitigation of wetland areas, and water conservation in Beadle County (including the City of Huron), Buffalo, Hand, Hughes, Hyde, Jerauld, Potter, Sanborn, Spink, and Sully Counties, and elsewhere in South Dakota.

(c) TERMS AND CONDITIONS.—The Secretary shall make the grants and loans authorized by subsection (a) on terms and conditions equivalent to those applied by the Secretary of Agriculture in providing assistance to projects for the conservation, development, use, and control of water under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)), except to the extent that they are inconsistent with this Act.

(d) AMOUNT OF GRANTS.—Notwithstanding the percentage limits that would otherwise apply under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)), the Secretary shall make a grant or grants under subsection (a) to Mid-Dakota Rural Water System, Inc., in the amount necessary to hold user costs to a reasonable level.

(e) LOAN TERMS.—Interest on a loan made under subsection (a) to Mid-Dakota Rural Water System, Inc.—

(1) shall be at a rate of 5 percent per annum; and

(2) shall not be charged during planning and construction of the water system,

and the first payment on such a loan shall not be due until after completion of construction of the water system.

SEC. 4. FEDERAL ASSISTANCE FOR WETLAND DEVELOPMENT AND ENHANCEMENT.

(a) INITIAL DEVELOPMENT.—The Secretary shall make grants and otherwise make funds available to Mid-Dakota Rural Water System, Inc. and other private, State, and Fed-

eral entities for the initial development of the wetland component.

(b) OPERATION AND MAINTENANCE.—The Secretary shall make a grant, providing not to exceed $100,000 annually, to Mid-Dakota Water System, Inc., for operation and maintenance of the wetland component.

(c) NONREIMBURSEMENT.—Funds provided under this section shall be nonreimbursable and nonreturnable.

SEC. 5. WATER CONSERVATION.

(a) WITHHOLDING OF FUNDS.—The Secretary shall not obligate Federal funds for construction of the water system until the Secretary finds that non-Federal entities have developed and implemented water conservation programs throughout the service area of the water system.

(b) PURPOSE OF PROGRAMS.—The water conservation programs required by subsection (a) shall be designed to ensure that users of water from the water system will use the best practicable technology and management techniques to reduce water use and water system costs.

SEC. 6. MITIGATION OF FISH AND WILDLIFE LOSSES.

Mitigation for fish and wildlife losses incurred as a result of the construction and operation of the water system shall be on an acre for acre basis, based on ecological equivalency, concurrent with project construction.

SEC. 7. USE OF PICK-SLOAN POWER.

(a) IN GENERAL.—From power designated for future irrigation and drainage pumping for the Pick-Sloan Missouri River Basin Program, Western shall make available the capacity and energy required to meet the pumping and incidental operational requirements of the water system during the summer electrical season.

(b) CONDITIONS.—The capacity and energy described in subsection (a) shall be made available on the following conditions:

(1) The water system shall be operated on a not-for-profit basis.

(2) The water system shall contract to purchase its entire electric service requirements, including the capacity and energy made available under subsection (a), from a cooperative power supplier which purchases power from a cooperative power supplier which itself purchases power from Western.

(3) The rate schedule applicable to the capacity and energy made available under subsection (a) shall be Western's Pick-Sloan Eastern Division Firm Power Rate Schedule in effect when the power is delivered by Western.

(4) It shall be agreed by contract among—

(A) Western;

(B) the power supplier with which the water system contracts under paragraph (2);

(C) that entity's power supplier; and

(D) Mid-Dakota Rural Water System, Inc.,

that for the capacity and energy made available under subsection (a), the benefit of the rate schedule described in paragraph (3) shall be passed through to the water system, but the water system's power supplier shall not be precluded from including in its charges to the water system for such electric service its other usual and customary charges.

(5) Mid-Dakota Rural Water System, Inc., shall pay its power supplier for electric service, other than for capacity and energy supplied pursuant to subsection (a), in accordance with the power supplier's applicable rate schedule.

SEC. 8. RULE OF CONSTRUCTION.

This Act shall not be construed to limit authorization for water projects in the State of South Dakota under existing law or future enactments.

SEC. 9. WATER RIGHTS.

Nothing in this Act shall be construed to—

(1) invalidate or preempt State water law or an interstate compact governing water;

(2) alter the rights of any State to any appropriated share of the waters of any body of surface or ground water, whether determined by past or future interstate compacts or by past or future legislative or final judicial allocations;

(3) preempt or modify any State or Federal law or interstate compact dealing with water quality or disposal; or

(4) confer upon any non-Federal entity the ability to exercise any Federal right to the waters of any stream or to any ground water resources.

SEC. 10. USE OF GOVERNMENT FACILITIES.

The use of and connection of water system facilities to Government facilities at the Oahe powerhouse and pumping plant and their use for the purpose of supplying water to the water system may be permitted to the extent that such use does not detrimentally affect the use of those Government facilities for the other purposes for which they are authorized.

SEC. 11. WETLAND TRUST.

(a) FEDERAL CONTRIBUTIONS.—The Secretary shall make a Federal contribution to a wetland trust that is—

(1) established in accordance with subsection (b); and

(2) operated in accordance with subsection (c),

in the amount of $3,000,000 in the first year in which a contribution is made and $1,000,000 in each of the following 4 years.

(b) ESTABLISHMENT OF WETLAND TRUST.—A wetland trust is established in accordance with this subsection if—

(1) the wetland trust is administered by the Foundation;

(2) the Foundation is under the direction of a Board of Directors that has power to manage all affairs of the Foundation, including administration, data collection, and implementation of the purposes of the wetland trust;

(3) members of the Board of Directors of the Foundation serve without compensation;

(4) the corporate purposes of the Foundation in administering the wetland trust are to preserve, enhance, restore, and manage wetland and associated wildlife habitat in the State of South Dakota;

(5) an advisory committee is created to provide the Board of Directors of the Foundation with necessary technical expertise and the benefit of a multiagency perspective;

(6) the advisory committee described in paragraph (5) is composed of—

(A) 1 member of the staff of the Wildlife Division of the South Dakota Department of Game, Fish and Parks, appointed by the Secretary of that department;

(B) 1 member of the United States Fish and Wildlife Service, appointed by the Director of Region 6 of the United States Fish and Wildlife Service; and

(C) 3 residents of the State of South Dakota who are members of wildlife or environmental organizations, appointed by the Governor of the State of South Dakota; and

(7) the wetland trust is empowered to accept non-Federal donations, gifts, and grants.

(c) OPERATION OF WETLAND TRUST.—The wetland trust shall be considered to be operated in accordance with this subsection if—

(1) the wetland trust is operated to preserve, enhance, restore, and manage wetlands and associated wildlife habitat in the State of South Dakota;

(2) under the corporate charter of the Foundation, the Board of Directors, acting on behalf of the Foundation, is empowered to—

(A) acquire lands and interests in land and power to acquire water rights (but only with the consent of the owner);

(B) acquire water rights; and

(C) finance wetland preservation, enhancement, and restoration programs;

(3)(A) all funds provided to the wetland trust under subsection (a) are invested in accordance with subsection (d);

(B) no part of the principal amount (including capital gains thereon) of such funds are expended for any purpose; and

(C) the income received from the investment of such funds is used only for purposes and operations in accordance with this subsection or, to the extent not required for current operations, reinvested in accordance with subsection (d);

(D) income earned by the wetland trust (including income from investments made with funds other than those provided to the wetland trust under subsection (a)) is used to—

(i) enter into joint ventures, through the Division of Wildlife of the South Dakota Department of Game, Fish and Parks, with public and private entities or with private landowners to acquire easements or leases or to purchase wetland and adjoining upland; or

(ii) pay for operation and maintenance of the wetland component;

(E) when it is necessary to acquire land other than wetland and adjoining upland in connection with an acquisition of wetland and adjoining upland, wetland trust funds (including funds other than those provided to the wetland trust under subsection (a) and income from investments made with such funds) are used only for acquisition of the portions of land that contain wetland and adjoining upland that is beneficial to wetland;

(F) all land purchased in fee simple with wetland trust funds shall be dedicated to wetland preservation and use; and

(G) proceeds of the sale of land or any part thereof that was purchased with wetland trust funds are remitted to the wetland trust;

(ii) management, operation, development, and maintenance of lands on which leases or easements acquired;

(iii) payment of annual lease fees, one-time easement costs, and taxes on land areas containing wetlands purchased in fee simple;

(iv) payment of personnel directly related to the operation of the wetland trust, including administration; and

(v) contractual and service costs related to management of wetland trust funds, including audits.

(4) the Board of Directors of the Foundation agrees to provide such reports as may be required by the Secretary and makes its records available for audit by Federal agencies; and

(5) the advisory committee created under subsection (b)—

(A) recommends criteria for wetland evaluation and selection;

(B) recommends wetland parcels for lease, easement, or purchase and states reasons for its recommendations; and

(C) recommends management and development plans for parcels of land that are purchased.

(d) INVESTMENT OF WETLAND TRUST FUNDS.—(1) The Secretary, in consultation with the Secretary of the Treasury, shall es-

tablish requirements for the investment of all funds received by the wetland trust under subsection (a) or reinvested under subsection (c)(3).

(2) The requirements established under paragraph (1) shall ensure that—

(A) funds are invested in accordance with sound investment principles; and

(B) the Board of Directors of the Foundation manages such investments and exercises its fiduciary responsibilities in an appropriate manner.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS.

(a) WATER SYSTEM.—There are authorized to be appropriated to the Secretary $108,400,000 for the planning and construction of the water system under section 3, plus such sums as are necessary to defray increases in development costs reflected in appropriate engineering cost indices after October 1, 1989, such sums to remain available until expended.

(b) WETLAND COMPONENT.—There are authorized to be appropriated to the Secretary—

(1) $2,756,000 for the initial development of the wetland component under section 4;

(2) such sums as are necessary for the operation and maintenance of the wetland component, not exceeding $100,000 annually, under section 4; and

(3) $7,000,000 for the Federal contribution to the wetland trust under section 11.

By Mr. HATCH (for himself, Mr. COCHRAN, Mr. CRAIG, Mr. HELMS, Mr. LEVIN, Mr. LOTT, Mr. LUGAR, Mr. MCCONNELL, Mr. PRESSLER, Mr. SHELBY, Mr. SIMON, Mr. SYMMS, and Mr. THURMOND):

S. 709. A bill to amend the Internal Revenue Code to allow a deduction for qualified adoption expenses, and for other purposes; to the Committee on Finance.

FAIRNESS FOR ADOPTING FAMILIES ACT

Mr. HATCH. Mr. President, I am introducing today the Fairness for Adopting Families Act, a bill that will greatly assist American families to adopt children. Senators COCHRAN, CRAIG, HELMS, LEVIN, LOTT, LUGAR, MCCONNELL, PRESSLER, SHELBY, SIMON, SYMMS, and THURMOND are joining with me to introduce this legislation.

A tax deduction for adoption expenses is desperately needed, both for its substance as well as its message. It is needed by children who are awaiting to be adopted and it is needed by families who are sacrificing to finance the ever-increasing costs of adopting a child. As lawmakers, we must make sure our laws treat families formed through adoption the same as families formed biologically. As lawmakers, we must also continue to express our support for the family unit. We all agree that strong families are the key to a strong America and our support for their formation must be the cornerstone of our policy.

For many prospective parents, the only way to form their family is through adoption. Our laws must recognize this fact and not discriminate against these families.

To many seeking to adopt a child, the costs associated with such a procedure are simply prohibitive. Prospective parents are often required to pay not only court and attorney fees but also expenses for maternity home services, hospital and physician costs, and at times, prenatal care expenses for the natural mother. Data provided by the National Committee for Adoption shows that the actual costs connected with legal adoptions can exceed $15,000. One family in my home State of Utah illustrates the financial burden an adoption can place on a family. This family was in the process of adopting a foreign infant. All of the paperwork had been filed with the appropriate agencies when they discovered that they were required to pay a lump sum of $13,000 in just a short period of time. This was a significant amount of money for this middle-class family and they concluded that they could not continue to finance the adoption. Their insurance company would reimburse them for $3,000 of this, but only after the adoption was finalized. This was too little, too late. This family just could not afford to continue with the adoption, and had to discontinue the proceeding. This situation should not have to happen. Family wealth should not be the determinative factor in adopting a child. This bill recognizes the importance of the family unit by alleviating many of the cost barriers associated with adoption.

This proposed legislation has three major features. First, it would provide a tax deduction of up to $5,000 for unreimbursed and legitimate adoption expenses. This deduction would be available whether the taxpayer itemizes or not. Second, it would exclude from an employee's gross income up to $5,000 in payments made by an employer for adoption expenses. Third, it would treat any employer contribution to an adoption expense plan as a deductible business expense.

This bill provides that as long as an adoption is in accordance with State and local law, the tax deduction for unreimbursed adoption expenses would be available. Each legal adoption is socially useful and beneficial. Each adopting family deserves our support. This is true whether the child is a healthy infant, a child with special needs, or a child from another country. We cannot arbitrarily support some children and not others. We must support all legal adoptions.

This legislation does not provide, however, a deduction for expenses for adoptions administered through illegal practices, such as through a baby broker. Many adopting parents in my own State of Utah and in other States have been defrauded by such schemes.

The cost of an illegal adoption often exceeds $25,000, most of which goes into the pockets of middlemen. Fees for such unconscionable arrangements should not and would not be deductible.

Two of this bill's provisions deal with the interest in adoption by many of America's employers. Corporations such as Dow Chemical, IBM, Digital Equipment, and Honeywell currently offer adoption benefits. This legislation will encourage more employers to establish such pro-family plans.

The bill addresses two problems now associated with employer-provided adoption benefits. The first problem is that adoption payments made to employees are taxable to the employee as income. The bill excludes from an employee's income those payments. The second problem is that employers may not treat their adoption payments to employees as deductible business expenses. The bill solves this problem by treating employer contributions to an adoption expense reimbursement program as ordinary and necessary business expenses.

This legislation will also save our society money. The National Committee for Adoption has shown savings in two ways. First, the bill would move thousands of children, who might otherwise have lingered in foster care, into loving homes. Second, the tax deduction encourages shifting medical costs to the adopting family and away from the more expensive AFDC and Medicaid systems.

This bill will do a great deal to help children of minority racial or ethnic background who are awaiting adoption. Currently, healthy babies who are of minority racial or ethnic background frequently wait for years in foster care simply because of economic factors. Often, these children do not meet the definition of a special needs child in the State where they reside. Many of the families who want to adopt these children have very modest incomes and need tax breaks to help them form their families and to offer permanent loving homes to these children. Do we want to deny these children our support because they are healthy or under 5 years of age?

I strongly encourage my colleagues to support this legislation. We are representatives of a society that professes a commitment to ensure the success of the family. The Tax Code should demonstrate that commitment by allowing for the deduction of adoption expenses. President Bush has recognized the importance of such a deduction by including a special needs adoption expense deduction in his budget proposal. While the special needs deduction is a necessary and positive move, it is far from adequate. Under the Bush proposal, a state would have the authority to define when a child fits the special needs category. We cannot let even one child remain unadopted because he or she does not fit some State's definition of special needs. How can we discriminate against any child waiting for adoption?

How can we tell a 4-year-old child that he or she is not a special needs child until he or she turns 5? it must be our policy that all children awaiting adoption are special, regardless of sex, race, age, religion, sibling size, or disability.

I urge my colleagues on the Finance Committee to take quick action on this bill. I realize that the Budget Enforcement Act places severe restrictions on tax legislation that is scored as losing revenue. I really believe that this legislation will save the Treasury money—not lose it. However, our cost estimators may not agree with me on this. The Finance Committee will be considering extending several expiring tax provisions this year. Offsets will be found for these provisions. Somehow, the money for this bill can also be found.

The most important resource America has is its families. We must do everything in our power to ensure their continued growth and success. All adoption is good, not just the adoption of children arbitrarily defined as having special needs. This legislation will greatly benefit not only children and families but society as a whole. A relatively small dollar investment in this bill will move us a long way toward strengthening the American family.

Mr. President, I ask unanimous consent that the text of the bill and a summary of the bill be printed in the RECORD.

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

S. 709

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 "Fairness for Adopting Families Act".

SEC. 2. DEDUCTION FOR ADOPTION EXPENSES.

(a) DEDUCTION FOR ADOPTION EXPENSES.—

(1) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221 and by inserting after section 219 the following new section:

"SEC. 220. ADOPTION EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount allowable as a deduction under subsection (a) for all taxable years with respect to the legal adoption of any single child by the taxpayer shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a deduction under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's taxable income (determined without regard to this section section 134) exceeds $60,000, bears to

"(B) $10,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No deduction shall be allowed under subsection (a) for any expenses paid from any funds received under any Federal, State or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees (including agency fees), court costs, attorney fees, and other expenses which—

"(A) are directly related to the legal adoption of a child by the taxpayer but only if such adoption has been arranged—

"(i) by a State or local agency with responsibility under State or local law for child placement through adoption,

"(ii) by a non-profit, voluntary adoption agency which is authorized by State or local law to place children for adoption, or

"(iii) through a private placement, and

"(B) are not incurred in violation of State or Federal law.

"(2) ADOPTION EXPENSES NOT TO INCLUDE CERTAIN AMOUNTS.—The term 'qualified adoption expenses' shall not include any expenses in connection with—

"(A) the adoption by an individual of a child who is the child of such individual's spouse, or

"(B) travel outside the United States, unless such travel is required—

"(i) as a condition of a legal adoption by the country of the child's origin,

"(ii) to assess the health and status of the child to be adopted, or

"(iii) to escort the child to be adopted to the United States.

"(3) CHILD.—The term 'child' means an individual who at the time of adoption under this section has not attained the age of 18."

(2) CLERICAL AMENDMENT.—The table of sections for such part VII is amended by striking the item relating to section 220 and inserting the following:

"Sec. 220. Adoption expenses.

"Sec. 221. Cross reference."

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 of such Code is amended by adding after paragraph (13) the following new paragraph:

"(14) ADOPTION EXPENSES.—The deduction allowed by section 220."

(c) ADOPTION ASSISTANCE PROGRAMS.—

(1) IN GENERAL.—Part III of chapter B of chapter 1 of such Code (relating to items specifically excluded from gross income) is amended by redesignating section 136 as section 137 and by inserting after section 135 the following new section:

"SEC. 136. ADOPTION ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for qualified adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATIONS.—The aggregate amount excludable from gross income under subsection (a) for all taxable years with respect to the legal adoption of any single child by the taxpayer shall not exceed the excess (if any) of $5,000 over the amount allowable as a deduction (or amounts taken into account in computing the deduction) under section 220 with respect to such adoption.

"(2) INCOME LIMITATION.—The amount excludable from gross income under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so excludable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's taxable income (determined without regard to this section and section 220) exceeds $60,000, bears to

"(B) $10,000.

"(c) ADOPTION ASSISTANCE PROGRAM.—For purposes of this section, an adoption assistance program is a plan of an employer—

"(1) under which the employer provides employees with adoption assistance, and

"(2) which meets requirements similar to the requirements of paragraphs (2), (3), and (5) of section 127(b).

"(d) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' has the meaning given such term by section 220(c)."

(2) CLERICAL AMENDMENT.—The table of sections for such part III is amended by striking the item relating to section 136 and inserting the following:

"Sec. 136. Adoption assistance programs.

"Sec. 137. Cross reference to other Acts."

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1990.

SUMMARY OF FAIRNESS FOR ADOPTING FAMILIES ACT

Sponsors: Senators Orrin G. Hatch, Thad Cochran, Larry E. Craig, Jesse Helms, Carl Levin, Trent Lott, Richard G. Lugar, Mitch McConnell, Larry Pressler, Richard C. Shelby, Paul Simon, Steven D. Symms, Strom Thurmond.

DATE OF INTRODUCTION

1. Provides a tax deduction for adoption expenses: allowance of a deduction for the costs of an adoption, in accordance with state law, including infant, special needs, or foreign child. The amount allowable is capped at $5,000 and is available whether the taxpayer itemizes or not. Families with taxable incomes up to $60,000 could deduct 100 percent of qualified expenses, with a gradual phaseout of the benefit from $60,000 to $70,000 annual income. Adoption expenses which are not tax deductible include relative adoptions and foreign travel not associated with requirements of a foreign adoption.

2. Excludes from employee's income adoption expenses paid by an employer up to $5,000.

3. Treats employer contribution to adoption expense plan as an ordinary and necessary business expense.

4. Effective date: applies to qualified adoption expenses incurred in taxable years beginning after December 31, 1990.

By Mr. GRASSLEY (for himself, Mr. DIXON, Mr. SIMON, and Mr. DOLE):

S. 710. A bill to amend the Internal Revenue Code of 1986 to provide a permanent extension for the issuance of first-time farmer bonds; to the Committee on Finance.

EXTENSION OF ISSUANCE OF FIRST-TIME FARMER BONDS

• Mr. GRASSLEY. Mr. President, I rise today to reintroduce legislation to extend permanently the Federal tax exemption for agricultural private activity bonds. These aggie bonds are part of a larger package of tax-exempt bonds scheduled to sunset at the end of this year. Joining me in this effort are Senators DIXON, SIMON, and DOLE.

Aggie bonds are used to finance low-interest farm loans targeted to beginning farmers. The borrower must secure a participating private lender, who assumes all of the loan risk. Federal law limits use of the bonds for loans to first-time farm purchases and restricts them to a maximum of $250,000 per family per lifetime. State law may impose additional restrictions, such as net worth and residency requirements.

Unfortunately, State programs could be extinguished if the tax-exempt status is lost, since the tax-exempt status is precisely what enables the finance programs to issue low-interest loans to first-time farmers.

As we all know, Mr. President, there has been a steady flow of people and income from rural to urban America, which has had a detrimental effect on the rural economy. Continuation of the Aggie Bond Program could be a real boon for rural development. The program addresses the one problem admitted by the Task Force on Agricultural Finance—that of accessible and affordable credit to beginning farmers.

To date, over 3,000 loans worth over $250 million have been processed through the Aggie Bond Program nationwide. In my State of Iowa, aggie bonds were first issued in 1981. Under Iowa's beginning farmer program, nearly 1,000 loans worth over $80 million have been approved.

Mr. President, the National Council of State Agricultural Finance Programs, the National Association of Wheat Growers, the National Farmers Union, the National Farmers Organization and Communicating for Agriculture have all strongly endorsed this legislation because they have seen firsthand how the Aggie Bond Program provides necessary support to first-time farmers. It is also important to note that there is absolutely no financial risk to the Federal Government in this program and the cost is minimal.

Fortunately, the aggie bond tax exemption was extended last year through 1991 by the Congress. However, it will be essential to extend the program further to realize the program's full potential.

I urge my colleagues to join me and the cosponsors of this bill by supporting this effort to help America's beginning farmers.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 710

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

SECTION 1. FIRST-TIME FARMER BONDS EXTENDED PERMANENTLY.

IN GENERAL.—Section 144(a)(12) of the Internal Revenue Code of 1986 (relating to termination dates) is amended by adding at the end thereof the following new subparagraph:

"(D) FIRST-TIME FARMER BONDS.—Subparagraph (A) shall not apply to any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide any land or property in accordance with section 147(c)(2)."

"(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 144(a)(12) of such Code is amended to read as follows:

"(B) BONDS ISSUED TO FINANCE MANUFACTURING FACILITIES.—In the case of any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used to provide any manufacturing facility, subparagraph (A) shall be applied by substituting 'December 31, 1991' for 'December 31, 1986'."

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 1991.•

By Mr. SEYMOUR:

S. 711. A bill to authorize the Secretary of the Interior to undertake certain activities to reduce the impacts of drought conditions, and for other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION DROUGHT RELIEF ACT

• Mr. SEYMOUR. Mr. President, I rise today to introduce legislation to the Drought Relief Act of 1991 to provide relief to the most pressing emergency facing the State of California—the drought.

The fact that California is in its fifth and worst year of a drought is well known. The State needs help.

Clearly, Mr. President, there is no single solution to our drought crisis, and unfortunately, unless mother nature blesses us with interminable rains, there are no quick fixes. Recognizing this fact, any solution must look to the future and the potential reoccurrences of this drought.

In this regard, let me take a moment to share with the Senate what I learned this past weekend and during recent visits to areas of my State where entire communities have been devastated by the drought. All agree that we must, as Californians from every walk of life, join hands to confront this problem head-on.

We must all utilize water conservation techniques.

We must all share what limited resources that are available.

We must all compromise for the good of the State.

Without this camaraderie and teamwork, without a consensus, each and everyone in the State will lose today and will sacrifice our children's future for many years to come.

Absent a miracle that will produce massive quantities of new water, everyone concerned must focus on viable options to free up existing water resources. This means balancing the needs of our families, our communities, and our industries, with the legitimate needs of our precious environmental resources—our fish and wildlife.

This most recent drought tour has opened my eyes even further to California's urgent needs.

In response, the legislation I am introducing today responds to the concerns expressed by Californians and provides assistance for California and to the other Western reclamation States who are experiencing serious drought conditions as well. Specifically, my bill would do the following:

Grant to the Secretary of the Interior the authority to implement emergency drought relief measures, but only after extensive consultation with the affected States.

Authorize the Secretary of the interior to work in cooperation with State agencies to establish water banks where Federal water and other supplies in a State can be bought and sold consistent with State law.

Allow the use of Federal facilities during drought periods to store and deliver non-Federal project water supplies for nonagricultural purposes such as municipal and industrial, recreational, and for fish and wildlife.

Authorize the Secretary to purchase and facilitate the purchase of water on a "willing-buyer/willing seller basis."

Authorize the appropriation of funds to provide emergency loans for purchase of interim water supplies and for projects that conserve limited water resources.

Allow local water users to defer payment on Federal water loans until the drought crisis is alleviated.

Authorizes the appropriation of Federal funds to assist California in the construction of intrusion barriers at the mouth of the delta; this will protect valuable delta water for saltwater contamination.

Once again, Mr. President what California needs is flexibility from the Federal Government. We need a Federal Government willing to work with us and to assist us, not preempt us. I want to add that in recent testimony before the Subcommittee on Water and Power, Governor Wilson's administration stated that the Department of the Interior should have the authorities my legislation would grant as soon as possible.

In closing, as I mentioned, we are in the fifth year of a drought. The recent rains have helped, but much more is needed and the end of the rainy season is quickly upon us. In fact, the burden of reclamation has informed us that despite this most recent precipitation, the storage in major reservoirs is 53 percent of the average. Using these fig-

ures, the Bureau estimates that carryover for next year will be only slightly higher than it was in 1977, the driest year on record.

Before we start reallocating the State's water at the Federal Government's behest, we should be addressing the Westwide drought in a manner that respects State laws. I have tremendous confidence in the people of California and the Western States and the ability of Governor Wilson and his administration to uphold and enforce the public trust.

Mr. President, I have faith in the people of California and I believe the Federal Government should have faith in them as well. As we all know, action to ensure drought relief is urgently needed, and I hope my colleagues will join with me in support of this legislation.●

By Mr. SYMMS (for himself, Mr. LIEBERMAN, Mr. GRASSLEY, Mr. LOTT, Mr. WALLOP, Mr. BURNS, and Mr. CRAIG):

S. 712. A bill to amend section 411F(2) of the Higher Education Act of 1965 to exclude as an asset the net value of the family's principal place of residence and a family farm on which the family resides; to the Committee on Labor and Human Resources.

FAIRNESS FOR FARM FAMILIES IN PELL GRANTS

● Mr. SYMMS. Mr. President, I rise today to introduce legislation which will alleviate a serious inequity for many farm families with respect to education. This inequity denies farmers' children eligibility for student financial aid.

The Pell grant program is the largest of the title IV Higher Education Act student aid programs in terms of Federal appropriations. For academic year 1989–90 the level of funding for the program was $4.48 billion, with approximately 3 million recipients and an average Pell grant award of $1,460 per student.

"Need analysis" is the term used for the process of determining a student's need for financial assistance. The system calculates the total cost of education for a student at the individual's institution of higher education, then it calculates the expected family contribution to that cost, then subtracts this contribution from the total to determine the remaining need to cover costs. There has long been controversy whether or not the Pell grant need analysis is too restrictive for the students it is intended to benefit most: those with the lowest incomes.

Current requirements place many farm families at a considerable disadvantage in qualifying under the need evaluation for Pell grant funding. Rising land values are farmers' primary assets against which they could borrow to finance their children's education. However, because of the continuing farm crisis, they can rarely borrow against the value of their land. Even if they can borrow, they may not be able to repay a student loan during low-income years. Therefore, they not only are ineligible for Pell grant assistance, but also unable to qualify for a loan.

By eliminating consideration of home and farm equity in the need analysis for families with adjusted gross incomes of less than $30,000 we could provide equity in the need evaluation for those famlies and it would allow them to participate in the Pell grant program on a level playing field with nonfarm families.

This bill is very simple. It opens up access, or rather creates opportunities, for more young people who wish to further their education. The legislation will enable many who may not have access to higher education, to achieve a college degree, making them a valuable commodity in today's work force.

I ask unanimous consent that the text of the bill be printed in the RECORD. I would encourage my colleagues to give this bill their support.

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

S. 712

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

SECTION 1. TREATMENT OF NONLIQUID ASSETS.

Section 411F(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a–6(2)) is amended—

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end thereof the following:

"(B) For academic year 1992–1993, and succeeding academic years, the term 'assets' shall not include the net value of—

"(i) the family's principal place of residence; or

"(ii) a family farm on which the family resides.".●

●Mr. GRASSLEY. Mr. President, it is with great pleasure that I join the Senator from Idaho in introducing this most important bill.

Students of middle-class families are increasingly finding themselves shut out of opportunities for financial assistance to attend higher education. These middle-class students from farm families frequently are not able to qualify for financial aid because of the assets their families hold in the farming operation. This is because the current financial aid formula assumes that students' families can either liquidate their assets or borrow against them to acquire the funding to pay the expenses of college tuition, room, and board.

This is not realistic for farm families, however. They cannot liquidate assets—those assets produce the income the family lives on. Selling the farm would have the same effect as quitting a job. Neither are farm families able to borrow against those farm assets. Farm assets are often already leveraged and tight credit conditions that are inherent in agriculture prohibit many farmers from encumbering their farm equity for credit needs unrelated to the farm operation. The effect of the current policy is that young people in moderate-income farm families cannot obtain funding to attend higher education without eroding the income base of their family's farm.

This legislation does not, however, provide any perks to affluent farm families. The equity value of the family farm and the family home would be excluded from students' needs analysis only for families whose incomes are less than $30,000.

This legislation is simple and straightforward. Even more importantly, it is fair. In fact, the Senate has adopted this same provision at least twice before, but the legislation with which it was included was not passed by the House. I applaud the Senator from Idaho in sponsoring this bill and hope that it will be incorporated into the legislation which will reauthorize the Higher Education Act.●

● Mr. WALLOP. Mr. President, I am pleased to join my friend and colleague, Senator SYMMS, in sponsoring legislation to eliminate consideration of home and farm equity in the needs analysis with respect to eligibility for student financial aid. The bill being introduced today will place farm families with adjusted gross incomes of less than $30,000 on a more level playing field with nonfarm families which participate in the Pell Grant Program.

I have received several letters from students in my State of Wyoming complaining that current requirements of the Pell Grant Program put them at a severe disadvantage. Rising property values frequently put their parents over the income threshold for eligibility. Yet more often than not, their parents cannot afford to borrow against their valuable farm property due to the farm crisis and low annual incomes. And, even if those students do borrow money to go to school, they may not be able to repay the loan.

Mr. President, I believe everyone should be given the opportunity to attend college. We would be remiss in our duties if we did not improve access to higher education for those who have the skills and are eager to learn. The main purpose for creating the grant program was to improve student aid delivery and bring more equity and uniformity into the distribution of student financial assistance. This legislation furthers that goal.

At the University of Wyoming during the last school year, there were 2,990 Pell grants awarded. The average grant was $1,509 for two semesters. Among arts and sciences students, 817 of them received an average grant of $1,513. At the colleges of agriculture, English, education, commerce and industry, and health sciences, 1,820 students received an average Pell grant of $1,544. The family incomes of dependent students

averaged only $19,206. For independent students, their average income was $7,584 per year. These incomes are very low, yet the average Pell grant is also well below the maximum allowable grant of $3,100. This proposal will ensure that more Wyoming families have access to student financial assistance.

Later in this Congress, we will reauthorize the Higher Education Act of 1965. I anticipate that in that process there will be much debate over the imbalance between loan and grant assistance. In recent years, loans have replaced grants as the main source of student financial assistance due to tight budgets and skyrocketing college costs. As a result students incur significant debt and suffer grave consequences if they default on their loans. This is a universal problem and one which, if unchecked, will only get worse as college costs continue to rise. For that reason and many others, I hope that we will closely review the methodology for assessing the needs analysis for student loans. In that context, I urge my colleagues to give every favorable consideration to this sensible approach to broadening Pell grant eligibility.•

By Mr. RIEGLE (for himself and Mr. GARN) (by request):

S. 713. A bill to reform the Federal deposit insurance system, to improve the supervision and regulation of federally insured depository institutions, to reform the financial services industry as to the activities in which that industry may engage, to consolidate the regulatory structure for depository institutions, to recapitalize the bank insurance fund, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL INSTITUTIONS SAFETY AND CONSUMER CHOICE ACT

• Mr. RIEGLE. Mr. President, I am pleased to introduce today, at the request of the Treasury Department, the Financial Institutions Safety and Consumer Choice Act of 1991—the administration's proposed banking legislation. Senator GARN joins me in introducing this bill.

I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 713

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Institutions Safety and Consumer Choice Act of 1991".

(b) TABLE OF CONTENTS.—

TITLE I—FEDERAL DEPOSIT INSURANCE REFORM

Subtitle A—Federal Deposit Insurance Reform

Sec. 101. Deposit and pass-through insurance.
Sec. 102. Deposit solicitation restricted.
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Sec. 104. Risk-based assessments.
Sec. 105. Restrictions on federally insured State bank activities.
Sec. 106. Examinations.
Sec. 107. Market value and other disclosure.
Sec. 108. Capital standards and interest rate risk.
Sec. 109. Requirements to expense deposit with National Credit Union Share Insurance Fund.

Subtitle B—Reinsurance Demonstration Project

Sec. 116. Reinsurance demonstration project.

TITLE II—FINANCIAL SERVICES MODERNIZATION

Subtitle A—Financial Services Holding Companies

Sec. 201. Financial services holding companies.
Sec. 202. Acquisition of banks.
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Sec. 204. Diversified holding companies.
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Subtitle C—Non-banking Activities of Foreign Banks in the United States

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Sec. 242. Amendments to the Securities Exchange Act of 1934.
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Sec. 332. Amendments to the Federal Reserve Act.
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Sec. 341. Litigation authority.

Subtitle F—Reorganization of Boards of Directors

Sec. 351. Federal Deposit Insurance Corporation Board of Directors.
Sec. 352. National Credit Union Administration Board of Directors.

Subtitle G—Savings Provisions for the Transfer of Authority From the Board of Governors of the Federal Reserve System to the Director

Sec. 361. Savings Provisions.

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Sec. 617. Amendment to Act codified in title 16, United States Code.
Sec. 618. Amendments to title 18, United States Code.
Sec. 619. Amendment to Act codified in title 22, United States Code.
Sec. 620. Amendment to Act codified in title 25, United States Code.
Sec. 621. Amendments to the Internal Revenue Code of 1986.
Sec. 622. Amendments to title 28, United States Code.
Sec. 623. Amendments to title 31, United States Code.
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Sec. 625. Amendments to title 44, United States Code.
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Sec. 627. Amendments to Public Law 101-647.
Subtitle C—Repeal of Obsolete Provisions of Law
Sec. 631. Repeal of obsolete provisions of law.
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Sec. 641. Effective date.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) To return deposit insurance coverage to its original purposes of protecting small depositors and promoting financing stability.

(2) To strengthen the role of capital in insured depository institutions.

(3) To enhance the supervision of insured depository institutions.

(4) To restrict risky activities of insured depository institutions.

(5) To permit nationwide banking and branching.

(6) To authorize the establishment of financial services holding companies to permit companies owning depository institutions to engage in other financial activities with appropriate safeguards.

(7) To promote consumer convenience by permitting banking organizations a broader range of financial products.

(8) To simplify the regulatory structure for depository institutions by establishing a consolidated regulatory agency, the Office of Depository Institutions Supervision.

(9) To recapitalize the Bank Insurance Fund.

TITLE I—FEDERAL DEPOSIT INSURANCE REFORM

Subtitle A—Federal Deposit Insurance Reform

SEC. 101. DEPOSIT AND PASS-THROUGH INSURANCE.

(a) Definitions Relating to Insured Deposits.—

(1) Section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) Subject to the provisions of paragraphs (2) and (3) of this subsection, the term 'insured deposit' means the net amount due to any depositor for deposits in an insured depository institution less any part thereof which is in excess of $100,000 as such net amount is determined in accordance with section 11(a) of this Act."; and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) The term 'insured deposit' shall not include—

"(A) funds obtained or accepted, directly or indirectly, by or through any deposit broker, as defined in subsection (y) of this section, for deposit into one or more deposit accounts; provided, however, that this subparagraph shall not apply to any insured depository institution for which the Federal Deposit Insurance Corporation or the Resolution Trust Corporation has been appointed as conservator or the appropriate Federal banking agency has appointed a conservator and such conservator has determined that the acceptance of such funds—

"(i) is not an unsafe or unsound practice; and

"(ii) either—

"(I) is necessary to enable the institution to meet the demands of its depositors or pay its obligations in the ordinary course of business; or

"(II) is consistent with the conservator's fiduciary duty to minimize the losses of the institution; and

"(B) A depository institution investment contract or similar contract entered into between an insured depository institution and an employee benefit plan as defined in section 3(3) of the Employee Retirement Income Security Act (29 U.S.C. 1002), including a plan described in section 401(d) of the Internal Revenue Code of 1986 (26 U.S.C. 401(d)), which contract is nontransferable and provides for the deposit of funds over an extended period of time at a specified rate of interest whether or not the funds can be withdrawn without penalty prior to maturity.".

(2) Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended by inserting after subsection (x) the following new subsection:

"(y)(1) DEPOSIT BROKER.—The term 'deposit broker' means—

"(A) any person engaged in the business of placing deposits, or facilitating the placement of deposits, of third parties with insured depository institutions or the business of placing deposits with insured depository institutions for the purpose of selling interests in those deposits to third parties; or

"(B) an agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured depository institution to use the proceeds of the account to fund a prearranged loan.

"(2) EXCLUSIONS.—The term 'deposit broker' does not include—

"(A) an insured depository institution with respect to funds placed with that depository institution or any other insured depository institution;

"(B) an employee, as defined in section 29(b), of an insured depository institution, with respect to funds placed with the employing depository institution;

"(C) a trust department of an insured depository institution, if the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(D) the trustee of a pension or other employee benefit plan with respect to funds of the plan;

"(E) a person acting as a plan administrator or an investment adviser in connection with a pension plan or other employee benefit plan provided that such person is performing managerial functions with respect to the plan;

"(F) the trustee of a testamentary account;

"(G) the trustee of an irrevocable trust (other than one described in paragraph (1)(B)), as long as the trust in question has not been established for the primary purpose of placing funds with insured depository institutions;

"(H) a trustee or custodian of a pension or profit sharing plan qualified under section 401(d) or 403(a) of the Internal Revenue Code of 1986; or

"(I) an agent or nominee whose primary purpose is not the placement of funds with depository institutions."

(b) INSURANCE OF DEPOSITS.—

(1) INSURED AMOUNTS PAYABLE.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended to read as follows:

"(a)(1)(A) The Corporation shall insure the deposits of all insured depository institutions as provided in this Act. The maximum amount of the insured deposit of any depositor shall be $100,000 per insured depository institution as determined in accordance with this Act.

"(B) All deposits shall be registered under the taxpayer identification number or employer identification number of each depositor. For the purpose of aggregating and attributing deposits the Corporation may consider additional information contained in the records of the insured depository institution or made available by the depositor.

"(C) For the purpose of determining the amount due to any depositor under subparagraph (A), the Corporation shall aggregate the amounts of all deposits in the insured depository institution which are maintained by a depositor or by others for the benefit of the depositor. The amount due to a depositor is the lesser of the amount calculated hereunder, or $100,000. For the purpose of aggregating amounts due to a depositor, the following shall apply—

"(i) deposits registered under the same taxpayer identification number or employer identification number of one depositor shall be attributed to that depositor;

"(ii) deposits registered under the taxpayer identification number or employer identification number of more than one depositor

shall be attributed equally, unless otherwise specified in the deposit account records, among those depositors;

"(iii) deposits consisting of a revocable trust or similar account shall be attributed to the settlor or grantor of the deposit account;

"(vi) deposits maintained by an individual or entity (including an insured depository institution) acting as an agent, custodian, nominee, conservator or in a similar capacity on behalf of a principal (other than an insured depository institution) shall be attributed to such principal; and

"(v) such other attribution to a depositor as the Board of Directors determines by regulation not to be unduly burdensome and costly to calculate; provided that the depositor has control over the deposit account and that such attribution would be consistent with the insurance purposes of this Act.

"(D) For the purpose of determining the amount of insurance due under subparagraph (A), the Corporation shall not provide deposit insurance coverage on a prorata or pass-through basis to a participant in or beneficiary of an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act (29 U.S.C. 1002), including a plan described in section 401(d) of the Internal Revenue Code of 1986 (26 U.S.C. 401), other than a participant in or beneficiary of an individual account plan, as defined in section 3(34) of the Employee Retirement Income Security Act (29 U.S.C. 1033) or a plan described in section 401(d) of the Internal Revenue Code of 1986 (26 U.S.C. 401(d)), under which participants and beneficiaries have the right to direct the investment of assets held in individual accounts maintained on their behalf.

"(E) Notwithstanding subparagraph (C)(iv), the Corporation shall provide separate deposit insurance coverage on a pro-rata or pass-through basis if—

"(i) the deposit account is maintained for a business purpose.

"(ii) the principal or beneficiary does not have any control over where the funds are deposited;

"(iii) the deposit account is not maintained for investment purposes; and

"(iv) the deposit account is not maintained principally for the purpose of increasing insurance coverage.

"(F) The Board of Directors may adopt such regulations as may be necessary to implement this subsection and subsection (i)(3) and to clarify the insurance coverage thereunder.".

"(2) CERTAIN RETIREMENT ACCOUNTS.—Section 11(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(3)) is amended to read as follows:

"(3)(A) Notwithstanding paragraph (1)(C) relating to the amount of deposit insurance available for the account of any one depositor, deposits in an insured depository institution made in connection with an individual retirement account, as described in section 408 of the Internal Revenue Code of 1986, and an individual account plan defined in section 3(34) of the Employee Retirement Income Security Act (29 U.S.C. 1033), or plan described in section 401(d) of the Internal Revenue Code of 1986, under which participants and beneficiaries have the right to direct the investment of assets held in individual accounts maintained on their behalf by the plan, shall be aggregated and insured in an amount not to exceed $100,000 per participant per insured depository institution.

"(B) For purposes of subparagraph (A), the amount aggregated for insurance coverage hereunder shall consist of the present vested and ascertainable interest of each participant under the plan, excluding any remainder interest created by, or as a result of, the plan.".

"(3) CERTAIN TRUST FUNDS.—Section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(i)) is amended to read as follows:

"(i) INSURANCE OF TRUST FUNDS.—Trust funds held on deposit by an insured depository institution as trustee pursuant to irrevocable trusts, established pursuant to statute or written trust agreements, shall be insured in an amount not to exceed $100,000 for each trust estate. When such trust funds are deposited by the fiduciary depository institution in another insured depository institution, such trust funds shall be similarly insured to the fiduciary depository institution according to the trust estates represented. The Board of Directors may adopt such regulations as may be necessary to clarify the insurance coverage under this subsection and to prescribe the manner of reporting and depositing such trust funds.".

"(4) REGULATIONS.—For the purpose of promulgating regulations, during the one-year period beginning on the date of enactment of this Act, the Board of Directors shall review the capacities and rights in which deposit accounts are maintained and for which deposit insurance coverage is provided by the Corporation. At the end of such period, the Board of Directors may promulgate regulations, to be effective not earlier than two years after the date of enactment of this Act, that provide for separate insurance coverage for the different capacities and rights in which deposit accounts are maintained if a determination is made by the Board of Directors that such separate insurance coverage is consistent with the purpose of protecting small depositors and limiting the undue expansion of deposit insurance coverage and is consistent with the insurance provisions of the Federal Deposit Insurance Act.

"(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall be effective two years after the date of enactment of this Act. Such amendments shall not apply to any time deposit that was entered into before the date of enactment of this Act and that matures more than two years after the date of enactment of this Act. Such amendments shall apply, however, to any renewal or rollover of a time deposit that occurs more than two years after the date of enactment of this Act.

"(d) FEASIBILITY STUDY.—

"(1) *In General.*—The Federal Deposit Insurance Corporation, in conjunction with such consultants and technical experts as the Corporation determines to be appropriate, shall conduct a study of the feasibility of implementing a system of deposit insurance based on systemwide limitations on coverage for each depositor. The study shall include detailed, technical analysis of the costs and benefits associated with the least expensive way to implement the system. As part of the study, the Corporation shall investigate, review and evaluate—

"(A) the data systems that would be required to implement the system;

"(B) the reporting burdens of such a system on individual depository institutions;

"(C) the interface with existing data processing systems maintained by depository institutions; and

"(D) the use of a selective audit of depositors for compliance after the resolution of a failed depository institution.

"(2) SURVEY.—As part of the feasibility study, the Board of Governors of the Federal Reserve System shall conduct, in conjunction with other Federal departments and agencies as necessary, a survey of the ownership of deposits held by individuals including the dollar amount of deposits held, the type of deposit accounts held and the type of financial institutions in which the deposit accounts are held. The results of the survey shall be provided to the Federal Deposit Insurance Corporation not later than one year from the date of enactment of this Act for analysis and inclusion in the feasibility study.

"(3) *Report to Congress.*—Not later than 18 months after the date of enactment of this Act, the Federal Deposit Insurance Corporation shall submit to the Congress a report containing a detailed statement of findings made and conclusions drawn from the study conducted under this section, including such recommendations for administrative and legislative action as the Corporation determines to be appropriate.

"(e) CONFORMING AMENDMENTS.—

"(1) Section 11(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(2)) is amended by inserting after subparagraph (B) the following new subparagraph:

"(C) Each officer, employee, or agent of the United States, of any State of the United States, of the District of Columbia, of any Territory of the United States, of Puerto Rico, of Guam, of American Samoa, of the Trust Territory of the Pacific Islands, of the Virgin Islands, of the Northern Mariana Islands, of any county, or any municipality, or of any political subdivision thereof, herein called 'public unit', having official custody of public funds and lawfully depositing the same in an insured depository institution shall, for the purpose of determining the amount of insured deposits, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee, or agent of the same or any public unit having official custody of public funds and lawfully depositing the same in an insured depository institution in a custodial capacity.".

(2) Section 12(c) of the Federal Deposit Insurance Act (12 U.S.C. 1822(c)) is amended by inserting "as provided in section 1821(a)(1)(B) or" after "Except".

SEC. 102. DEPOSIT SOLICITATION RESTRICTED.

(a) IN GENERAL.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f) is amended to read as follows:

"SEC. 29. Deposit Solicitation Restricted.

"(a) IN GENERAL.—No insured depository institution which does not meet the applicable minimum capital requirements, or employee of any such institution, shall engage, directly or indirectly, in the solicitation of deposits by offering rates of interest (with respect to such deposits) which are significantly higher than the prevailing rates of interest on deposits offered by other insured depository institutions in such institution's normal market areas.

"(b) EMPLOYEE.—For purposes of this subsection, the term 'employee' means any employee—

"(1) who is employed on a full-time or part-time basis by the insured depository institution;

"(2) whose compensation is primarily in the form of a salary;

"(3) who does not share such employee's compensation with a deposit broker; and

"(4) whose office space or place of business is used exclusively for the benefit of the insured depository institution which employes such individual.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on the date of enactment of this Act.

SEC. 103. LEAST-COST RESOLUTION.

(a) Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) (i) With respect to any insured depository institution, the Corporation shall provide assistance or make payments only in such amounts as are necessary to satisfy the Corporation's obligations to that institution's insured depositors at the least cost to the affected deposit insurance fund whether by insured deposit payout, insured deposit transfer, or such other least-cost method as determined by the Corporation in accordance with subparagraph (B).

"(ii) Nothwithstanding clause (i), the Corporation shall provide assistance or make payments to satisfy, in whole or in part, the institution's liability to its uninsured depositors if such assistance or payments would constitute the least-cost method of resolving the depository institution.";

(2) by redesignating subparagraph (B) as subparagraph (D) and inserting after subparagraph (A) the following new subparagraphs:

"(B) In making determinations under subparagraph (A), the Corporation shall—

"(i) evaluate alternatives on a present value basis, using a realistic discount rate; document that evaluation; retain that documentation for not less than five years; and treat the Federal tax revenues that the Government would forego as the result of a proposed transaction, to the extent reasonably ascertainable, as if they were revenues foregone by the affected deposit insurance fund, and

"(ii) determine and compare the costs of assistance or liquidation as of the date on which the Corporation makes the determination to provide assistance under this Act,

except that the Corporation shall not consider the impact of such a transaction on the financial system.

"(C) Upon a joint determination by the Board of Governors of the Federal Reserve System and the Secretary of the Treasury that the Corporation would be unable to resolve an insured depository institution in accordance with subparagraph (A) without causing a servere adverse impact upon the financial system, the Board of Governors of the Federal Reserve System and the Secretary of the Treasury, in consultation with the Corporation and the Director of the Office of Management and Budget, shall direct the Corporation to provide assistance or make payments to an insured depository institution to satisfy the institution's liability to its depositors or take such other action as determined to be necessary to lessen the risk posed by such depository institution.".

(b) Section 11 of the Federal Deposit Insurance Act (12 U.S.C. 1821) is amended—

(1) in subsection (i)(3)(A), by striking "The Corporation may" and inserting instead "Subject to section 13(c)(4) of this Act, the Corporation may";

(2) in subsection (m)(1), by striking "As soon as possible" and inserting instead "Subject to section 13(c)(4) of this Act, as soon as possible"; and

(3) in subsection (n)(1)(A), by striking "When 1 or more" and inserting instead "Subject to section 13(c)(4) of this Act, when 1 or more".

(c) Section 13(c) or the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended—

(1) in paragraph (1)—

(A) by striking "The Corporation is authorized in its sole discretion and" and inserting instead "Subject to paragraph (4), the Corporation is authorized";

(B) in subparagraph (A), by inserting "or" after the semicolon;

(C) in subparagraph (B), by striking "; or" and inserting instead a period; and

(D) by striking subparagraph (C); (2) in paragraph (2)—

(A) in subparagraph (A), by striking "In order to" and inserting instead "Subject to paragraph (4), in order to";

(B) in subparagraph (B)(i), by inserting "or" after the semicolon;

(C) in subparagraph (B)(ii), by striking "; or" and inserting instead a period; and

(D) by striking subparagraph (B)(iii).

(d) Section 13(i)(7) of the Federal Deposit Insurance Act (12 U.S.C. 1823(i)(7)) is amended to read as follows:

"(7) The assistance provided to a qualified depository institution pursuant to this subsection must result in the least-cost to the affected deposit insurance fund as provided in subsection (C)(4).".

(e) Section 13(i)(1)(A)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1823(k)(1)(A)(i)) is amended by striking "determining that severe" and all that follows through "Corporation" the second time it appears and inserting instead "a determination made in accordance with subsection (c)(4)(C)(i), the Corporation".

(f) EFFECTIVE DATE.—The amendments made by this section shall become effective three years after the date of enactment of this Act.

SEC. 104. RISK-BASED ASSESSMENTS.

(a) ASSESSMENT RATES.–

(1) Section 7(b)(1)(C)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)(C)(i)) is amended by striking "the greater of 0.15 percent or"; and

(2) Section 7(b)(1)(D)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)(D)(i)) is amended by striking "the greater of 0.15 percent or".

(b) RISK-BASED ASSESSMENTS.—Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by redesignating paragraph (9) as paragraph (10), and by inserting after paragraph (8) the following new paragraph (9):

"(9) RISK-BASED ASSESSMENTS.—

"(A) IN GENERAL.—Subject to paragraph (1), the Board of Directors shall, by regulation, establish a risk-based assessment system for insured depository institutions.

"(B) Risk-Based Assessment System Defined.—For purposes of this paragraph, the term 'risk-based assessment system' means a system relating insured depository institutions' assessment rates to the risk those institutions pose to the affected deposit insurance fund.

"(C) PROVISIONS APPLICABLE TO ESTABLISHMENT OF SYSTEM.—In establishing an assessment system under subparagraph (A), assessment rates shall be established based upon categories of risk. In determining the categories of risk, the Board of Directors—

"(i) shall use the ratio of capital to risk-weighted assets for the insured depository institutions; and

"(ii) may use the following criteria—

"(I) the activities conducted by insured depository institutions;

"(II) the assets and liabilities of insured depository institutions; and

"(III) such circumstances, conditions, activities or other risk factors that the Board of Directors determines may appropriately be taken into account.".

(b) PROMULGATION OF REGULATIONS.—Not later than 18 months after the date of enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall promulgate the regulations required by section 7(b)(9) of the Federal Deposit Insurance Act. Such regulations shall become effective not later than two years after the date of enactment of this Act.

SEC. 105. RESTRICTIONS ON FEDERALLY INSURED STATE BANK ACTIVITIES.

(a) The Federal Deposit Insurance Act (12 U.S.C. 1811 *et seq.*) is amended by inserting after section 23 the following new section:

"SEC. 24. ACTIVITIES OF FEDERALLY INSURED STATE BANKS.

"(a) IN GENERAL.—Beginning one year after the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, an insured State bank may not engage as principal in any type of activity that is not permissible for a national bank unless—

"(1) the Federal Deposit Insurance Corporation has determined that the activity would pose no significant risk to the affected deposit insurance fund; and

"(2) the State bank is, and continues to be, in compliance with minimum capital standards prescribed by the appropriate Federal banking agency.

"(b) Equity Investments by State Banks.—

"(1) IN GENERAL.—A State bank may not directly or indirectly acquire or retain any equity investment of a type that is not permissible for a national bank.

"(2) EXCEPTION FOR CERTAIN SUBSIDIARIES.—Paragraph (1) shall not prohibit a State bank from acquiring or retaining an equity investment in a subsidiary of which the State bank is a majority owner.

"(3) TRANSITION RULE.—

"(A) IN GENERAL.—The Federal Deposit Insurance Corporation shall require any State bank to divest any equity investment the retention of which is not permissible under this subsection as quickly as can be prudently done, and in any event not later than five years from the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991.

"(B) TREATMENT OF NONCOMPLIANCE DURING DIVESTMENT.—With respect to any equity investment held by any State bank on the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, the bank shall be deemed not to be in violation of the prohibition in this subsection on retaining such investment so long as the bank complies with the applicable requirements established by the Corporation for divesting such investments.

"(c) SUBSIDIARIES OF FEDERALLY INSURED STATE BANKS.—

"(1) IN GENERAL.—Beginning one year after the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, a subsidiary of an insured State bank may no engage as principal in any type of activity that is not permissible for a subsidiary of a national bank unless—

"(A) the Federal Deposit Insurance Corporation has determined that the activity would pose no significant risk to the affected deposit insurance fund; and

"(B) the bank is, and continues to be, in compliance with minimum capital standards prescribed by the appropriate Federal banking agency.

"(2) Notwithstanding paragraph (1), no subsidiary of an insured State bank may engage in securities or insurance underwriting ex-

cept to the extent such activities are permissible for national banks.

"(d) DETERMINATIONS.—The Federal Deposit Insurance Corporation shall make determinations under this section by regulation and order.

"(e) DEFINITIONS.—

"(1) ACTIVITY DEFINED.—For purposes of this section, the term 'activity' includes acquiring or retaining any investment.

"(2) STATE BANK DEFINED.—The term 'State bank' has the same meaning as provided in section 3(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)(2)).

"(f) OTHER AUTHORITY NOT AFFECTED.—This section shall not be construed as limiting the authority of the Board of Governors of the Federal Reserve System, the Office of Depository Institutions Supervision, or any State authority to impose more stringent restrictions.".

(b) Section 9 of the Federal Reserve Act (12 U.S.C. 330) is amended by inserting "the Board of Governors of the Federal Reserve System is authorized to restrict the activities of State banks and their subsidiaries consistent with section 24 of the Federal Deposit Insurance Act: *Provided further*," after "*Provided, however*,".

SEC. 106. EXAMINATIONS.

(a) FEDERAL RESERVE SYSTEM.—

(1) Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended—

(A) by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) of the following new paragraph:

"(2) To conduct annual on-site examinations of each bank, and each branch of a foreign bank for which the Board of Governors of the Federal Reserve System is the appropriate Federal banking agency, except that banks and branches that have total assets of less than $1,000,000,000 as of December 31 of the year preceding an examination and that are in compliance with requried capital standards shall be examined on-site at least once during the following 18-month period."; and

(B) in paragraph (3) (as redesignated), by striking clauses (i) through (iv) and inserting instead:

"appropriate Federal banking agency, the National Credit Union Administration Board in the case of insured credit unions, and such State officer or agency as the Board may designate in the case of State banks, savings associations and credit unions that are not federally insured.".

(2) Section 9 of the Federal Reserve Act (12 U.S.C. 338) is amended in the twenty-third paragraph—

(A) by striking the first sentence and inserting instead:

"In connection with examinations required by section 11(a)(2) of this Act, for which the Board of Governors of the Federal Reserve System is the appropriate Federal banking agency, examiners selected or approved by the Board of Governors of the Federal Reserve System shall examine the affairs of any affiliate, other than those examined pursuant to the Financial Services Holding Company Act of 1991, in the same manner and to the same extent as affiliates are examined by the Director of the Office of Depository Institutions Supervision pursuant to section 323 (d) and (g)(2) of the Financial Institutions Safety and Consumer Choice Act of 1991.";

(B) in the second sentence by—

(i) striking "of any State member bank"; and

(ii) striking "such bank" the first time it appears and inserting instead "the bank affiliated with such affiliate;" and

(C) in the third sentence, by striking "State member".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1993.

SEC. 107. MARKET VALUE AND OTHER DISCLOSURE.

(a) MARKET VALUE DISCLOSURE.—Not later than one year after the date of enactment of this Act, the appropriate Federal banking agencies and the Securities and Exchange Commission, jointly, shall develop a method for banks to provide for the supplemental disclosure of the fair market value of assets and liabilities, to the extent feasible and practicable, in financial statements and reports required to be filed with the appropriate Federal banking agencies and the Securities and Exchange Commission.

(b) AUDIT REPORTS.—Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) is amended by inserting after paragraph (8) the following new paragraph:

"(9) INDEPENDENT AUDITOR REPORTS.—

"(A) Each insured bank shall provide to the appropriate Federal banking agency copies of audit reports and any qualifications to such reports, management letters and any other reports within 15 days of receipt from the bank's independent auditors.

"(B) Each insured bank shall provide written notification to the appropriate Federal banking agency of the resignation or dismissal of its independent auditor and the engagement of a new independent auditor including a statement of the reasons for such change within 15 calendar days of the occurrence of the event.".

SEC. 108. CAPITAL STANDARDS AND INTEREST RATE RISK.

The appropriate Federal banking agencies shall develop a system to monitor interest rate risk and to adjust risk-based capital standards to reflect interest rate risk. In order to implement this system, the appropriate Federal banking agencies shall promulgate regulations within one year after the date of enactment of this Act, to be effective no later than two years after the date of enactment of this Act.

SEC. 109. REQUIREMENTS TO EXPENSE DEPOSIT WITH NATIONAL CREDIT UNION SHARE INSURANCE FUND.

(a) Section 201(b)(8) of the Federal Credit Union Act (12 U.S.C. 1781(b)(8)) is amended to read as follows:

"(8) to make an initial capitalization payment to the Fund in an amount, as determined by the Board, equalling the current equity ratio of the Fund times the total insurable shares of the applicant credit union, and to pay the annual capitalization adjustment and any premiums imposed by the Board pursuant to this Act: *Provided*, That the initial capitalization payment shall be expensed as prescribed by the Board, over a period not to exceed twelve years, in an amount of not less than one-twelfth each year: *Provided, however*, That amounts expensed in excess of one-twelfth each year shall be credited to amounts due in future years; and".

(b) Section 202 of the Federal Credit Union Act (12 U.S.C. 1782) is amended—

(1) in subsection (b)(1), by striking all that appears after "preceding insurance year" and inserting instead ", the amount of its capitalization adjustment due to the Fund for that year, the amount of its insurance premium, if any, due for that year, and such other information as the Board shall prescribe."; and

(2) by amending subsection (c) to read as follows:

"(c)(1) CAPITALIZATION ADJUSTMENT.—Each insured credit union shall pay to the National Credit Union Share Insurance Fund, in accordance with procedures established by the board, a capitalization adjustment equalling 1 percent of any increase in the credit union's insured shares over the course of the previous insurance year. Any insured credit union experiencing a decline in its insured shares over the course of the previous insurance year shall receive a refund in an amount equalling 1 percent of the decline.

"(2) PREMIUM.—In addition to the capitalization adjustment specified in paragraph (1), each insured credit union shall pay an annual insurance premium, in accordance with procedures established by the Board, in such amount as shall be necessary to maintain Fund equity at its minimum level of 1.25 percent: *Provided*, That the premium shall be determined as the same percentage of insured shares for all insured credit unions: Further provided, that in any year in which the fund's equity level experiences a substantial decline, as determined by the Board, to a level below 1.25 percent, the Board shall have the discretion to allow the replenishment of the Fund to its minimum level of 1.25 percent over a period longer than one year.

"(3) REBATE.—In the event Fund equity exceeds its normal operating level and any loans to the Fund from the Federal Government and the interest thereon have been repaid at the end of a given insurance year, the Board shall provide a rebate for that insurance year to all insured credit unions in an amount sufficient to reduce the equity in the Fund to its normal operating level: *Provided*, That the rebate shall be determined at the same percentage of insured shares for all insured credit unions.";

(3) in subsections (d), (e), and (f), by striking "deposit" each time it appears and inserting instead "capitalization payment or adjustment";

(4) in subsection (g)—

(A) by striking "deposits" and inserting instead "capitalization payment and adjustments";

(B) by striking "payment of any deposit or adjustment thereof" and inserting instead "making of any capitalization payment or adjustment"; and

(C) by striking "deposit" the last time it appears and inserting instead "capitalization payment";

(5) in subsection (h), by amending paragraph (2) to read as follows:

"(2) the term 'normal operating level', when applied to the Fund, means an amount of Fund equity, based on market value accounting, equal to 1.3 percent of the aggregate amount of insured shares in all insured credit unions, or such other level, not less than 1.25 percent and not more than 1.5 percent, as the Board shall establish; and"; and

(6) by adding at the end thereof the following new subsection:

"(i) Over a 12-year transition period beginning one year after the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, insured credit unions shall expense the one percent deposit maintained with the Board pursuant to the Deficit Reduction Act of 1984 (P.L. 98-369); *Provided*, That the deposit, as calculated on the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, shall be expensed, as prescribed by the Board, over a period not to exceed 12 years, in an amount of not less than one-twelfth

each year: *Provided, however*, That amounts expensed in excess of one-twelfth each year shall be credited to amounts due in future years.".

(c) Section 203(b) of the Federal Credit Union Act (12 U.S.C. 1783(b)) is amended by striking "deposits" and inserting instead "capitalization payments or adjustments".

Subtitle C—Reinsurance Demonstration Project

SEC. 116. REINSURANCE DEMONSTRATION PROJECT.

(a) DEMONSTRATION PROJECT.—

(1) PURPOSE.—The Federal Deposit Insurance Corporation, in consultation with the Secretary of the Treasury, shall establish a reinsurance demonstration project to determine the feasibility of developing a private reinsurance system.

(2) PROJECT DEFINED.—The demonstration project is to consist of a sample of private reinsurers and insured depository institutions that would simulate the activities required for actual reinsurance. These activities should include but are not limited to: establishing the pricing structure for risk-based premiums, formulating insurance contracts, and identifying and obtaining the information necessary to evaluate and monitor the risks in the subject insured depository institutions. If deemed appropriate by the Corporation, the project may engage in actual reinsurance transactions.

(3) COMMITTEE ESTABLISHED.—There is hereby established a Reinsurance Demonstration Project Committee comprised of the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation and a representative of each of the private reinsurers and insured depository institutions participating in the demonstration project. The committee shall analyze and review the results of the demonstration project and report to Congress as required by subsection (b).

(b) REPORT TO CONGRESS.—Not later than one year after the date of enactment of this Act, the Federal Deposit Insurance Corporation shall submit to the Congress a report on the results of the demonstration project required by subsection (a). The report shall include the conclusions reached regarding the feasibility of a private reinsurance system; whether public policy goals can be satisfied by such a system; and any recommendations for administrative and legislative action that may be necessary for the establishment of such a system. The report also shall include a separate statement of the views of the private participants regarding whether private reinsurers are sufficiently interested, and have the capacity to participate, in such a system.

TITLE II—FINANCIAL SERVICES MODERNIZATION

Subtitle A—Financial Services Holding Companies

SEC. 201. FINANCIAL SERVICES HOLDING COMPANIES.

(a) DEFINITIONS MODIFIED.—Section 2 of the Bank Holding Company Act (12 U.S.C. 1841) is amended—

(1) by amending subsection (a)(1) to read as follows:

"(a)(1)(A) The term 'financial services holding company' means any company (other than a diversified holding company) which has control over any bank.

"(B) The term 'diversified holding company' means any company (other than a bank or a foreign bank) which has control over a bank only through a financial services holding company and which engages in activities or controls any company engaged in activities that are not permissible for a financial services holding company or any subsidiary thereof under this Act.";

(2) in the second sentence of subsection (a)(5)(A), by inserting a period after "thereto" and striking the balance of the sentence;

(3) by amending subsection (f) to read as follows:

"(f)(1) The term 'appropriate Federal banking agency' shall have the same meaning as set forth in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)); and

"(2) the term 'Board' means the Board of Governors of the Federal Reserve System.";

(4) by inserting after subsection (m) the following new subsections:

"(n) SECURITIES AFFILIATE.—The term 'securities affiliate' means any company that is controlled by a financial services holding company and that is engaged in the United States in activities pursuant to section 4(c)(15).

"(o) INSURANCE AFFILIATE.—The term 'insurance affiliate' means any company that is controlled by a financial services holding company and that is engaged in the United States in activities pursuant to section 4(c)(16).

"(p) FOREIGN BANK.—The term 'foreign bank' has the same meaning as in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7)).

"(q) INSURED DEPOSITORY INSTITUTIONS.—The term 'insured depository institution' means any insured bank as defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)) and any insured institution.

"(r) ZONE 1 AND ZONE 2.—The terms 'Zone 1' and 'Zone 2' have the same meaning as in section 35 of the Federal Deposit Insurance Act.

"(s) ZONE 1 FINANCIAL SERVICES HOLDING COMPANY.—The term 'Zone 1 financial services holding company' means any financial services holding company that qualifies as a Zone 1 financial services holding company pursuant to section 35(d)(2) of the Federal Deposit Insurance Act.

"(t) FUNCTIONAL REGULATOR.—The term 'functional regulator' means a Federal or State agency that has supervisory authority concerning the activities of a company (other than an insured depository institution) that are of concern to the appropriate Federal banking agency for purposes of section 6(c)(2).".

"(u) NEW FINANCIAL ACTIVITY.—The term 'new financial activity' means any activity authorized pursuant to sections 4(c)(8), 4(c)(15), or 4(c)(16) other than any activity that, prior to the date of enactment of the Financial Services Safety and Consumer Choice Act of 1991, the Board had determined, by any order or regulation that continued to be in effect on December 31, 1992, to be closely related to banking and a proper incident thereto.

"(v) QUALIFIED FINANCIAL ACTIVITY.—The term 'qualified financial activity' means any activity authorized pursuant to sections 4(c)(8), 4(c)(15), or 4(c)(16).

"(w) FINANCIAL AFFILIATE.—The term 'financial affiliate' means any company that is controlled by a financial services holding company that is engaged in the United States in qualified financial activities and any other company that is controlled by a diversified holding company that is engaged in activities authorized to be engaged in by a subsidiary of a financial services holding company pursuant to sections 4(c)(8), 4(c)(15), or 4(c)(16).".

(b) CONFORMING AMENDMENTS.—Section 2 of the Bank Holding Act of 1956 (12 U.S.C. 1841), as amended by subsection (a), is further amended—

(1) in subsection (c)(2)(J), by striking "Federal Savings and Loan Insurance Corporation insurance to Federal Deposit Insurance Corporation insurance" and inserting instead "Savings Association Insurance Fund to Bank Insurance Fund";

(2) in subsection (h)(5), by striking "bank" the first time it appears and inserting "insured depository institution";

(3) by striking "bank holding company" wherever it appears except in subsection (b) and inserting instead—

(A) in subsections (a)(5)(A), (a)(5)(B), (a)(5)(C), (a)(5)(D), (d), and (g)(1), "financial services holding company and diversified holding company"; and

(B) in all other instances, "financial services holding company"; and

(4) by striking "Board" wherever it appears except in subsection (f) and inserting instead "appropriate Federal banking agency".

SEC. 202. ACQUISITION OF BANKS.

(a) AMENDMENTS TO APPLICATION PROCESS.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended—

(1) in subsection (a)—

(A) by amending paragraph (3) to read as follows:

"(3) for any financial services holding company to acquire ownership or control of any voting shares of any insured depository institution or financial services holding company, for any diversified holding company to acquire ownership or control of any voting shares of any financial services holding company, or for a company to acquire ownership or control of a diversified holding company if, after such acquisition, such company will own or control more than 5 per centum of the voting shares of such institution or company;";

(B) by inserting before "Notwithstanding the foregoing" the following new sentence:

"It shall be unlawful for any insured depository institution (other than a foreign bank operating an insured branch as defined in section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) to become a financial services holding company or a diversified holding company.";

(C) by adding at the end thereof the following new sentence: "Notwithstanding paragraph (1), any company that was a bank holding company under the Bank Holding Company Act of 1956 on December 31, 1992, shall be a financial services holding company as of January 1, 1993 without further approval by the appropriate Federal banking agency."; and

(D)(i) in subparagraph (A), by striking "or" at the end thereof;

(ii) in subparagraph (B), by striking the first period and inserting instead "; or"; and

(iii) by inserting after "; or", as added by clause (ii), the following:

"(C) the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchange their shares of the bank for shares of a newly formed financial services holding company and receive after the reorganization substantially the same proportional share interest in the holding company as they held in the bank except for changes in shareholders' interests resulting from the exercise of dissenting shareholders' rights under State or Federal law if—

"(i) immediately following the acquisition, the bank meets the requirements for Zone 1 or Zone 2;

"(ii) the holding company does not engage in any activities other than those of managing and controlling banks as a result of the reorganization; and

"(iii) the company provides 30 days prior notification to the appropriate Federal banking agency.";

(2) in subsection (b)—

(A) by amending the first sentence to read as follows:

"Upon receiving from a company any application for approval under this section to acquire any interest in an insured depository institution, the appropriate Federal banking agency shall give notice to the other appropriate Federal banking agency, if any, for such bank and, if the institution is State-chartered, to the appropriate supervisory authority of the interested State in order to provide for the submission of the views and recommendations of the other appropriate Federal banking agency and the State supervisory authority, as appropriate.";

(B) by striking the term "Comptroller of the Currency" wherever it appears and inserting instead "the other appropriate Federal banking agency"; and

(C) in the third sentence, by striking "disapproves" and inserting instead "recommends disapproval of";

(3) in subsection (c)—

(A) by striking ", or" at the end of paragraph (1) and inserting instead a semicolon;

(B) by striking the period at the end of paragraph (2) and inserting instead "; or"; and

(C) by inserting after paragraph (2) the following new paragraph:

"(3) any acquisition or merger or consolidation if the appropriate Federal banking agency determines that the insured depository institution to be acquired or any other insured depository institution controlled by the company involved in the proposal is engaging in any unsafe and unsound practice or, following the transaction, will be in an unsafe and unsound condition.";

(4)(A) by redesignating subsections (d) through (g) as subsections (f) through (i), respectively; and

(B) by inserting after subsection (c) the following new subsections:

"(d) Expedited Procedures for Acquisition of Additional Banks by Zone 1 Financial Services Holding Companies.—

"(1) Procedures.—

"(A) Upon receiving from a Zone 1 financial services holding company a complete application for approval under this section to acquire an insured depository institution, the appropriate Federal banking agency shall notify the other appropriate Federal banking agency, if any, and the appropriate supervisory authority of an interested State as provided for in subsection (b). Notwithstanding subsection (b)(1), the views and recommendations of the other appropriate Federal banking agency and the appropriate supervisory authority of an interested State, as appropriate, shall be submitted within 21 days of the date on which notice is given to them by the appropriate Federal banking agency.

"(B) The appropriate Federal banking agency must approve or disapprove the application within 45 days after the date of receipt of such application.

"(C) In the event of the failure of the appropriate Federal banking agency to act on any such application within 45 days after it has been received, the application shall be deemed to have been approved.

"(D) If the appropriate Federal banking agency has found that an emergency exists requiring expeditious action, or that it must act immediately to prevent probable failure, or if the appropriate Federal banking agency receives a certification described in section 13(f)(8)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)(8)(D)) from the other appropriate Federal banking agency or State chartering authority that a bank is in danger of closing, the appropriate Federal banking agency may waive or shorten the 45-day notice period with respect to any application for an acquisition received pursuant to this subsection.

"(2) EXTENSION OF TIME FOR NOTICE AND HEARING.—The 45-day period may be extended if the other appropriate Federal banking agency or the State supervisory authority recommends disapproval of an application subject to subparagraph (1) in writing based on its consideration of the factors listed in paragraphs (1), (2), or (3) of subsection (c). In the event that the other appropriate Federal banking agency or the State Supervisory authority recommends disapproval, the appropriate Federal banking agency shall follow the review period and procedures for notice and hearing contained in subsection (b)(1).

"(3) GROUNDS FOR DISAPPROVAL.—An application under this subsection shall be disapproved only—

"(A) pursuant to subsections (c)(1), (c)(2) or (c)(3);

"(B) if the financial services holding company does not qualify as, or would not continue to qualify as, a Zone 1 financial services holding company after consummation of the transaction; or

"(C) if the appropriate Federal banking agency determines that the transaction would not be consistent with the convenience and needs of the community to be served.

"(e) ACQUISITION INVOLVING DIVERSIFIED HOLDING COMPANIES.—The appropriate Federal banking agency shall not permit any acquisition or merger or consolidation of a financial services holding company involving a diversified holding company or a company that seeks to become a diversified holding company unless any financial services holding company controlled by the diversified holding company is and remains in Zone 1, and any financial services holding company to be acquired, will be, upon consummation of the transaction, a Zone 1 financial services holding company. An application involving a proposal that meets the requirement of this subsection shall be reviewed in accordance with the procedures and standards under subsection (d).".

(b) CONFORMING AMENDMENTS.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842), as amended by subsection (a), is further amended—

(1) by striking "bank holding company" wherever it appears (except in the last sentence of subsection (a) as added by this section or as it appears in the reference to the "Bank Holding Company Act Amendments of 1970") and inserting instead—

(A) in subsections (a)(1), (a)(2), (a)(4), (a)(5), and (d), and in provision (a)(A), "financial services holding company or diversified holding company"; and

(B) in all other instances, "financial services holding company";

(2)(A) by striking "Board" wherever it appears and inserting instead "appropriate Federal banking agency"; and

(B) in subsection (a), by striking "Board's judgment" and inserting instead "judgment of the appropriate Federal banking agency"; and

(3)(A) in subsection (a)(2), by striking "causes a bank" and inserting instead "causes an insured depository institution";

(B) in subsection (a)(4)—

(i) by striking "other than a bank" and inserting instead "other than an insured depository institution"; and

(ii) by striking "assets of a bank" and inserting instead "assets of an insured depository institution";

(C) in provision (a)(A), by striking "acquired by a bank" and inserting instead "acquired by an insured depository institution"; and

(D) in provision (a)(B), by striking "in a bank" and inserting instead "in an insured depository institution".

SEC. 203. INTERESTS IN NONBANKING ORGANIZATIONS.

(a) INTERESTS IN NONBANKING ORGANIZATIONS.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended—

(1) in subsection (a), by deleting the last two sentences;

(2) in subsection (a)(2)—

(A) by striking ", or in the case of a company which has been" and all that follows through "December 31, 1980" and inserting instead "or in the case of a company that becomes a financial services holding company as a result of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, on January 1, 1993";

(B) in subparagraph (A)—

(i) by striking "of banking or"; and

(ii) by inserting at the end thereof the following:

", in the case of a foreign bank, the business of banking, where otherwise permitted through a branch or agency, as those terms are defined in section 1(b) of the International Banking Act of 1987 (12 U.S.C. 3101);";

(C) in subparagraph (B), by striking "those permitted under" and all that follows through "under such paragraph" and inserting instead the following:

"those permitted under subsection (c)(8)(A)(i) subject to all the conditions specified in such subsection or in any order or regulation issued by the appropriate Federal banking agency under such subsection; and

"(C) those permitted under subsection (c)(16) provided that the financial services holding company is a company exclusively owned in a mutual form by holders of contracts of insurance issued by such financial services holding company, or is a company organized as a reciprocal inter-insurance exchange";

(D) in the second sentence, by inserting a period after "practices" and striking the remainder of the sentence; and

(E) by deleting the last sentence. (3) in subsection (c)—

(A) in paragraph (8)—

(i) by redesignating clauses (i) and (ii) in each of subparagraphs (C), (D), and (E) as subclauses (I) and (II); respectively;

(ii) by redesignating subparagraphs (B) through (G) as clauses (ii) through (vii), respectively;

(iii) by redesignating subparagraph (A) as subparagraph (B)(i);

(iv) in subparagraph (B)(vii) (as redesignated), by striking "subparagraph (A), (B), or (C)" and inserting instead "clauses (i), (ii), or (iii)";

(v) by striking "shares of any company" and all that follows through "provide" and inserting instead the following:

"(A) shares of any company the activities of which the appropriate Federal banking agency, after due notice and opportunity for

comment, has determined (by order or regulation) with the concurrence of the other appropriate Federal banking agency to be of a financial nature.

"(i) Any activity that the Board of Governors of the Federal Reserve System has determined (by order or regulation that is effective on December 31, 1992) to be closely related to banking and a proper incident thereto shall be deemed to be of a financial nature for purposes of this paragraph.

"(ii) Any company that was a bank holding company on December 31, 1992 and that, on January 1, 1993, becomes a financial services holding company as a result of the enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, may without further approval under this paragraph retain shares of any company engaged in any activity described in clause (i) and continue to engage in any activity described in clause (i), provided that such company lawfully acquired the company or commenced the activity pursuant to approval that was granted by the Board of Governors of the Federal Reserve System prior to January 1, 1993, and was still in effect on December 31, 1992.

"(iii) Notwithstanding clause (ii), no financial services holding company may pursuant to this paragraph engage in, or acquire or retain the shares of any company engaged in, underwriting and dealing in securities that a national bank may not underwrite or deal in under section 5136 of the Revised Statutes (12 U.S.C. 24 (Seventh)), except that a financial services holding company that received approval of the Board of Governors of the Federal Reserve System to underwrite and deal in such securities may continue to do so pursuant to this section subject to all the same conditions and limitations as required by the Board of Governors of the Federal Reserve System on the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 for a period of time not to exceed three years from the date of enactment of that Act.

"(iv) Real Estate investment, management, or development and the purchase and sale of real estate as principal or broker shall not be deemed to be of a financial nature except to the extent authorized pursuant to clause (i).

"(v) Activities described in paragraph (16) shall not be deemed to be of a financial nature, except providing";

(vi) by striking "except" as it appears immediately before subparagraph (B) (as redesignated); and

(vii) by striking the last five sentences;

(B) in paragraph (13), by striking "or" at the end thereof;

(C) by inserting after paragraph (14) the following new paragraphs:

"(15)(A) shares of any company engaged in any of the following activities subject to the provisions of subsection (*l*):

"(i) underwriting, distributing, or dealing in securities;

"(ii) organizing, sponsoring, controlling, or distributing the shares of any registered investment company pursuant to the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*);

"(iii) securities brokerage, private placement, or investment advisory activities; or

"(iv) other securities activities permitted for brokers or dealers registered under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) or for investment advisers registered under the Investment Advisers Act of 1940 (15 U.S.C. 80b-1 *et seq.*).

"(B) ACTIVITIES PERMITTED FOR BANK AFFILIATES.—A financial services holding company that acquires control of a securities affiliate under this paragraph shall not, after one year from the date of that acquisition, permit a bank or an insured depository institution that it controls to engage, directly or indirectly, in the United States in activities described in subparagraph (A) except to the extent that these activities are specifically authorized by statute for a national bank (other than underwriting and dealing in obligations issued by a State or political subdivision as permitted by law) or by a regulation or order promulgated by the Office of the Comptroller of the Currency pursuant to that statute before the date of enactment of the Financial Institutional Safety and Consumer Choice Act of 1991: *Provided, however*, That a financial services holding company acquiring control of a securities affiliate under this paragraph shall not permit, after one year from the date of that acquisition, an insured depository institution it controls to underwrite or deal in obligations issued by a State of political subdivision and shall permit these activities to be conducted only by a securities affiliate and not by an affiliate pursuant to subsection (c)(15).

"(C) For purposes of this paragraph, a branch or agency of a foreign bank or a commercial lending company controlled by a foreign bank (as the terms 'agency', 'branch', 'commercial lending company', and 'foreign bank' are defined in section 1 of the International Banking Act of 1978 (12 U.S.C. 3101)), shall be considered a bank.

"(16)(A) shares of any company that provides insurance as principal, agent, or broker subject to the provisions of subsection (*l*).

"(B) A financial services holding company that acquires control of an insurance affiliate may not permit an insured depository institution it controls or a subsidiary thereof to provide insurance—

"(i) as principal; or

"(ii) as agent or broker, including insurance in which an affiliate acts as principal, agent or broker, unless the laws of the State in which the bank is located permit banks chartered by the State to provide insurance as agent or broker in that State and is permitted for national banks.

"(C) Nothing in subparagraph (B) shall be construed to limit the ability of a financial services holding company to sell insurance pursuant to subsection (8).

"(D) For purposes of this paragraph, a branch or agency of a foreign bank (as the terms 'branch' and 'agency' are defined in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101)) shall be considered an insured depository institution."; and

(D) in subsection (c), by striking the last two sentences; and

(4) by striking subsection (i) and inserting instead the following new subsections:

"(i) Notice Procedures for Nonbanking Activities.—

"(1) General Notice Procedure.—

"(A) NOTICE REQUIREMENT.—No financial services holding company may engage in activities or acquire or retain ownership or control of the shares of a company engaged in qualified financial activities without providing the appropriate Federal banking agency with at least 45 days prior written notice of the proposed transaction or expansion.

"(B) CONTENTS OF NOTICE.—The notice submitted to the appropriate Federal banking agency shall contain such information as the appropriate Federal banking agency shall prescribe by regulation or by specific request in connection with a particular notice. The appropriate Federal banking agency may only require such information as may be relevant to the nature and scope of the proposed transaction and to the appropriate Federal banking agency's evaluation of the criteria provided for in paragraph (2) and subsection (j), as appropriate.

"(C) PROCEDURE FOR AGENCY ACTION.—A notice filed under this subsection shall be deemed to be approved by the appropriate Federal banking agency unless, prior to the expiration of 45 days from the receipt of a complete notice, the appropriate Federal banking agency issues an order setting forth the reasons for disapproval. The appropriate Federal banking agency may extend the 45-day period for an additional 30 days.

"(D) EXPEDITED PROCEDURES FOR ZONE 1 FINANCIAL SERVICES HOLDING COMPANIES.—

"(i) COMMENCEMENT OF PERMISSIBLE NONBANKING ACTIVITIES.—Notwithstanding subparagraph (A), any Zone 1 financial services holding company may commence through a subsidiary (other than a depository institution), any activity authorized by subsections (c)(15) and (c)(16) of section 4 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1843) or that has been determined by regulation by the appropriate Federal banking agency under section 4(c)(8) of such Act to be permissible for such a financial services holding company or subsidiary. The financial services holding company shall provide the appropriate Federal banking agency with written notice of the commencement of such activity not later than 30 days following such action.

"(ii) ACQUISITIONS.—Notwithstanding subparagraphs (B) and (C), a notice filed under this subsection by a Zone 1 financial services holding company that will qualify as a Zone 1 financial services holding company both before and after the proposed transaction shall be deemed to be approved unless prior to the expiration of 30 days after the receipt of a complete notice, the appropriate Federal banking agency issues an order setting forth the reasons for disapproval.

"(E) Any proposal may proceed prior to the expiration of the disapproval period if the appropriate Federal banking agency issues a written notice of approval. The appropriate Federal banking agency may provide for no notice under this paragraph or notice for a shorter period of time with respect to particular activities or transactions.

"(F) In the case of any proposal to engage in, or acquire or retain ownership or control of shares of any company engaged in, any activity pursuant to subsection (c)(8) that has not been previously approved by order or regulation, the appropriate Federal banking agency may extend the notice period under this subsection for an additional 90 days.

"(2)(A) GENERAL STANDARDS FOR REVIEW.—In connection with a notice under this subsection, the appropriate Federal banking agency may consider the following criteria—

"(i) the managerial resources of the companies involved;

"(ii) the adequacy of their financial resources, including their capital, giving consideration to the financial resources and capital of others engaged in similar activities;

"(iii) any material adverse effect on the safety and soundness or financial condition of an affiliated depository institution; and

"(iv) whether, in the case of notice for approval involving activities under subsection (c)(8), performance of the activity by a financial services holding company or a subsidiary of such company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh

possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

"(B) REQUIREMENTS FOR DISAPPROVAL.—The appropriate Federal banking agency shall not approve any proposed transaction under this subsection if the appropriate Federal banking agency determines that any insured depository institution controlled by the financial services holding company is engaging in any unsafe and unsound practice or is in an unsafe and unsound condition.

"(C) STANDARDS FOR ZONE 1 FINANCIAL SERVICES HOLDING COMPANY.—A notice filed under this section by a Zone 1 financial services holding company or any subsidiary (other than an insured depository institution of such company) may be disapproved only pursuant to subparagraph (B) or if the appropriate Federal banking agency determines that the financial services holding company is not a Zone 1 financial services holding company.

"(j) ADDITIONAL CAPITAL REQUIREMENTS FOR NEW FINANCIAL ACTIVITIES.—The appropriate Federal banking agency shall disapprove a notice to engage in, or acquire or retain the shares of a company engaged in, a new financial activity unless the company filing the notice is a Zone 1 financial services holding company, or the appropriate Federal banking agency finds that—

"(1) the capital of each insured bank controlled by the company is above the mean capital level of the range for insured banks in Zone 2; and,

"(2) the financial services holding company is making substantial progress toward qualifying as a Zone 1 financial services holding company.

"(k) MAINTENANCE OF HIGHER CAPITAL.—Any financial services holding company that—

"(1) engages, directly or indirectly, in any new financial activity, or controls any company engaged in any such activity, and

"(2) fails to qualify as a Zone 1 financial services holding company within the time period specified by the appropriate Federal banking agency, shall be subject to the provisions of section 35(d)(6) of the Federal Deposit Insurance Act.

"(l) LIMITATIONS ON ACTIVITIES OF FINANCIAL SERVICES HOLDING COMPANIES.—

"(1) DISCLOSURE.—A securities affiliate, an insurance affiliate, or an affiliate engaged in securities or insurance activities authorized pursuant to subsection (c)(8) shall each—

"(A) prominently disclose in writing to its customers that such affiliates are not insured depository institutions and are separate from any affiliated depository insured institution;

"(B) prominently disclose in writing to its customers that securities or insurance products sold, offered, or recommended by such affiliates are not deposits, are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by any affiliated insured depository institutions, and are not otherwise obligations of such insured depository institutions unless such is the case; and

"(C) obtain in acknowledgement of receipt of the disclosures including the date of receipt and the customer's name, address, and account number.

"(2) REGULATIONS.—

"(A) The Securities and Exchange Commission is authorized to adopt regulations in consultation with the appropriate Federal banking agencies pursuant to this subsection regarding disclosures by securities affiliates and affiliates engaged in securities activities pursuant to subsection (c)(8);

"(B) The appropriate Federal banking agencies are authorized to adopt regulations pursuant to this subsection regarding disclosures by insurance affiliates or by any affiliates engaged in activities pursuant to subsection (c)(8) (other than securities activities).

"(3) DISCLOSURE OF CUSTOMER INFORMATION.—The appropriate Federal banking agency is authorized to issue regulations limiting disclosures of nonpublic customer information between an insured depository institution and affiliates thereof, including an evaluation of the creditworthiness of an issuer or other customer of that insured depository institution or subsidiary thereof or financial, securities, or insurance affiliate.

"(4) AUTHORITY TO IMPOSE ADDITIONAL SAFEGUARDS.—The appropriate Federal banking agency may by regulation or order adopt limitations or restrictions on the extension of credit or other similar financial support, the purchase or sale of assets, or the issuance of guarantees, letters of credit, or other credit facilities to or for the benefit of an affiliate engaged in any new financial activity or to customers of such affiliate by an affiliate that is an insured depository institution controlled by the financial services holding company. Such restrictions and limitations shall be adopted as the agency deems appropriate to address potential adverse effects, including unfair competition, conflicts of interest, and unsafe banking practices. Transactions or similar arrangements between an insured depository institution and the customers of an affiliate engaged in such activities that are both controlled by the same financial services holding company shall not be used to evade any restrictions or limitations imposed under this paragraph.

"(m) EXCEPTION FOR CERTAIN NONBANKING INVESTMENTS.—

"(1) IN GENERAL.—Notwithstanding subsection (a), a financial services holding company may own or control shares of any company engaged in activities not authorized pursuant to this section if—

"(A) the shares were acquired before January 1, 1993, and the aggregate investment in all such shares does not exceed 5 per centum of the financial services holding company's capital and surplus on a consolidated basis; or

"(B) the shares are acquired and held by a securities affiliate as part of a bona fide underwriting or investment banking activity if such shares are held only for such period of time as will permit the sale thereof on a reasonable basis consistent with the nature of such investment banking activity.

"(2) LIMITATIONS.—The limitations in section 5(c) shall apply to the companies described in paragraphs (1)(A) and (1)(B).

"(3) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—

"(A) If any financial services holding company loses the exemption provided in paragraph (1)(A), such company shall divest ownership and control of all of the shares of such company within 180 days after the loss of such exemption.

"(B) If any financial services holding company loses the exemption provided in paragraph (1)(B) the financial services holding company shall divest ownership and control of such shares within 15 days of the loss of the exemption.

"(b) CONFORMING AMENDMENTS.—Section 4 of the Bank Holding Company Act (12 U.S.C. 1843), as amended by this section, is further amended—

"(1) by striking "bank holding company" wherever it appears except in subsections (c)(1), (c)(8)(A)(ii), and (c)(8)(B)(vii) and inserting instead "financial services holding company";

"(2) by striking "Board" wherever it appears except in subsections (c)(8)(A)(ii), (c)(8)(B)(iv), (c)(8)(B)(vii) and (c)(13) and inserting instead "appropriate Federal banking agency";

"(3) in subsection (c)(1)(A), by striking "banking subsidiary" and inserting instead "insured depository institution";

(4) in subsections (c)(1)(C) and (c)(1)(D), by striking "banking subsidiaries" wherever it appears and inserting instead "insured depository institution"; and

(5) in subsection (c)(4), by striking "acquired by a bank" and inserting instead "acquired by an insured depository institution".

SEC. 204. DIVERSIFIED HOLDING COMPANIES

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended to read as follows:

"SEC. 5. DIVERSIFIED HOLDING COMPANIES.

"(a) CAPITAL REQUIREMENTS FOR ACQUISITION OF FINANCIAL SERVICES HOLDING COMPANIES.—No diversified holding company may acquire control of a financial services holding company unless, after the acquisition, such company is a Zone 1 financial services holding company.

"(b) NOTICE PROVISION FOR DIVERSIFIED HOLDING COMPANIES.—A diversified holding company that acquires the shares of a financial affiliate, shall file notice with the appropriate Federal banking agency 30 days after the commencement of such activity or the acquisition of such shares.

"(c) LIMITATIONS ON DIVERSIFIED HOLDING COMPANIES AND THEIR AFFILIATES.—

"(1) Except in the case of a foreign bank, no financial services holding company or any of its subsidiaries shall—

"(A) extend credit in any manner to an affiliated diversified holding company or any of its affiliates not otherwise under the control of a financial services holding company;

"(B) purchase for its own account financial assets or any securities of an affiliated diversified holding company or any of its affiliates not otherwise under the control of a financial services holding company;

"(C) issue a guarantee, acceptance or letter of credit, including an endorsement or standby letter of credit, to an affiliated diversified holding company or any of its affiliates not otherwise under the control of a financial services holding company; or

"(D) extend credit to any customer of the diversified holding company or any of its affiliates except on an arms-length basis in compliance with section 23B of the Federal Reserve Act (12 U.S.C. 371c-1).

"(2) To the extent that activities are not prohibited under paragraph (1), the restrictions and limitations issued by the appropriate Federal banking agencies pursuant to section 4(*l*) shall apply to diversified holding companies and their financial affiliates that are not otherwise controlled by an affiliated financial services holding company in the same manner and to the same extent as if the diversified holding company were a financial services holding company.

"(3) A diversified holding company and any of its affiliates that are engaged in the purchase and sale of real property, as principal, agent or broker, may not market such service jointly with any affiliated insured depository institution unless such insured depository institution is permitted under State law to engage in such purchase or sale of property.

"(4) A diversified holding company that either directly or through an affiliate (not oth-

erwise under the control of an affiliated financial services holding company) provides insurance as principal, agent or broker, may not permit an affiliated insured depository institution or a subsidiary thereof to provide insurance as agent or broker, including insurance in which the diversified holding company or such affiliate acts as principal, agent or broker, unless the laws of the State in which the insured depository institution is located permit depository institutions chartered by such State to provide insurance as agent or broker in that State and as permitted for national banks.

"(5) In the case of a foreign bank that is a financial services holding company, the appropriate Federal banking agency shall apply the restrictions in paragraph (1) to the United States affiliates of such foreign bank and the foreign bank in the same manner and to the same extent as they apply to domestic financial services holding companies and their affiliates.".

SEC. 205. ADMINISTRATION.

The Bank Holding Company Act of 1956, is amended by inserting after section 5 the following new section:

"SEC. 6. ADMINISTRATION.

"(a) REGISTRATION OF FINANCIAL SERVICES HOLDING COMPANY.—Within 180 days after becoming a financial services holding company, each financial services holding company shall register with the appropriate Federal banking agency on forms prescribed by the appropriate Federal banking agency, which shall include such information with respect to the financial condition and operations, management, and inter-company relationships of the financial services holding company and its subsidiaries, and related matters, as the appropriate Federal banking agency may deem necessary or appropriate to carry out the purposes of this Act. The appropriate Federal banking agency may, in its discretion, extend the time within which a financial services holding company shall register and file the requisite information.

"(b) REGULATIONS AND ORDERS.—

"(1)(A) Except as provided in subparagraph (B), the appropriate Federal banking agency is authorized to issue such regulations and orders as may be necessary to enable it to administer and carry out the purposes of this Act and prevent evasions thereof: *Provided, however*, That any capital requirements for diversified holding companies or financial services holding companies shall only be imposed pursuant to subsection (e) of this section or section 35 of the Federal Deposit Insurance Act.

"(B) Any capital requirements for diversified holding companies or financial services holding companies shall be imposed only pursuant to subsection (c) or section 35 of the Federal Deposit Insurance Act.

"(2) NOTICE AND OBJECTION.—

"(A) The appropriate Federal banking agencies shall jointly propose and issue regulations for the purpose of implementing this Act. Such regulations shall be adopted and published as final before January 1, 1993.

"(B) Following issuance of the regulations described in subparagraph (A), the appropriate Federal banking agencies shall provide at least 60 days notice to each other with respect to the proposed adoption, modification, or rescission of any rule, interpretation, or policy statement relating to diversified or financial services holding companies and their nonbank affiliates.

"(C)(i) The reviewing appropriate Federal banking agency may, within 60 days, submit comments or written objection to the proposing appropriate Federal banking agency.

(ii) The proposing appropriate Federal banking agency may not proceed to adopt, modify, or rescind any such rule, interpretation, or policy statement if such agency receives written objection from the reviewing appropriate Federal banking agency within 60 days after providing notice to such agency and such objection is not subsequently withdrawn by the reviewing agency.

(c) RECORDS, REPORTS AND EXAMINATIONS.—

"(1) RECORDS AND REPORTS.—

"(A) RECORDS RELATING TO DIVERSIFIED HOLDING COMPANIES.—A financial services holding company shall obtain such information and make and keep such records as the appropriate Federal banking agency may prescribe concerning the financial services holding company's policies and procedures for monitoring and controlling financial and operational risks to its insured depository institution subsidiaries from the activities of the diversified holding company or its financial affiliates that are not controlled by the financial services holding company. Such records shall describe the activities conducted by the diversified holding company and such financial affiliates that are likely to have a material impact on the financial or operational condition of the insured depository institution subsidiaries of the financial services holding company, and the customary sources of capital and funding of such activities.

"(B) REPORTS OF FINANCIAL SERVICES HOLDING COMPANY AND DEPOSITORY INSTITUTIONS.—The appropriate Federal banking agency from time to time may require the financial services holding company and its insured depository institution subsidiaries to file reports under oath to keep it informed as to whether the provisions of this Act and such regulations and orders issued thereunder have been complied with. With regard to insured depository institutions controlled by a financial services holding company, the appropriate Federal banking agency shall consult with and, to the extent possible, use reports obtained by, the other appropriate Federal banking agency for such institutions.

"(C) REPORTS OF FINANCIAL SERVICES HOLDING COMPANIES AND AFFILIATES.—The appropriate Federal banking agency may require a financial services holding company, and any affiliate it controls, to file reports if such agency reasonably believes that the activities or financial condition of such holding company or affiliate is likely to have a material impact on the financial or operational condition of any insured depository institution subsidiary (and a subsidiary thereof) of the financial services holding company. The appropriate Federal banking agency shall consult with and, to the extent possible, use reports obtained by, the functional regulator of the financial services holding company or affiliate to obtain the necessary information.

"(D) REPORTS OF DIVERSIFIED HOLDING COMPANIES AND FINANCIAL AFFILIATES.—The appropriate Federal banking agency may require a diversified holding company and any financial affiliate not controlled by a financial services holding company to file reports if such agency reasonably believes that the activities or financial condition of such diversified holding company or financial affiliate is likely to have a material impact on the financial or operational condition of the insured depository institution subsidiaries (and subsidiaries thereof) of the financial services holding company. The appropriate Federal banking agency shall consult with and, to the extent possible, use reports obtained by, the functional regulator of the diversified holding company or financial affiliate to obtain the necessary information.

"(E) RECIPROCAL ACCESS.—The functional regulator of a diversified holding company or a financial affiliate may have access on a reciprocal basis to reports, other than examination reports, obtained by the appropriate Federal banking agency under this subsection with respect to an affiliated insured depository institution or financial services holding company, if the functional regulator reasonably believes that the activities or financial condition of such institution or financial services holding company is likely to have a material impact on the financial or operational condition of the financial affiliate. The other appropriate Federal banking agency of an insured depository institution may have access on a reciprocal basis to reports, other than examination reports, obtained by the appropriate Federal banking agency under this subsection with respect to any affiliate of the insured depository institution, if the other appropriate Federal banking agency reasonably believes that the activities or financial condition of such affiliate or company is likely to have a material impact on the insured depository institution.

"(F) RESTRICTION ON DISCLOSURE.—Any reports obtained from another agency or regulator under this subsection shall not be disclosed to the public by the recipient agency or regulator and shall not be disclosed to any other governmental agency or to the Congress except as otherwise permitted by law. Reports obtained from another agency or regulator under this subsection may be used only to carry out the purposes of this subsection or as otherwise permitted by law.

"(2) EXAMINATIONS.—

"(A) FINANCIAL SERVICES HOLDING COMPANIES AND DEPOSITORY INSTITUTIONS.—The appropriate Federal banking agency may make on-site examinations of each financial services holding company, its insured depository institution subsidiaries (and subsidiaries thereof) and, subject to subparagraphs (8) through (E), any of its other affiliates. where appropriate, the appropriate Federal banking agency shall consult with, and to the extent possible, use the report of examination made by the other appropriate Federal banking agency or the appropriate State bank supervisory authority.

"(B) FINANCIAL SERVICES HOLDING COMPANIES AND AFFILIATES.—The appropriate Federal banking agency may examine the financial services holding company and any affiliate it controls—

"(i) to determine whether such holding company or affiliate is engaged in a particular transaction that would violate, directly or indirectly, the restrictions prescribed in sections 4(1) and 5(c);

"(ii) to determine compliance with sections 35(f) and 35(g) of the Federal Deposit Insurance Act, as applicable; or

"(iii) if the agency reasonably believes that such holding company or affiliate is engaged in a particular transaction or course of conduct that directly or indirectly may constitute a material risk to any insured depository institution subsidiary (or a subsidiary thereof).

The appropriate Federal banking agency shall consult with and, to the extent possible, use the report of examinations made by the functional regulator, if any, of an affiliate to obtain the necessary information. If such reports do not contain the necessary information, the appropriate Federal banking agency shall request the functional regulator to conduct an examination to obtain such information. In the event the func-

tional regulator does not conduct an examination within a reasonable period of time, the appropriate Federal banking agency may conduct the examination, but shall notify the functional regulator before doing so.

"(C) DIVERSIFIED HOLDING COMPANIES AND FINANCIAL AFFILIATES.—The appropriate Federal banking agency may examine the diversified holding company and any financial affiliate not controlled by a financial services holding company—

"(i) to determine whether such holding company or affiliate is engaged in a particular transaction that would violate, directly or indirectly, the restrictions prescribed in sections 4(l) and 5(c);

"(ii) to determine compliance with sections 35(f) and 35(g) of the Federal Deposit Insurance Act, as applicable; or

"(iii) if the agency reasonably believes that such holding company or affiliate is engaged in a particular transaction or course of conduct that directly or indirectly may constitute a material risk to any insured depository institution subsidiary (or a subsidiary thereof).

The appropriate Federal banking agency shall consult with and, to the extent possible, use the report of examinations made by the functional regulator, if any, of the diversified holding company or financial affiliate to obtain the necessary information. If such reports do not contain the necessary information, the appropriate Federal banking agency shall request the functional regulator to conduct an examination to obtain such information. In the event the functional regulator does not conduct an examination within a reasonable period of time, the appropriate Federal banking agency may conduct the examination, but shall notify the functional regulator before doing so.

"(D) RECIPROCAL EXAMINATION OF INSURED DEPOSITORY INSTITUTION AFFILIATES CONTROLLED BY FINANCIAL SERVICES HOLDING COMPANIES.—The functional regulator for a financial affiliate may examine an insured depository institution affiliate if the regulator reasonably believes that such institution is engaged in a particular transaction or course of conduct that directly or indirectly may constitute a material risk to the financial affiliate. The functional regulator shall consult with, and, to the extent possible, use the report of examinations made by, the appropriate Federal banking agency to obtain the necessary information. If such report does not contain the necessary information, the functional regulator shall request the appropriate Federal banking agency to conduct an examination to obtain such information. In the event the appropriate Federal banking agency does not conduct an examination within a reasonable period of time, the functional regulator may conduct the examination and shall notify the appropriate Federal banking agency before doing so.

"(E) NONFINANCIAL AFFILIATES OF A DIVERSIFIED HOLDING COMPANY.—The appropriate Federal banking agency may examine any of the nonfinancial affiliates of a diversified holding company in order to determine whether such affiliate is engaged in a particular transaction that would violate, directly or indirectly, the restrictions prescribed in section 5(c).

"(F) COST OF EXAMINATIONS.—The cost of examinations of a diversified holding company and any affiliate of a diversified holding company not controlled by a financial services holding company shall be assessed against, and paid by, the diversified holding company or the affiliate, whichever is the subject of the examination. The cost of examinations of a financial services holding company and its subsidiaries shall be assessed against, and paid by, the financial services holding company.

"(d) TRANSFER OF RECORDS.—No agency or department transferring records as provided by this section shall be deemed to have waived any privilege applicable to those records under law.

"(e) REPORT TO THE CONGRESS; RECOMMENDATIONS.—Each appropriate Federal banking agency shall include in its annual report to the Congress, the results of the administration of this Act, stating what, if any, substantial difficulties have been encountered in carrying out the purposes of this Act, and any recommendations as to changes in the law which in the opinion of the appropriate Federal banking agency would be desirable.

"(f) Cease and desist authority; termination of activities or ownership or control of nonbank subsidiaries constituting serious risk.—

"(1) In addition to any other authority of the appropriate Federal banking agency, the appropriate Federal banking agency may take any action described in paragraph (2) if it has reasonable cause to believe that—

"(A) any financial affiliate of an insured depository institution, or any other affiliate controlled by a financial services holding company, is engaged in activities in such a manner as to constitute a serious risk to the financial safety, soundness, or stability of such insured depository institution; or

"(B) the diversified holding company, the financial services holding company controlled by the diversified holding company, or any affiliate is in significant danger of default and either poses a significant risk to the liquidity or solvency of an affiliated insured depository institution or is likely to cause a significant dissipation of its assets or earnings.

"(2) Subject to paragraph (1), the appropriate Federal banking agency—

"(A) may institute cease and desist proceedings or issue a temporary order requiring the diversified holding company or financial services holding company controlled by the diversified holding company or affiliate thereof engaged in qualified financial activities to cease and desist from such activity and take affirmative action to prevent significant dissipation of assets or earnings, of an insured depository institution as prescribed in section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818);

"(B) may institute cease and desist proceedings or issue a temporary order requiring a financial services holding company described in paragraph (1)(B) to increase its capital; and

"(C) in the event the diversified holding company or the financial services holding company controlled by the diversified holding company or the affiliate thereof does not comply with the order issued pursuant to subparagraph (A) or (B), may order the diversified holding company or such financial services holding company or any such affiliate, after due notice and opportunity for hearing and after considering the views of the insured depository institution's associated Federal banking agency and the appropriate State authority in the case of a State-insured depository institution, to terminate (within 120 days, or such longer period as the appropriate Federal banking agency may direct in unusual circumstances) its ownership or control of any such affiliate either by sale to any third party or by distribution of the shares of the affiliate to the shareholders of the diversified holding company or financial services holding company. Such distribution shall be pro rata with respect to all of the shareholders of the distributing diversified holding company or financial services holding company, and such holding company shall not make any charge to its shareholders arising out of such a distribution.

"(3) The appropriate Federal banking agency may in its discretion apply to the United States district court within the jurisdiction of which the principal office of the holding company is located, for the enforcement of any effective and outstanding order issued under this section, and such court shall have jurisdiction and power to order and require compliance therewith, but except as provided in section 9 of this Act, no court shall have jurisdiction to affect by injunction or otherwise the issuance or enforcement of any notice or order under this section, or to review, modify, suspend, terminate, or set aside any such notice or order.

"(g)(1) In the course of or in connection with an application, examination, investigation or other proceeding under this Act, the appropriate Federal banking agency, or any member or designated representative thereof, including any person designated to conduct any hearing under this Act, shall have the power to administer oaths and affirmations, to take or cause to be taken depositions, and to issue, revoke, quash, or modify subpoenas including witness subpoenas and subpoenas duces tecum; and the appropriate Federal banking agency is empowered to make rules and regulations to effectuate the purposes of this subsection.

"(2) The attendance of witnesses and the production of documents provided for in this subsection may be required from any place in any State or in any territory or other place subject to the jurisdiction of the United States at any designated place where such proceeding is being conducted. A subpoena issued under this section may be served upon any person who is not found within the territorial jurisdiction of any court in the United States in such manner as the Federal Rules of Civil Procedure prescribe for service of process in a foreign country, except that a subpoena to be served on a person who is not to be found in the United States may be issued only on the prior approval of the appropriate Federal banking agency. Any party to proceedings under this Act may apply to the United States District Court for the District of Columbia, or the United States district court for the judicial district or the United States court in any territory in which such proceeding is being conducted or where the witness resides or carries on business, for the enforcement of any subpoena or subpoena duces tecum issued pursuant to this subsection, and such court shall have jurisdiction and power to order and require compliance therewith. Witnesses subpoenaed under this subsection shall be paid the same fees and mileage that are paid witnesses in the district courts of the United States.

"(3) Any service required under this subsection in any State or in any territory or other place subject to the jurisdiction of the United States may be made by registered mail, or in such other manner reasonably calculated to give actual notice as the appropriate Federal banking agency may by regulation or otherwise provide, and all process in any such case may be served in the judicial district wherein such person is an inhabitant or transacts business or wherever such person may be found. Any court having jurisdiction of any proceeding instituted under this subsection may allow to any such party

such reasonable expenses and attorneys' fees as it deems just and proper.

"(4) Any person who willfully fails or refuses to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, contracts, agreements, or other records in obedience to the subpoena of the appropriate Federal banking agency shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year or both.".

SEC. 206. RESERVATION OF RIGHTS TO STATES; PRE-EMPTION OF ANTI-AFFILIATION PROVISIONS.

Section 7 of the Bank Holding Company Act of 1956 (12 U.S.C. 1846) is amended to read as follows:

"SEC. 7. RESERVATION OF RIGHTS TO STATES; ANTI-AFFILIATION PROVISIONS.

"(a) No provision of this Act shall be construed as preventing any State from exercising such powers and jurisdiction which it now has or may hereafter have with respect to companies, banks, diversified holding companies, financial services holding companies, and subsidiaries thereof.

"(b)(1) Notwithstanding subsection (a), no provision of law of any State, including, without limitation, any provision relating to the business of insurance, banking (including any law relating to savings associations as that term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), real estate, securities, finance, retail or other law regulating the provisions of financial or other services, shall prevent or impede or shall be interpreted or applied by any administrative, executive, or judicial authority with the purpose or effect of preventing or impeding—

"(A) any insured depository institution, any affiliate thereof or any representative of any such institution or affiliate thereof from being acquired, owned or controlled by, or from being affiliated in any manner with, any company which is or becomes a financial services holding company or with any affiliate of such company because of the types of activities engaged in directly or indirectly by such insured depository institution or any affiliate thereof, or by any representative of any such institution or affiliate thereof or because of the types of activities engaged in directly or indirectly by any such company or affiliate thereof, or by any representative of any such company or affiliate thereof;

"(B) any company which is or becomes a financial services holding company or affiliate thereof, or any representative of any such company or affiliate thereof, from acquiring, owning, or controlling or being affiliated in any way with any insured depository institution or affiliate thereof because of the types of activities engaged in directly or indirectly by any such company or affiliate thereof, or any representative of any such company or affiliate thereof, or because of the types of activities engaged in directly or indirectly by any such insured depository institution or affiliate thereof, or by any representative of such institution or affiliate thereof; or

"(C) any insured depository institution or any affiliate thereof, or any representative of any such institution or affiliate thereof, from offering or marketing products or services of any affiliated financial services holding company or affiliate thereof or from having its products or services offered or marketed by any affiliate thereof, or by any representative of such company or affiliate—

"(i) except as provided in sections 4(c)(16)(B) and 5(c)(3) and 5(c)(4); and

"(ii) except with regard to offering and marketing insurance pursuant to section 4(c)(8).

Nothing in this subparagraph shall exempt any company which is or becomes a financial services holding company or an affiliate thereof, or any representative of any such company or affiliate, from complying with, or shall annul, alter, or affect the application of, the laws of any State relating to the examination, supervision, or regulation of providers of financial services or the protection of consumers, except to the extent that the intent, purpose or effect of those laws is inconsistent with this subsection or with the purposes of this Act and then only to the extent of the inconsistency.

"(2) For purposes of this subsection, an insured depository institution includes a branch, agency, or commercial lending company subsidiary of a foreign bank, as those terms are defined in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101).".

SEC. 207. PENALTIES.

Section 8 of the Banking Holding Company Act of 1956 (12 U.S.C. 1847) is amended—

(1) by striking "the Board" wherever it appears and inserting instead "an appropriate Federal banking agency";

(2) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company";

(3) in subsection (a)(2), by striking "profit significantly" and inserting instead "obtain anything of value";

(4) in section (a), by striking "Every officer, director, agent" and all that follows in the undesignated last paragraph;

(5) in subsection (b)(1), by striking "forfeit and"; and

(6) in paragraphs (1) through (4) of subsection (d), by inserting "civil" before "penalty".

SEC. 208. CONFORMING AMENDMENTS TO JUDICIAL REVIEW PROVISION.

Section 9 of the Bank Holding Company Act of 1956 (12 U.S.C. 1848) is amended—

(1) by striking "the Board" wherever it appears and inserting instead "an appropriate Federal banking agency"; and

(2) by striking "Board's order" and inserting instead "order of an appropriate Federal banking agency".

SEC. 209. ANTITRUST REVIEW.

(a) ANTITRUST REVIEW.—Section 11(b) (1) of the Bank Holding Company Act (12 U.S.C. 1849(b) (1)) is amended by inserting ", except that such period may be eliminated or reduced with the concurrence of the Attorney General" before the period at the end of the third sentence.

(b) CONFORMING AMENDMENTS.—Section 11 of the Bank Holding Company Act of 1956 (12 U.S.C. 1849) is further amended—

(1) by striking "Board" wherever it appears and inserting instead "appropriate Federal banking agency";

(2) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company"; and

(3) in subsection (b)(1)—

(A) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) by striking "Board's approval" and inserting instead "approval of the appropriate Federal banking agency"; and

(C) by striking "failure of a bank" and inserting instead "failure of an insured depository institution".

(c) AMENDMENT TO THE FEDERAL DEPOSIT INSURANCE ACT.—Section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended by inserting ", except that such period may be eliminated or reduced with the concurrence of the Attorney General" before the period at the end of the third sentence.

SEC. 210. TECHNICAL AMENDMENT.

Section 1 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 note) is amended by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991".

SEC. 211. EFFECTIVE DATE.

Sections 201 through 210 shall become effective on January 1, 1993, except that section 4(c)(8)(A)(ii) of the Bank Holding Company Act of 1956, as added by section 203(a)(3) of this title, shall be effective on the date of enactment of this Act.

SEC. 212. APPLICATION OF THE LIMITATIONS ON TYING ARRANGEMENTS AND INSIDER LENDING TO FINANCIAL SERVICES HOLDING AND DIVERSIFIED HOLDING COMPANIES.

(a) DEFINITIONS.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971) is amended by deleting "bank holding company" and inserting instead "financial services holding company and diversified holding company".

(b) CERTAIN TYING ARRANGEMENTS PROHIBITED.—Section 106(b) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(b)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

"(2) (A) A financial services holding company and any subsidiary (other than a bank) of such holding company and a diversified holding company and any subsidiary (other than a bank) of such holding company shall not in any manner extend credit, lease, or sell property of any kind, or furnish any service or fix or vary the consideration for any of the foregoing, on the condition or requirement that the customer shall obtain credit, property or service from an affiliated bank except as provided in subparagraph (B).

"(B) A financial services holding company and any subsidiary (other than a bank) of such holding company and a diversified holding company and any subsidiary (other than a bank) of such holding company may vary the consideration—

"(i) for any extension of credit, lease or sale of property of any kind, or the furnishing of any service on the condition or requirement that the customer shall obtain some credit, property, or service from an affiliated bank provided that the products or services offered to and obtained by the customer are also separately available to such customer on substantially the same terms, including interest rate, collateral, and cost, as those prevailing at the time for comparable transactions that are not subject to such conditions or requirements; or

"(ii) for any loan, discount, deposit, or trust service on the condition or requirement that the customer shall obtain a loan, discount, deposit or trust service from an affiliated bank provided that such products or services described in this subparagraph are also separately available to such customer.

"(C) The Board may adopt such regulations to carry out the purposes of this paragraph which may include such restrictions or limitations regarding subparagraph (B) as it deems necessary or appropriate in the public interest.".

(c) INSIDER LOANS.—Sections 22(h)(6)(C) and (D) of the Federal Reserve Act (12 U.S.C. 375b(6)(C) and (D)) are each amended—

(1) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company and diversified holding company"; and

(2) by striking "Bank Holding Company Act of 1956" wherever it appears and inserting instead "Financial Services Holding Company Act of 1991".

SEC. 213. PROVISIONS EXEMPTING FINANCIAL SERVICES HOLDING COMPANIES FROM THE SAVINGS AND LOAN HOLDING COMPANY ACT.

Section 10(a) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)) is amended—

(1) in paragraph (1), by amending subparagraph (D) to read as follows:

"(D) SAVINGS AND LOAN HOLDING COMPANY.—

"(i) Except as provided in clause (ii), the term 'savings and loan holding company' means any company which directly or indirectly controls a savings association or controls any other company which is a savings and loan holding company.

"(ii) No company which is a financial services holding company or a diversified holding company registered under and subject to the provisions of the Financial Services Holding Company Act of 1991, other than a company described in section 4(f) of such Act (12 U.S.C. 1843(f)), and no company controlled by such company, shall be deemed to be a savings and loan holding company."; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) EXEMPTION FOR FINANCIAL SERVICES HOLDING COMPANIES AND DIVERSIFIED HOLDING COMPANIES.—The provisions of this section shall not apply to any company that is a financial services holding company or a diversified holding company registered under, and subject to, the provisions of the Financial Services Holding Company Act of 1991, other than companies described in section 4(f) of such Act (12 U.S.C. 1843(f)), or to any company directly or indirectly controlled by such company (other than a savings association).".

Subtitle B—Financial Activities of National Banks

SEC. 221. AMENDMENTS TO THE BANKING ACT OF 1933.

(a) Paragraph Seventh of section 5136 of the Revised Statutes (12 U.S.C. 24 (Seventh)) is amended by adding at the end thereof the following:

"If an association is not an affiliate of a securities affiliate (as the terms 'affiliate' and 'securities affiliate' are defined in section 2 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841)), the limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing securities for its own account shall not apply to the distribution of securities issued by investment companies (as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3)): *Provided*, That, notwithstanding any other provision of law (including this section), an association shall not in the United States, pursuant to any express or incidental power, underwrite, distribute, or sell interests in a pool of assets originated or purchased by the association or its affiliate, and an association shall not continue to engage in such activity pursuant to any order issued by the Comptroller of the Currency: *Provided further*, That no association shall sponsor, organize or control an investment company registered under the Investment Company Act of 1940: *Provided further*, That no association shall engage in the United States in any securities activity except to the extent that such activity is specifically authorized by statute, or authorized by regulation, order, or interpretation issued by the Office of the Comptroller of the Currency or its successor pursuant to that statute, on the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, provided that this shall not authorize the underwriting or distributing by an association of securities backed by or representing an interest in mortgages or other assets originated or purchased by the association or its affiliate.".

(b) Section 20 (12 U.S.C. 377) and section 32 (12 U.S.C. 78) of the Banking Act of 1933 are repealed.

SEC. 222. INSURANCE ACTIVITIES OF NATIONAL BANKS.

(a)(1) In addition to the powers vested by law in national banking associations, any such association located in a place that has a population not exceeding 5,000 (as shown by the preceding decennial census) may sell insurance so long as such insurance activities are confined to that place, and the insurance is sold only to residents of the State in which the association is located or to natural persons employed in that State: *Provided*, That no such association shall in any case assume or guarantee the payment of any premium on insurance policies issued through its agency by its principal: *Provided further*, That the association shall not guarantee the truth of any statement made in any application made for such insurance.

(2) For purposes of this subsection, the term 'residents of that State' includes—

(A) companies incorporated in, or organized under the laws of, the State;

(B) companies licensed to do business in the State; and

(C) companies having an office in the State.

(b) Notwithstanding the limitations in subsection (a), a national banking association organized under the laws of the United States may act as agent in soliciting and selling insurance and collecting premiums in one or more States in which such association or any of its branches is located to the extent to which such activities are permitted by such States for banks located in those States.

(c) Chapter 461 of the Act of September 7, 1916 (39 Stat. 753; 12 U.S.C. 92 note), as amended, is further amended by striking "That in addition to the powers now vested by law in national banking associations" and all that follows through "filing his application for insurance.".

SEC. 223. AMENDMENTS TO SECTIONS 23A AND 23B OF THE FEDERAL RESERVE ACT.

(a) Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) in subsection (a)—

(i) in paragraph (2), by striking the period at the end thereof and inserting instead ": Provided, however, That notwithstanding the foregoing, a loan or extension of credit shall not be deemed to be made to any affiliate if—

"(A) the member bank approves such loan or extension of credit in accordance with substantially the same standards, procedures, and terms that it has applied to similar loans or extensions of credit the proceeds of which are not transferred to or for the benefit of an affiliate; and

"(B) such loan or extension of credit is not made for purposes of evading any of the requirements of this section."; and

(ii) by inserting at the end thereof the following new paragraph:

"(5) No financial services holding company shall permit an insured depository institution that it controls to engage in any covered transaction if such covered transaction exceeds 5% of the capital stock and surplus of the insured depository institution unless 5 days prior notice is provided to the appropriate Federal banking agency for the financial services holding company and for the insured depository institution, if different;"

(2) in subsection (b)(1)(D), by amending clause (ii) to read as follows:

"(ii) any investment company, commodity pool, or other company engaged in substantially the same activities as an investment company or commodity pool with respect to which a member bank or any affiliate is an investment advisor as defined in section 2(a)(20) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(20)), commodity trading advisor as defined in section 2(a)(1)(A) of the Commodity Exchange Act (7 U.S.C. 2(a)(1)(A)), or performs substantially equivalent activities which are substantially equivalent to those of an investment advisor or commodity trading advisor; and";

(3) in subsection (b)(2)(A), by inserting "and of which the member bank owns at least 80 per centum of the voting stock" after "member bank";

(4) in subsection (b)(5), by inserting "principally engaged in deposit taking or lending activities" after "trust company";

(5) in subsection (b)(7)—

(A) in subparagraph (D), by striking "or" at the end thereof;

(B) in subparagraph (E)—

(i) by inserting "to, or" after "standby letter of credit,"; and

(ii) by striking "or" at the end thereof; and

(C) by inserting after subparagraph (E) the following new subparagraphs:

"(F) the assumption by a member bank of a liability of any affiliate whether directly or through the transfer of such liability to the member bank of any affiliate;

"(G) a loan or extension of credit to any company, or the issuance of or participation in a standby letter of credit, asset purchase agreement, indemnification, guarantee, insurance or other facility with any company, the purpose of which is to enhance the marketability of securities or other obligations or assets, other than those securities that a member bank may underwrite pursuant to section 5136 of the Revised Statutes (12 U.S.C. 24 (Seventh)), that are underwritten or distributed by the affiliate, unless there is substantial participation by other lenders in such loan, extension of credit, letter of credit, agreement, indemnification, guarantee, insurance or other facility; or

"(H) any other financial arrangement that is determined by the Board by regulation to be substantially equivalent to a transaction described in this paragraph;";

(6) in subsection (c)(1)—

(A) by inserting "to, or" after "letter of credit issued"; and

(B) by striking "at the time of the transaction"; (7) in subsection (c)(4)—

(A) by inserting "the member bank or" after "issued by"; and

(B) by inserting "to, or" after "letter of credit"; and

(8) in subsection (d)(5), by inserting "provided that the company provides services solely to affiliated member banks" before the semicolon;

(b) Section 23B(a)(2)(E) of the Federal Reserve Act (12 U.S.C. 371c-1(a)(2)(E)) is amended—

(1) in clause (i), by striking ", or" and inserting instead a semicolon;

(2) in clause (ii), by striking the period and inserting instead "; or"; and

(3) by inserting at the end thereof the following new clause:

"(iii) if the third party is a customer of an affiliate (as defined in section 2 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841) unless—

"(I) the member bank approves such transaction in accordance with substantially the same standards, procedures, and terms that it has applied to similar transactions with persons who are not customers of an affiliate; and

"(II) such transaction or series of transactions is not made for the purpose of evading any of the requirements of this section.".

(c) Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c-1(b)(2)) is amended by inserting "officers, directors, or employees of" after "of the bank or".

SEC. 224. CUSTOMER DISCLOSURE.

Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(o) CUSTOMER DISCLOSURE REGARDING SECURITIES, INSURANCE AND OTHER NONBANKING PRODUCTS.—

"(1) PRODUCTS OFFERED, RECOMMENDED OR SOLD BY DEPOSITORY INSTITUTIONS.—An insured depository institution shall prominently disclose in writing to its customers pursuant to regulations adopted by the appropriate Federal banking agencies, that securities or insurance products offered, recommended, or sold by the insured depository institution are not deposits, are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by the insured depository institution or an affiliated insured depository institution, and are not otherwise an obligation of an insured depository institution unless such is the case.

"(2) PRODUCTS OFFERED, RECOMMENDED OR SOLD ON BANK PREMISES OR THROUGH JOINT MARKETING ACTIVITIES.—An insured depository institution shall not permit securities or insurance products to be offered, recommended, or sold on bank premises, or to bank customers as part of joint marketing activities with another entity; unless the entity prominently discloses in writing that it is not an insured institution and is separate from the insured depository institution in addition to the disclosures required in paragraph (1).

"(3) CUSTOMER ACKNOWLEDGEMENT OF DISCLOSURES.—No insured depository institution shall permit the sale of securities or insurance products to be consummated unless an acknowledgement of receipt of the disclosures described in paragraphs (1) and (2) including the date of receipt and the customer's name, address and account number is obtained from the customer.

"(4) REGULATIONS.—The appropriate Federal banking agencies may adopt regulations implementing this subsection and applying these provisions to nonbank products sold in a similar manner.".

SEC. 225. BANKERS' BANKS.

(a) Section 5136 (Seventh) of the Revised Statutes (12 U.S.C. 24(Seventh)), as amended by section 221(a), is further amended by inserting "or their holding companies" after "providing services for other depository institutions".

(b) Section 5169(b)(1) of the Revised Statutes (12 U.S.C. 27(b)(1)) is amended by inserting "or their holding companies" after "other depository institutions" the second time it appears.

Subtitle C—Non-Banking Activities of Foreign Banks in the United States

SEC. 231. AMENDMENTS TO THE INTERNATIONAL BANKING ACT OF 1978.

(a) Section 8 of the International Banking Act of 1978 (12 U.S.C. 3106) is amended—

(1) by amending subsection (a) to read as follows:

"(a)(1)(A) Except as otherwise provided in this section, any foreign bank—

"(i) that maintains a branch or agency in the United States, or

"(ii) that directly or indirectly owns or controls a commercial lending company organized under State law,

shall be subject to the provisions of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841 *et seq.*) and to sections 105 and 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850, 1971 *et seq.*) in the same manner and to the same extent as a financial services holding company.

"(B) Any company that directly or indirectly owns or controls a foreign bank described in subparagraph (A) shall be subject to the provisions of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841 *et seq.*) in the same manner and to the same extent as a company that owns or controls a financial services holding company.

"(C)(i) Notwithstanding subparagraphs (A) and (B), no foreign bank or company described in this subsection shall, by reason of this subsection alone, be deemed to be a financial services holding company or a company that controls a financial services holding company for purposes of section 3 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842).

"(ii) Notwithstanding clause (i), a foreign bank or company described in this subsection that seeks to acquire, directly or indirectly, more than five percent of the shares of an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) other than a foreign bank, must obtain the prior approval of such acquisition by the appropriate Federal banking agency under section 3 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842) as if the foreign bank or company were a financial services holding company or a company that owns or controls a financial services holding company.

"(2) Except as provided in paragraph (3), after January 1, 1993, no foreign bank or company referred to in paragraph (1) shall, directly or indirectly, maintain in the United States a branch, an agency, an insured depository institution, or a commercial lending company, if such foreign bank or company also directly or indirectly engages in the United States in—

"(A) any activity authorized under section 4(c)(8) of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1843(c)(8)) after the date of enactment of that Act, other than any activity that, prior to the date of enactment of that Act, had been determined by the Board to be closely related to banking and a proper incident thereto by an order or regulation that was valid on the date of enactment of that Act, or

"(B) any activity authorized under section 4(c)(15) or 4(c)(16) of such Act (12 U.S.C. 1843(c)(15) or (c)(16)).

"(3) A foreign bank or company subject to the prohibition in paragraph (2) may engage in banking in the United States indirectly through direct or indirect subsidiaries of a single financial services holding company organized under the laws of a State or the District of Columbia, provided that all activities of the foreign bank or company in the United States conducted under the authority of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841 et seq.), other than those authorized by sections 2(h) or 4(c) (9) of such Act, are carried out directly or indirectly by that financial services holding company."; and (2) in subsection (c)(1)—

(A) by striking the second sentence and inserting instead "Notwithstanding the preceding sentence, no foreign bank or other company referred to in this subsection may retain, pursuant to this subsection, the ownership or control of any company engaged in the business of underwriting, distributing or otherwise buying or selling stocks, bonds, and other securities in the United States after three years from the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991.";

(B) in the third sentence, by striking "Except in the case of affiliates described in the preceding sentence, nothing" and inserting instead "Nothing";

(C) in' the fifth sentence, by striking "the term 'domestically-controlled affiliate covered in 1978'" and all that follows in such sentence and inserting instead a period; and

(D) by striking the sixth sentence.

(b) The amendments made by subsection (a) shall become effective on January 1, 1993.

SUBTITLE D—AMENDMENTS TO THE SECURITIES ACTS

SEC. 241. AMENDMENTS TO THE SECURITIES ACT OF 1933.

(a) BANK-ISSUED SECURITIES.—Section 3 (a) (2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)), is amended—

(1) by striking out "or any security issued or guaranteed by any bank;" and

(2) by striking "a security issued or guaranteed by a bank shall not include any interest or participation in any collective trust fund maintained by a bank".

(b) SAVINGS ASSOCIATION-ISSUED SECURITIES.—Section 3(a)(5) of the Securities Act of 1933 (15 U.S.C. 77c(a)(5)) is amended to read as follows:

"(5) Any security issued by—

"(A) a farmer's cooperative organization exempt from tax under section 521 of the Internal Revenue Code of 1986 (26 U.S.C. 521);

"(B) a corporation described in section 501(c) (16) of such Code and exempt from tax under section 501(a) of such Code;

"(C) a corporation described in section 501(c)(2) of such Code and organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization or corporation described in subparagraph (A) or (C); or

"(D) a savings and loan association of Federal savings bank issued or exchanged in connection with a transaction pursuant to which a savings and loan association or Federal savings bank converts from the mutual stock form of ownership under section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) or section 402 of the National Housing Act (12 U.S.C. 1725(j))

(c) TREATMENT OF CERTAIN BANK AND SAVINGS ASSOCIATION INSTRUMENTS.—Section 3 of the Securities Act of 1933 (15 U.S.C. 77c) is amended by adding at the end thereof the following new subsection:

"(d) (1) Except as hereinafter expressly provided, in those circumstances in which an interest in any of the following is otherwise deemed to be a 'security' within the meaning of section 2, the provisions of this Act shall not apply to—

"(A) a deposit account, savings account, certificate of deposit, or other deposit in-

strument issued by a bank or savings association,

"(B) a share account issued by a savings association if such account is insured by the Federal Deposit Insurance Corporation,

"(C) a banker's acceptance,

"(D) a letter of credit issued by a bank or savings association, or

"(E) a debit account at a bank or savings association arising from a credit card or other similar arrangement,

except that this paragraph shall not exempt from the provisions of this Act any participation in such an interest, account, certificate, instrument, acceptance, or letter of credit, other than a participation that is a direct obligation of a bank or savings association.

"(2) For purposes of this subsection, the term 'deposit' means the unpaid balance of money or its equivalent received or held by a bank or savings association in the usual course of business—

"(A) for which it has given or is obligated to give credit, either conditionally or unconditionally, to a commercial, checking, savings, time, or thrift account;

"(B) 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 a traveler's check, or by any other similar instrument on which the bank is liable;

"(C) which consists of nonpooled assets of individual trust funds received or held by such bank or savings association whether held in the trust department or deposited in any other department of such bank or savings association;

"(D) which is received or held by a bank or savings association for a special or specific non-investment purpose, including, without being limited to, escrow funds, funds held in security for any obligation due to the bank or savings association or others (including funds held as dealers' reserves) or for securities loaned by the bank or savings association, funds deposited by a debtor to meet maturing subscriptions to United States Government securities, funds held to meet its acceptances or letters of credit, and withheld taxes; or

"(E) which is insured by the Federal Deposit Insurance Corporation, is subject to deposit reserve requirements adopted by the Board of Governors of the Federal Reserve System, or is regulated by the Office of Depository Institution Supervision or Board of Governors of the Federal Reserve System as a deposit.".

"(3) For purposes of this subsection, the term 'savings association' shall have the meaning given in section 3 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813).".

(d) EXEMPTION OF CERTAIN HOLDING COMPANY FORMATIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933.—Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended by adding at the end thereof the following new paragraph:

"(7) transactions involving offers or sales of equity securities, in connection with the acquisition, under section 3(a) of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842(a)), of a bank by a financial services holding company, or a financial services holding company by a diversified holding company if—

"(A) the acquisition occurs solely as part of a reorganization in which a person or group of persons—

"(i) exchanges shares of a bank for shares of a newly formed financial services holding company, or shares of a financial services holding company for shares of a newly formed diversified holding company; and

"(ii) receives, after such reorganization, substantially the same proportional share interests in the newly formed financial services holding company as they held in the bank or financial services holding company, as the case may be, except for changes in shareholders' interests resulting from the exercise of dissenting shareholders' rights under State or Federal law; and

"(B) the newly formed company has substantially the same assets as its predecessor.".

(e) Technical Amendments.—

(1) Section 12(2) of the Securities Act of 1933 (15 U.S.C. 771(2)) is amended by inserting "or subsection (d)" after "subsection (a)".

(2) Section 304(a) (4) of the Trust Indenture Act of 1939 (15 U.S.C. 77ddd (a)(4)) is amended by inserting "or by section 3(d)" after "section 3(a)".

SEC. 242. AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.

(a) REGULATION OF BANK BROKER ACTIVITIES.—Section 3 (a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

"(4) Broker.—

"(A) IN GENERAL.—The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

"(8) EXCLUSION OF BANKS.—Such term does not include a bank unless the bank publicly solicits such business or is compensated for such business by the payment of commissions or similar remuneration based on effecting transactions in securities, excluding fees calculated as a percentage of assets under management (hereinafter referred to as 'incentive compensation').

"(C) BANK ACTIVITIES.—A bank shall not be deemed to be a broker because it engages in one or more of the following activities:

"(i) Enters into contractual or other arrangements with a broker or dealer registered under this Act pursuant to which the broker or dealer will offer brokerage services on or off the premises of the bank if—

"(I) such broker or dealer is clearly identified as the person performing the brokerage services;

"(II) bank employees perform only clerical or ministerial functions in connection with brokerage transactions unless such employees are qualified as registered representatives pursuant to the requirements of a self-regulatory organization;

"(III) bank employees do not receive incentive compensation for any brokerage activities unless such employees are qualified as registered representatives pursuant to the requirements of a self-regulatory organization; and

"(IV) such services are provided by the broker or dealer on a basis in which all customers are fully disclosed.

"(ii) Engages in trust activities (including effecting transactions in the course of such trust activities) permissible for national banks under section 1 of Public Law 87-722 (12 U.S.C. 92a) or for State banks under relevant State trust statutes or law (excluding securities safekeeping, self- directed individual retirement accounts, or managed agency or other functionally equivalent accounts of a bank) unless the bank—

"(I) publicly solicits brokerage business other than by advertising, in conjunction with advertising its other trust activities, that it effects transactions in securities; and

"(II) receives incentive compensation.

"(iii) Effects transactions in exempted securities, other than municipal securities, or in commercial paper, bankers' acceptances, or commercial bills.

"(iv) Effects transactions in municipal securities and does not have a securities affiliate as provided in section 4(c)(15) of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1843(c)(15)).

"(v) Effects transactions as part of any bonus, profit-sharing, pension, retirement, thrift, savings, incentive, stock purchase, stock ownership, stock appreciation, stock option, dividend reinvestment, or similar plan for employees or shareholders of an issuer or its subsidiaries.

"(vi) Effects transactions as part of a program for the investment or reinvestment of bank deposit funds into any no-load open-end investment company registered pursuant to the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) that attempts to maintain a constant net asset value per share and has an investment policy calling for investment of at least 80 percent of its assets in debt securities maturing in 13 months or less.

"(vii) Effects transactions for the account of any affiliate of the bank, as the term 'affiliate' is defined in section 2 of the Banking Act of 1933 (12 U.S.C. 221a), treating all banks as member banks for purposes of such definition.

"(viii) Effects sales—

"(I) as part of a primary offering of securities by an issuer, not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 and the rules and regulations thereunder; and

"(II) exclusively to: a bank as defined in section 3(a)(2) of the Securities Act of 1933 whether acting in its individual or fiduciary capacity; an insurance company as defined in section 2(13) of the Securities Act of 1933; an investment company registered under the investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; a Small Business Investment Company licensed by the Small Business Administration; an insured institution, as defined in section 401 of the National Housing Act; an employee benefit plan within the meaning of title 1 of the Employee Retirement Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, that is a bank as defined in section 3(a)(2) of the Securities Act of 1933, or an insurance company as defined in section 2(17) of the Investment Company Act of 1940, or an investment adviser registered under the Investment Advisers Act of 1940, or if the employee benefit plan has total assets in excess of $5,000,000; an employee benefit plan as defined in section 3 of the Employee Retirement Income Security Act of 1974, established and maintained by a State, its political subdivisions, or any agency or instrumentality of a State or its political subdivisions exclusively for the benefit of its employees or their beneficiaries that is governed by fiduciary principles comparable to those contained in such Act, if (i) the plan has total assets in excess of $25,000,000, and (ii) investment decisions for the plan are made by a plan fiduciary, as defined in Section 3(21) of such Act, that is a bank as defined in section 3(a)(2) of the Securities Act of 1933, an insurance company as defined in section 2(17) of the Investment Company Act of 1940, or an investment adviser registered under the Investment Advisers Act of 1940; a corporation with total assets in excess of $50,000,000 and net worth in excess of $5,000,000, as reflected on financial

statements prepared in accordance with general accepted accounting principles; an organization described in section 501(c)(3) of the Internal Revenue Code with total assets in excess of $5,000,000; a foreign bank, broker, dealer, insurance company, or government or government agency; or a natural person with a net worth exceeding $5,000,000. The dollar limitations in this clause shall be adjusted annually after December 31, 1991, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published monthly by the Bureau of Labor Statistics.

"(ix) Effects fewer than 1,000 transactions per year in securities other than transactions described in clauses (i) through (viii), if the bank does not have a subsidiary or affiliate registered as a broker or dealer under this Act.".

(b) REGULATION OF BANK DEALER ACTIVITIES.—Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

"(5)(A) The term 'dealer' means any person engaged in the business of buying and selling securities for his own account through a broker or otherwise.

"(B) Such term does not include—

"(i) any person insofar as that person buys or sells securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business; or

"(ii) any bank insofar as the bank—

"(I) buys and sells commercial paper, bankers' acceptances, or commercial bills, or exempted securities other than municipal securities;

"(II) buys and sells municipal securities and does not have a securities affiliate as provided in section 4(c)(15) of the Financial Services Holding Company Act of 1991; or

"(III) buys and sells securities for investment purposes for the bank or for accounts for which the bank, acting as a trustee or fiduciary, is authorized to determine the securities to be purchased or sold.".

(c) POWER TO EXEMPT FROM THE DEFINITIONS OF BROKER OR DEALER.—Section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c) is amended by inserting after subsection (d) the following new subsection:

"(e) The Commission, by rule, regulation, or order, upon its own motion or upon application, may conditionally or unconditionally exempt any person or class of persons from the definitions of 'broker' or 'dealer', if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this Act.".

(d) REQUIREMENT THAT BANKS FALLING WITHIN THE DEFINITIONS OF BROKER OR DEALER PLACE THEIR SECURITIES ACTIVITIES IN A SEPARATE CORPORATE ENTITY.—Section 15(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)) is amended to read as follows:

"(a)(1) It shall be unlawful for any broker or dealer that is either a person other than a natural person or a natural person not associated with a broker or dealer that is a person other than a natural person (other than such a broker or dealer whose business is exclusively intrastate and who does not make use of any facility of a national securities exchange) to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless such broker or dealer is registered in accordance with subsection (b).

"(2) It shall be unlawful for any bank to act as a broker or dealer, except in the course of an exclusively intrastate business. This section shall not preclude a subsidiary of a bank or an affiliate of a financial services holding company other than a bank, as those terms are defined in the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841 et seq.), that is registered in accordance with subsection (b) from acting as a broker or dealer to any extent otherwise permissible by law.

"(3) The Commission, by rule or order, as it deems consistent with the public interest and the protection of investors, may conditionally or unconditionally exempt from paragraphs (1) and (2) any broker or dealer or class of brokers or dealers specified in such rule or order.".

(e) REGULATION OF TRANSACTIONS IN CERTAIN SECURITIES ON BANK PREMISES.—Section 15 of the Securities and Exchange Act of 1934 (15 U.S.C. 78o) is amended by inserting after subsection (e) the following new subsection:

"(f)(1) No bank may permit any evidence of indebtedness of, or ownership interest in, any affiliate of such bank to be sold or offered for sale to the general public in any part of any office (other than an office which is not located within any State) of such bank which is commonly accessible to the general public for the purpose of accepting deposits.

"(2) No bank may permit any evidence of indebtedness of, or ownership interest in, such bank to be sold or offered for sale to the general public in any part of any office (other than an office which is not located within any State) of such bank which is commonly accessible to the general public for the purpose of accepting deposits.

"(3) EXCEPTIONS.—

"(A) REGISTERED BROKERS AND DEALERS.—This subsection shall not apply to transactions in shares of investment companies registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.) that are affiliated with the bank by or through a broker or dealer registered under this Act, if sales by or through such broker or dealer are subject to sales practice standards of a self-regulatory organization, provided the transactions—

"(i) are consistent with the purposes of this subsection; and

"(ii) are in the public interest.

"(B) DEPOSITS, CERTAIN MEANS OF PAYMENT TO THIRD PARTIES AND CERTAIN OTHER INSTRUMENTS.—This subsection shall not apply to any evidence of indebtedness or ownership interest which—

"(i) is a deposit in an insured depository institution; or

"(ii) constitutes a means of payment to a third party, such as a traveler's check, cashier's check, teller's check or money order.".

(f) SECURITIES EXCHANGE ACT ADMINISTRATION TRANSFER.— Section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 781(i)) is repealed.

SEC. 243. AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940.

(a) CUSTODY OF INVESTMENT COMPANY ASSETS BY AFFILIATE BANKS.—

(1) MANAGEMENT COMPANIES.—Section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a-17(f)) is amended by striking "trusts" the first place it appears and inserting instead "trusts, but where any such bank or an affiliated person thereof is an affiliated person, promoter, sponsor, or organizer of, or principal underwriter for, such registered company, only in accordance with such rules and regulations or orders as the Commission may from time to time prescribe for the protection of investors, after consulting in writing with the appropriate Federal banking agency as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)),".

(2) UNIT INVESTMENT TRUSTS.—Section 26(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-26(a)(1)) is amended by inserting "not affiliated with such underwriter or depositor, or where such bank is so affiliated, only in accordance with such rules and regulations or orders as the Commission may from time to time prescribe for the protection of investors after consulting in writing with the appropriate Federal banking agency as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)),'' after "bank".

(b) Independent Directors.—

(1) INTERESTED PERSONS.—Section 2(a)(19)(A)(v) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(19)(A)(v)) is amended by striking "1934 or any affiliated person of such a broker or dealer" and inserting instead "1934 or any person that, at any time during the preceding 6 months, has acted as custodian or transfer agent or has executed any portfolio transactions for, engaged in any principal transactions with, or loaned money to, the investment company, or any other investment company having the same investment adviser, principal underwriter, sponsor, or promoter, or any affiliated person of such a broker, dealer, or person".

(2) AFFILIATION OF DIRECTORS.—Section 10(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-10(c)) is amended by striking "bank, except" and inserting instead "bank and its subsidiaries or any financial services holding company and its affiliates and subsidiaries, as those terms are defined in the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842 et seq.),".

(c) ADDITIONAL SEC RULEMAKING AUTHORITY REGARDING BANK AFFILIATED MUTUAL FUNDS.—Section 38 of the Investment Company Act of 1940 (15 U.S.C. 80a-37) is amended by inserting after subsection (c) the following new subsection:

"(d) The Commission shall have the authority to promulgate such rules regarding loans, purchases or sales of assets, and other transactions involving a bank, an affiliated person, and an affiliated registered investment company.".

(d) ADDITIONAL DISCLOSURE AUTHORITY.—Section 36(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-35(a)) is amended to read as follows:

"(a) It shall be unlawful for any person, in issuing or selling any security of which a registered investment company is the issuer, to represent or imply in any manner whatsoever that such security or company has been guaranteed, sponsored, recommended, or approved by the United States or any agency or officer thereof or has been insured by the Federal Deposit Insurance Corporation or is guaranteed by or is otherwise an obligation of any bank or insured institution. If a financial services holding company, bank, or separately identifiable division or department of a bank, or any affiliate or subsidiary thereof, is an investment adviser, organizer, sponsor, promoter, principal underwriter, or an affiliated person of a registered investment company, or a bank or an affiliated person of a bank if offering or selling securities of a registered investment company, or the name of an investment company is that of, or similar to that of, a bank, pursuant to regulations adopted by the Commission, after consultation in writing with the appropriate federal banking agency as defined in section 3(q) of

the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), any person in issuing or selling securities of such investment company may be required to disclose prominently that the investment company and any security issued by it are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by an affiliated bank or insured institution, and are not otherwise an obligation of such a bank or insured institution. The Commission may determine by order as provided for in subsection (d), after consultation with the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q))) that use of a name similar to that of a bank is deceptive and misleading. In that event, use of such name shall be unlawful as provided in subsection (d) and the Commission shall have the authority to take such actions as provided in that subsection.".

(e) DEFINITION OF BROKER.—Section 2(a)(6) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(6)) is amended to read as follows:

"(6) 'Broker' has the same meaning as in the Securities Exchange Act of 1934, but does not include any person solely by reason of the fact that such person is an underwriter for one or more investment companies.".

(f) DEFINITION OF DEALER.—Section 2(a)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(11) is amended to read as follows:

"(11) 'Dealer' has the same meaning as in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.".

SEC. 244. REMOVAL OF THE EXCLUSION FROM THE DEFINITION OF INVESTMENT ADVISER FOR BANKS THAT ADVISE INVESTMENT COMPANIES.

(a) Section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(11)) is amended—

(1) in subparagraph (A), by striking "investment company" and inserting instead "investment company, except that the term 'investment adviser' includes any bank or financial services holding company to the extent such bank acts as an investment adviser to a registered investment company unless the bank performs such services through a separately identifiable department or division of the bank, in which case the department or division and not the bank shall be deemed to be the investment adviser"; and

(2) by adding at the end thereof the following: "For purposes of this paragraph, a separately identifiable department or division of a bank shall mean a unit that—

"(A) is under the direct supervision of an officer or officers designated by appropriate Federal banking agency or directors of the bank as responsible for the day-to-day conduct of the bank's investment adviser activities for one or more investment companies, including the supervision of all bank employees engaged in the performance of such activities; and

"(B) there are separately maintained in or extractable from such unit's own facilities or the facilities of the bank, all of the records relating to such investment adviser activities and such records are so maintained or otherwise accessible as to permit independent examination thereof and enforcement of the Act and rules and regulations thereunder.".

(b) DEFINITION OF BROKER.—Section 202(a)(3) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(3)) is amended to read as follows:

"(3) 'Broker' has the same meaning as in the Securities Exchange Act of 1934.".

(c) DEFINITION OF DEALER.—Section 202(a)(7) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(7)) is amended to read as follows:

"(7) 'Dealer' has the same meaning as in the Securities Exchange Act of 1934, but does not include an insurance company or investment company.".

(d) NOTIFICATION AND CONSULTATION.—The Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) is amended by inserting after section 210 the following new section:

"SEC. 210A. NOTIFICATION AND CONSULTATION.

"(a) IN GENERAL.—The Commission, prior to the examination of, the entry of an order of investigation of, or the commencement of any disciplinary or law enforcement proceedings against, any financial services holding company, bank, or department or division of a bank that is a registered investment adviser shall give notice to the appropriate Federal banking agency as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), of the identity of such financial service holding company, bank, department or division and the nature of the proposed actions and shall consult in writing with such appropriate Federal banking agency concerning any such proposed action, unless the protection of investors requires immediate action by the Commission and prior notice or consultation is not practical under the circumstances, in which case notice shall be given and the appropriate Federal banking agency shall be notified and consulted as promptly as possible thereafter.

"(b) EXAMINATION RESULTS.—The Commission and the appropriate Federal banking agency shall exchange the results of any examination of any financial services holding company, bank, department or division of a bank that is a registered investment adviser concerning activities subject to this Act.

"(c) EFFECT ON OTHER AUTHORITY.—Nothing herein shall limit in any respect the authority of the appropriate Federal banking agency with respect to such financial services holding company, bank, or department or division under any provision of law.".

SEC. 245. TREATMENT OF BANK COMMON TRUST FUNDS.

(a) SECURITIES ACT OF 1933.—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended by striking "or any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by a bank in its capacity as trustee, executor, administrator, or guardian" and inserting instead "or any interest or participation in any common trust fund or similar fund excepted from the definition of the term 'investment company' by section 3(c)(3) of the Investment Company Act (15 U.S.C. 80a-3(c)(3))".

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)(iii)) is amended to read as follows:

"(iii) any interest or participation in any common trust fund or similar fund excepted from the definition of the term 'investment company' by section 3(c)(3) of the Investment Company Act.".

(c) INVESTMENT COMPANY ACT OF 1940.—Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(3)) is amended by deleting the period at the end thereof and inserting the following: "so long as—

"(A) such fund is employed by the bank solely as an aid to the administration of trust, estates, and other accounts created and maintained for a fiduciary purpose;

"(B) except in connection with generic advertising of the bank's fiduciary services, interests in such fund are not—

"(i) advertised; or

"(ii) offered for sale to the general public; and

"(C) a fund is not charged any fees or expenses which, when added to any other compensation charged by the bank to a participant account, exceeds the total amount of compensation which would have been charged to such participant account if no assets of such participant account had been invested in interests in the fund, except that any reasonable and necessary expenses related to the prudent operation of the fund, as determined by the Office of Depository Institutions Supervision shall be permitted to be charged directly to the fund.".

(d) TAX EFFECT.—Section 584 of the Internal Revenue Code of 1986 (26 U.S.C. 584) is amended by inserting after subsection (g) the following new subsection:

"(h) Conversion, Mergers, or Reorganization of Common Trust Funds.—Notwithstanding any other provision of the Internal Revenue Code, any transfer of all or substantially all of the assets of a common trust fund taxable under this section to a registered investment company taxable under subchapter M shall not result in a gain or loss to the participants in such common trust fund where the transfer is a result of a merger, conversion, reorganization, transfer, or other similar transaction or series of transactions.".

SEC. 246. SECURITIES AND EXCHANGE COMMISSION STUDY OF BANK AND INSURANCE POOLED INVESTMENT VEHICLES.

(a) IN GENERAL.—The Securities and Exchange Commission, in consultation with the Secretary of Labor, shall examine—

(1) the appropriate treatment of bank collective investment funds and separate accounts under the securities laws and the Employee Retirement Income Security Act (29 U.S.C. 1001 et seq.); and

(2) the appropriate treatment of common trust funds under the securities laws.

(b) REPORT.—Not later than six months after the date of enactment of this Act, the Securities and Exchange Commission shall transmit to the Congress a final report which shall contain a detailed statement of findings and conclusions, including recommendations for such administrative and legislative action as the Commission deems advisable.

SEC. 247. EFFECTIVE DATE.

This subtitle shall become effective on January 1, 1993, except that section 246 shall become effective on the date of enactment of this Act.

Subtitle E—Prompt Corrective Action

SEC. 251. PROMPT CORRECTIVE ACTION.

(a) SYSTEM OF PROMPT CORRECTIVE ACTION.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 35. PROMPT CORRECTIVE ACTION.

"(a) DEFINITIONS.—

"(1) BANKING LAWS DEFINED.—For the purposes of this section, the term 'banking laws' means this Act, the National Bank Act, the Federal Reserve Act, the Financial Services Holding Company Act of 1991, the Change in Bank Control Act, the Bank Merger Act, the International Banking Act of 1978, any other law codified in title 12 of the United States Code that is applicable to or affects insured banks or persons that own or control insured banks, and any regulations promulgated thereunder.

"(2) CAPITAL DISTRIBUTION DEFINED.—For purposes of this section, the term 'capital distribution' means—

"(A) A dividend or other distribution in cash or in kind made with respect to any shares or other ownership interest of any insured bank, except a dividend consisting only of shares of the bank or any amount paid on the deposits of a mutual savings bank that is determined by the appropriate Federal banking agency not to constitute a dividend;

"(B) A payment made by an insured bank to repurchase, redeem, retire, or otherwise acquire any of its shares, including any extension of credit made to finance an affiliated company's acquisition of such shares; or

"(C) A transaction that the appropriate Federal banking agency determines by order or regulation to be in substance the distribution of capital.

"(3) COMPANY DEFINED.—The term 'company' shall have the same meaning as provided in section 2(b) of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841(b)).

"(4) COMPENSATION DEFINED.—The term 'compensation' means any payment of money or provision of any other thing of current or potential value in connection with employment.

"(5) DIVERSIFIED HOLDING COMPANY DEFINED.—The term 'diversified holding company' shall have the same meaning as provided in section 2(a)(2) of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841(a)(2)).

"(6) EXECUTIVE OFFICER DEFINED.—The term 'executive officer' shall have the same meaning as provided in section 22(h) of the Federal Reserve Act (12 U.S.C. 375b).

"(7) FINANCIAL SERVICES HOLDING COMPANY DEFINED.—The terms 'financial services holding company' and 'financial affiliate' shall have the same meaning as provided in section 2 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841).

"(8) NEW FINANCIAL ACTIVITY DEFINED.—The term 'new financial activity' means any activity authorized pursuant to subsections (c)(8), (c)(15), or (c)(16) of section 4 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1843) other than any activity that, prior to the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, the Board of Governors of the Federal Reserve System had determined, by any order or regulation that continued to be in effect on December 31, 1992, to be closely related to banking and a proper incident thereto.

"(9) QUALIFIED FINANCIAL ACTIVITY DEFINED.—The term 'qualified financial activity' means any activity authorized pursuant to subsections (c)(8), (c)(15), or (c)(16) of section 4 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1843).

"(b) CLASSIFICATION ACCORDING TO CAPITAL SUFFICIENCY.—

"(1) RELEVANT CAPITAL MEASURES.—

"(A) IN GENERAL.—Unless otherwise provided pursuant to subparagraph (B), relevant capital measures for purposes of this section shall include—

"(i) a risk-based capital ratio; and

"(ii) a leverage limit.

"(B) OTHER CAPITAL MEASURES.—The appropriate Federal banking agency may, by regulation or guideline, establish any additional relevant capital measure or measures that are consistent with the purposes of this section, and may determine to eliminate any relevant capital measure established in subparagraph (A) upon a finding, after notice and opportunity for comment, that the measure is no longer an appropriate means for carrying out the purposes of this section.

"(2) CONTENT OF RELEVANT CAPITAL MEASURES.—

"(A) RISK-BASED CAPITAL RATIO.—The risk-based capital ratio shall be the risk-based capital standard adopted by the appropriate Federal banking agency.

"(B) LEVERAGE LIMIT.—The leverage limit shall be the leverage limit adopted by the appropriate Federal banking agency.

"(3) DEFINITIONS RELATING TO RELEVANT CAPITAL MEASURES.—For purposes of this section 'total assets' and 'Tier 1 capital' shall have the meaning given those terms by the appropriate Federal banking agencies in the risk-based capital standards adopted by such agencies.

"(4) DEFINITION OF CAPITAL ZONES.—Unless otherwise reclassified pursuant to paragraph (7), for purposes of this section—

"(A) ZONE 1.—Zone 1 includes any insured bank that—

"(i)(I) maintains a risk-based capital ratio that is significantly in excess of the required minimum ratio and Tier 1 capital that is significantly in excess of the required minimum for Tier 1 capital; or

"(II) meets the required minimum risk-based capital ratio and maintains Tier 1 capital that is substantially in excess of the required minimum for Tier 1 capital; and

"(ii) maintains capital that meets or exceeds the required minimum ratio for each other relevant capital measure.

"(B) ZONE 2.—Zone 2 includes any insured bank that—

"(i) maintains capital in an amount that meets or exceeds the required minimum ratio for each relevant capital measure; and

"(ii) is not within Zone 1.

"(C) ZONE 3.—Zone 3 includes any insured bank—

"(i) that maintains capital that is below the required minimum ratio for any relevant capital measure; and

"(ii) that is not within Zone 4 or Zone 5.

"(D) ZONE 4.—Zone 4 includes any insured bank—

"(i) that maintains capital that is significantly below the required minimum ratio for any relevant capital measure, but that exceeds the applicable critical capital level; or

"(ii) that is otherwise classified within Zone 4 under the provisions of this section.

"(E) ZONE 5.—Zone 5 includes any insured bank that maintains capital at or below the applicable critical capital level.

"(5) REQUIRED MINIMUM RATIO.—For purposes of this section, the required minimum ratio shall be the minimum acceptable capital level adopted by the appropriate Federal banking agency by regulation or guideline for each relevant capital measure.

"(6) CRITICAL CAPITAL LEVEL.—

"(A) IN GENERAL.—The critical capital level shall be a level of capital that will, as a general matter, permit resolution of an insured bank's problems without significant financial loss to the Bank Insurance Fund. The critical capital level shall equal or exceed a ratio of Tier 1 capital to total assets of one and one-half percent.

"(B) SEPARATE CRITICAL CAPITAL LEVELS.—Consistent with subparagraph (A), separate critical capital levels may be established by the appropriate Federal banking agencies for different classes of insured banks according to size, activities, condition of assets, local economic conditions, or any other relevant factor consistent with the purposes of this section.

"(7) RECLASSIFICATION.—Notwithstanding paragraph (1), any insured bank that otherwise falls within Zone 1 or Zone 2 shall be deemed to be within Zone 3 if the appropriate Federal banking agency determines that the bank is in an unsafe and unsound condition. Any such bank, and any other bank within Zone 3 which the appropriate Federal banking agency determines to be in an unsafe and unsound condition, may be reclassified to Zone 4 by the appropriate Federal banking agency.

"(c) REGULATIONS AND OTHER AUTHORITY.—

"(1) IN GENERAL.—Each appropriate Federal banking agency, in consultation with the other appropriate Federal banking agency, shall promulgate regulations and take such other actions as are necessary to implement the provisions of this section. Each appropriate Federal banking agency is authorized to issue orders and take such other actions as are necessary or appropriate to carry out the purposes of this section.

"(2) CAPITAL ZONES.—Consistent with the purposes of this section, each appropriate Federal banking agency shall by regulation specify the applicable minimum capital ratios for each relevant capital measure in each capital zone established by this section.

"(3) CRITICAL CAPITAL LEVEL.—Consistent with subsection (b)(6), each appropriate Federal banking agency shall by regulation specify the critical capital level for each relevant capital measure consistent with the purposes and provisions of this section.

"(4) CONSULTATION.—In promulgating the regulations described in paragraphs (2) and (3), each appropriate Federal banking agency shall consult with the Corporation.

"(d) PROVISIONS APPLICABLE TO BANKS AND COMPANIES WITHIN ZONE 1.—

"(1) EXPANSION BY ZONE 1 BANKS.—

"(A) IN GENERAL.—Notwithstanding any other provision of the banking laws, any insured bank that qualifies under subparagraph (B) may—

"(i) DE NOVO BRANCHES.—Subject to the notice requirement of paragraph (3)(A), establish and maintain a new branch office at any location permitted under the banking laws, so long as the branch office is not the first branch office of the bank in a given State and the bank has an outstanding or satisfactory record of meeting community credit needs as determined pursuant to section 807 of the Community Reinvestment Act of 1977 (12 U.S.C. 2906);

"(ii) COMMENCEMENT OF PERMISSIBLE ACTIVITIES DE NOVO.—Subject to the notice requirement of paragraph (3)(A), commence, either directly or through a subsidiary, any activity that has been determined by the appropriate Federal banking agency under the banking laws to be permissible for such insured bank or such subsidiary; and

"(iii) MERGERS AND ACQUISITIONS BY BANKS.— Subject to any applicable notice, application, and approval requirement of the banking laws as modified by paragraph (3)(B)—

"(I) merge or consolidate with any other insured bank, acquire directly or indirectly the assets of any other insured bank, or assume liability directly or indirectly to pay any deposits made in any other insured bank; or

"(II) acquire, directly or indirectly, the assets (other than assets acquired in the ordinary course of business), or all of the voting shares or control, of any company (other than an insured bank) that is engaged solely in activities that have been determined by regulation by the appropriate Federal banking agency under the banking laws to be permissible for an insured bank.

"(B) QUALIFYING BANKS.—An insured bank qualifies under this subparagraph if, both

prior to and following consummation of the transaction or other expansion—

"(i) the insured bank is within Zone 1; and

"(ii) in the event the insured bank is controlled by a financial services holding company, the company qualifies as a Zone 1 financial services holding company as described in paragraph (2).

"(2) FINANCIAL SERVICES HOLDING COMPANIES WITHIN ZONE 1.—

"(A) A financial services holding company qualifies as a Zone 1 financial services holding company if insured depository institutions representing at least 80 percent of the assets of all insured depository institutions controlled by the company are within Zone 1, and the balance of the insured depository institutions controlled by the company are within Zone 2.

"(B) For purposes of subparagraph (A), an insured depository institution other than an insured bank shall be deemed to be within Zone 1 if, based upon the risk-based capital rule and leverage limit applicable to the institution, it meets the capital ratios adopted by the appropriate Federal banking agency of the financial services holding company for purposes of subsection (b)(4)(A).

"(3) PROCEDURES AND STANDARDS FOR REVIEW.—

"(A) SUBSEQUENT NOTICE FOR CERTAIN ACTIONS.—For actions described in paragraphs (1)(A)(i) and (1)(A)(ii), the insured bank shall provide the appropriate Federal banking agency with written notice no later than 30 days following such action.

"(B) LIMITATION ON REVIEW PERIOD FOR PROPOSED TRANSACTIONS.—Notwithstanding any other provision of the banking laws, the appropriate Federal banking agency shall make a decision to approve or disapprove any proposed transaction described in paragraph (1)(A)(iii) no later than 45 days after the date of receipt of the completed notice or application.

"(C) REVIEW STANDARDS.—The appropriate Federal banking agency may disapprove any proposed transaction described in subsection (c)(1)(A)(iii) involving an insured bank within Zone 1 only—

"(i) pursuant to section 18(c)(5)(A) or (B); or

"(ii) if the appropriate Federal banking agency determines—

"(I) that the insured bank or any other insured bank controlled by the same financial services holding company is engaging in an unsafe and unsound practice or will be in an unsafe and unsound condition following the transaction; or

"(II) that the proposed transaction is inconsistent with the convenience and needs of the community to be served.

"(D) FORM OF NOTICES.—Each appropriate Federal banking agency shall by regulation establish the form and content of the notice required under subparagraph (A).

"(4) EFFECT OF NOTICE UNDER THIS SUBSECTION.—

"(A) SUBSEQUENT NOTICE.—Any notice required under paragraph (3)(A) shall supersede any other notice or application requirement under the banking laws imposed on the insured bank in connection with the proposed transaction or other expansion.

"(B) OTHER REQUIREMENTS CONTINUE TO APPLY TO ACTIVITY.—Except as provided in this subsection, nothing in this subsection shall relieve any insured bank or any subsidiary thereof from the provisions of any law or regulation applicable to that institution or subsidiary.

"(5) RESTRICTIONS ON EXPANSION RESULTING IN RECLASSIFICATION BELOW ZONE 2.—

"(A) The appropriate Federal banking agency shall not approve or permit any investment, expansion, acquisition, or other proposal subject to review under any provision of the banking laws that would result in reclassification of an insured bank from Zone 1 to Zone 3 or 4, unless the agency finds that the transaction substantially improves the financial condition of an insured bank involved in the transaction or is consistent with a capital restoration plan approved by the agency and meets the other standards required to be reviewed by the agency in considering such proposals under the banking laws.

"(B) The appropriate Federal banking agency shall not approve or permit any investment, expansion, acquisition, or other proposal subject to review under any provision of the banking laws that would result in reclassification of an insured bank to Zone 5.

"(6) LOSS OF ZONE 1 STATUS AFTER EXPANSION.—

"(A) CAPITAL MUST BE PROMPTLY RESTORED.—Any financial services holding company that—

"(i) engages, directly or indirectly, in any new financial activity, directly or indirectly controls any company engaged in any new financial activity, or is controlled by a diversified holding company, and

"(ii) does not continue to qualify under subsection (d)(2), or does not qualify under such subsection within such time period as is specified by the appropriate Federal banking agency pursuant to section 4(k) of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1843(k)),

must either restore the capital of insured banks controlled by such financial services holding company to at least the levels required for the company to requalify under subsection (d)(2) or take the actions required in subparagraph (B). A financial services holding company shall be given a period of at least 45 days within which to restore such capital.

"(B) REQUIRED ACTIONS.—Any financial services holding company that does not requalify under subsection (d)(2) within the applicable period under subparagraph (A) must—

"(i) immediately post a bond in an amount equal to the amount necessary to restore the capital of the insured depository institutions controlled by such company to at least the level required to permit the company to requalify under subsection (d)(2) as of the date the bond is posted, which bond shall be subject to forfeiture as necessary to reimburse the Corporation for any funds expended for resolution of the insured depository institutions controlled by such company; and

"(ii)(I) within the time period provided in subsection (i), submit to the appropriate Federal banking agency and, after its acceptance, implement a capital plan that meets the requirements of such subsection and will restore the relevant capital measures to the level necessary to requalify under subsection (d)(2); or

"(II) within one year from the date the company originally failed to meet the requirements of subsection (d)(2)—

"(aa) divest any interest in any insured depository institution; or

"(bb) terminate all direct or indirect new financial activities and divest any interest in any company engaged in any such activity.

"(C) If the financial services holding company does not complete the actions required by either clause (i) or (ii) of subparagraph (B), the appropriate Federal banking agency may appoint a conservator for any insured depository institution controlled by such company that maintains capital below the level necessary for the company to requalify under subsection (d)(2).

"(D) ALTERATION OF COMPLIANCE PERIOD.—

"(i) EXTENSION OF COMPLIANCE PERIOD.—The appropriate Federal banking agency may extend the period provided in subparagraph (B)(ii)(II) for up to one year if the agency finds that the financial services holding company has taken significant steps toward restoring the capital of the insured depository institutions controlled by that company to at least the levels required for the company to requalify under subsection (d)(2).

"(ii) SHORTENING OF COMPLIANCE PERIOD FOR FAILURE TO MAINTAIN CAPITAL IN ZONE 1.—The appropriate Federal banking agency may, by regulation, establish shorter divestiture and termination periods under subparagraph (B)(ii)(II) applicable to any financial services holding company that fails to continue to qualify under subsection (d)(2) after having once fallen out of qualification from subsection (d)(2).

"(E) APPLICABILITY TO DIVERSIFIED HOLDING COMPANIES.—If a financial services holding company to which this paragraph applies is controlled by a diversified holding company, and the financial services holding company does not complete the actions under either subparagraph (A) or (B) (other than clause (ii)(II)(bb) of subparagraph (B)), then the diversified holding company must, within the same time period specified in subparagraph (B)(ii)(II), divest any interest in the financial services holding company or terminate all direct or indirect activities not permitted for a financial services holding company.

"(e) MANDATORY SUPERVISORY ACTIONS APPLICABLE TO INSURED BANKS WITHIN ZONE 2.—

"(1) RESTRICTIONS ON EXPANSION.—

"(A) EXPANSION RESULTING IN RECLASSIFICATION.—

"(i) The appropriate Federal banking agency shall not approve or permit any investment, expansion, acquisition, or other proposal subject to review under the banking laws that would result in reclassification of an insured bank to Zone 3 or 4, unless the agency finds that the transaction substantially improves the financial condition of an insured bank involved in the transaction or is consistent with a capital restoration plan approved by the agency and meets the other standards required to be reviewed by the agency in considering such proposals under the banking laws.

"(ii) The appropriate Federal banking agency shall not approve or permit any investment, expansion, acquisition, or other proposal subject to review under the banking laws that would result in reclassification to Zone 5.

"(B) UNSAFE AND UNSOUND PRACTICES OR CONDITION.— The appropriate Federal banking agency shall not approve any investment, expansion, acquisition, or other proposal involving an insured bank within Zone 2 or a financial services holding company which controls an insured bank within Zone 2 if the appropriate Federal banking agency determines that the insured bank involved in the investment, expansion, acquisition, or other proposal, or any other insured bank controlled by the same financial services holding company is engaging in an unsafe and unsound practice or is in an unsafe and unsound condition.

"(2) CAPITAL DISTRIBUTIONS.—

"(A) LIMITATION.—No insured bank within Zone 2 shall make any capital distribution

that would cause the bank to be reclassified within Zone 4 or Zone 5. An insured bank within Zone 2 may make a capital distribution that would cause the bank to be reclassified within Zone 3, if the bank provides the appropriate Federal banking agency with 30 days written notice of such distribution and the agency has not issued a notice of disapproval.

"(B) STANDARDS FOR DISAPPROVAL.—The appropriate Federal banking agency shall not disapprove payment of a capital distribution by an insured bank under this subparagraph unless the appropriate Federal banking agency determines that the capital distribution will not enhance the bank's ability to restore its capital to Zone 2 or otherwise determines that the distribution is not in the public interest.

"(3) EXCEPTIONS TO MANDATORY SUPERVISORY ACTIONS.—The appropriate Federal banking agency may modify, defer, or remove any mandatory supervisory action applicable under this section to an insured bank within Zone 2 or a company that controls an insured bank within Zone 2 if the agency determines in writing that such action is in the public interest.

"(f) PROVISIONS APPLICABLE TO INSTITUTIONS WITHIN ZONE 3.—

"(1) MANDATORY SUPERVISORY ACTIONS.—In addition to the supervisory actions applicable under Zones 1 and 2, the following mandatory supervisory actions shall apply with respect to any insured bank within Zone 3:

"(A) CAPITAL RESTORATION PLAN.—Every insured bank within Zone 3 shall, within the time period provided in subsection (i), submit to the appropriate Federal banking agency and, after its acceptance, implement a capital plan that meets the requirements of subsection (i) and will restore the relevant capital measures of the bank to at least the levels required for classification within Zone 2.

"(B) RESTRICTION ON CAPITAL DISTRIBUTIONS.

"(i) PRIOR AGENCY APPROVAL REQUIRED.—No insured bank within Zone 3 shall make any capital distribution, or pay any management fee to a person or affiliate controlling such bank, that would cause the bank to be reclassified within Zone 4 or Zone 5. No insured bank within Zone 3 shall make any other capital distribution or pay any other such management fee unless the bank receives the prior approval of the appropriate Federal banking agency.

"(ii) STANDARDS FOR APPROVAL.—The appropriate Federal banking agency may approve payment of a capital distribution or management fee by an insured bank within Zone 3 only if the agency determines that the capital distribution will enhance the ability of the bank promptly to restore its capital to Zone 2 or is otherwise in the public interest.

"(C) RESTRICTION ON EXPANSION.—The appropriate Federal banking agency shall not approve or permit any investment, expansion, acquisition or other similar action subject to review under the banking laws by an insured bank within Zone 3, by a financial services holding company that controls an insured bank within Zone 3, or by any affiliate of the insured bank unless the agency finds that the transaction furthers achievement of the capital restoration plan approved by the agency for the insured bank and meets the other standards required to be reviewed by the agency in considering such proposals under the banking laws.

"(D) EFFECT ON FINANCIAL SERVICES AND DIVERSIFIED HOLDING COMPANIES.—Any financial services holding company and any diversified holding company that controls an insured bank within Zone 3 shall, after 45 days after the latest of the date on which the bank becomes a Zone 3 bank, the date on which the financial services holding company acquires the bank, or the effective date of this provision, become subject to the following requirements and shall remain subject to such requirements until such time as the capital of the bank is restored to at least Zone 2 or the company divests any interest in the bank:

"(i) CONSOLIDATED CAPITAL REQUIREMENTS.—The financial services holding company and diversified holding company shall maintain capital, for each relevant capital measure, on a consolidated basis, at least equal to the required minimum capital ratio applicable to the principal bank subsidiary of the financial services holding company as defined in section 3(q)(2).

"(ii) RESTRICTION ON CAPITAL DISTRIBUTION.—The diversified holding company may make a capital distribution only with the prior approval of the appropriate Federal banking agency.

"(iii) OTHER PROVISIONS OF THIS SECTION.—The financial services holding company (and any affiliate it controls) and each financial affiliate controlled by the diversified holding company shall be subject to the mandatory supervisory actions of this paragraph as if the company were an insured bank within Zone 3.

"(E) RECLASSIFICATION OF ZONE 3 INSTITUTIONS TO ZONE 4.—Without being relieved of any of the requirements applicable to insured banks within Zone 3, an insured bank within Zone 3 shall immediately be reclassified as within Zone 4, and shall be subject to all of the provisions applicable to insured banks within Zone 4, if—

"(i) the bank does not submit the capital restoration plan required in subparagraph (A) within the time required by the appropriate Federal banking agency; or

"(ii) the appropriate Federal banking agency is not satisfied that the bank is making every effort in good faith to fulfill completely the capital plan within the schedule approved by the agency.

"(2) EXCEPTIONS TO MANDATORY SUPERVISORY ACTIONS.—The appropriate Federal banking agency may modify, defer, or remove any mandatory supervisory action applicable under this section to an insured bank within Zone 3 or a company that controls an insured bank within Zone 3 if the agency determines in writing that such action is in the public interest.

"(3) DISCRETIONARY SUPERVISORY ACTIONS.—Without limiting in any way the existing authority of any appropriate Federal banking agency, the appropriate Federal banking agency may, at any time, based upon a finding that the insured bank is within Zone 3—

"(A) RESTRICT GROWTH.—Restrict or eliminate growth of the bank's assets, or require contraction of the assets of the bank.

"(B) RESTRICT DISTRIBUTIONS.—Restrict the insured bank and any company that controls the insured bank from making any capital distribution.

"(C) LIMIT INCREASE IN LIABILITIES.—Limit any increase in, or order the reduction of, any liabilities of the bank.

"(D) REQUIRE ISSUANCE OF NEW CAPITAL.—Require the bank to issue new capital in any form and in any amount sufficient to restore the bank to at least the capital levels required for Zone 2.

"(E) RESTRICT ACTIVITIES.—Require the bank to terminate, reduce or alter any activity, if the agency determines that the activity creates excessive risk to the bank.

"(F) DISMISS DIRECTORS OR CHIEF OFFICERS.—

"(i) For cause, require the bank to dismiss from office at the bank any or all of the following persons if the person accepted employment, accepted a new position, or renewed any contract for employment in the same position at the insured bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 and the person has been employed in that position at the insured bank for at least 180 days—

"(I) any member of the institution's board of directors;

"(II) the chief executive officer;

"(III) the chief financial officer; or

"(IV) any other executive officer.

"(ii) Dismissal under clause (i) shall not be construed as removal under section 8 of this Act.

"(G) LIMIT EXECUTIVE COMPENSATION.—Require the bank to reduce or eliminate any or all of the following for any executive officer who accepted employment, accepted a new position, or renewed any contract for employment as an executive officer at the bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991—

"(i) any bonus;

"(ii) any compensation at a rate exceeding that officer's average rate of compensation during the previous 12 calendar months; and

"(iii) any payment that is or would be due under any employment severance contract.

"(H) REQUIRE NEW ELECTION OF DIRECTORS.—Require a new election of the board of directors of the bank and designate such individuals as the agency deems appropriate to serve on the board of directors.

"(I) REQUIRE DIVESTITURE, LIQUIDATION OR CLOSURE OF AFFILIATE.—The appropriate Federal banking agency may require any insured bank in Zone 3 or any company that controls an insured bank in Zone 3 to divest any affiliate (other than an insured bank) if the appropriate Federal banking agency determines that the affiliate is in danger of default and poses significant risk to the liquidity or solvency of the bank or is likely to cause a significant dissipation of its assets or earnings.

"(4) NOTICE TO THE CORPORATION.—The appropriate Federal banking agency shall give the Corporation prompt notice of any action under this subsection.

"(g) PROVISIONS APPLICABLE TO INSTITUTIONS WITHIN ZONE 4.—

"(1) MANDATORY SUPERVISORY ACTIONS.—In addition to the supervisory actions applicable under Zone 1, and the mandatory supervisory sections under Zones 2 and 3, the following mandatory supervisory actions shall apply with respect to any insured bank within Zone 4:

"(A) CAPITAL RESTORATION PLAN.—Unless an insured bank within Zone 4 has submitted a capital restoration plan acceptable to the appropriate Federal banking agency pursuant to subsection (f), it shall, within the time provided under subsection (i), submit to the appropriate Federal banking agency and, after its acceptance, implement a capital plan that meets the requirements of subsection (i) and will restore the relevant capital measures of the institution to at least the levels required for classification within Zone 2.

"(B) PROHIBITION ON CAPITAL DISTRIBUTIONS.—No insured bank within Zone 4 shall make any capital distribution or pay any

management fee to a person or affiliate controlling such bank.

"(C) PROHIBITION ON EXPANSION.—No insured bank within Zone 4, or financial services holding company controlling any insured bank within Zone 4, shall, directly or indirectly—

"(i) acquire any interest in any insured depository institution or any company that is not an insured depository institution;

"(ii) establish or acquire additional branch offices in any State; or

"(iii) engage in any new activity.

"(D) EFFECT ON FINANCIAL SERVICES AND DIVERSIFIED HOLDING COMPANIES.—Any financial services holding company and any diversified holding company that controls an insured bank within Zone 4 shall, until such time as the relevant capital measures of the insured bank are restored to at least the levels required for classification within Zone 2 or the company divests any interest in the bank, be subject to the requirements of clauses (i) and (ii) of subsection (f)(1)(D) and to the mandatory supervisory actions of this paragraph as if the company were an insured bank within the relevant zone.

"(E) LIMITATION ON ASSET GROWTH.—

"(i) An insured bank within Zone 4 shall not increase its total assets, except as permitted under clause (ii).

"(ii) Notwithstanding clause (i), the appropriate Federal banking agency may permit a bank within Zone 4 to increase its total assets by an amount not exceeding the amount of net interest credited to the bank's deposit liabilities, if—

"(I) the agency has accepted the bank's capital restoration plan;

"(II) any increase in assets is accompanied by an increase in capital in an amount not less than the increase in assets multiplied by the respective relevant capital measures for Zone 2 banks; and

"(III) the bank's capital levels increase at a rate sufficient to enable the bank to satisfy the bank's capital restoration plan within a reasonable time.

"(F) LIMITATION ON COMPENSATION.—An insured bank within Zone 4 may not pay to any executive officer who accepted employment, accepted a new position, or renewed any contract for employment as an executive officer at the insured bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991—

"(i) any bonus; or

"(ii) any compensation at a rate exceeding that officer's average rate of compensation during the previous 12 calendar months.

"(2) EXCEPTIONS TO MANDATORY SUPERVISORY ACTIONS.—The appropriate Federal banking agency may modify, defer, or remove any mandatory supervisory action authorized by this section from an insured bank within Zone 4 or a company that controls an insured bank within Zone 4 if the agency determines in writing that such action is in the public interest.

"(3) DISCRETIONARY SUPERVISORY ACTIONS.—Without limiting in any way the existing authority of any appropriate Federal banking agency, the appropriate Federal banking agency may, at any time, take any of the following actions based upon a finding that the insured bank is within Zone 4—

"(A) DISCRETIONARY SUPERVISORY ACTIONS PERMITTED UNDER ZONE 2 OR ZONE 3.—Take any discretionary supervisory action authorized under subsection (f)(3) in connection with an insured bank within Zone 4 or a company that controls an insured bank within Zone 4.

"(B) RESTRICT INTERAFFILIATE TRANSACTIONS.—Restrict or eliminate any transaction between the insured bank and any affiliate.

"(C) REQUIRE DIVESTITURE OR LIQUIDATION OF AFFILIATE.—Require the bank or any company that controls the bank to divest any affiliate that is not an insured bank, if the appropriate Federal banking agency determines that the affiliate is in danger of default.

"(D) LIMIT EXECUTIVE COMPENSATION.—Require the bank to reduce or eliminate any compensation to any executive officer who accepted employment, accepted a new position, or renewed any contract for employment as an executive officer at the insured bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 if the appropriate Federal banking agency determines the compensation to be excessive.

"(E) REQUIRE DIVESTITURE OF BANK.—Require any company that controls a bank within Zone 4 to divest the bank, if the appropriate Federal banking agency determines that such divestiture would improve the financial condition and future prospects of the bank.

"(F) DISMISS DIRECTORS OR CHIEF OFFICERS.—

"(i) Require the insured bank to dismiss from office at the bank any or all of the following persons if the person accepted employment, accepted a new position, or renewed any contract for employment in the same position at the bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 and the person has been employed in that position at the bank for at least 180 days—

"(I) any member of the bank's board of directors;

"(II) the chief executive officer;

"(III) the chief financial officer; or

"(IV) any other executive officer.

"(ii) Dismissal under clause (i) shall not be construed as removal under section 8 of this Act.

"(G) CONSERVATORSHIP.—Appoint a conservator for the bank.

"(4) NOTICE TO THE CORPORATION.—The appropriate Federal banking agency shall give the Corporation prompt notice of any action under this subsection.

"(h) PROVISIONS APPLICABLE TO BANKS WITHIN ZONE 5.—

"(1) MANDATORY SUPERVISORY ACTIONS.—The appropriate Federal banking agency shall, not later than 30 days after determining that an insured bank is within Zone 5—

"(A) require the sale or merger of the insured bank; or

"(B) appoint a conservator or receiver for the bank and any such conservator or receiver shall have full authority, in its sole discretion, to liquidate or sell the insured bank, to take any actions authorized under subsections (f) and (g) not inconsistent with the powers of the conservator or receiver, and to take any other actions authorized pursuant to the provisions applicable to conservators and receivers, respectively, under the banking laws.

"(2) EXCEPTIONS TO MANDATORY SUPERVISORY ACTIONS.—The appropriate Federal banking agency may modify, defer, or remove any mandatory supervisory action applicable under this section to an insured bank within Zone 5 or a company that controls an insured bank within Zone 5 if the agency determines in writing, with the concurrence of the Corporation, that such action is in the public interest.

"(i) CAPITAL RESTORATION PLANS.—

"(1) CONTENTS OF PLAN.—A capital restoration plan submitted under this section shall be a feasible plan for promptly restoring the levels of capital for all relevant capital measures of the insured bank to at least the levels required by the subsection pursuant to which the capital restoration plan is ordered. A capital restoration plan must—

"(A) specify the levels of capital the bank will achieve and maintain;

"(B) describe the steps the bank will take to restore each of the relevant capital measures for the bank to the required levels;

"(C) establish a schedule for promptly completing the capital restoration plan;

"(D) specify the types and levels of activities in which the bank will engage during the pendency of the capital restoration plan;

"(E) explain the steps that the bank will take to comply with any mandatory and discretionary requirements imposed under the banking laws; and

"(F) be acceptable to the appropriate Federal banking agency.

"(2) DEADLINES FOR SUBMISSION OF CAPITAL RESTORATION PLAN.—Each appropriate Federal banking agency shall by regulation establish deadlines that provide insured banks a reasonable period of time to submit a capital restoration plan acceptable to the agency. Unless the agency shall determine that a greater amount of time is necessary, the time allowed by regulation should be no greater than 30 days.

"(3) AGENCY REVIEW OF CAPITAL RESTORATION PLANS.—The appropriate Federal banking agency shall review and act on a capital restoration plan not later than 30 days after the plan is submitted, except that such period may be extended by the appropriate Federal banking agency.

"(j) Judicial Review of Agency Action.—

"(1) Jurisdiction.—

"(A) FILING OF PETITION.—A person aggrieved by an action of an appropriate Federal banking agency under this section may obtain review of that action by filing, within ten days after receiving notice of the agency action, a written petition requesting that the action of the agency be modified, terminated or set aside.

"(B) PLACE FOR FILING.—A petition filed pursuant to this subsection shall be filed in the United States Court of Appeals for the District of Columbia Circuit or the United States Court of Appeals for the circuit in which the concerned bank maintains its home office. For purposes of this subparagraph, the 'concerned bank' shall mean the bank whose classification within a particular zone is the basis for the agency action of which the person aggrieved complains.

"(C) PERSON AGGRIEVED DEFINED.—A person aggrieved by the action of an appropriate Federal banking agency under this section shall mean—

"(i) the company ordered to make a divestiture or terminate activities, with respect to an order under this section directing a company to divest an insured bank or other company or to terminate activities pursuant to this section;

"(ii) the insured bank or company that is the subject of a mandatory or discretionary supervisory action and any company that controls such a bank, with respect to a mandatory or discretionary supervisory action taken under this section for banks within Zone 3, Zone 4 or Zone 5;

"(iii) the person dismissed, with respect to an order under this section for the dismissal of a director, chief executive officer, chief financial officer or other executive officer; and

"(iv) the person whose compensation, bonus or severance payment has been reduced or eliminated, with respect to an order

under this section reducing or eliminating such payments due an executive officer.

"(2) SCOPE OF REVIEW.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), action taken by an appropriate Federal banking agency under this section shall be modified, terminated, or set aside only if the court finds on the record on which the agency acted that the agency's action was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

"(B) ALTERNATE REVIEW OF CERTAIN AGENCY ACTIONS.—Notwithstanding the provisions of this subsection, a person aggrieved by an order of an appropriate Federal banking agency placing an insured bank into conservatorship or receivership may pursue any judicial review of such an order that is otherwise available under the banking laws.

"(3) UNAVAILABILITY OF INJUNCTIVE RELIEF.—The commencement of proceedings for judicial review pursuant to this subsection shall not operate as a stay of any action taken by the appropriate Federal banking agency. No court shall have jurisdiction to stay, enjoin or otherwise delay agency action taken under this section pending judicial review of that action.

"(4) EXPEDITED REVIEW.—Petitions complaining of agency action under this section shall be given expedited review by the United States Circuit Courts of Appeals.

"(5) WITHDRAWAL OF JURISDICTION.—Except as provided in this subsection, no court shall have jurisdiction to affect by injunction or otherwise the issuance or effectiveness of any action of the appropriate Federal banking agency under this section or to review, modify, suspend, terminate, or set aside such agency action.".

(b) ENFORCEMENT.—Revision of Enforcement Provisions.

Section 8(i) of the Federal Deposit Insurance Act is amended—

(1) in the first sentence of paragraph (1), by inserting "or under section 35" after "section"; and

(2) in paragraph (2)(A)(ii), by inserting ", or final order under section 35" after "section".

(c) JURISDICTION.—

(1) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—Chapter 91 of title 28 of the United States Code is amended—

(A) by adding at the end the following new section:

"SEC. 1510. JURISDICTION FOR CERTAIN CLAIMS AGAINST APPROPRIATE FEDERAL BANKING AGENCIES.

"The United States Claims Court shall have exclusive jurisdiction to render judgment upon any claim for damages against the United States by any person who has petitioned for judicial review of an action of an appropriate Federal banking agency pursuant to section 35 of the Federal Deposit Insurance Act, where such action has been, at the conclusion of judicial review proceedings, modified, terminated or set aside by a court of competent jurisdiction. The claim shall be limited to actual damages caused by the agency action that has been modified, terminated or set aside, and shall be filed within 10 days of the final order granting the relief sought in the petition."; and

(B) in the table of sections, by inserting after the item relating to section 1509 the following new item:

"1510. Jurisdiction for certain claims against appropriate Federal banking agencies.".

(2) WITHDRAWAL OF JURISDICTION.—Except as provided in section 1510 of title 28, United States Code, no court shall have jurisdiction to hear a claim for damages for agency action under section 35 of the Federal Deposit Insurance Act.

(d) ADDITIONAL GROUNDS FOR APPOINTMENT OF FDIC AS CONSERVATOR OR RECEIVER FOR STATE BANK.—Section 11(c)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(5)) is amended by adding at the end thereof the following new subparagraphs:

"(I) For appointment of the Corporation as a receiver, classification of the institution as a Zone 5 institution by the appropriate Federal banking agency pursuant to section 35 of this Act.

"(J) For appointment of the Corporation as a conservator, classification of the institution as a Zone 4 or Zone 5 institution by the appropriate Federal banking agency pursuant to section 35 of this Act.".

(e) ADDITIONAL GROUND FOR APPOINTING CONSERVATOR FOR NATIONAL BANKS.—Section 203(a) of the Bank Conservation Act (12 U.S.C. 203(a)) is amended—

(1) by inserting "or was" after "there is" in paragraph (5);

(2) by striking "or" at the end of paragraph (7);

(3) by striking the period at the end of paragraph (8) and inserting instead "; or"; and

(4) by adding at the end the following new paragraph:

"(9) the bank is classified as a Zone 4 or Zone 5 institution by the appropriate Federal banking agency pursuant to section 35 of the Federal Deposit Insurance Act.".

(f) APPOINTMENT OF CONSERVATORS AND RECEIVERS BY THE BOARD OF GOVERNORS.—Section 9 of the Federal Reserve Act (12 U.S.C. 321 et seq.) is amended by adding at the end the following new paragraph—

"(24) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

"(A) The Board of Governors of the Federal Reserve System may appoint a receiver for an insured State bank (except a District bank chartered by the Director of the Office of Depository Institutions Supervision) in the same manner and to the same extent that the Director of the Office of Depository Institutions Supervision may appoint a receiver for a national banking association pursuant to the first section of the Act of June 30, 1876 (12 U.S.C. 191).

"(B) The Board of Governors of the Federal Reserve System may appoint a conservator for an insured State bank (except a District bank chartered by the Director of the Office of Depository Institutions Supervision) in the same manner and to the same extent that the Director of the Office of Depository Institutions Supervision may appoint a conservator for a national banking association pursuant to section 203 of the Bank Conservation Act (12 U.S.C. 203).".

(g) APPOINTMENT OF CONSERVATORS AND RECEIVERS FOR DISTRICT BANKS.—Section 5(d)(2)(C) of the Home Owners' Loan Act (12 U.S.C. 1464(d)(2)(C)) is amended—

(1) by inserting "a District bank chartered by the Director" after "State savings association";

(2) by striking "or" at the end of clause (v);

(3) in clause (vi)—

(A) by inserting "or was" after "there is"; and

(B) by striking the period and inserting instead "; or"; and

(4) by inserting after clause (vi) the following new clause:

"(vii) in the case of a District bank chartered by the Director—

"(I) for appointment of a receiver, classification of the bank as a Zone 5 institution by the Director pursuant to section 35 of the Federal Deposit Insurance Act; or

"(II) for appointment of a conservator, classification of the bank as a Zone 4 or a Zone 5 institution by the Director pursuant to section 35 of the Federal Deposit Insurance Act.".

(h) APPOINTMENT OF CONSERVATORS AND RECEIVERS FOR INSURED STATE BANKS.—Section 11(c) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) The Board of Governors of the Federal Reserve System (the "Board") shall appoint the Corporation as receiver for any insured State bank (other than a District bank chartered by the Office of Depository Institutions Supervision) that the Board classifies as within Zone 5 and for which the Board determines to appoint a receiver authorized by section 35(h).".

(i) EFFECTIVE DATE.—The amendments made by this section shall become effective three years after the date of enactment of this Act, except that such amendments shall become effective January 1, 1993, with respect to financial services holding companies with bank subsidiaries meeting the requirements of Zone 1 or 2 as described in section 35 of the Federal Deposit Insurance Act that wish to engage in any new financial activity.

Subtitle F—Nationwide Banking and Branching

SEC. 261. NATIONWIDE BANKING.

(a) Section 3(f) of the Financial Services Holding Company Act (12 U.S.C. 1842(f)), as redesignated by section 202(a)(4), is amended to read as follows:

"(f) INTERSTATE ACQUISITIONS.—

"(1) IN GENERAL.—The appropriate Federal banking agency may approve an application under this section for a diversified holding company, financial services holding company, or foreign bank to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of, the assets of any additional insured depository institution or financial services holding company located in any State.

"(2) STATE LAWS.—Any acquisition described in paragraph (1) that has been approved under this section may be consummated notwithstanding any State law that would prohibit or otherwise limit such acquisition on the basis of—

"(A) the location or size of the acquiring diversified holding company or financial services holding company or foreign bank or any subsidiary of such company or foreign bank;

"(B) the number of insured depository institution subsidiaries of such diversified holding company or financial services holding company or foreign bank; or

"(C) any factor that has the effect, directly or indirectly, of prohibiting or limiting the acquisition of shares or control of an insured depository institution or financial services holding company located in that State by an out-of-State diversified holding company or financial services holding company or foreign bank without such factor having a similar effect on such acquisitions by financial services holding companies located in that State.".

(b) The amendment made by this section shall become effective three years after the date of enactment of this Act.

SEC. 262. INTERSTATE BRANCHING BY NATIONAL BANKS.

(a) LOCATION OF BRANCHES.—Section 5155(c) of the Revised Statutes (12 U.S.C. 36(c)) is amended—

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

(2) in paragraph (2), by striking the first period and inserting instead "; and";

(3) by inserting after "; and" as added by paragraph (2) the following new paragraph:

"(3) at an initial location within any State in which a financial services holding company having the same home State as such association could acquire a bank pursuant to section 3 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842) or at an initial location within any State in which a State bank chartered in the home State of such association could establish a branch, and, thereafter, at any point within those States to the extent permitted in paragraph (1) and paragraph (2) for associations situated in those States."; and

(4) by inserting at the end thereof the following new sentence:

"A State, other than the State in which the principal office of a national banking association is a host State, may require any national banking association establishing a branch within the host State to comply with such filing requirements as are otherwise imposed on a corporation that is incorporated in another State and seeks to engage in business in the host State.".

(b) DEFINITIONS.—Section 5155 of the Revised Statutes (12 U.S.C. 36) is further amended—

(1) by amending subsection (f) to read as follows:

"(f) The term 'branch' as used in this section shall mean any office, agency, or other place of business located in any State or Territory of the United States or in the District of Columbia at which deposits are received, checks paid, or money lent."; and

(2) by inserting after subsection (h) the following new subsections:

"(i) For purposes of this section, the term 'home State' shall mean—

"(1) in the case of a national banking association, the State in which the principal place of business of such association is located; and

"(2) in the case of a financial services holding company, the State in which the total deposits of all bank subsidiaries of such company are largest.

"(j) For purposes of this section, the term 'State' shall include the District of Columbia.

"(k) For purposes of this section, the term 'host State' is the State in which a bank establishes or maintains a branch other than the State in which the bank is located.".

SEC. 263. INTERSTATE CONSOLIDATION OR MERGER OF NATIONAL BANKS OR STATE BANKS WITH NATIONAL BANKS.

(a) CONSOLIDATION OF NATIONAL BANKS OR STATE BANKS WITH NATIONAL BANKS.—Section I of the Act of November 7, 1918 (12 U.S.C. 215) is amended by inserting "or in any other State" after "located in the same State".

(b) MERGER OF NATIONAL BANKS OR STATE BANKS WITH NATIONAL BANKS.—Section 2(a) of the Act of November 7, 1918 (12 U.S.C. 215a(a)) is amended by inserting "or in any other State" after "located within the same State".

(c) DEFINITIONS.—Section 3(4) of the Act of November 7, 1918 (12 U.S.C. 215b(4)) is amended by striking ", located within the same State,".

(d) RETENTION OF BRANCHES FOLLOWING MERGER OR CONSOLIDATION WITH NATIONAL BANKS.—Section 5155(b)(2) of the Revised Statutes (12 U.S.C. 36(b)(2)) is amended to read as follows:

"(2)(A) A national bank resulting from the consolidation of a national bank under whose charter the consolidation is effected with another bank or banks may retain and operate as a branch any office which, immediately prior to such consolidation, was in operation as a main office or branch of any bank participating in the consolidation if the appropriate Federal banking agency approves its continued operation after the consolidation.

"(B) The appropriate Federal banking agency may not grant approval under subparagraph (A) for retention of a main office branch of any bank participating in the consolidation if a State bank (in a situation identical to that of the resulting national bank) resulting from the consolidation into a State bank of another bank or banks would be prohibited by the law of such State from retaining and operating as a branch an identically situated branch of the State bank immediately prior to the consolidation.".

SEC. 264. INTERSTATE BRANCHING BY STATE BANKS.

Section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) is amended by inserting after paragraph (2) the following new paragraphs:

"(3) STATE LAW.—Except as otherwise provided in this subsection, no State may prohibit any insured bank chartered by another State, and engaged in a banking business in another State from establishing and maintaining one or more branches within the State. A host State may require any insured bank chartered by another State that wishes to establish a branch within the host State to comply with such filing requirements as are otherwise imposed on a corporation that is incorporated in another State and seeks to engage in business in the host State.

"(4)(A) LOCATION OF BRANCHES.—Any insured State bank may, if authorized by the law of the State in which the bank is chartered, establish and maintain:

"(i) a branch at an initial location within any other State or States in which a financial services holding company, whose principal place of operations is the same State in which the insured bank is chartered, could acquire an additional bank pursuant to section 3 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842); and

"(ii) additional branches at locations within any State in which the bank has established an initial branch pursuant to clause (i) to the extent permitted for insured State banks located in such State as if the initial branch of the out-of-State insured bank were a State bank chartered in such State with its head office at the location of the initial branch.

"(B) For purposes of this paragraph, "principal place of operations' means the State in which the total deposits of all bank subsidiaries of such company are largest.

"(5) RESERVATION OF CERTAIN RIGHTS TO STATES.—Nothing in this subsection shall limit in any way the right of a State to determine the authority of State banks chartered in that State to establish and maintain branches, or to supervise, regulate, and examine State banks chartered by that State.

"(6) ACTIVITIES OF BRANCHES.—An insured State bank that establishes a branch or branches pursuant to paragraph (4) may not conduct any activity at such branch that is not permissible for a bank chartered by the host State.

"(7) COORDINATION OF EXAMINATION AUTHORITY.—

"(A) A host State bank supervisory or regulatory authority may examine branches established in the host State by banks chartered by another State for the purpose of determining compliance with the host State law regarding permissible activities and to ensure that the activities of the branch are conducted in a manner not inconsistent with sound banking principles and do not constitute a serious risk to the safety and sound operation of the branch.

"(B) In the event that a host State bank authority as described above determines that there is a violation of host State law concerning the activities being conducted by the branch or that the branch is being operated in a manner not consistent with sound banking principles or in an unsafe and unsound manner, such host State bank authority may undertake such enforcement actions or proceedings as would be permitted under host State law as if the branch were deemed to be a bank chartered by that host State.

"(C) The State bank authorities from one or more States are authorized to enter into cooperative agreements to facilitate State regulatory supervision of State-chartered banks including cooperative agreements relating to the coordination of examinations and joint participation in examinations as long as the participation in the examination of the branch of an out-of-State bank by a host State bank authority is limited as described in subparagraph (B).

"(8) For purposes of this subsection a 'host State' is the State in which a bank establishes or maintains a branch other than the State in which the bank is chartered and engaging in banking business.".

SEC. 265. INTERSTATE BRANCHING AND BANKING BY FOREIGN BANKS.

(a) Section 4(a) of the International Banking Act of 1978 (12 U.S.C. 3102(a)) is amended to read as follows:

"(a) ESTABLISHMENT AND OPERATION OF FEDERAL BRANCHES AND AGENCIES.—

"(1) A foreign bank which engages directly in a banking business outside the United States may, with the approval of the Director, establish and operate a Federal branch or Federal agency at an initial location in the United States in any State in which it is not operating a branch or agency pursuant to State law; provided that during the three-year period beginning on the date of the enactment of the Financial Institutions Safety and Consumer Choice Act 1991, the Director may only authorize such establishment of a branch or agency by a foreign bank, as the case may be, if such establishment is not prohibited by the law of the relevant State.

"(2) A foreign bank which engages directly in a banking business outside the United States may establish and operate additional Federal branches or Federal agencies in any State in accordance with the provisions of subsection (h).".

(b) Section 4(h) of the International Banking Act of 1978 (12 U.S.C. 3102(h)) is amended—

(1) by striking the phrase "in the State in which such branch or agency is located"; and

(2) by adding at the end the following sentence:

"For purposes of section 36(c) of the National Bank Act (12 U.S.C. 36(c)), the home State of a foreign bank shall be its home State as determined under section 5.".

(c) Section 5 of the International Banking Act of 1978 (12 U.S.C. 3103) is amended to read as follows:

"(a) LIMITATIONS.—

"(1) No foreign bank may establish and operate a State branch in any State outside its home State unless a financial services holding company whose principal place of operation under section 3 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842) is the same as the home State of the foreign bank would be permitted to acquire a bank in such other State.

"(2) No foreign bank may directly or indirectly establish and operate a State branch, State agency, or commercial lending company subsidiary outside of the foreign bank's home State unless its establishment and operation is approved by the Board and the bank regulatory authority of the State in which the new branch is to be located.

"(3) No foreign bank may directly or indirectly acquire more than five percent of the voting shares of, or all or substantially all of the assets of, a financial services holding company or bank located outside of the foreign bank's home State without the approval of the appropriate Federal banking agency under section 3 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1842) as if the foreign bank were a financial services holding company located in the foreign bank's home State.

"(4) Notwithstanding paragraph (2), effective three years after the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, no State shall prohibit a foreign bank having a State branch or State agency licensed by another State and engaged in a banking business in that other State, from establishing and maintaining one or more branches or agencies of that foreign bank within the State after approval from the bank regulatory authority of such other State and the Board. Establishment, operation and supervision of any such branches or agencies shall be in accordance with the provisions applicable to an interstate branch of a State bank under section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) as if the branch in such other State were an insured State bank located in such other State.

"(5) Notwithstanding paragraph (1) and section 4(h), a foreign bank may, with the approval of the Director, establish and operate a Federal branch or Federal agency, or with the approval of the Board and the bank regulatory authority of the State, a State branch or State agency, in any State outside of its home State if—

"(A) establishment and operation of a branch or agency is expressly permitted by the State in which it is to be established; and

"(B) in the case of a Federal or State branch, the branch receives only such deposits as would be permissible for a corporation organized under section 25(a) of the Federal Reserve Act (12 U.S.C. 611 *et seq.*).".

(d) Section 7 of the International Banking Act of 1978 (12 U.S.C. 3105) is amended by inserting after subsection (d) the following new subsection:

"(e)(1) It shall be unlawful for any foreign bank to establish a State branch or State agency, or in the case of a foreign bank that is not subject to the provisions of the Financial Services Holding Company Act of 1991, to establish or acquire control of a commercial lending company in the United States, without obtaining the approval of the Board.

"(2) In acting on any application under paragraph (1), the Board may take into account the effects of the proposal on competition in the domestic and foreign commerce of the United States, the financial prospects of the branch or agency and the applicant foreign bank, including whether such foreign bank engages directly in a banking business outside the United States, and the convenience and needs of the community to be served.".

SEC. 266. INTERSTATE ACQUISITIONS BY SAVINGS AND LOAN HOLDING COMPANIES.

Section 10(e)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(e)(3)) is amended to read as follows:

"(3) INTERSTATE ACQUISITIONS.—

"(A) IN GENERAL.—The appropriate Federal banking agency may approve an application under this subsection for a savings and loan holding company or a foreign bank to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all the assets of, any additional savings association located in any State.

"(B) STATE LAWS.—Any acquisition described in subparagraph (A) that has been approved under this section may be consummated notwithstanding any State law that would prohibit or otherwise limit such acquisition on the basis of the location or size of the acquiring company or foreign bank or any subsidiary of such company or foreign bank, the number of insured depository institution subsidiaries of such company or foreign bank, or any other factor that has the effect directly or indirectly of prohibiting or limiting the acquisition of shares or control of a savings association or savings and loan holding company located in that State by an out-of-State savings and loan holding company or foreign bank without having a similar effect on such acquisitions by savings and loan holding companies located in that State.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) the term 'State' includes the District of Columbia; and

"(ii) the term 'foreign bank' has the same meaning as in section 1(b)(7) of the International Banking Act (12 U.S.C. 3101(7)).".

SEC. 267. EFFECTIVE DATES.

Except as provided in section 261(b), the provisions of this subtitle shall be effective upon enactment of this Act.

TITLE III—REGULATORY RESTRUCTURING

Subtitle A—Office of Depository Institutions Supervision

SEC. 301. ESTABLISHMENT OF THE OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION.

Effective January 1, 1992, there shall be established in the Department of the Treasury the Office of Depository Institutions Supervision which shall be a bureau within the Department.

SEC. 302. DEFINITIONS.

As used in this title—

(1) the term "Director" means the Director of the Office of Depository Institutions Supervision;

(2) the term "Office" means the Office of Depository Institutions Supervision; and

(3) the term "Secretary" means the Secretary of the Treasury.

SEC. 303. DIRECTOR OF THE OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION.

(a) IN GENERAL.—The Office shall have a Director who shall be the head of the Office.

(b) APPOINTMENT.—The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States.

(c) TERM.—The Director shall be appointed for a term of five years unless sooner removed by the President.

(d) VACANCY.—A vacancy in the position of Director which occurs before expiration of the term for which a Director was appointed shall be filled in the manner established in subsection (b), and the Director appointed to fill such vacancy shall be appointed only for the remainder of said term.

(e) SERVICE AFTER END OF TERM.—An individual may serve as Director after the expiration of the term for which appointed until a successor Director has been appointed.

(f) ACTING DIRECTOR.—

(1) Subject to subsection (d)—

(A) the Director may designate who shall act as Director if the Director dies, resigns, or is sick or absent; and

(B) in the event that the Director fails to make such a designation, or is unable to make such a designation due to death or disability, the Secretary shall designate who shall act as Director if the Director dies, resigns, or is sick or absent.

(2) An Acting Director designated under paragraph (1) shall possess the power to perform the duties vested in the Director.

(g) DEPUTY DIRECTORS.—The Secretary shall appoint two Deputy Directors. Each Deputy Director shall perform such duties as the Director may require.

(h) EFFECTIVE DATES.—

(1) Subsections (a) through (f) shall become effective January 1, 1992;

(2) Subsection (g) shall become effective January 1, 1993.

SEC. 304. AUTHORITY OF THE DIRECTOR.

(a) EXCLUSIVE AUTHORITY OF THE DIRECTOR.—The Director shall have the authority, without any prior review or approval by the Secretary, to make such determinations and to take such actions as are deemed necessary with respect to a specific institution or entity for which the Director is the appropriate Federal banking agency, as defined in section 3(q)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)(1)), regarding—

(1) a grant or denial of a charter or other application;

(2) an examination;

(3) a decision to appoint a conservator or receiver for a depository institution; and

(4) a final decision in a contested administrative enforcement proceeding.

Nothing in this subsection shall be construed to prohibit the Director from consulting with the Secretary on any matter.

(b) AUTHORITY OF THE SECRETARY.—All other authority vested in the Director shall be exercised by the Director subject to the review and approval of the Secretary.

(c) DELEGATION OF AUTHORITY.—The Director may delegate to any employee, representative or agent of the Office any authority of the Director.

(d) EFFECTIVE DATES.—

(1) Subsection (a) shall become effective January 1, 1993.

(2) Subsections (b) and (c) shall become effective January 1, 1992.

SEC. 305. PERSONNEL.

(a) APPOINTMENT.—The Director shall fix the number of, and appoint and direct, all employees of the Office except as provided in section 303(g).

(b) COMPENSATION AND BENEFITS.—

(1) COMPENSATION.—The Director shall fix the compensation of employees of the Office without regard to the provisions of laws (other than this title) applicable to officers and employees of the United States.

(2) ADDITIONAL BENEFITS.—The Director may provide additional benefits to employees of the Office if the same type of benefits are then being provided by the Board of Governors of the Federal Reserve System or the

Federal Deposit Insurance Corporation or, if not then being provided, could be provided by such an agency under applicable provisions of law, rule, or regulation.

(3) COMPARABILITY.—In setting and adjusting the compensation and benefits for employees of the Office, the Director shall consult with, and may seek to maintain comparability with, the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation.

(c) EFFECTIVE DATE.—This section shall become effective January 1, 1993.

SEC. 306. REGULATIONS AND ORDERS.

The Director may prescribe such regulations and issue such orders as the Director may determine to be necessary or appropriate for carrying out any law within the Director's jurisdiction.

SEC. 307. FUNDING.

(a) AUTHORITY TO IMPOSE AND COLLECT ASSESSMENTS, FEES, AND OTHER CHARGES.—The Director shall have the authority to impose and collect assessments, fees, and other charges on any institution or entity (including subsidiaries and affiliates thereof) for which the Director is the appropriate Federal banking agency, as defined in section 3(q)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)(1)), as necessary or appropriate to carry out the responsibilities of the Office. Such assessments, fees, and other charges shall be set to meet the full cost to the Federal Government of the services provided by the Office.

(b) USE OF FUNDS.—The Director is authorized to use the funds obtained through assessments, fees, and other charges imposed pursuant to this title to pay the full cost to the Federal Government of the services provided by the Office.

(c) EFFECTIVE DATES.—This section shall become effective January 1, 1993.

Subtitle B—Interim Provisions; Transfer of Functions, Personnel, and Property

SEC. 311. INTERIM PROVISIONS FOR THE OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION.

(a) INTERIM AUTHORITY OF THE DIRECTOR.—Prior to the date upon which the functions of the Office of the Comptroller of the Currency and the Office of Thrift Supervision are transferred to the Director pursuant to this Act, the Director shall—

(1) consult and cooperate with the Director of the Office of Thrift Supervision and the Comptroller of the Currency to facilitate the orderly transfer of functions to the Office;

(2) pursuant to section 6(b)(2)(A) of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1845(b)(2)(A)), jointly issue regulations with the Board of Governors of the Federal Reserve System to be effective on January 1, 1993, to implement the Financial Services Holding Company Act of 1991; and

(3) take such actions as may be necessary to provide for the establishment of the Office and for the orderly implementation of this title.

(b) INTERIM STAFF.—Prior to the date upon which the Office of the Comptroller of the Currency and the Office of Thrift Supervision are abolished, each such Office shall detail to the Office such personnel as the Secretary deems appropriate to assist the Director in carrying out his duties.

(c) INTERIM ADMINISTRATIVE SERVICES.—The Secretary is authorized to provide all administrative services necessary to support the Office prior to the date upon which the Office of the Comptroller of the Currency and the Office of Thrift Supervision are abolished, and obtain reimbursement for the cost of such services pursuant to subsection (d).

(d) INTERIM FUNDING.—Prior to the date upon which the Office of the Comptroller of the Currency and the Office of Thrift Supervision are abolished, each such Office shall pay to the Secretary one-half of the total amount determined by the Secretary to be necessary to fund all direct and indirect salary and administrative expenses of the Office, including the salary of the Director, through January 1, 1993, from the funds obtained by such Offices through assessments, fees, and other charges which they are authorized to impose by law. The Secretary may credit to an appropriation and spend amounts received pursuant to this subsection.

(e) INTERIM AUTHORITY OF THE SECRETARY.—The Secretary is authorized to perform the functions of the Director under this section until the Director is appointed.

(f) EFFECTIVE DATE.—This section shall become effective January 1, 1992.

SEC. 312. OFFICE OF THRIFT SUPERVISION ABOLISHED.

(a) OFFICE OF THRIFT SUPERVISION ABOLISHED.—Effective January 1, 1993, the Office of Thrift Supervision and the position of Director of the Office of Thrift Supervision are abolished.

(b) DISPOSITION OF AFFAIRS.—

(1) IN GENERAL.—In winding up the affairs of the Office of Thrift Supervision, the Director of the Office of Thrift Supervision shall consult and cooperate with the Director of the Office and the Comptroller of the Currency to facilitate the orderly transfer of functions to the Office. Any matter not resolved pursuant to such consultation and cooperation shall be resolved by the Secretary.

(2) CONTINUING AUTHORITY OF DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION.—Except as provided in paragraph (1) and section 311, nothing in this title shall affect the authority vested in the Director of the Office of Thrift Supervision before the date of enactment of this Act which is necessary to carry out the duties of his position until the date upon which the position of Director of the Office of Thrift Supervision is abolished.

(3) CONTINUATION OF AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, or any successor thereto, which was providing support services to the Office of Thrift Supervision on the day before the date the Office of Thrift Supervision is abolished shall—

(A) continue to provide such services on a reimbursable basis, in accordance with the terms of the arrangement pursuant to which such services were provided until modified or terminated in accordance with such terms, except that effective January 1, 1993, the Office shall substitute for the Office of Thrift Supervision as a party to the arrangement; and

(B) consult with the Director to coordinate and facilitate a prompt and reasonable transition.

(c) SAVINGS PROVISIONS.

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—No provision of this title shall affect the validity of any right, duty, or obligation of the United States, the Office of Thrift Supervision, or any person, which existed on the day before the date upon which the Office of Thrift Supervision is abolished.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Office of Thrift Supervision shall abate by reason of enactment of this Act, except that, effective January 1, 1993, the Director shall be substituted as a party to any such action or proceeding.

(3) Continuation of Administrative Rules.—

(A) All orders, resolutions, determinations, regulations, interpretative rules, other interpretations, guidelines, procedures and other advisory material which—

(1) have been issued, made, prescribed, or permitted to become effective by the Office of Thrift Supervision, and

(2) are in effect on December 31, 1992, or become effective thereafter,

shall continue in effect according to the terms of such orders, resolutions, determinations, regulations, interpretative rules, other interpretations, guidelines, procedures or other advisory material; shall be administered by the Director; and shall be enforceable by or against the Director until modified, terminated, set aside, or superseded in accordance with applicable law by the Director, by any court of competent jurisdiction, or by operation of law.

(B) No provision of this Act or of any prior Act or agreement, other than agreements entered into after August 9, 1989, shall modify or limit any minimum level of capital established under section 5(s) of the Home Owners' Loan Act (12 U.S.C. 1464(s)) or any capital standard prescribed or maintained under section 5(t) of such Act (12 U.S.C. 1464(t)).

(4) STATUS OF ADMINISTRATIVE RULES.—

(A) Any proposed regulation or rule of the Office of Thrift Supervision which has not been published as a final regulation by the date that the Office of Thrift Supervision is abolished shall be deemed to be a proposed regulation or rule of the Office.

(B) Any final or interim rule published by the Office of Thrift Supervision prior to January 1, 1993, but which shall not become effective prior to such date, shall become effective according to its terms.

(5) APPLICATION.—The provisions of this subsection shall apply except as otherwise expressly provided in this Act.

(d) TRANSFER OF EMPLOYEES.

(1) IN GENERAL.—All employees of the Office of Thrift Supervision on the day before that Office is abolished by this Act shall be transferred to the Office.

(2) RIGHTS OF TRANSFERRED EMPLOYEES.—All employees transferred pursuant to paragraph (1) shall be entitled to the following rights:

(A) TRANSFER OF FUNCTION.—Notwithstanding any other provision of law, section 3503 of title 5, United States Code, shall be applicable to each such transfer.

(B) TRANSFERRED POSITION.—Each transferred employee shall be guaranteed a position with the same status and tenure as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade for 1 year after the date of transfer, except for cause. Nothing in this section shall be construed to limit the right of the Director to terminate an appointment to a position excepted from the competitive service because of its confidential policy-making, policy-determining, or policy-advocating character.

(C) COMPENSATION.—Each employee transferred under this section shall be entitled to receive, during the one-year period immediately following the transfer, the same total compensation which such employee received immediately preceding the transfer. This paragraph shall only apply to a transferred employee while such employee remains with the Office.

(D) BENEFITS.—

(i) Each employee transferred under this section may retain for 1 year after the date such transfer occurs, membership in any employee benefit program of the Office of Thrift Supervision, other than a retirement program but including insurance, to which such employee belongs on the day immediately preceding the transfer if—

(I) the employee does not elect to give up the benefit or membership in the program; and

(II) the benefit or program is continued by the Director.

(ii) The difference in the costs between the benefits which would have been provided by the Office of Thrift Supervision and those provided by this section shall be paid by the Office.

(iii) If any employee elects to give up membership in a health or life insurance program or the health or life insurance program is not continued by the Director, such employee may elect to participate in the Office's health or life insurance program notwithstanding health conditions pre-existing at the time of election or enrollment and without regard to any other regularly scheduled open season. Such election shall be made within 120 days of the transfer or discontinuation of the program.

(3) REORGANIZATION OF THE OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION.—If the Director determines, not less than one year nor more than three years after the date the functions of the Director of the Office of Thrift Supervision are transferred to the Office, that a reorganization of the combined work force is required, that reorganization shall be deemed a "major reorganization" for purposes of affording affected employees retirement under section 8336(d)(2) or 8414(b)(1)(B) of title 5, United States Code. The provisions of chapter 35 of title 5, United States Code, shall govern any reduction in force resulting from such a reorganization.

(4) EQUITABLE TREATMENT.—The Director may take such action as is necessary to ensure that employees transferring under this section continue to receive credit such employees received, if any, under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 for prior service with a Federal entity or instrumentality, or with a Federal Home Loan Bank or joint office of the Banks, with respect to the transferring employees' retirement accounts and the transferring employees' accrued leave or vacation time, in recognition of the transferring employees' service.

(e) TRANSFER OF PROPERTY.—Effective January 1, 1993, all property of the Office of Thrift Supervision shall be transferred to the Office.

SEC. 313. OFFICE OF THE COMPTROLLER OF THE CURRENCY ABOLISHED.

(a) OFFICE OF THE COMPTROLLER OF THE CURRENCY ABOLISHED.—Effective January 1, 1993, the Office of the Comptroller of the Currency and the position of the Comptroller of the Currency are abolished.

(b) DISPOSITION OF AFFAIRS.

(1) IN GENERAL.—In winding up the affairs of the Office of the Comptroller of the Currency, the Comptroller of the Currency shall consult and cooperate with the Director of the Office of Depository Institutions Supervision and the Director of the Office of Thrift Supervision to facilitate the or- derly transfer of functions to the Office. Any matter not resolved pursuant to such consultation and cooperation shall be resolved by the Secretary.

(2) CONTINUING AUTHORITY OF THE COMPTROLLER OF THE CURRENCY.—Except as provided in paragraph (1) and section 311, nothing in this Act shall affect the authority vested in the Comptroller of the Cur- rency before the date of enactment of this Act which is necessary to carry out the duties of his position until the date upon which the position of Comptroller is abolished.

(3) CONTINUATION OF AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, or any successor thereto, which was providing support services to the Office of the Comptroller of the Currency on the day before the date the Office of the Comptroller of the Currency is abolished shall—

(A) continue to provide such services, on a reimbursable basis, in accordance with the terms of the arrangement pursuant to which such services were provided until modified or terminated in accordance with such terms, except that effective January 1, 1993, the Office shall substitute for the Office of the Comptroller of the Currency as a party to the arrangement; and

(B) consult with the Director to coordinate and facilitate a prompt and reasonable transition.

(c) SAVINGS PROVISIONS.

(1) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—No provision of this title shall affect the validity of any right, duty, or obligation of the United States, the Office of the Comptroller of the Currency, or any person, which existed on the day before the date upon which the Office of the Comptroller of the Currency is abolished by this title.

(2) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Comptroller of the Currency or the Office of the Comptroller of the Currency shall abate by reason of enactment of this Act, except that effective January 1, 1993, the Director shall be substituted as a party to any such action or proceeding.

(3) CONTINUATION OF ADMINISTRATIVE RULES.—All orders, resolutions, determinations, regulations, interpretative rules, other interpretations, guidelines, procedures and other advisory material which—

(A) have been issued, made, prescribed, or permitted to become effective by the Comptroller of the Currency; and

(B) are in effect on December 31, 1992, or become effective thereafter,

shall continue in effect according to the terms of such orders, resolutions, determinations, regulations, interpretative rules, guidelines, procedures or other advisory material; shall be administered by the Director; and shall be enforceable by or against the Director until modified, terminated, set aside, or superseded in accordance with applicable law by the Director, by any court of competent jurisdiction, or by operation of law.

(4) STATUS OF ADMINISTRATIVE RULES.—

(A) Any proposed regulation or rule of the Comptroller of the Currency which has not been published as a final regulation by the date that the Office of the Comptroller of the Currency is abolished shall be deemed to be a proposed regulation or rule of the Office.

(B) Any final or interim rule published by the Comptroller of the Currency prior to January 1, 1993, but which shall not become effective prior to such date, shall become effective according to its terms.

(5) APPLICATION.—The provisions of this subsection shall apply except as otherwise expressly provided in this Act.

(d) TRANSFER OF EMPLOYEES.—

(1) IN GENERAL.—All employees of the Office of the Comptroller of the Currency on the day before that Office is abolished by this Act shall be transferred to the Office.

(2) RIGHTS OF TRANSFERRED EMPLOYEES.—All employees transferred pursuant to paragraph (1) shall be entitled to the following rights:

(A) TRANSFER OF FUNCTION.—Notwithstanding any other provision of law, section 3503 of title 5, United States Code, shall be applicable to each such transfer.

(B) TRANSFERRED POSITION.—Each transferred employee shall be guaranteed a position with the same status and tenure as that held on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade for 1 year after the date of transfer, except for cause. Nothing in this section shall be construed to limit the right of the Director to terminate an appointment to a position excepted from the competitive service because of its confidential policy-making, policy-determining, or policy-advocating character.

(C) COMPENSATION.—Each employee transferred under this section shall be entitled to receive, during the one-year period immediately following the transfer, the same total compensation that employee received immediately preceding the transfer. This paragraph shall only apply to a transferred employee while such employee remains with the Office.

(D) BENEFITS.—

(i) Each employee transferred under this section may retain for 1 year after the date such transfer occurs, membership in any employee benefit program of the Office of the Comptroller of the Currency, other than a retirement program but including insurance, to which such employee belongs on the day immediately preceding the transfer if—

(I) the employee does not elect to give up the benefit or membership in the program; and

(II) the benefit or program is continued by the Director.

(ii) The difference in the costs between the benefits which would have been provided by the Office of the Comptroller of the Currency and those provided by this section shall be paid by the Office.

(iii) If any employee elects to give up membership in a health or life insurance program or the health or life insurance program is not continued by the Director, such employee may elect to participate in the Office's health or life insurance programs notwithstanding health conditions pre-existing at the time of election or enrollment and without regard to any other regularly scheduled open season. Such election shall be made within 120 days of the transfer or discontinuation of the program.

(3) REORGANIZATION OF THE OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION.—If the Director determines, not less than one year nor more than three years after the date the functions of the Comptroller of the Currency are transferred to the Office, that a reorganization of the combined work force is required, that reorganization shall be deemed a "major reorganization" for purposes of affording affected employees retirement under section 8336(d) (2) or 8414(b) (1) (B) of title 5, United States Code. The provisions of chapter 35 of title 5, United States Code, shall govern any reduction in force resulting from such a reorganization.

(e) TRANSFER OF PROPERTY.—Effective January 1, 1993, all property of the Office of the Comptroller of the Currency shall be transferred to the Office.

Subtitle C—Regulatory and Supervisory Responsibility

SEC. 321. TRANSFER OF POWERS AND DUTIES.

(a) DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION.—Effective January 1, 1993, all powers and duties which were vested in the Director of the Office of Thrift Supervision on December 31, 1992, are transferred to the Director, except as otherwise provided in this Act.

(b) COMPTROLLER OF THE CURRENCY.—Effective January 1, 1993, all powers and duties which were vested in the Comptroller of the Currency on December 31, 1992, are transferred to the Director, except as otherwise provided in this Act.

SEC. 322. APPROPRIATE FEDERAL BANKING AGENCY.

(a) Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)) is amended to read as follows—

"(q)(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate Federal banking agency' means—

"(A) the Director of the Office of Depository Institutions Supervision in the case of —

"(i) any national banking association and any subsidiary of a national banking association other than a subsidiary chartered or regulated by the Board of Governors of the Federal Reserve System under sections 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et seq.);

"(ii) any District bank chartered by the Director;

"(iii) any Federal branch or Federal agency of a foreign bank;

"(iv) any savings association and any subsidiary of a savings association;

"(v) any savings and loan holding company;

"(vi) any financial services holding company, the principal bank subsidiary of which is a national banking association, a District bank chartered by the Director, or a savings association; and

"(vii) any diversified holding company that controls any financial services holding company, the principal bank subsidiary of which is a national banking association, a District bank chartered by the Director, or a savings association;

"(B) the Board of Governors of the Federal Reserve System in the case of—

"(i) any State member or State nonmember insured bank (except a District bank chartered by the Director) and any subsidiary of any such State bank;

"(ii) any State branch or State agency of a foreign bank;

"(iii) any subsidiary or branch of a depository institution established or operated pursuant to section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et seq.);

"(iv) any commercial lending company;

"(v) supervisory or regulatory proceedings arising from the authority given to the Board of Governors under section 7(b) (1) of the International Banking Act of 1978 (12 U.S.C. 3105(b) (1)), including such proceedings under the Depository Institutions Supervisory Act;

"(vi) any branch or agency of a foreign bank with respect to any provision of the Federal Reserve Act which is made applicable under the International Banking Act of 1978 (12 U.S.C. 3101 et seq.);

"(vii) any financial services holding company, the principal bank subsidiary of which is a State member or State nonmember insured bank (except a District bank chartered by the Director); and

"(viii) any diversified holding company that controls any financial services holding company, the principal bank subsidiary of which is a State member or State nonmember insured bank (except a District bank chartered by the Director);

"(C) for a foreign bank that is not a financial services holding company, the appropriate Federal banking agency shall be the same as the appropriate Federal banking agency for the branch, agency, or commercial lending company controlled or operated by such foreign bank that has the greatest dollar amount of assets on average for the last day of each quarter of the preceding calendar year. Any foreign bank that is not a financial services holding company shall be evaluated by the appropriate Federal banking agency in accordance with paragraphs (3) through (6).

"(2) principal Bank Subsidiary.—The term 'principal bank subsidiary' means—

"(A) the single subsidiary depository institution of a financial services holding company that has the greatest dollar amount of assets on average for the last day of each quarter of the preceding calendar year; and

"(B) in the case of a foreign bank that is a financial services holding company, the single depository institution, branch, agency, or commercial lending company controlled or operated by a foreign bank in the United States that has the greatest dollar amount of assets on average for the last day of each quarter of the preceding calendar year. Paragraphs (3) through (6) shall apply to a foreign bank and its principal bank subsidiary in the same manner and to the same extent as they apply to a domestic financial services holding company and its principal bank subsidiary.

"(3) MULTIPLE BANK SUBSIDIARIES.—In any case in which there are two or more subsidiary depository institutions of a financial services holding company that have substantially equal dollar amounts of assets and such depository institutions are not regulated by the same appropriate Federal banking agency, then the principal bank subsidiary shall be the depository institution with the greatest dollar amount of deposits on average for the last day of each quarter of the preceding calendar year.

"(4) CALCULATION.—All determinations regarding equity capital or assets, as appropriate, shall be made based upon those amounts on the last day of each of the four quarters over the preceding calendar year.

"(5) EVALUATION.—The appropriate Federal banking agency shall evaluate the principal bank subsidiary as defined in paragraphs (2) and (3) every five years for the purpose of determining whether a transfer to the other appropriate Federal banking agency is necessary. The first evaluation shall occur by April 30, 1998.

"(6) TRANSFER.—In any case in which the appropriate Federal banking agency has changed after evaluation, notice shall be given to the new appropriate Federal banking agency within 30 days after evaluation. A copy of the examination reports and any other reports required to be filed by the financial services holding company pursuant to section 6 of the Financial Services Holding Company Act of 1991 (12 U.S.C. 1845) for the prior two years shall be provided to the new appropriate Federal banking agency when notice is provided to such agency. Regulation and supervision of the financial services holding company shall be transferred to the new appropriate Federal banking agency no later than 90 days after notice has been provided.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1993.

SEC. 323. EXAMINATIONS

(a) IN GENERAL.—The Director has the power to conduct examinations of the affairs of each institution or entity for which the Director is the appropriate Federal banking agency, as defined in section 3(q) (1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q) (1)), and such other institution or entity over which the Director has examination authority pursuant to the Financial Services Holding Company Act of 1991.

(b) ANNUAL EXAMINATIONS REQUIRED.—At least once during every 12-month period, the Director shall conduct an on-site examination of each depository institution and branch of a foreign bank for which the Director is the appropriate Federal banking agency, except annual examinations shall not be required for—

(1) any depository institution or foreign bank branch for which a conservator or receiver has been appointed; and

(2) any depository institution or foreign bank branch that has total assets of less than $1,000,000,000 as of December 31 of the year preceding a scheduled examination, and that is in compliance with the capital standards prescribed by the Director. Such depository institution shall be examined on-site at least once during the following 18-month period.

(c) SPECIAL EXAMINATIONS.—In addition to the examinations authorized or required under subsections (a) and (b), the Director may make any special examination of such institution or entity which the Director determines to be necessary.

(d) EXAMINATION OF AFFILIATES.—The Director may examine any affiliate (as defined in section 2 of the Banking Act of 1933 (12 U.S.C. 221a)) of a depository institution, and any other affiliate except those examined pursuant to the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841 *et seq.*), as may be necessary to disclose fully—

(1) the relationship between the depository institution and its affiliate; and

(2) the effect of such relationship on the depository institution.

(e) ASSESSMENT IN CASE OF AFFILIATE'S REFUSAL TO PAY.—

(1) IN GENERAL.—Subject to paragraph (2), if any affiliate of any depository institution, other than an affiliate examined pursuant to the Financial Services Holding Company Act of 1991—

(A) refuses to pay any assessment, or

(B) fails to pay any assessment before the end of the 60-day period beginning on the date of the assessment,

the Director may assess such cost against, and collect such cost from, such depository institution.

(2) AFFILIATE OF MORE THAN ONE DEPOSITORY INSTITUTION.— If any affiliate referred to in paragraph (1) is an affiliate of more than one depository institution, the assessment with respect to the affiliate may be assessed against, and collected from, any affiliated depository institution in such proportions as the Director may prescribe.

(f) CIVIL MONEY PENALTIES FOR AFFILIATE'S REFUSAL TO COOPERATE.—

(1) PENALTY IMPOSED.—If any affiliate of any depository institution referred to in subsection (e)—

(A) refuses to permit any examiner appointed by the Director to make an examination, or

(B) refuses to provide any information required to be disclosed in the course of examination,

the depository institution shall pay a civil penalty of not more than $5,000 for each day that such refusal continues.

(2) ASSESSMENT AND COLLECTION.—Any penalty imposed under paragraph (1) shall be assessed and collected by the Director in the manner provided in section 8(i) (2) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i) (2)).

(g) POWER AND DUTY OF EXAMINERS.—Each examiner appointed by the Director shall have power to conduct—

(1) a thorough examination and prepare a full report of condition of any depository institution for which the Director is the appropriate Federal banking agency, and

(2) an examination pursuant to subsection (d) and prepare a full report of the findings.

(h) Administration of Oaths and Access to Records.—In connection with examinations of depository institutions and their affiliates, the examiner shall—

(1) have access to and power to administer oaths and examine any of the officers, directors, employees, or agents thereof under oath; and

(2) be given prompt and complete access to all relevant books, records or documents of any type.

(i) PUBLICATION OF REPORTS.—The Director is authorized to publish the report of his examination of any national bank or affiliate which, within 120 days after notification, fails to comply, to the satisfaction of the Director, with the recommendations or suggestions made in such examination. The national bank or affiliate shall be given 90 days notice prior to such publication.

(j) LIMITATION ON VISITORIAL POWERS.—

(1) No depository institution chartered under Federal law shall be subject to any visitorial powers except as authorized by Federal law, vested in the courts of justice or such as shall be, or have been, exercised or directed by Congress or by either House thereof or by any committee of Congress or of either House duly authorized.

(2) Notwithstanding paragraph (1), lawfully authorized State auditors and examiners may, at reasonable times and upon reasonable notice to a depository institution chartered under Federal law, review its records solely to ensure compliance with applicable State unclaimed property or escheat laws upon reasonable cause to believe that the depository institution has failed to comply with such laws.

(k) The provisions of subsections (a) through (j) shall become effective on January 1, 1993.

SEC. 324. CONFORMING AMENDMENTS.

(a) Section 5240 of the Revised Statutes, as amended (12 U.S.C. 481 through 485) is revised to read as follows—

"(a) In addition to the examinations made and conducted by the Director of the Office of Depository Institutions, every Federal reserve bank may, with the approval of the Federal reserve agent or the Board of Governors of the Federal Reserve System, provide for special examination of member banks within its district. The expense of such examinations may, in the discretion of the Board of Governors of the Federal Reserve System, be assessed against the banks examined, and, when so assessed, shall be paid by the banks examined. Such examination shall be so conducted as to inform the Federal reserve bank of the condition of its member banks and of the lines of credit which are being extended by them. Every Federal reserve bank shall at all times furnish to the Board of Governors of the Federal Reserve System such information as may be demanded concerning the condition of any member bank within the district of the said Federal reserve bank.

"(b) The Board of Governors of the Federal Reserve System shall, at least once each year, order an examination of each Federal reserve bank, and upon joint application of ten member banks the Board of Governors of the Federal Reserve System shall order a special examination and report of the condition of any Federal reserve bank.".

(b) The Home Owners' Loan Act (12 U.S.C. 1461 et seq.) is amended—

(1) in section 4(d)(1)(B) (12 U.S.C. 1463(d)(1)(B))—

(A) by striking clauses (i) and (ii); and

(B) by redesignating clauses (iii) through (vii) as clauses (i) through (v), respectively;

(2) in section 10(b)(4) (12 U.S.C. 1467a(b)(4)), by striking the first two sentences; and

(3) by repealing section 13 (12 U.S.C. 1486b).

(c) The amendments made by subsections (a) and (b) shall become effective on January 1, 1993.

SEC. 325. APPOINTMENT OF A RECEIVER.

(a) Section 1 of the Act of June 30, 1876 (12 U.S.C. 191), is amended to read as follows:

"(1) General Grounds for Appointment of a Receiver.—A receiver may be appointed by the Director of the Office of Depository Institutions Supervision for any national banking association whenever the Director of the Office of Depository Institutions Supervision determines that one or more of the following circumstances exist:

"(A) Whenever any national banking association shall be dissolved, and its rights, privileges, and franchises declared forfeited, as prescribed in section 5239 of the Revised Statutes, or whenever any creditor of any national banking association shall have obtained a judgment against it in any court of record, and made application, accompanied by a certificate from the clerk of the court stating that such judgment has been rendered and has remained unpaid for thirty days, or whenever the Director of the Office of Depository Institutions Supervision shall become satisfied of the insolvency of a national banking association;

"(B) the bank is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course of business;

"(C) the bank is in an unsafe or unsound condition to transact business, including having substantially insufficient capital or otherwise;

"(D)(i) the bank has incurred or is likely to incur losses that will deplete all or substantially all of its capital; and

"(ii) there is no reasonable prospect for the bank's capital to be replenished without Federal assistance;

"(E) there is or was a violation of laws, rules, or regulations, or any unsafe or unsound practice or condition which is likely to cause insolvency or substantial dissipation of assets or earnings, or is likely to weaken the bank's condition or otherwise seriously prejudice the interests of its depositors;

"(F) there is concealment of books, papers, records, or assets of the bank, or refusal to submit books, papers, records, or affairs of the bank for inspection to any examiner or to any lawful agent of the Director of the Office of Depository Institutions Supervision;

"(G) there is a willful or continuing violation of an order enforceable against the bank under section 18(i) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i));

"(H) the bank's board of directors consists of fewer than 5 members; or

"(I) the national banking association is classified as a Zone 5 institution by the Director of the Office of Depository Institutions Supervision pursuant to section 35 of the Federal Deposit Insurance Act.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1993.

Subtitle D—Transfer of Federal Deposit Insurance Corporation Authority

SEC. 331. AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.

(a) INSURED DEPOSITORY INSTITUTION.—Section 3(c)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(3)) is amended by striking "any uninsured" and inserting instead "any insured or uninsured".

(b) APPLICATION FOR INSURANCE.—Section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815) is amended—

(1) in subsection (a), by amending paragraph (1) to read as follows:

"(1) National and State nonmember banks; State savings associations and State savings banks.—

"(A) Any national nonmember bank which is engaged in the business of receiving deposits, other than trust funds as herein defined, upon application by the bank and certification by the Director of the Office of Depository Institutions Supervision in the manner prescribed in subsection (b) of section 4 of this Act, any State nonmember bank, State savings association, and State savings bank, upon application to and examination by the Corporation and approval by the Board of Directors, may become an insured depository institution.

"(B) Before approving the application of any such State nonmember bank, State savings association, and State savings bank, the Board of Directors shall give consideration to the factors enumerated in section 6 of this Act, and shall determine, upon the basis of a thorough examination of such bank or savings association, that its assets in excess of its capital requirements are adequate to enable it to meet all of its liabilities to depositors and other creditors as shown by the books of the bank or savings association.

"(C) In the case of an application by a State savings association, the Board of Directors shall obtain the views of the Director of the Office of Depository Institutions Supervision. In the case of an application by a State nonmember bank or State savings bank, the Board of Directors shall obtain the views of the Board of Governors of the Federal Reserve System.

"(D) The Corporation shall notify the Director of the Office of Depository Institutions Supervision or the Board of Governors of the Federal Reserve System, as appropriate, of its determination with respect to any such application.

"(E) Before approving the application of any industrial bank or similar financial institution, the Board of Directors shall determine that it is chartered and operating under laws providing for examination, supervision, and liquidation substantially comparable to those applicable to banks operating in the same State."; and

(2) in subsection (b), by inserting "shall obtain the views of the Board of Governors of the Federal Reserve System and" before "shall give consideration".

(c) REPORTS OF CONDITION.—Section 7(a)(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(1)) is amended by striking the terms "Corporation" and "Board of Directors" wherever they appear and insert-

ing instead "Board of Governors of the Federal Reserve System".

(d) ENFORCEMENT PROCEEDINGS.—Section 8(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)(3)) is amended to read as follows:

"(3) This subsection and subsections (c) through (s) and subsection (u) of this section shall apply—

"(A) to any financial services holding company, and to any subsidiary (other than a bank) of a financial services holding company, as those terms are defined in the Financial Services Holding Company Act of 1991 (12 U.S.C. 1841 et seq.)—

"(i) in the same manner as they apply to a State member or State nonmember insured bank, in the case of a financial services holding company, the principal bank subsidiary of which is a State member or State nonmember insured bank (except a District bank chartered by the Director); or

"(ii) in the same manner as they apply to a national banking association, in the case of a financial services holding company, the principal bank subsidiary of which is a national banking association, a District bank chartered by the Director or a savings association; and

"(B) to any organization organized and operated under section 25(a) of the Federal Reserve Act (12 U.S.C. 611 et seq.) or operating under section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.), in the same manner as they apply to a State member insured depository institution.".

(e) EXAMINATIONS.—Section 10(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1820(b)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(f) AMENDMENTS TO SECTION 18 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(1) in subsection (c)—

(A) by striking "responsible agency" wherever it appears and inserting instead "appropriate Federal banking agency";

(B) by striking "responsible agencies" wherever it appears and inserting instead "appropriate Federal banking agencies";

(C) by striking "the other two banking agencies referred to in this subsection" wherever it appears and inserting instead "the other appropriate Federal banking agency";

(D) by striking "the other two banking agencies" wherever it appears and inserting instead "the other appropriate Federal banking agency"; and

(E) in paragraph (2), by striking "written approval" and all that appears thereafter and inserting instead "written approval of the appropriate Federal banking agency for the acquiring, assuming, or resulting institution.";

(2) in subsection (d), by striking "Corporation" wherever it appears and inserting instead "Board of Governors of the Federal Reserve System";

(3) in subsection (g)—

(A) by striking "Board of Directors" wherever it appears and inserting instead "Board of Governors of the Federal Reserve System"; and

(B) in paragraph (1)—

(i) in the first sentence, by striking ", or by regulation of the Board of Governors of the Federal Reserve System";

(ii) in the second sentence, by striking "Board of Governors of the Federal Reserve System and Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(iii) in the fifth sentence, by striking ", except that the term 'member bank', as used in such section 2(b), shall be deemed to refer to an insured nonmember bank";

(4) in subsection (i)—

(A) in paragraph (1)—

(i) by striking "(except a District bank)" and inserting instead "(except a District bank chartered by the Director of the Office of Depository Institutions Supervision)";

(ii) by striking "Corporation" and inserting instead "Board of Governors of the Federal Reserve System"; and

(B) in paragraph (2), by striking "written consent" and all that appears thereafter in such paragraph and inserting instead "written consent of the appropriate Federal banking agency for the acquiring, assuming or resulting institution.";

(5) by repealing subsection (j); and

(6) in subsection (l)—

(A) by striking the terms "Corporation" and "Board of Directors" wherever they appear and inserting instead "Board of Governors of the Federal Reserve System"; and

(B) by striking "subsection (j) of this section" and inserting instead "sections 23A (12 U.S.C. 371c et seq.), 23B (12 U.S.C. 371c-1 et seq.), and 22(h) (12 U.S.C. 375b et seq.) of the Federal Reserve Act, as amended".

(g) Participation by State Nonmember Insured Banks in Lotteries and Related Activities.—Section 20 of the Federal Deposit Insurance Act (12 U.S.C. 1829a) is repealed.

(h) EFFECTIVE DATE.—The amendments made by subsections (a) through (g) shall become effective on January 1, 1993.

SEC. 332. AMENDMENTS TO THE FEDERAL RESERVE ACT.

(a) The Federal Reserve Act is amended—

(1) in section 1 (12 U.S.C. 221), by inserting at the end of the second undesignated paragraph the following:

"The term 'insured State bank' shall mean a bank for which the Board of Governors of the Federal Reserve System is the appropriate Federal banking agency under the Federal Deposit Insurance Act. The term 'insured nonmember bank' shall mean an insured State bank that has not become a member of one of the reserve banks created under this Act.";

(2) in section 9A (12 U.S.C. 339), by striking "State member bank" wherever it appears and inserting instead "insured State bank";

(3) in section 22(h) (12 U.S.C. 375b), by inserting "or insured nonmember bank" after "member bank" wherever it appears;

(4) in section 23A (12 U.S.C. 371c), by inserting after subsection (e) the following new subsection:

"(f) Applicability to Insured Nonmember Banks.—The provisions of this section shall apply to an insured nonmember bank and any subsidiary thereof in the same manner and to the same extent as such section applies to a member bank and any subsidiary thereof.";

(5) in section 23B (12 U.S.C. 371c-1), by inserting after subsection (e) the following new subsection:

"(f) Applicability to Insured Nonmember Banks.—The provisions of this section shall apply to an insured nonmember bank and any subsidiary thereof in the same manner and to the same extent as such section applies to a member bank and any subsidiary thereof."; and

(6) in section 29 (12 U.S.C. 504)—

(A) by inserting "and any subsidiary thereof" after "member bank" wherever it appears; and

(B) by inserting "and any insured nonmember bank and subsidiary thereof, and any institution-affiliated party with respect to such insured nonmember bank, which violates any provision of section 22(h), 23A, or 23B of this Act, or any regulation issued pursuant thereto," before "shall forfeit".

(b) Effective Date.—The amendments made by subsection (a) shall become effective on January 1, 1993.

SEC. 333. SAVINGS PROVISIONS.

(a) Existing Rights, Duties, and Obligations Not Affected.—No provision of this Act shall affect the validity of any right, duty, or obligation of the United States, the Federal Deposit Insurance Corporation, or any person, which existed on December 31, 1992.

(b) Continuation of Suits.—No action or other proceeding commenced by or against the Federal Deposit Insurance Corporation or the Board of Directors of the Federal Deposit Insurance Corporation with respect to any power or duty of the Corporation that is transferred by this Act to the Board of Governors of the Federal Reserve System shall abate by reason of enactment of this Act, except that effective January 1, 1993, the Board of Governors of the Federal Reserve System shall be substituted as a party to any such action or proceeding.

(c) Continuation of Orders, Resolutions, and Regulations.—All orders, resolutions, determinations, regulations, interpretative rules, other interpretations, guidelines, procedures and other advisory material which—

(1) have been issued, made, prescribed, or permitted to become effective by the Federal Deposit Insurance Corporation with respect to any power or duty of the Corporation that is transferred by this Act to the Board of Governors of the Federal Reserve System, and

(2) are in effect on December 31, 1992, or become effective thereafter,

shall continue in effect according to the terms of such orders, resolutions, determinations, regulations, interpretative rules, other interpretations, guidelines, procedures or other advisory material; shall be administered by the Board of Governors of the Federal Reserve System; and shall be enforceable by or against the Board of Governors of the Federal Reserve System until modified, terminated, set aside, or superseded in accordance with applicable law by the Board of Governors of the Federal Reserve System, by a court of competent jurisdiction, or by operation of law.

(d) Status of Administrative Rules.—

(1) Any proposed regulation or rule of the Federal Deposit Insurance Corporation with respect to any power or duty of the Corporation that is transferred to the Board of Governors of the Federal Reserve System which has not been published as a final regulation by January 1, 1993, shall be deemed to be a proposed regulation or rule of the Board of Governors of the Federal Reserve System.

(2) Any final or interim rule published by the Corporation prior to January 1, 1993, but which shall not become effective prior to such date, shall become effective according to its terms.

(e) Application.—The provisions of this section shall apply except as otherwise expressly provided in this Act.

SEC. 334. TRANSFER OF PERSONNEL AND PROPERTY.

(a) Employees Transferred.—The Chairman of the Board of the Federal Deposit Insurance Corporation and the Chairman of the

Board of Governors of the Federal Reserve System shall jointly determine the employees of the Federal Deposit Insurance Corporation necessary to perform or support the functions or activities which are transferred from the Federal Deposit Insurance Corporation to the Board of Governors of the Federal Reserve System by this Act, and such employees shall be transferred to the Board of Governors of the Federal Reserve System in accordance with this section.

(b) Rights of Transferred Employees.—All employees identified for transfer under subsection (a) shall be entitled to the following rights:

(1) Each employee so identified shall be transferred to the Board of Governors of the Federal Reserve System for employment no later than January 1, 1993. Notwithstanding any other provision of law, section 3503 of title 5, United States Code, shall be applicable to each such transfer.

(2) Each transferred employee shall be guaranteed a position with the Board of Governors of the Federal Reserve System with comparable creditable service, and with pay no lower than the pay to which such employee was entitled on the day immediately preceding the transfer. Each such employee holding a permanent position shall not be involuntarily separated or reduced in grade or compensation for one year after the date of transfer, except for cause.

(3) If the Board of Governors of the Federal Reserve System determines after December 31, 1993, but before December 31, 1995, that a reorganization of the combined work force is required, that reorganization shall be deemed a "major reorganization" for purposes of affording affected employees' retirement under section 8336(d) (2) or 8414(b)(1)(B) of title 5, United States Code, or under any other retirement plan for government employees to which such employees may belong.

(4) Any transferred employee accepting employment with the Board of Governors of the Federal Reserve System as a result of such transfer may retain for one year after the date such transfer occurs membership in any employee benefit program of the Federal Deposit Insurance Corporation, other than a retirement program but including insurance, to which that employee belongs on the day immediately preceding the transfer if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Board of Governors of the Federal Reserve System. The excess of the costs of the benefits provided by this section over the costs of benefits which would have been provided by the Board of Governors of the Federal Reserve System shall be paid by the Federal Deposit Insurance Corporation. If any transferred employee elects to give up membership in a health insurance program of the Federal Deposit Insurance Corporation or the health insurance program is not continued by the Federal Deposit Insurance Corporation, such employee may elect to participate in a health insurance program offered by the Board of Governors of the Federal Reserve System within one year after the date of such transfer.

(5) Except as provided in paragraph (6), any transferred employee accepting employment with the Board of Governors of the Federal Reserve System shall remain in any retirement plan established by Chapter 83 of title 5, United States Code, or the retirement plan established by chapter 84 of title 5, United States Code, to which the employee belongs immediately preceding the transfer if—

(A) the employee does not elect to give up membership in the program; and

(B) the program is continued.

After their transfer, the Board of Governors of the Federal Reserve System will make all contributions to such program concerning such transferred employees that would have been made by the Federal Deposit Insurance Corporation if the employee had remained an employee of the Federal Deposit Insurance Corporation.

(6) Any transferred employee accepting employment with the Board of Governors of the Federal Reserve System who, immediately prior to such transfer, is an employee within the meaning of section 8401(11) of title 5, United States Code, may elect to remain in the Federal Employees' Retirement System established under Chapter 84 of title 5, United States Code, in accordance with paragraph (5), or may elect, within one year after the date of transfer, to transfer to the retirement program offered by the Board of Governors of the Federal Reserve System generally to employees whose service with the Board commenced after December 31, 1983. Any transferring employee making such an election shall forego all benefits under the retirement programs established under Subchapters I, II, IV, V and VI of Chapter 84 of title 5, United States Code, but shall receive benefits under the program offered by the Board of Governors of the Federal Reserve System as though such employee had enrolled in the Board of Governors of the Federal Reserve System's retirement program on the same date that such employee enrolled in the retirement programs established under such Subchapters.

(7) All transferring employees shall be placed in positions at the Board of Governors of the Federal Reserve System comparable to the positions from which such employees were transferred.

(8) The Board of Governors of the Federal Reserve System shall take such action as is necessary on a case-by-case basis so that employees transferring under this section receive equitable treatment regarding credit for prior service with a Federal entity or instrumentality, with respect to the transferred employees' retirement accounts, and accrued leave or vacation time, in recognition of the transferring employees' service.

(9) Transferring employees shall receive notice of their position assignments not later than 120 days after the effective date of their transfer.

(10) Except as specifically set forth herein, transferred employees shall have the same rights and entitlements as other similarly situated employees of the Board of Governors of the Federal Reserve System pursuant to sections 10 and 11(l) of the Federal Reserve Act (12 U.S.C. 244 and 248(l)).

(c) TRANSFER OF PROPERTY.—Not later than January 1, 1993, the Chairman of the Board of the Federal Deposit Insurance Corporation and the Chairman of the Board of Governors of the Federal Reserve System shall jointly determine the property of the Federal Deposit Insurance Corporation used to perform the functions and activities transferred from the Federal Deposit Insurance Corporation to the Board of Governors of the Federal Reserve System by this Act, and such property shall then be transferred promptly to the Board of Governors of the Federal Reserve System. The Board of Governors of the Federal Reserve System may hold such property and acquire any such other property as is necessary to perform the transferred functions and activities or related functions or activities with respect to State member banks or financial services holding companies.

(d) CONTINUATION OF AGENCY SERVICES.—Any agency, department, or other instrumentality of the United States, or any successor to any such agency, department or instrumentality, which was providing support services to the Federal Deposit Insurance Corporation immediately before the date of any transfer of functions to the Board of Governors of the Federal Reserve System under this section in connection with such transferred functions shall—

(1) continue to provide such service, on a reimbursable basis, in accordance with the terms of the arrangement pursuant to which such services were provided until modified or terminated in accordance with such terms except that the Board of Governors of the Federal Reserve System shall substitute for the Board of Directors of the Federal Deposit Insurance Corporation as a party to the arrangement; and

(2) consult with the Board of Governors of the Federal Reserve System to coordinate and facilitate a prompt and reasonable transition.

(e) CONFORMING AMENDMENTS TO THE FEDERAL RESERVE ACT.—

(1) Section 10(3) of the Federal Reserve Act, as amended (12 U.S.C. 243), is amended—

(A) by striking "site or building in the District of Columbia" and inserting instead "such sites or buildings"; and

(B) by striking the terms "any sites" and "building" wherever they appear and inserting instead "building or buildings".

(2) Section 10(9) of the Federal Reserve Act, as amended (12 U.S.C. 522), is repealed.

Subtitle E—Litigation Authority

SEC. 341. LITIGATION AUTHORITY.

(a) Notwithstanding any other provision of this Act, the Director, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration may employ attorneys to conduct litigation brought by or against their respective agencies, officers, or employees, in matters affecting such agencies, but such litigation may be conducted only with the prior consent of the Attorney General, and subject to the Attorney General's direction and control.

(b) Section 5(d)(1)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(d)(1)(A)) is amended by striking the second sentence.

(c) Subsections (a) and (b) shall become effective on January 1, 1993.

Subtitle F—Reorganization of Boards of Directors

SEC. 351. FEDERAL DEPOSIT INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) REORGANIZATION.—Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended—

(1) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) by striking "Director of the Office of Thrift Supervision" wherever it appears and inserting instead "Chairman of the Board of Governors of the Federal Reserve System"; and

(3) in subsection (a), by striking paragraph (2).

(b) Conforming Amendment to the Federal Reserve Act.—Section 11(k) of the Federal Reserve Act (12 U.S.C. 248(k)) is amended by adding at the end thereof the following:

"The Chairman may delegate the authority of the Chairman to serve as a member of

the Board of Directors of the Federal Deposit Insurance Corporation to any member or employee of the Board or to any officer of a Federal Reserve bank.".

(c) EFFECTIVE DATE.—The amendments made by this subsection shall become effective January 1, 1993.

SEC. 352. REORGANIZATION OF NATIONAL CREDIT UNION ADMINISTRATION BOARD OF DIRECTORS.

(a) Section 102(b) of the Federal Credit Union Act (12 U.S.C. 1752a(b)) is amended—

(1) in the first sentence—

(A) by inserting "two of whom shall be independent members" after "members,"; and

(B) by inserting ", and one of whom shall be the Director of the Office of Depository Institutions Supervision" after "Senate";

(2) in the second sentence, by inserting "independent" before "members"; and

(3) by striking the third sentence.

(b) The amendments made by subsection (a) shall become effective January 1, 1993.

Subtitle G—Savings Provisions for the Transfer of Authority from the Board of Governors of the Federal Reserve System to the Director

SEC. 361. SAVINGS PROVISIONS.

(a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS NOT AFFECTED.—No provision of this title shall affect the validity of any right, duty, or obligation of the United States, the Board of Governors of the Federal Reserve System, or any person, which existed on December 31, 1992.

(b) CONTINUATION OF SUITS.—No action or other proceeding commenced by or against the Board of Governors of the Federal Reserve System with respect to any authority transferred from the Board to the Director pursuant to this Act shall abate by reason of enactment of this Act, except that, effective January 1, 1993, the Director shall be substituted, as appropriate, as a party to any such action or proceeding.

(c) CONTINUATION OF ORDERS, RESOLUTIONS, DETERMINATIONS, AND REGULATIONS.—All orders, resolutions, determinations, regulations, interpretative rules, other interpretations, guidelines, procedures and other advisory material which—

(1) have been issued, made, prescribed, or permitted to become effective by the Board of Governors of the Federal Reserve System with respect to any function transferred from the Board to the Director pursuant to this Act; and

(2) are in effect on December 31, 1992, or become effective thereafter.

shall continue in effect according to the terms of such orders, resolutions, determinations, regulations, interpretative rules, other interpretations, guidelines, procedures or other advisory material; shall be administered by the appropriate Federal banking agency; and shall be enforceable by or against the appropriate Federal banking agency until modified, terminated, set aside, or superseded in accordance with applicable law by the appropriate Federal banking agency, by any court of competent jurisdiction, or by operation of law.

(d) STATUS OF ADMINISTRATIVE RULES.—

(1) Any proposed regulation or rule of the Board of Governors of the Federal Reserve System relating to any function transferred from the Board to the Director pursuant to this Act, which has not been published as a final regulation by the date that the supervisory and regulatory authority of the Board of Governors of the Federal Reserve System is transferred to the Director pursuant to this Act, shall be deemed to be a proposed regulation of the appropriate Federal banking agency.

(2) Any final or interim rule that would be transferred pursuant to paragraph (1) if it were effective prior to January 1, 1993, but which will become effective subsequent to such date, shall become effective according to its terms.

(e) APPLICATION.—The provisions of this section shall apply except as otherwise expressly provided in this Act.

TITLE IV—BANK INSURANCE FUND RECAPITALIZATION

Subtitle A—Federal Deposit Insurance Corporation Borrowing

SEC. 401. FEDERAL DEPOSIT INSURANCE CORPORATION BORROWING.

Section 15 of the Federal Deposit Insurance Act (12 U.S.C. 1825) is amended—

(1) by inserting after subsection (d) the following new subsection:

"(e) CORPORATION BORROWINGS.—

"(1) AUTHORITY.—The Corporation shall have the authority to borrow funds from any Federal Reserve bank, provided that the Corporation shall have no more than $25,000,000,000 in borrowings outstanding at any one time from all Federal Reserve banks.

"(2) LIMITATIONS.—Any borrowing undertaken by the Corporation pursuant to paragraph (1) shall be undertaken only for the following purposes:

"(A) to maintain or improve the liquidity of the Bank Insurance Fund; or

"(B) to provide financial assistance with respect to any insured depository institution, or receivership or conservatorship of an insured depository institution, pursuant to section 11 or section 13."; and

(2) by amending subsection (c)(6) to read as follows:

"(6) EXCEPTIONS.—

"(A) With the prior approval of the Secretary of the Treasury, the Corporation may issue or incur up to $5,000,000,000 in the aggregate of additional liabilities in excess of the limitations of paragraph (5). The amount which the Corporation may borrow from the Secretary of the Treasury under section 14 shall be reduced by the amount of additional liabilities issued or incurred pursuant to this paragraph.

"(B) Obligations issued and funds received by the Corporation pursuant to section 15(e) shall not be subject to, and shall not be counted in calculating compliance with, the limitations of paragraph (5).

"(C) In calculating compliance with the limitations of paragraph (5), an amount equal to $5,000,000,000 less the amount of outstanding borrowing by the Corporation from the Secretary of the Treasury under section 14, or otherwise borrowed under subparagraph (A) included in net worth.".

SEC. 402. AMENDMENT TO THE FEDERAL RESERVE ACT.

Section 13 of the Federal Reserve Act (12 U.S.C. 342–347d) is amended by adding at the end thereof the following:

"Subject to such restrictions, limitations and regulations as the Board of Governors of the Federal Reserve System shall prescribe, any Federal Reserve bank is authorized to make advances to the Federal Deposit Insurance Corporation, upon its request. Such advances shall bear interest at the current market yield on outstanding marketable obligations of the United States of comparable maturities, as of the date of advance.".

Subtitle B—Federal Deposit Insurance Corporation Assessments

SEC. 411. MAXIMUM AGGREGATE ASSESSMENT.

Section 7(b)(1)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)(C) is amended—

(1) by amending clause (iii) to read as follows:

"(iii) MAXIMUM AGGREGATE ASSESSMENT.—Notwithstanding clause (i), the maximum aggregate assessment charged to the members of the Bank Insurance Fund for any semiannual period, shall not exceed 0.15 percent of aggregate assessment base for such semiannual period."; and

(2) by inserting after clause (iii) the following:

"The Corporation shall have the authority to make such estimates and projections as may be appropriate for the purpose of computing assessment rates and aggregate assessment target amounts, and such estimates and projections shall not be subject to review by any court, nor shall any court have authority to stay or enjoin the Corporation from collecting assessments so computed. No action seeking repayment of an assessment collected by the Corporation may be brought later than 60 days after the date on which such assessment is due.".

SEC. 412. BANK INSURANCE FUND BORROWING ASSESSMENT.

Section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) is further amended by inserting after subparagraph (F) the following new subparagraph:

"(G) DEDICATION OF BANK INSURANCE FUND ASSESSMENTS FOR THE REPAYMENT OF BANK INSURANCE FUND BORROWING FROM THE FEDERAL RESERVE BANK.—Subject to the provisions of this paragraph, if the Corporation has borrowed funds from a Federal Reserve bank as authorized by section 15(e), and so long as any such borrowing remains outstanding, the Board of Directors is authorized and directed—

"(i) to determine the amount of semiannual Bank Insurance Fund assessments received by the Corporation necessary to pay interest and principal on such borrowings pursuant to their terms; and

"(ii) to take whatever actions are necessary to dedicate that portion of the semiannual assessments received, determined pursuant to clause (i), to pay interest and principal on such borrowings pursuant to their terms. The amounts so dedicated shall not be available for any purpose other than payment of interest and principal of such borrowings.".

TITLE V—MISCELLANEOUS PROVISIONS

Subtitle A—Payment System Risk Reduction

SEC. 501. FINDINGS AND PURPOSE.

The Congress finds that—

(1) Many financial institutions engage daily in thousands of transactions with other financial institutions directly and through clearing organizations;

(2) The efficient processing of such transactions is essential to a smoothly functioning economy;

(3) Such transactions can be processed most efficiently if, consistent with applicable contractual terms, obligations among financial institutions are netted;

(4) Such netting procedures would reduce the systemic risk within the banking system and financial markets; and

(5) The effectiveness of such netting procedures can be assured only if they are recognized as valid and legally binding in the event of the closing of a financial institution participating in the netting procedures.

SEC. 502. DEFINITIONS.

For Purposes of this subtitle—

(1) "Broker/dealer" means a company that is registered or licensed under Federal or State law to engage in the business of brokering, underwriting, or dealing in securities in the United States.

(2) "Clearing organization" means a clearing house, clearing association, clearing corporation or a similar organization that provides clearing or settlement services for its members and in which all members other than the clearing organization itself are financial institutions.

(3) "Covered clearing obligation" means an obligation of a member of a clearing organization to make payment to another member of that clearing organization.

(4) "Covered contractual payment entitlement" means—

(A) an entitlement of a financial institution to receive a payment, subject to a netting contract from another financial institution; and

(B) an entitlement of a member of a clearing organization to receive payment, subject to a netting contract, from another member of that clearing organization of a covered clearing obligation.

(5) "Covered contractual payment obligation" means—

(A) an obligation of a financial institution to make payment, subject to a netting contract to another financial institution; and

(B) a covered clearing obligation.

(6) "Depository institution" means—

(A) a depository institution as defined in Section 19(b)(1)(A)(i)–(vi) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)–(vi));

(B) a branch or agency as defined in Section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101(b));

(C) a corporation chartered under Section 25(a) of the Federal Reserve Act (12 U.S.C. 611 et seq.); or

(D) a corporation having an agreement or undertaking with the Board of Governors of the Federal Reserve System under section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.).

(7) "Failed financial institution" means a financial institution that fails to satisfy a covered contractual payment obligation when due, that has commenced or had commenced against it insolvency, liquidation, reorganization, receivership (including the appointment of a receiver), a conservatorship or similar proceedings, or that has generally ceased to meet its obligations when due.

(8) "Failed member" means any member that fails to satisfy a covered clearing obligation when due, that has commenced or had commenced against it insolvency, liquidation, reorganization, receivership (including the appointment of a receiver), conservatorship or similar proceedings, or that has generally ceased to meet its obligations when due.

(9) "Financial institution" means a broker/dealer, a depository institution, or a futures commission merchant, or any other institution as determined by the Board of Governors of the Federal Reserve System.

(10) "Futures commission merchant" means a company that is registered or licensed under Federal or State law to engage in the business of selling futures and options in commodities.

(11) "Members" means a member of or participant in a clearing organization and includes the clearing organization.

(12) "Net entitlement" means the amount by which a financial institution's covered contractual payment entitlements exceeds its covered contractual payment obligations after netting under a contract.

(13) "Net obligation" means the amount by which a financial institution's covered contractual payment obligations exceed its covered contractual payment entitlements after netting under a netting contract.

(14) "Netting contract" means a contract or agreement, including the rules of a clearing organization, between two or more financial institutions that is governed by the laws of the United States or any subdivision thereof or any State thereof and provides that covered contractual payment obligations between and among financial institutions shall be netted and set off against each other.

SEC. 503. BILATERAL NETTING.

(a) Notwithstanding any other provision of law, the covered contractual payment obligations and the covered contractual payment entitlements between any two financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract.

(b) The only obligation, if any, of a financial institution to make payment with respect to covered contractual payment obligations to another financial institution shall be equal to its net obligation to such other financial institutions (and no such obligation shall exist if there is no net obligation).

(c) The only right, if any, of a financial institution to receive payments with respect to covered contractual payment entitlements from another financial institution shall be equal to its net entitlement with respect to such other financial institution (and no such right shall exist if there is no net entitlement).

(d) The net entitlement of any failed financial institution, if any, shall be paid to the failed financial institution in accordance with, and subject to the conditions of, the applicable netting contract. The provisions of this section shall be given effect notwithstanding that a financial institution is a failed financial institution.

SEC. 504. CLEARING ORGANIZATION NETTING.

(a) Notwithstanding any other provision of law, the covered contractual payment obligations and covered contractual payment entitlements of a member of a clearing organization to and from all other members of the clearing organization shall be netted in accordance with and subject to the conditions of any applicable netting contract.

(b) The net entitlement of any failed member, if any, shall be paid to the failed member in accordance with, and subject to the conditions of, the applicable netting contract. Such failed member shall have no recognizable claim against any member of such clearing organization for any amount based on such covered contractual payment entitlements other than its net entitlement.

SEC. 505. PREEMPTION.

No stay, injunction, avoidance, moratorium, or similar proceeding or order, whether issued or granted by a court, administrative agency, or otherwise, shall limit or delay application of the netting in accordance with sections 503 and 504.

Subtitle B—Right to Financial Privacy Act Amendments

SEC. 511. AMENDMENTS TO THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978.

The Right to Financial Privacy Act of 1978 is amended—

(1) in section 1112(f)(2) (12 U.S.C. 3412(f)(2))—

(A) by inserting "for civil actions under section 951 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833a), or for forfeiture under sections 981 or 982 of title 18, United States Code" after "purposes"; and

(B) by inserting at the end thereof "No agency or department so transferring such records shall be deemed to have waived any privilege applicable to those records under law."; and

(2) in section 1113(*l*) (12 U.S.C. 3413(*l*)), by inserting at the end thereof "No supervisory agency so transferring such record shall be deemed to have waived any privilege applicable to that record under law.".

Subtitle C—Reduction in Regulatory Burden

SEC. 521. HOME MORTGAGE DISCLOSURE ACT.

The Home Mortgage Disclosure Act is amended—

(1) in section 304 (12 U.S.C. 2803), by striking subsection (i); and

(2) in section 309 (12 U.S.C. 2808)—

(A) by striking $10,000,000" and inserting instead "$50,000,000"; and

(B) by inserting at the end thereof the following new sentence:

"The amount of total assets in the preceding sentence shall be adjusted yearly on January 1 by the annual percentage change in the Consumer Price Index reported for the previous June 1.".

SEC. 522. REGULATORY BURDEN STUDY.

(a) IN GENERAL.—The Secretary of the Treasury, and the head of each appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)) shall each conduct a review of all laws primarily under their respective jurisdictions and all regulations prescribed by them (except with respect to the Internal Revenue Code of 1986, and all regulations, rules and orders issued thereunder) with respect to such laws to determine whether such laws and regulations adversely affect the capital position and profitability of insured depository institutions.

(b) ADDITIONAL REVIEW REQUIRED.—The review required by subsection (a) shall include an evaluation to determine whether such laws and regulations impose duplicative paperwork and compliance requirements.

(c) REPORT REQUIRED.—Not later than one year after the date of enactment of this Act, the Secretary of the Treasury, and the head of each appropriate Federal banking agency shall each submit a report to the Congress containing—

(1) a description of the laws and regulations that should be revised, simplified, repealed or rescinded in order to enhance the capitalization and profitability of insured depositary institutions without adversely affecting safety and soundness and consumer protection;

(2) to the extent practicable, a cost/benefit analysis of such laws and regulations, including those pertaining to corporate applications and filings and other reporting and recordkeeping requirements;

(3) an analysis of the cost impact and effect on safety and soundness of reducing the number of items to be reported on reports of condition of depository institutions with assets of under $50,000,000; and

(4) an evaluation of the appropriateness of "sunsetting" recordkeeping and reporting requirements not directly related to safety and soundness.

SEC. 523. FAIR HOUSING REPORTING.

Effective one year after the date of enactment of this Act, no appropriate Federal banking agency shall require any institution for which it is the appropriate Federal banking agency (as defined in section 3(q) of the

Federal Deposit Insurance Act (12 U.S.C. 1813(q)) to prepare, file, or maintain any form for the purpose of collection, analysis, or maintenance of appropriate data to further the purposes of, or to fulfill the requirements of, the Fair Housing Act (42 U.S.C. 3601 et seq.), other than a form for data collection, analysis, or maintenance prescribed pursuant to the Home Mortgage Disclosure Act (12 U.S.C. 2801 et seq.).

Subtitle D—Expedited Funds Availability

SEC. 531. AMENDMENT OF THE EXPEDITED FUNDS AVAILABILITY ACT.

Section 604(f)(2) of the Expedited Funds Availability Act (12 U.S.C. 4003(f)(2)) is amended by inserting after subparagraph (C) the following new subparagraph:

"(D) After a depository institution has provided notice as required under subparagraphs (A), (B) and (C), no further notice shall be required until the earlier of one year after notice has been provided or such other time as the exception for which the notice was provided ceases to apply.".

Subtitle E—Final Settlement Payment Procedure

SEC. 541. FINAL SETTLEMENT PAYMENT PROCEDURE.

Section 11(d) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)) is amended by redesignating paragraphs (4) through (16) as paragraphs (5) through (17), respectively, and inserting after paragraph (3) the following new paragraph:

"(4) FINAL SETTLEMENT PAYMENT PROCEDURE.—

"(A) IN GENERAL.—In the handling of receiverships of insured institutions, to maintain essential liquidity and to prevent financial disruption, the Corporation may, after the declaration of an insured institution's insolvency, settle all uninsured and unsecured claims on the receivership with a final settlement payment which shall constitute full payment and disposition of the Corporation's obligations to such claimants.

"(B) FINAL SETTLEMENT PAYMENT.—A 'final settlement payment' is the amount equal to the product of the final settlement payment rate and the amount of the uninsured and unsecured claim on the receivership.

"(C) FINAL SETTLEMENT PAYMENT RATE.—The 'final settlement payment rate' shall be—

"(i) a percentage rate reflecting an average of the Corporation's receivership recovery experience, determined by the Corporation in such a way that over such time period as the Corporation may deem appropriate, the Corporation in total will receive no more or less than it would have received in total as a general creditor standing in the place of insured depositors in each specific receivership; and

"(ii) determined and announced annually by the Corporation.

"(C) CORPORATION AUTHORITY.—The Corporation may undertake such supervisory actions and promulgate such regulations as may be necessary to assure that the requirements of this section can be implemented with respect to each insured institution in the event of its insolvency.".

TITLE VI—TECHNICAL AND CONFORMING AMENDMENTS

Subtitle A—Severability; Transition References

SEC. 601. SEVERABILITY.

If any provision of this Act, or application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of any remaining provision to other persons or circumstances, shall not be affected thereby.

SEC. 602. TRANSITION REFERENCES.

Effective on the date of enactment of this Act, and until January 1, 1993, any reference to a financial services holding company or to the Financial Services Holding Company Act of 1991 in any amendment made by, or provision of, this Act that becomes effective prior to such date shall be deemed to include a reference to a bank holding company and the Bank Holding Company Act of 1956, respectively.

Subtitle B—Technical and Conforming Amendments

SEC. 611. AMENDMENT TO ACTS CODIFIED IN TITLE 2, UNITED STATES CODE.

(a) The Federal Election Campaign Act of 1971.—The Federal Election Campaign Act of 1971 is amended effective on the date of enactment of this Act—

(1) in section 301(8)(B)(vii) (2 U.S.C. 431(8)(B)(vii)), by striking ", Federal Savings and Loan Insurance Corporation,"; and

(2) in section 302(h)(1) (2 U.S.C. 432(h)(1)), by striking ", the Federal Savings and Loan Insurance Corporation,".

(b) THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 255(g)(1)(A) (2 U.S.C. 905(g)(1)(A))—

(A) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(B) by striking "Director of the Office of Thrift Supervision"; and

(2) in section 256(b)(4) (2 U.S.C. 906(b)(4))—

(A) in subparagraph (A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) by striking subparagraphs (C) and (D); and

(C) by redesignating subparagraphs (E) through (I) as subparagraphs (C) through (G), respectively.

SEC. 612. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended—

(1) in section 3132(a)(1)(D), by striking "Office of the Comptroller of the Currency, the Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(2) in section 5314—

(A) by striking "Comptroller of the Currency";

(B) by striking "Director of the Office of Thrift Supervision"; and

(C) by inserting at the end thereof "Director of the Office of Depository Institutions Supervision.";

(3) in section 5373(2)—

(A) by sriking "482,"; and

(B) by striking "2A(i) of the Home Owners' Loan Act" and inserting instead "305 of the Financial Institutions Safety and Consumer Choice Act of 1991;";

(4) in section 8438(a)(7)(B), effective on the date of enactment of this Act, by striking "Federal Savings and Loan Insurance Corporation" and inserting instead "Federal Deposit Insurance Corporation"; and

(5) in section 8478(a)(2)(B)(iii), by striking "or the Federal Savings and Loan Insurance Corporation".

SEC. 613. AMENDMENT TO ACT CODIFIED IN TITLE 7, UNITED STATES CODE.

THE FOOD STAMP ACT OF 1977.—Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended effective on the date of enactment of this Act—

(1) by striking "the Federal Savings and Loan Insurance Corporation, or"; and

(2) by striking "the Federal Savings and Loan Insurance Corporation or".

SEC. 614. AMENDMENTS TO TITLE 11, UNITED STATES CODE.

Title 11, United States Code, is amended—

(1) in section 365(o)—

(A) by striking "the Director of the Office of Thrift Supervision, the Comptroller of the Currency," and inserting instead "the Director of the Office of Depository Institutions Supervision,"; and

(B) by striking "its" and inserting instead "their"; and

(2) in section 507(a)(8), by striking "the Director of the Office of Thrift Supervision, the Comptroller of the Currency," and inserting instead "the Director of the Office of Depository Institutions Supervision,".

SEC. 615. AMENDMENTS TO ACTS CODIFIED IN TITLE 12, UNITED STATES CODE.

(a) THE ACT OF JANUARY 3, 1923.—Chapter 22 of the Act of January 3, 1923 (12 U.S.C. 7), is amended by striking "The Comptroller of the Currency may designate a national bank examiner to act as chief of the examining division in his office.".

(b) THE ACT OF MARCH 4, 1923.—The Act of March 4, 1923, is amended—

(1) in section 209(b), as amended (12 U.S.C. 9), by striking "The Comptroller of the Currency is hereby authorized to employ such additional examiners" and all that follows through "the performance of the work of that bureau."; and

(2) in section 209(b), as amended (12 U.S.C. 10), by striking "The salaries of the Deputy Comptrollers and of all national bank examiners and assistant examiners assigned to duty in the office of the bureau in Washington in connection with the supervision of national banks shall be considered part of the expenses of the examinations provided for by section 5240 of the Revised Statutes as amended.".

(c) THE BANK CONSERVATION ACT.—The Bank Conservation Act (12 U.S.C. 201 et seq.) is amended—

(1) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision".

(d) THE ACT OF OCTOBER 28, 1974.—Section 111 of the Act of October 28, 1974, Public Law 93-495 (12 U.S.C. 250), is amended by striking "the Director of the Office of Thrift Supervision,".

(e) THE FEDERAL RESERVE ACT.—The Federal Reserve Act is amended—

(1) in section 11, as amended (12 U.S.C. 248)—

(A) in subsection (a)(3)(A) (as redesignated by section 106(a)(1)(A) of this Act), by striking "member" and inserting instead "State"; and

(B) in subsection (d)—

(i) by striking "the bureau under the charge of the Comptroller of the Currency" and inserting instead "the Secretary of the Treasury"; and

(ii) by striking "the Comptroller" after "such notes may be delivered by", and inserting instead "the Secretary of the Treasury";

(2) in section 6, as amended (12 U.S.C. 288), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(3) in the third undesignated paragraph of section 9, as amended (12 U.S.C. 321, third paragraph), by striking "Comptroller of the

Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(4) in the sixth undesignated paragraph of section 9, as amended (12 U.S.C. 324), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(5) in the fourth and fifth undesignated paragraphs of section 4, as amended (12 U.S.C. 341), by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision";

(6) in section 24(a), as amended (12 U.S.C. 371(a)), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(7) in section 23A(d)(5), as amended (12 U.S.C. 371c(d)(5)), by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991";

(8) in section 24A, as amended (12 U.S.C. 371d), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(9) in section 16—

(A) in the eighth paragraph, as amended (12 U.S.C. 418), by striking "the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury," and inserting instead "the Secretary of the Treasury shall";

(B) in the ninth paragraph, as amended (12 U.S.C. 419), by striking "shall be deposited in the Treasury, or in the subtreasury or mint of the United States nearest the place of business of each Federal reserve bank and shall be held for the use of such bank subject to the order of the Comptroller of the Currency" and inserting instead "shall be delivered to the Board of Governors of the Federal Reserve System subject to the order of the Secretary of the Treasury"; and

(C) in the tenth paragraph, as amended (12 U.S.C. 420)—

(i) by striking "Comptroller of the Currency" and inserting instead "Secretary of the Treasury"; and

(ii) striking "Federal Reserve Board" and inserting instead "Board of Governors of the Federal Reserve System";

(10) in section 19 (12 U.S.C. 461)—

(A) in subsection (b)(1)(F)—

(i) by striking "Board of Directors of the Federal Deposit Insurance Corporation,"; and

(ii) by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(B) in subsection (b)(4)(B)—

(i) by striking "Board of Directors of the Federal Deposit Insurance Corporation," and

(ii) by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(11) in the sixth paragraph of section 21, as amended (12 U.S.C. 486), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(12) in the sixth paragraph of section 2, as amended (12 U.S.C. 501a), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(13) in section 29, as amended (12 U.S.C. 504), by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision";

(14) in the fourth undesignated paragraph of section 25, as amended (12 U.S.C. 602), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(15) in the tenth undesignated paragraph of section 25(a), as amended (12 U.S.C. 619), by—

(A) striking "Bank Holding Company Act of 1956" wherever it appears and inserting instead "Financial Services Holding Company Act of 1991";

(B) striking "bank holding companies" and inserting instead "financial services holding companies"; and

(C) striking "bank holding company" and inserting instead "financial services holding company"; and

(16) in the fifteenth undesignated paragraph of section 25(a) (12 U.S.C. 624), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

(f) REVISED STATUTES.—Section 5208 of the Revised Statutes (12 U.S.C. 501) is amended by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

(g) THE HOME OWNERS' LOAN ACT.—The Home Owners' Loan Act, as amended (12 U.S.C. 1461 et seq.), is amended—

(1) in section 2 (12 U.S.C. 1462)—

(A) in paragraph (1), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(B) by amending paragraph (3) to read as follows:

"(3) Office—

"The term 'Office' means the Office of Depository Institutions Supervision."; and

(C) in paragraph (7), by striking "Office of the Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) by repealing section 3 (12 U.S.C. 1462a);

(3) in section 4 (12 U.S.C. 1463)—

(A) in subsection (a)(2), by striking "Office" and inserting instead "Office of Depository Institutions Supervision"; and

(B) in subsection (c), by striking "by the Comptroller of the Currency";

(4) in section 5(t) (12 U.S.C. 1464(t))—

(A) in paragraph (9)—

(i) by striking the phrase "by the Comptroller of the Currency" wherever it appears; and

(ii) in subparagraph (A)—

(I) by striking "Comptroller's"; and

(II) by inserting "for national banks" after "definition of capital"; and

(B) by amending paragraph (10) to read as follows:

"(10) Use of definitions for national banks.—

"The standards prescribed under paragraph (1) shall include all relevant substantive definitions established for national banks.";

(5) by repealing section 9 (12 U.S.C. 1467); and

(6) in section 10 (12 U.S.C. 1467a)—

(A) in subsection (a)(1)(I)—

(i) by striking "bank holding company" and inserting instead "financial services holding company"; and

(ii) by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991";

(B) in subsection (c)—

(i) in paragraph (2)(F)(i)—

(I) by striking "bank holding company" and inserting instead "financial services holding company"; and

(II) by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991"; and

(ii) in paragraph (8)—

(I) by striking "bank holding company" and inserting instead "financial services holding company"; and

(II) by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991";

(C) in subsection (m)(3)(C)—

(i) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company"; and

(ii) by striking "Bank Holding Company Act of 1956" wherever it appears and inserting instead "Financial Services Holding Company Act of 1991";

(D) in subsection (q)(1)(A)(ii), by striking "bank holding company" and inserting instead "financial services holding company"; and

(7) in section 11(c) (12 U.S.C. 1468(c))—

(A) by striking "or 18(j)"; and

(B) by striking ", as appropriate" after "the Federal Deposit Insurance Act".

(h) THE NATIONAL HOUSING ACT.—The National Housing Act is amended—

(1) in section 203(s) (12 U.S.C. 1709(s))—

(A) in paragraph (5), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) in paragraph (6), by striking "or a bank holding company, or a subsidiary of or affiliate of such a company,";

(C) in paragraph (7), by striking "Board of Directors of the Federal Deposit Insurance Corporation; and" and inserting instead "Board of Governors of the Federal Reserve System;";

(D) in paragraph (8), by striking "Director of the Office of Thrift Supervision." and inserting instead "Director of the Office of Depository Institutions Supervision; and"; and

(E) by adding at the end thereof the following new paragraph:

"(9) if the mortgagee is a financial services holding company, or a subsidiary of our affiliate of such a company, the appropriate Federal banking agency as defined by section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)).";

(2) in section 255(k)(3), as amended (12 U.S.C. 1715z-20(k)(3))—

(A)(i) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Director of the Office of Thrift Supervision"; and

(ii) effective January 1, 1993, by striking "the Director of the Office of Thrift Supervision,"; and

(B) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(3) in section 303(f) (12 U.S.C. 1718(f)), by striking "State member bank of the Federal Reserve System or any member of the Federal Deposit Insurance Corporation" and inserting instead "State bank"; and

(4) in section 502(12 U.S.C. 1701c)—

(A) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Director of the Office of Thrift Supervision"; and

(B) effective January 1, 1993, by striking "The Director of the Office of Thrift Supervision, in consultation with the Comptroller of the Currency and" and inserting instead "The Director of the Office of Depository Institutions Supervision, in consultation with".

(i) THE ACT OF OCTOBER 15, 1982.—Section 341 of the Act of October 15, 1982, as amended (12 U.S.C. 1701j-3), is amended—

(1) in subsection (c)(1)(B), by striking "Comptroller of the Currency" and inserting

instead "Director of the Office of Depository Institutions Supervision"; and

(2) in subsection (e)(1)—

(A) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Director of the Office of Thrift Supervision"; and

(B) effective January 1, 1993, by striking "The Director of the Office of Thrift Supervision, in consultation with the Comptroller of the Currency and" and inserting instead "The Director of the Office of Depository Institutions Supervision, in consultation with".

(j) THE DOMESTIC HOUSING AND INTERNATIONAL RECOVERY AND FINANCIAL STABILITY ACT.—Section 469 of the Domestic Housing and International Recovery and Financial Stability Act (12 U.S.C. 1701p-1) is amended—

(1)(A) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Director of the Office of Thrift Supervision"; and

(B) effective January 1, 1993, by striking "the Director of the Office of Thrift Supervision,"; and

(2) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

(k) THE FEDERAL DEPOSIT INSURANCE ACT.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) in section 3 (12 U.S.C. 1813)—

(A) in subsection (1)(5), by striking "Comptroller of the Currency, Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) in subsection (u), by striking "bank holding company" wherever it appears and inserting instead "financial services holding company"; and

(C) in subsection (w) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company"; and

(ii) in paragraph (2), by striking "bank holding company" and inserting instead "financial services holding company";

(2) in section 4(b) (12 U.S.C. 1814(b)), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(3) in section 5 (12 U.S.C. 1815)—

(A) in subsection (a)—

(i) in paragraph (3), by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(ii) in paragraph (6), by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(iii) in paragraph (7), by striking "(excluding the Director of the Office of Thrift Supervision)"; and

(B) in subsection (d)(3)—

(i) in subparagraph (A)—

(I) by striking "bank holding company" and inserting instead "financial services holding company"; and

(II) by striking "and the Board of Governors of the Federal Reserve System"; and

(ii) in subparagraph (E)—

(I) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company";

(II) by striking "Board of Governors of the Federal Reserve System" and inserting instead "appropriate Federal banking agency"; and

(III) by striking "Board" and inserting instead "appropriate Federal banking agency";

(4) in section 7 (12 U.S.C. 1817)—

(A) in subsection (a)(2)

(i) in subparagraph (A), by striking "the Comptroller of the Currency, the Director of the Office of the Thrift Supervision" wherever it appears and inserting instead "the Director of the Office of Depository Institutions Supervision"; and

(ii) in subparagraph (B)—

(I) by striking "the Comptroller of the Currency,"; and

(II) by striking ", and the Director of the Office of Thrift Supervision" and inserting instead "and the Director of the Office of Depository Institutions Supervision";

(B) in subsection (a)(3)—

(i) by striking "Comptroller of the Currency,"; and

(ii) by striking "Chairman of the Director of the Office of Thrift Supervision" and by inserting instead "Director of the Office of Depository Institutions Supervision";

(C) in subsection (a)(6) by striking "the Comptroller of the Currency, the Director of the Office of Thrift Supervision" and inserting instead "the Director of the Office of Depository Institutions Supervision";

(D) in subsection (a)(7) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(E) in subsection (n)—

(i) by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision,"; and

(ii) by striking "under section 1467 of this Act";

(5) in section 8 (12 U.S.C. 1818)—

(A) in subsection (a)(2)(A), by striking "(if the Corporation is the appropriate Federal banking agency)";

(B) in subsection (a)(8)(B)(ii), by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(C) in subsection (b)(4), by striking "bank holding company" and inserting instead "financial services holding company";

(D) in subsection (b)(5), by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision";

(E) in subsection (e)(4), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(F) in subsection (g)(2), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(G) in subsection (o)—

(i) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(ii) by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(H) in subsection (t), by striking "Director of the Office of Thrift Supervision" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision";

(6) in section 11 (12 U.S.C. 1821)—

(A) in subsection (n)(1)(A), by striking "Office of the Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(C) by striking "Office of Thrift Supervision" wherever it appears and inserting instead "Office of Depository Institutions Supervision";

(7) in section 13 (12 U.S.C. 1823)—

(A) in subsection (i)(1)(C), by striking "Director of the Office of Thrift Supervision or the Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(B) in subsection (k)(1)(A)(iv), by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(8) in section 18 (12 U.S.C. 1828), by striking "Director of the Office of Thrift Supervision" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(9) by repealing section 26 (12 U.S.C. 1831c).

(l) THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.—The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 is amended—

(1) in section 918(b) (12 U.S.C. 1833(b))—

(A) by amending paragraph (1) to read as follows:

"(1) The Director of the Office of Depository Institutions Supervision.";

(B) by striking paragraph (5); and

(C) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(2) in section 1206 (12 U.S.C. 1833b), by striking "Comptroller of the Currency," and "and the Office of Thrift Supervision," and inserting "and" before "the Farm Credit Administration"; and

(3) in section 1216 (12 U.S.C. 1833e)—

(A) in subsection (a)—

(i) by amending paragraph (1) to read as follows:

"(1) the Director of the Office of Depository Institutions Supervision";

(ii) by striking paragraph (2); and

(iii) by redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively;

(B) in subsection (c) by striking "Comptroller of the Currency, the Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(C) in subsection (d)—

(i) by amending paragraph (2) to read as follows:

"(2) the Director of the Office of Depository Institutions Supervision;";

(ii) by striking paragraph (3); and

(iii) by redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively.

(m) THE BANK PROTECTION ACT OF 1968.—Section 2 of the Bank Protection Act of 1968 (12 U.S.C. 1881) is amended—

(1) in paragraph (1), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) in paragraph (2), by adding "and insured nonmember banks" after "Federal Reserve System" the second time that it appears;

(3) by striking paragraph (3);

(4) by redesignating paragraph (4) as paragraph (3); and

(5) in paragraph (3) (as redesignated)—

(i) by striking "Office of Thrift Supervision" and inserting instead "the Office of Depository Institutions Supervision"; and

(ii) by inserting "associations" after "savings".

(n) THE FARM CREDIT ACT OF 1971.—The Farm Credit Act of 1971, as amended, is amended—

(1) in section 5.20 (12 U.S.C. 2255), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) in section 5.22 (12 U.S.C. 2257), by strinking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

(o) THE REAL ESTATE SETTLEMENT PROCEDURES ACT.—The Real Estate Settlement Procedures Act is amended—

(1) in section 4(a) (12 U.S.C. 2603(a))—

(A) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Director of the Office of Thrift Supervision; and

(B) effective January 1, 1993, by striking "Director of the Office Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) in section 8, as amended (12 U.S.C. 2607)—

(A) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" wherever it appears and inserting instead "Director of the Office of Thrift Supervision"; and

(B) effective on January 1, 1993, by striking "Director of the Office of Thrift Supervision" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision".

(p) THE HOME MORTGAGE DISCLOSURE ACT OF 1975.—The Home Mortgage Disclosure Act of 1975 is amended—

(1) in sectin 304(h) (12 U.S.C. 2803(h))—

(A) in paragraph (1), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) in paragraph (2), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(C) in paragraph (3), by striking "Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System";

(2) in section 305(b) (12 U.S.C. 2804(b))—

(A) in paragraph (1)(A), by striking "Comptroller of the Currency" and inserting instead "Office of Depository Institutions Supervision";

(B) in paragraph (1)(C), by striking "Board of Directors of the Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System"; and

(C) in paragraph (2), by striking "Office of Thrift Supervision" and inserting instead "the Office of Depository Institutions Supervision";

(3) in section 306(b) (12 U.S.C. 2805(b))—

(A) by amending the second sentence to read as follows: "Notwithstanding any other provision of this subsection, compliance with the requirements imposed by this subsection shall be enforced under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) by the Director of the Office of Depository Institutions Supervision in the case of national banks and savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation."; and

(B) by striking paragraphs (1) and (2); and

(4) in section 307 (12 U.S.C. 2806)—

(A) in subsection (a)(1)—

(i) by striking "Office of Thrift Supervision" wherever it appears and inserting instead "Office of Depository Institutions Supervision";

(ii) by striking "Comptroller of the Currency,"; and

(iii) by striking "the Federal Deposit Insurance Corporation";

(B) in subsection (a)(3), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(C) in subsection (b), by striking "Office of Thrift Supervision" wherever it appears and inserting instead "Office of Depository Institutions Supervision".

(q) THE COMMUNITY REINVESTMENT ACT OF 1977.—Section 803(1) of the Community Reinvestment Act of 1977 (12 U.S.C. 2902(1)) is amended—

(1) in subparagraph (A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) in subparagraph (B), by striking "which are members of the Federal Reserve System and bank holding companies";

(3) by striking subparagraph (C);

(4) by redesignating subparagraph (D) as subparagraph (C) and amending such subparagraph—

(A) by striking "section 8 of this Act, by"; and

(B) by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(5) by adding at the end of paragraph (1) a new subparagraph to read as follows:

"(D) the appropriate Federal banking agency, as defined by section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), with respect to a financial services holding company;".

(r) THE INTERNATIONAL BANKING ACT OF 1978.—The International Banking Act of 1978 is amended—

(1) in section 1(b) (12 U.S.C. 3101)—

(A) by amending paragraph (4) to read as follows:

"(4) 'Director' means the Director of the Office of Depository Institutions Supervision";

(B) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively;

(C) by inserting after paragraph (12) the following new paragraph:

"(13) the term 'appropriate Federal banking agency' shall have the same meaning as in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q));"; and

(D) by amending paragraph (14) (as redesignated) to read as follows:

"(14) the terms 'bank', 'financial services holding company', 'company', 'control', and 'subsidiary' have the same meanings assigned to those terms in the Financial Services Holding Company Act of 1991 and the terms 'controlled' and 'controlling' shall be construed consistently with the term 'control' as defined in section 2 the Financial Services Holding Company Act of 1991;";

(2) in section 4 (12 U.S.C. 3102), by striking "Comptroller" wherever it appears and inserting instead "Director";

(3) in section 6(a) (12 U.S.C. 3104(a)), by striking "Comptroller" and inserting instead "Director";

(4) in section 5(c) (12 U.S.C. 3103(c)), by striking "Board" and inserting instead "appropriate Federal banking agency";

(5) in section 7(c) (12 U.S.C. 3105(b)), by striking "Comptroller" and inserting instead "Director";

(6) in section 8 (12 U.S.C. 3106)—

(A) in subsection (c)—

(i) by striking "Board" wherever it appears and inserting instead "appropriate Federal banking agency";

(ii) by striking "Bank Holding Company Act of 1956" wherever it appears and inserting instead "Financial Services Holding Company Act of 1991"; and

(iii) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company"; and

(B) in subsection (d), by striking "bank holding company" wherever it appears and inserting instead "financial services holding company".

(7) in section 9(b)(2) (12 U.S.C. 3106a(2)), by striking "Comptroller" and inserting instead "appropriate Federal banking agency"; and

(8) in section 13(a) (12 U.S.C. 3108(a)), by striking "Comptroller, the Board, and the Federal Deposit Insurance Corporation," and inserting instead "appropriate Federal banking agencies".

(s) THE DEPOSITORY INSTITUTION MANAGEMENT INTERLOCKS ACT OF 1978.—The Depository Institution Management Interlocks Act of 1978 is amended—

(1) in section 202 (12 U.S.C. 3201), by striking "bank holding company" wherever it appears and inserting instead "financial services holding company";

(2) in section 205(9) (12 U.S.C. 3204(9)), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(3) in section 207 (12 U.S.C. 3206)—

(A) by amending paragraph (1) to read as follows:

"(1) the Director of the Office of Depository Institutions Supervision with respect to national banks and banks located in the District of Columbia,";

(B) in paragraph (2), by striking "which are members of the Federal Reserve System, and bank holding companies";

(C) by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively;

(D) in paragraph (3) (as redesignated) by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(E) by inserting after paragraph (4) (as redesignated) the following new paragraph:

"(5) the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), in the case of a financial services holding company;";

(4) in section 208 (12 U.S.C. 3207)—

(A) in paragraph (1) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) in paragraph (2)—

(i) by inserting "and insured nonmember banks" after "Federal Reserve System" the second time it appears; and

(ii) by striking "and bank holding company,";

(C) in paragraph (4)—

(i) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board with respect to institutions the accounts of which are insured by the Federal Savings and Loan Insurance Corporation" and inserting instead "Director of the Office of Thrift Supervision with respect to institutions the accounts of which are insured by the Federal Deposit Insurance Corporation"; and

(ii) effective January 1, 1933, by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(D) by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(E) by inserting a new paragraph (5) to read as follows:

"(5) the appropriate Federal banking agency, as defined in section 3(q) of the Federal

Deposit Insurance Act (12 U.S.C. 1813(q)), in the case of a financial services holding company.".

(t) THE FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL ACT OF 1978.—The Federal Financial Institutions Examination Council Act of 1978 is amended—

(1) in section 1002 (12 U.S.C. 3301)—

(A) by striking "Comptroller of the Currency"; and

(B)(i) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Office of Thrift Supervision"; and

(ii) effective January 1, 1993, by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(2) in section 1003(1) (12 U.S.C. 3302(1))—

(A) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(B) by striking "the Office of Thrift Supervision";

(3) in section 1004(a) (12 U.S.C. 3303(a))—

(A) in paragraph (1), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(B) by striking paragraph (4) and redesignating paragraph (5) as paragraph (4);

(4) in section 1005 (12 U.S.C. 3304), by striking "One-fifth" and inserting instead "One-fourth";

(5) in section 1121(6) (12 U.S.C. 3350(6))—

(A) effective on the date of enactment of this Act, by striking "Corporations" and inserting instead "Corporation";

(B) by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(C) by striking "the Office of Thrift Supervision,".

(u) THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978.—Section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401) is amended—

(1) in paragraph (6)—

(A) in subparagraph (A), by striking "bank holding company" and inserting instead "financial services holding company"; and

(B) in subparagraph (B), by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991"; and

(2) in paragraph (7)—

(A) in subparagraph (B), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(B) by striking subparagraph (E) and redesignating subparagraphs (F) through (H) as subparagraphs (E) through (G), respectively; and

(C) in subparagraph (G) (as redesignated), by inserting "or insurance" after "securities".

(v) THE ALTERNATIVE MORTGAGE TRANSACTION PARITY ACT OF 1982.—The Alternative Mortgage Transaction Parity Act of 1982 is amended—

(1) in section 802(a)(3) (12 U.S.C. 3801(a)(3))—

(A) by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(B) by striking "Comptroller of the Currency"; and (2) in section 804(a) (12 U.S.C. 3803(a))—

(A) in paragraph (1), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions"; and

(B) in paragraph (3), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision".

(w) THE INTERNATIONAL LENDING SUPERVISION ACT OF 1983.—The International Lending Supervision Act of 1983 is amended—

(1) in section 903 (12 U.S.C. 3902), by striking ", except" and all that follows through subparagraph (C) and inserting instead "; and"; and

(2) in section 912 (12 U.S.C. 3911)—

(A) by striking "one of three Federal banking regulatory and supervisory agencies, and as"; and

(B) by striking "Office of the Comptroller of the Currency" and inserting instead "Office of Depository Institutions Supervision".

(x) THE EXPEDITED FUNDS AVAILABILITY ACT OF 1987.—The Expedited Funds Availability Act of 1987 is amended—

(1) in section 609(e) (12 U.S.C. 4008(e))—

(A) by striking "Comptroller of the Currency"; and

(B)(i) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Office of Thrift Supervision"; and

(ii) effective January 1, 1993, by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(2) in section 610(a)(1) (12 U.S.C. 4009(a)(1))—

(A) in subparagraph (A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) by amending subparagraph (B) to read as follows:

"(B) State insured banks (other than national banks), by the Board of Governors of the Federal Reserve System."; and

(C) by striking subparagraph (C); and

(3) in section 610(a)(2) (12 U.S.C. 4009(a)(2)), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision".

(y) THE NATIONAL BANK ACT.—The National Bank Act (12 U.S.C. 38 note) is amended—

(1) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) by striking "Comptroller" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision".

(z) REVISED STATUTES.—Sections 5155 (12 U.S.C. 36), 5138 (12 U.S.C. 51), 5205 (12 U.S.C. 55), 5174 (12 U.S.C. 108), 5185 (12 U.S.C. 151), 5186 (12 U.S.C. 152), and 5213 (12 U.S.C. 164) of the Revised Statutes are each amended—

(1) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) by striking "Comptroller" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision".

(aa) MISCELLANEOUS PROVISIONS.—Section 13 of the Act of September 8, 1959 (12 U.S.C. 21a); section 2 of the Act of May 1, 1886 (12 U.S.C. 30); section 345 of the Act of August 23, 1935 (12 U.S.C. 51b-1); chapter 58 of the Act of February 25, 1930 (12 U.S.C. 67); section 1 of the Public Law 87-722 (12 U.S.C. 92a); section 12 of the Act of March 14, 1900 (12 U.S.C. 101); section 3 of the Act of October 5, 1917 (12 U.S.C. 103); sections 3 and 5 of the Act of June 20, 1874 (12 U.S.C. 121, 105); section 1 of the Act of June 13, 1933 (12 U.S.C. 121a); section 9 of the Act of July 12, 1882 (12 U.S.C. 178); section 3 of the Act of June 30, 1876 (12 U.S.C. 197); sections 1, 2, and 3 of the Act of March 29, 1886 (12 U.S.C. 198-200); the Act of August 17, 1950 (12 U.S.C. 214 et seq.); the Act of November 7, 1917 (12 U.S.C. 215-215b); and sections 731-735 of Public Law 96-221 (12 U.S.C. 216-216d) are each amended—

(1) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) by striking "Comptroller" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision".

(bb) The Emergency Banking and Bank Conservation Act.—Sections 301 and 302 of the Emergency Banking and Bank Conservation Act (12 U.S.C. 51a, 51b) are amended—

(1) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institution Supervision", and

(2) by striking "Comptroller" wherever it appears and inserting instead "Director of the Office of Depository Institution Supervision".

(cc) THE BANKING ACT OF 1933.—Sections 22, 29, and 31 of the Banking Act of 1933 (12 U.S.C. 64a, 71a, and 197a) are amended—

(1) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) by striking "Comptroller" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision".

SEC. 616. AMENDMENTS TO ACTS CODIFIED IN TITLE 15, UNITED STATES CODE.

(a) THE ACT OF SEPTEMBER 26, 1914.—Section 18 of the Act of September 26, 1914, as amended (15 U.S.C. 57a), is amended—

(1) in subsection (f)(1)—

(A) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and inserting instead "Director of the Office of Thrift Supervision";

(B) effective January 1, 1993, by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(C) effective on the date of enactment of this Act, by striking "each such Board" and inserting instead "the appropriate Board or the Director";

(D) effective on the date of enactment of this Act, by striking "any such Board" and inserting instead "the appropriate Board or the Director"; and

(E) effective on the date of enactment of this Act, by striking "such Board" and inserting instead "the appropriate Board or the Director";

(2) in subsection (f)(2)—

(A) by striking "Comptroller of the Currency" and inserting instead "Office of Depository Institutions Supervision";

(B) by inserting "and" at the end of subparagraph (A);

(C) by amending subparagraph (B) to read as follows:

"(B) member banks of the Federal Reserve System and banks insured by the Federal Deposit Insurance Corporation (other than banks referred to in subparagraph (A)), by the division of consumer affairs established by the Board of Governors of the Federal Reserve System."; and

(D) by striking subparagraph (C).

(b) THE TRUST INDENTURE ACT OF 1939.—Section 321(h) of the Trust Indenture Act of

1939, as amended (15 U.S.C. 77uuu), is amended by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

(c) THE SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934, as amended, is amended—

(1) in section 3(a)(6) (15 U.S.C. 78c(a)(6)), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) in section 3(a)(34) (15 U.S.C. 78c(a)(34))—

(A) by striking "Comptroller of the Currency" wherever it appears and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(C) by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(D) in subparagraph (A)—

(i) in clause (ii), by striking ", a bank holding company, a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph, or a subsidiary or a department or division of such subsidiary";

(ii) in clause (iii)—

(I) by striking "Federal Deposit Insurance Corporation" where it first appears and inserting instead "Board of Governors of the Federal Reserve System"; and

(II) by striking "and" at the end thereof; and

(iii) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following new clause:

"(iv) the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813 (q)), in the case of a financial services holding company; and";

(E) in subparagraph (B)—

(i) in clause (ii), by striking ", a bank holding company, a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph";

(ii) in clause (iii)—

(I) by striking "Federal Deposit Insurance Corporation" where it first appears and inserting instead "Board of Governors of the Federal Reserve System"; and

(II) by striking "and" at the end thereof; and

(iii) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following new clause:

"(iv) the appropriate Federal banking agency, as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), in the case of a financial services holding company; and' "

(F) in subparagraph (C)—

(i) in clause (ii), by striking ", a bank holding company, or a subsidiary of a bank holding company, or a subsidiary of a bank holding company which is a bank other than a bank specified in clause (i) or (iii) of this subparagraph when the appropriate regulatory agency for such clearing agency is not the Commission";

(ii) in clause (iii)—

(I) by striking "Federal Deposit Insurance Corporation" where it first appears and inserting instead "Board of Governors of the Federal Reserve System"; and

(II) by striking "and" at the end thereof; and

(iii) by redesignating clause (iv) as clause (v) and inserting after clause (iii) the following new clause:

"(iv) the appropriate Federal banking agency, as defined by section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)), in the case of a financial services holding company when the appropriate regulatory agency for such clearing agency is not the Commission; and";

(G) in subparagraph (D)(iii), by striking "Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System";

(H) in subparagraph (F)(iii), by striking "Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System";

(I) in subparagraph (G)—

(i) in clause (iii), by striking "Federal Deposit Insurance Corporation" where it first appears and inserting instead "Board of Governors of the Federal Reserve System"; and

(ii) in clause (iv), by striking "Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(J) in the last sentence by striking "bank holding company" wherever it appears and inserting instead "financial services holding company";

(3) in section 15C—

(A) in subsection (b)(2)(C)(ii) (15 U.S.C. 78o-5(b)(2)(C)(ii)), by striking "section 8 of the Bank Holding Company Act of 1956" and inserting instead "section 8 of the Financial Services Holding Company Act of 1991"; and

(B) in subsection (f)(1) (15 U.S.C. 78o-5(f)(1))—

(i) by striking "Comptroller of the Currency," and inserting instead "Director of the Office of Depository Institutions Supervision,";

(ii) by striking "the Director of the Office of Thrift Supervision,"; and

(iii) effective on the date of enactment of this Act, by striking "the Federal Savings and Loan Insurance Corporation,"; and

(4) in section 17 (15 U.S.C. 78q)—

(A) in subsection (f)(4)—

(i) in clause (A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(ii) in clause (C), by striking "Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System"; and

(B) in subsection (h)(3)(B), by striking "section 8 of the Bank Holding Company Act of 1956" and inserting instead "section 8 of the Financial Services Holding Company Act of 1991".

(d) THE INVESTMENT COMPANY ACT OF 1940.—The Investment Company Act of 1940, as amended (15 U.S.C. 80a-1 *et seq.*), is amended—

(1) in section (2)(a)(5) (15 U.S.C. 80a-2(a)(5)), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) in section 6(a)(3) (15 U.S.C. 80a-6(a)(3)), effective on the date of enactment of this Act, by inserting "or successor thereto" after "Federal Savings and Loan Insurance Corporation".

(e) THE INVESTMENT ADVISORS ACT OF 1940.—Section 202 of the Investment Advisors Act of 1940, as amended (15 U.S.C. 80b-2), is amended—

(1) in subsection (a)(2), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) in subsection (a)(11)—

(A) by striking "bank holding company" and inserting "financial services holding company"; and

(B) by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991".

(f) THE SMALL BUSINESS INVESTMENT ACT OF 1958.—The Small Business Investment Act of 1958, as amended (15 U.S.C. 661), is amended—

(1) in section 302(b) (15 U.S.C. 682(b)), effective on the date of enactment of this Act, by striking "Notwithstanding the provisions of section 6(a)(1) of the Bank Holding Act of 1956, shares" and inserting instead "Shares"; and

(2) in section 308(b) (15 U.S.C. 687(b)), by striking "or the Federal Savings and Loan Insurance Corporation".

(g) THE CONSUMER CREDIT PROTECTION ACT.—The Consumer Credit Protection Act, as amended (15 U.S.C. 1601 et seq.), is amended—

(1) in section 108 (15 U.S.C. 1607)—

(A) in subsection (a)(1)(A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) in subsection (a)(1)(C), by striking "Board of Directors of the Federal Deposit Insurance Corporation" and inserting "Board of Governors of the Federal Reserve System"; and

(C) in subsection (a)(2), by striking "the Director of the Office of Thrift Supervision" and inserting "the Director of the Office of Depository Institutions Supervision";

(2) in section 620(b) (15 U.S.C. 1681s(b))—

(A) in paragraph (1)(A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(B) in paragraph (1)(C), by striking "Board of Directors of the Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System"; and

(C) in paragraph (2), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(3) in section 704(a) (15 U.S.C. 1691c(a))—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(ii) in subparagraph (C), by striking "Board of Directors of the Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System"; and

(B) in paragraph (2), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(4) in section 814(b) (15 U.S.C. 1692*l*(b))—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(ii) in subparagraph (C), by striking "Board of Directors of the Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System"; and

(B) in paragraph (2), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(5) in section 917(a) (15 U.S.C. 1693o(a))—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(ii) in subparagraph (C), by striking "Board of Directors of the Federal Deposit Insurance Corporation" and inserting instead "Board of Governors of the Federal Reserve System"; and

(B) in paragraph (2), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision".

(h) THE EXPORT TRADING COMPANY ACT OF 1982.—Section 102(b) of the Export Trading Company Act of 1982 (15 U.S.C. 4001(b)) is amended by striking "bank holding companies" wherever it appears and inserting instead "financial services holding companies".

SEC. 617. AMENDMENT TO ACT CODIFIED IN TITLE 16, UNITED STATES CODE.

THE FEDERAL POWER ACT.—Section 305(c)(2)(A) of the Federal Power Act (16 U.S.C. 825d(c)(2)(A)) is amended by striking "bank holding company" and inserting instead "financial services holding company".

SEC. 618. AMENDMENTS TO TITLE 18, UNITED STATES CODE.

Title 18, United States Code, is amended—

(1) in section 212—

(A) by striking "by the Comptroller of the Currency,";

(B) by striking "by the Office of Thrift Supervision,"; and

(C) by striking "Federal Deposit Insurance Corporation" and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) in section 655, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(3) in section 657, by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(4) in section 981(a)(1)(D), by striking "Office of the Comptroller of the Currency or the Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(5) in section 982(a)(3), by striking "Office of the Comptroller of the Currency or the Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(6) in section 1005—

(A) in the third paragraph, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(B) in the sixth paragraph, by inserting in the last sentence ", as amended by the Financial Services Holding Company Act of 1991" before the period.

(7) in section 1006, by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(8) in section 1014, by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(9) in section 1032, by striking "Comptroller of the Currency or the Director of the Office of Thrift Supervision" and inserting instead "Director of the Office of Depository Institutions Supervision";

(10) in section 1114, by striking "Comptroller of the Currency, the Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision";

(11) in section 1906, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(12) in section 1908, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

SEC 619. AMENDMENT TO ACT CODIFIED IN TITLE 22, UNITED STATES CODE.

THE FINANCIAL REPORTS ACT OF 1988.—Section 3602 of the Financial Reports Act of 1988 (22 U.S.C. 5352) is amended by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

SEC. 620. AMENDMENT TO ACT CODIFIED IN TITLE 25, UNITED STATES CODE.

THE ACT OF JUNE 24, 1938.—Subsection (a) of the first section of the Act of June 24, 1938 (25 U.S.C. 162a(a)) is amended by striking "in the case of member banks, and of the Board of Directors of the Federal Deposit Insurance Corporation in the case of insured nonmember banks".

SEC. 621. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

The Internal Revenue Code of 1986 (26 U.S.C. 1 *et seq.*) is amended—

(1) in section 149(b)(4)(B), effective on the date of enactment of this Act, by striking "the Federal Savings and Loan Insurance Corporation,";

(2) in section 246A(c)(3)—

(A) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company"; and

(B) by amending clause (ii) to read as follows:

"(ii) FINANCIAL SERVICES HOLDING COMPANY.—The term "Financial Services Holding Company" means a financial services holding company (within the meaning of section 2 of the Financial Services Company Act of 1991 (12 U.S.C. 1841)).";

(3) in section 304(b)(3)—

(A) by striking "bank holding companies" and inserting instead "financial services holding companies";

(B) by striking "BHC" wherever it appears and inserting instead "FSHC";

(C) by striking "BHC's" wherever it appears and inserting instead FSHC's"; and

(D) by amending clause (D)(ii) to read as follows:

"(ii) FSHC.—The term "FSHC" means a financial services holding company (within the meaning of section 2 of the Financial Services Holding Company Act of 1991).";

(4) in section 581, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(6) in section 597(c)(1), effective on the date of enactment of this Act, by inserting "(or any successor thereof)" after "the Federal Savings and Loan Insurance Corporation";

(7) in section 864(e)(5)(D)—

(A) by striking "bank holding companies" and inserting instead "financial services holding companies";

(B) by striking "bank holding company" wherever it appears and inserting instead "financial services holding company"; and

(C) by striking "Bank Holding Company Act of 1956" and inserting instead "Financial Services Holding Company Act of 1991";

(8) in section 3305(c), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(9) in section 7507(a), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

SEC. 622. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

Title 28, United States Code, is amended—

(1) in section 1348, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(2) in section 1394, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(3) in section 2001(c), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(4) in section 2002, by striking "Comptroller of the Currency," and inserting instead "Director of the Office of Depository Institutions Supervision";

(5) in section 2004, by striking "Comptroller of the Currency," and inserting instead "Director of the Office of Depository Institutions Supervision";

SEC. 623. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

Title 31, United States Code, is amended—

(1) in the table of sections of subchapter I of chapter 3 of subtitle I—

(A) by amending the item relating to section 307 to read as follows:*ERR08*

"307. Office of Depository Institutions Supervision.";

(B) by amending the item relating to section 309 to read as follows:*ERR08*

"309. Continuing in Office.";

and

(C) by striking the item relating to section 310;

(2) by amending section 307 to read as follows:*ERR08*

"307. Office of Depository Institutions Supervision

"The Office of Depository Institutions Supervision, established by section 301 of the Financial Institutions Safety and Consumer Choice Act of 1991, is a bureau of the Department of the Treasury.";

(3) by striking section 309 and redesignating section 310 as section 309;

(4) in section 321—

(A) by inserting "and" at the end of subsection (c)(1);

(B) by amending subsection (c)(2) to read as follows:

"(2) vested by the Financial Institutions Safety and Consumer Choice Act of 1991 in the Director of the Office of Depository Institutions Supervision";

(C) by striking subsection (c)(3); and

(D) by striking subsection (e);

(5) in section 714(a), by striking "the Office of the Comptroller of the Currency, and the Office of Thrift Supervision" and inserting instead "and the Office of Depository Institutions Supervision";

(6) in section 718(a), by striking "Office of the Comptroller of the Currency" and inserting instead "Office of Depository Institutions Supervision";

(7) in section 1321(b), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision";

(8) by amending section 5115(b) to read as follows:

"(b) The amount of United States currency notes outstanding and in circulation may not be more than $300,000,000."; and

(9) in section 5119(b)(2), by adding the following sentence at the end thereof:

"The Secretary shall not be required to reissue United States currency notes upon redemption.".

SEC. 624. AMENDMENTS TO ACTS CODIFIED IN TITLE 42, UNITED STATES CODE.

(a) THE FLOOD DISASTER PROTECTION ACT OF 1973.—Section 3(a)(5) of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4003(a)(5)), is amended by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Insitutions Supervision".

(b) THE ENERGY CONSERVATION AND PRODUCTION ACT.—Section 303(7) of the Energy Conservation and Production Act (42 U.S.C. 6832(7)) is amended—

(1) effective on the date of enactment of this Act, by striking "the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation" and inserting instead "the Director of the Office of Thrift Supervision"; and

(2) effective January 1, 1993, by striking "Federal Deposit Insurance Corporation, Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

(c) THE NEIGHBORHOOD REINVESTMENT CORPORATION ACT.—The Neighborhood Reinvestment Corporation Act, as amended (42 U.S.C. 8101 et seq.), is amended—

(1) in section 604 (42 U.S.C. 8103)—

(A) in subsection (a)—

(i) by striking paragraph (1);

(ii) in paragraph (5), by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(iii) by redesignating paragraphs (2) through (6) as paragraphs (1) through (5), respectively; and

(B) in subsection (f), by striking "Comptroller of the Currency, through a duly designated Deputy Comptroller" and inserting instead "Director of the Office of Depository Institutions Supervision, through a duly designated representative"; and

(2) in section 606(c)(3) (42 U.S.C. 8105(c)(3))—

(A) effective on the date of enactment of this Act, by striking "Federal Home Loan Bank Board" and in- serting instead "Directory of the Office of Thrift Supervision";

(B) effective January 1, 1993, by striking "the Director of the Office of Thrift Supervision and"; and

(C) effective January 1, 1993, by striking the term "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision".

SEC. 625. AMENDMENTS TO TITLE 44, UNITED STATES CODE.

Title 44, United States Code, is amended—

(1) in section 1111, by striking "Comptroller of the Currency" and inserting instead "Director of the Office of Depository Institutions Supervision"; and

(2) in section 1344, by striking "Office of the Comptroller of the Currency" and inserting instead "Office of Depository Institutions Supervision".

SEC. 626. AMENDMENT TO TITLE 46, UNITED STATES CODE.

Section 10315(a)(3) of title 46, United States Code, is amended, effective on the date of enactment of this Act, by striking "or the Federal Savings and Loan Insurance Corporation".

SEC. 627. AMENDMENTS TO PUBLIC LAW 101-647.

Public Law 101-647 is amended—

(1) in section 2539(c)(2)—

(A) in subparagraph (C), by striking "Office of Thrift Supervision" and inserting instead "Office of Depository Institutions Supervision"; and

(B) by striking subparagraph (F) and redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively; and

(2) in section 2554(b)(2), by striking "Office of Thrift Supervision" wherever it appears and inserting instead "Office of Depository Institutions Supervision".

Subtitle C—Repeal of Obsolete Provisions of Law

SEC. 631. REPEAL OF OBSOLETE PROVISIONS OF LAW.

The following provisions of law (as they may have been amended) are repealed:

(1) The following sections of the Revised Statutes: 324 (12 U.S.C. 1); 325 (12 U.S.C. 2); 326 (12 U.S.C. 3); 327 (12 U.S.C. 4); 327A (12 U.S.C. 4A); 328 (12 U.S.C. 8); 329 (12 U.S.C. 11); 330 (12 U.S.C. 12); 331 (12 U.S.C. 13); and 333 (12 U.S.C. 14);

(2) title II of the Act of October 28, 1974, Public Law 93-495 (12 U.S.C. 2401 et seq.); and

(3) section 14 of the Act of December 22, 1974, Public Law 93-533 (12 U.S.C. 2612).

Subtitle D—Effective Date

SEC. 641. EFFECTIVE DATE.

Unless otherwise expressly provided, the amendments made by this title shall take effect January 1, 1993.

FINANCIAL INSTITUTIONS SAFETY AND CONSUMER CHOICE ACT OF 1991 SECTION-BY-SECTION ANALYSIS

SECTION 2. PURPOSES

Section 2 provides that the purposes of the Financial Institutions Safety and Consumer Choice Act of 1991 (FISCCA) are to return deposit insurance coverage to its original purposes of protecting small depositors and promoting financial stability; to strengthen the role of capital, enhance the supervision, and restrict risky activities of insured depository institutions; to permit nationwide banking and branching; to authorize the establishment of financial services holding companies to permit companies owning depository institutions to engage in other financial services with appropriate safeguards; to promote consumer convenience by permitting banking organizations a broader range of financial products; to simplify the regulatory structure for depository institutions by establishing a consolidated regulatory agency, the Office of Depository Institutions Supervision; and to recapitalize the Bank Insurance Fund.

Title I—Federal Deposit Insurance Reform

Subtitle A—Federal Deposit Insurance System Reform

SECTION 101. DEPOSIT AND PASSTHROUGH INSURANCE

Section 101 amends provisions in the Federal Deposit Insurance Act relating to the Federal Deposit Insurance Corporation's insurance coverage of deposits at insured depository institutions. Subsection (a) amends and adds new definitions relating to the insurance of deposits and subsection (b) adds new provisions for the determination of the amount of insurance payable to depositors.

Subsection (a)(1)(A) of section 101 amends the definition of "insured deposit" in section 3(m)(1) of the Federal Deposit Insurance Act to provide that "insured deposit" means the net amount due to any depositor for deposits in an insured depository institution less any part thereof which is in excess of $100,000. That net amount is to be determined in accordance with the provisions of section 11(a) of the Federal Deposit Insurance Act. The amended definition eliminates the language in the existing definition which provides for the determination of insurance of deposits based upon the capacities and rights in which deposits are held by depositors. Instead, the amended definition requires that the insurance of deposits be determined in accordance with section 11(a) of the Federal Deposit Insurance Act. The amendment made by subsection (a)(1)(A) will be effective two years after the date of enactment of this Act.

The definition of "insured deposit" is also amended by subsection (a)(1)(B) by adding to that definition a new paragraph (3) that excludes from the meaning of that term, and thus from insurance coverage, certain types of deposits. First, new paragraph (3)(A) provides that "insured deposit" shall not include funds obtained, directly or indirectly, for deposit from a deposit broker. The definition of the term "deposit broker" is discussed below. As provided in new paragraph (3)(A), this exclusion of funds accepted by a deposit broker does not apply to an insured depository institution for which the Federal Deposit Insurance Corporation or the Resolution Trust Corporation has been appointed as conservator or the appropriate Federal banking agency has appointed a conservator and such conservator has determined that the acceptance of such funds (1) is not an unsafe or unsound practice; and (2) either is necessary to enable the institution to meet the demands of its depositors or pay its obligations in the ordinary course of business, or is consistent with the conservator's fiduciary duty to minimize the losses of the institution.

Also excluded from the definition of "insured deposit" are depository institution investment contracts (otherwise known as "BICs") entered into between an insured depository institution and an employee benefit plan as defined in section 3(3) of the Employment Retirement Income Security Act, including a plan described in section 401(d) of the Internal Revenue Code of 1986. For purposes of this exclusion, a depository institution investment contract is defined as a contract that is nontransferable and provides for the deposit of funds over an extended period of time at a specified rate of interest whether or not the funds can be withdrawn without penalty prior to maturity.

Subsection (a)(2) of section 101 amends the definitional section of the Federal Deposit Insurance Act by adding a definition of the term "deposit broker" as subsection (y) to section 3 of the Federal Deposit Insurance Act. This definition is essentially the same definition that is currently contained in section 29 of the Federal Deposit Insurance Act. A "deposit broker" is defined by new subsection (y) as any person engaged in the business of placing deposits, or facilitating the placement of deposits, of third parties with insured depository institutions or engaged in the business of placing deposits with insured depository institutions for the purpose of selling interests in those deposits to third parties. A "deposit broker" also includes an agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured depository institution to use the proceeds of the account to fund a prearranged loan.

The term "deposit broker" does not, however, include the following:

(1) an insured depository institution with respect to funds placed with that depository institution or with other insured depository institutions;

(2) an employee, as defined in section 29(b) of the Federal Deposit Insurance Act, of an insured depository institution with respect to funds placed with the employing depository institution;

(3) a trust department of an insured depository institution if the trust has not been established for the primary purpose of placing funds with insured depository institutions;

(4) the trustee of a pension or other employee benefit plan with respect to funds of the plan;

(5) a person acting as a plan administrator or investment advisor in connection with a pension plan or other employee benefit plan provided that such person is performing managerial functions with respect to the plan;

(6) the trustee of a testamentary account;

(7) the trustee of an irrevocable trust, other than one described above, as long as the trust in question has not been established for the primary purpose of placing funds with the insured depository institution;

(8) a trustee or custodian of a pension or profit sharing plan qualified under section 401(d) or 403(a) of the Internal Revenue Code of 1986; or

(9) an agent or nominee whose primary purpose is not the placement of funds with depository institutions.

Subsection (b) of section 101 provides a new method for the Federal Deposit Insurance Corporation to determine deposit insurance coverage. Subsection (b) amends section 11(a)(1) of the Federal Deposit Insurance Act by specifically providing that the maximum $100,000 insured deposit limitation is applicable on a per insured depository institution basis. This is essentially the same as under current law. The amendments, however, include a new requirement for all deposits to be registered under the taxpayer identification number or employer identification number of each depositor. For individuals the taxpayer identification number will be the individual's social security number. For other depositors the taxpayer identification number or employer identification number are obtained from the Internal Revenue Service. Even though such numbers are required from depositors for the purpose of aggregating and attributing deposits, the Federal Deposit Insurance Corporation is authorized to consider additional information in the depository institution's records or other information made available by the depositor.

For the purpose of determining the amount due to any depositor, the amendments to section 11(a) require the Federal Deposit Insurance Corporation to aggregate the amounts of all deposits in the insured depository institution which are maintained by a depositor or are maintained by others for the benefit of the depositor. The amount due to a depositor is the lesser of the amount calculated under this provision or $100,000.

For the purpose of aggregating amounts to a depositor the following rules apply:

(1) Deposits that are registered under the same taxpayer identification number or employer identification number of one depositor are to be attributed to that depositor.

(2) Depositors that are registered under the taxpayer identification number or employer identification number of more than one depositor are to be attributed equally among those depositors. If, however, the deposit account records clearly provide that amounts are to be attributed other than equally, the Federal Deposit Insurance Corporation is to consider such records in providing insurance coverage.

(3) Deposits consisting of a revocable trust or similar account are to be attributed to the settlor or grantor of the deposit account.

(4) Deposits maintained by an individual or entity (including an insured depository institution) acting as agent, custodian, nominee, conservator, or in a similar capacity on behalf of a principal (other than an insured depository institution) are to be attributed to such principal.

(5) Finally, the Board of Directors of the Federal Deposit Insurance Corporation is authorized to provide for such other attribution as the Board determines by regulation not to be unduly burdensome and costly to calculate, provided that the attribution would be consistent with the insurance purpose of the Federal Deposit Insurance Act.

Section 11(a)(1) of the Federal Deposit Insurance Act is also amended by adding a new subparagraph (D) which provides for the elimination of pass-through insurance coverage for deposits made by certain defined benefit and defined contribution pension plans. Pass-through insurance occurs when a fiduciary deposits fund for a large number of beneficiaries, and $100,000 of deposit insurance "pass through" to each of the beneficiaries.

According to the amendment to section 11(a)(1), the Federal Deposit Insurance Corporation may not provide deposit insurance coverage on a pro-rata or pass-through basis to participants in or beneficiaries of employee defined benefit plans and defined contribution plans. This prohibition, however, is not applicable to self-directed defined contribution plans. This amendment does not apply to pension plans of state and local governments. The elimination of pass-through insurance coverage does not prevent the plan itself from receiving the maximum insurance coverage of $100,000.

Section 11(a)(1) of the Federal Deposit Insurance Act is also amended by adding a new subparagraph (E) which provides for separate deposit insurance coverage on a pro-rata or pass-through basis for accounts meeting certain specified requirements. This is an exception to the subparagraph (C)(iv) requirement of attribution to the principal of certain accounts maintained by an agent, custodian, nominee or conservator. To be entitled to separate pass-through insurance coverage the account must meet the following requirements: the deposit account must be maintained for a business purpose; the principal or beneficiary of the account may not have control over where the funds are deposited; the account may not be maintained for investment purposes; and the deposit account may not be maintained principally for the purpose of increasing deposit insurance coverage. This provision is meant to cover escrow and similar types of accounts.

Finally, a new subparagraph (F) is added to section 11(a)(1) which gives the Board of Directors authority to adopt regulations to implement and to clarify the insurance coverage under sections 11(a)(1) and 11(i)(3). The regulatory authority with respect to section 11(i)(3), related to the rights of creditors other than insured depositors of troubled institutions, is merely a transfer of existing authority with respect to that section from the section 3(m) definition of "insured deposit" to amended section 11(a)(1).

Subsection (b)(2) of section 101 amends section 11(a)(3) of the Federal Deposit Insurance Act which provides for the insurance coverage of deposits (so-called Keogh accounts) made pursuant to plans described in section 401(d) of the Internal Revenue Code of 1986 or made in the form of an individual retirement account described in section 408(a) of the Code. Under current law, time and savings deposits of 401(d) plans and individual retirement accounts are separately insured up to $100,000 per depository institution. Section 11(a)(3) as amended by the Act requires the aggregation of all deposits made in connection with an individual retirement account, as well as self-directed Keogh plans and other self-directed defined contribution plans held in individual accounts maintained on their behalf by the plan.

Thus, for any one depositor, the deposits made by such plans will no longer be separately insured but will be added together and will be entitled to receive up to a total of $100,000 in deposit insurance coverage per institution. As is the case under current law, the amount insured under this provision may only consist of the present vested and ascertainable interest of each participant under a plan, excluding any remainder interest created by, or as a result of, the plan.

Subsection (b)(3) of section 101 amends section 7(i) of the Federal Deposit Insurance Act with respect to the insurance coverage of certain deposits of trust funds. The amendment limits the insurance coverage to $100,000 per trust estate for trust funds held on deposit by an insured depository institution as trustee pursuant to irrevocable trusts. When such trust funds are deposited by the fiduciary depository institution in another insured depository institution, such trust funds will be insured up to $100,000 to the depository institution according to each trust estate. The Board of Directors of the Federal Deposit Insurance Corporation is authorized to adopt regulations as necessary to clarify the insurance coverage under section 7(i) and to prescribe the manner of reporting and depositing the trust funds.

Subsection (b)(4) of section 101 directs the Board of Directors of the Federal Deposit Insurance Corporation, during the one year period beginning on the date of enactment of the Act, to review the present capacities and rights in which deposit accounts are maintained and for which deposit insurance coverage is provided by the Federal Deposit Insurance Corporation. At the end of the one year period, the Board of Directors may promulgate regulations that provide for separate insurance coverage for different capacities and rights in which deposit accounts are maintained, if a determination is made by the Board of Directors that such separate insurance coverage is consistent with the purposes of protecting small depositors and limiting the undue expansion of deposit insurance coverage. In addition, any such regulations must be consistent with the insurance provisions of the Federal Deposit Insurance Act. Any regulations promulgated by the Board of Directors under this paragraph may not be effective earlier than two years from the date of enactment of the Act.

The amendments made under subsections (a) and (b) are to be effective two years from the date of enactment of the Act, except that such amendments will not apply to any time deposit that is entered into before the date of enactment of the Act and that matures more than two years after the date of enactment of the Act. Such deposits will continue to be insured under current insurance provisions until maturity. The renewal or rollover of a time deposit after the new provisions become effective will trigger the new provisions as to the deposit renewed or rolled over.

Subsection (d) of section 101 requires the Federal Deposit Insurance Corporation to conduct a study on the feasibility of implementing a system of deposit insurance based on systemwide limitations in coverage for each depositor. Insurance under this system would be based on $100,000 per depositor with a separate $100,000 for retirement savings.

The study is to be conducted in conjunction with such consultants and technical experts as the Federal Deposit Insurance Corporation determines to be appropriate. The study is to include a detailed, technical analysis of the costs and benefits associated with the least expensive way to implement such a system. As part of the study, the Corporation is required to investigate, review and evaluate the following:

(a) the data systems that would be required to implement the system;

(b) the reporting burdens of such a system on individual depository institutions;

(c) the interface with existing data processing systems maintained by depository institutions; and

(d) the use of a selective audit of depositors for compliance after the resolution of a failed depository institution.

As part of the feasibility study, the Board of Governors of the Federal Reserve System is required to conduct, in conjunction with such other Federal departments and agencies as necessary, a survey of the ownership of deposits held by individuals, including the dollar amount of deposits held, the type of deposit accounts held and the type of financial institution in which the deposit accounts are held. The results of the survey are to be provided to the Federal Deposit Insurance Corporation not later than one year from the date of enactment of the Act for analysis and inclusion in the feasibility study.

Not later than 18 months after the date of enactment of the Act, the Federal Deposit Insurance Corporation is required to submit to the Congress a report on the findings made and conclusions drawn from the feasibility study. This report is to contain recommendations for any administrative and legislative action as the Federal Deposit Insurance Corporation determines to be appropriate.

Subsection (e) of section 101 provides for conforming amendments to the Federal Deposit Insurance Act. Paragraph (1) transfers language now found in section 3(m) of the Federal Deposit Insurance Act to section 11(a)(2) of the Federal Deposit Insurance Act. Paragraph (2) subjects section 12(c) of the Federal Deposit Insurance Act to new section 11(a)(1)(B) of the same Act.

SECTION 102. DEPOSIT SOLICITATION RESTRICTED

Section 102 of the Act amends section 29 of the Federal Deposit Insurance Act to provide that no insured depository institution, which does not meet the applicable minimum capital requirements, or employee of any such institution, may engage, directly or indirectly, in the solicitation of deposits by offering rates of interest, with respect to such deposits, which are significantly higher than the prevailing rates of interest offered by other insured depository institutions in the institution's normal market area. The institution is required to look to other institutions in the market area whether or not they have the same charter.

The amendment essentially retains the definition of "employee" found in current section 29 with one change. The term "employee" will include employees who are employed either full-time or part-time by a depository institution. The amendment made by this section will be effective on the date of enactment of the Act.

SECTION 103. LEAST-COST RESOLUTION

Subsection (a) of section 103 of the Act amends section 13(c)(4) of the Federal Deposit Insurance Act to require the Federal Deposit Insurance Corporation to use the least costly method to resolve insured depository institutions. Subsection (a)(1) of the Act amends section 13(c)(4)(A) of the Federal Deposit Insurance Act to require the Federal Deposit Insurance Corporation to provide assistance and make payments only in such amounts as are necessary to satisfy its obligations to a depository institution's insured depositors at the least-cost to the affected deposit insurance fund whether by insured deposit payout, insured deposit transfer, or such other least-cost method as determined by the Federal Deposit Insurance Corporation. Nevertheless, the Federal Deposit Insurance Corporation is required to provide assistance or make payments to satisfy, in whole or in part, a depository institution's liability to its uninsured depositors if the assistance or payments would be least-cost method of resolving the institution.

Subsection (a)(2) of the Act adds a new subparagraph (B) to section 13(c)(4) which sets forth various factors the Federal Deposit Insurance Corporation is required to consider in making a least-cost determination. New subparagraph (B) requires the Federal Deposit Insurance Corporation to: evaluate resolution alternatives on a present value basis using a realistic discount rate; document that evaluation; retain the documentation for not less than five years; and treat the Federal tax revenues that the Government would forego as the result of a proposed transaction, to the extent reasonably ascertainable, as if they were revenues foregone by the affected deposit insurance fund. In addition, the Federal Deposit Insurance Corporation is required to determine and compare the costs of assistance or liquidation as of the date on which it makes the determination to provide assistance under the Federal Deposit Insurance Act. In making a least-cost determination, however, the Federal Deposit Insurance Corporation is not permitted to consider the impact of a transaction on any part of the financial system other than the institution being resolved.

A systemic risk determination may only be made by the Board of Governors of the Federal Reserve System and the Secretary of the Treasury with respect to any assistance that may be provided by the Federal Deposit Insurance Corporation to an insured depository institution. Under new subparagraph (C) to section 13(c)(4), upon a joint determination by the Board of Governors and the Secretary of the Treasury that the Federal Deposit Insurance Corporation would be unable to resolve an insured depository institution in accordance with a least cost determination under subparagraph (A) without causing a severe adverse impact upon the financial system, the Board of Governors and the Secretary of the Treasury, in consultation with the Federal Deposit Insurance Corporation and the Director of the Office of Management and Budget, will direct the Federal Deposit Insurance Corporation to provide assistance or make payments to an insured depository institution to satisfy the institution's liability to its depositors or take such other action as determined to be necessary to lessen the risk posed by the depository institution.

Subsections (b), (c), (d), and (e) of section 103 amend various provisions of sections 11 and 13 of the Federal Deposit Insurance Act to subject asnd conform those provisions to the least-cost resolution amendments made to section 13(c)(4) of the Federal Deposit Insurance Act.

The amendments made by section 103 are to become effective three years after the date of enactment of the Act.

SECTION 104. RISK-BASED ASSESSMENTS

Subsection (a) of section 104 amends section 7(b) of the Federal Deposit Insurance Act by removing the minimum 0.15 percent assessment rate for both Bank Insurance Fund and Savings Association Insurance Fund members.

Subsection (b) redesignates paragraph 9 of section 7(b) as paragraph 10 and adds a new paragraph 9 requiring the Board of Directors of the Federal Deposit Insurance Corporation to establish by regulation a risk-based assessment system for setting insurance premiums for insured depository institutions. The structure of the risk-based assessment system must provide that the insurance premium paid by an insured depository institution vary according to the degree of risk the institution poses to the relevant insurance fund.

For purposes of developing the assessment system, the Board of Directors is required to establish rates based on categories of risk. These risk categories must use the ratio of capital to risk-weighted assets for the insured depository institutions as the fundamental measure. In defining categories, the Board may also consider the activities, assets, and liabilities of insured depository institutions and any other risk factors the Board of Directors determines to be appropriate. The ability of the Board of Directors to assess members of the Bank Insurance Fund is limited by the provisions of section 7(b)(1)(C)(iii) as amended by this Act.

Subsection (c) of section 104 requires the Board of Directors to promulgate regulations within 18 months of enactment of the Act. The regulations must go into effect no later than two years after enactment.

SECTION 105. RESTRICTIONS ON FEDERALLY INSURED STATE BANK ACTIVITIES

Section 105(a) amends the Federal Deposit Insurance Act by adding a new section 24 regarding permissible activities for federally insured State banks and their subsidiaries. Section 24 retains the authority given to the States under the dual banking system for State bank agency activities but, as in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 for thrifts, State bank activities as principal may be limited based on risk.

Section 24(a) provides that, beginning one year after enactment of this Act, State banks, with certain exceptions, generally may not engage as principal in any activity impermissible for national banks. The Federal Deposit Insurance Corporation may make exceptions to the rule if the Corporation determines that the activity would not pose a significant risk to the insurance fund and the bank is in compliance with minimum capital standards established by the appropriate Federal banking agency.

Section 24(b) prohibits State banks and their subsidiaries from acquiring or retaining any equity investment of a type not permissible for national banks. An exception is made to this rule to allow State banks to own subsidiaries if the bank's ownership interest in the subsidiary is greater than 50 percent.

Section 24(b) also requires a State bank that holds an equity investment (other than a majority-owned subsidiary) impermissible under this Act to divest as soon as prudently possible, but in no event later than five years after enactment of this Act. However, a bank with a nonconforming equity investment, as a result of this Act, will not be found to be in violation within the five-year divestment period if it complies with the di-

vestment procedures established by the Federal Deposit Insurance Corporation.

Section 24(c) requires, beginning one year after enactment of this Act, subsidiaries of State banks generally to maintain parity of activity engaged in as principal with subsidiaries of national banks. The Federal Deposit Insurance Corporation is authorized to make exceptions for State bank subsidiaries if the Corporation determines that engaging in an activity impermissible for national bank subsidiaries would not pose a significant risk to the insurance fund and that the bank is in compliance with minimum capital standards. No subsidiary of a State bank, however, is permitted to engage in insurance or securities underwriting that is not permissible for a national bank.

Section 24(d) provides that the Federal Deposit Insurance Corporation must make determinations under section 24 through regulations and orders.

Section 24(e) defines the term "activity" to include acquiring or retaining any investment. For purposes of section 24, the term "State bank" is defined as in section 3 of the Federal Deposit Insurance Act to include any bank, banking association, trust company, savings bank, industrial bank, cooperative bank and any other banking association that receives deposits, other than trust funds, and is incorporated under the laws of any State or operating under District of Columbia law (except a national bank).

Section 24(f) clarifies that the Board of Governors of the Federal Reserve System, the Office of Depository Institutions Supervision, and any State authority may impose more stringent activity restrictions than are provided in section 24. Section 105(b) also amends section 9 of the Federal Reserve Act to authorize specifically the Board of Governors of the Federal Reserve System, which will be responsible for regulating all State banks, to impose more stringent activity restrictions on State banks consistent with section 24 of the Federal Deposit Insurance Act.

SECTION 106. EXAMINATIONS

Subsection (a) expands the current examination authority of the Board of Governors of the Federal Reserve System for Federal Reserve banks and member banks by amending section 11(a) of the Federal Reserve Act to include any bank or branch of a foreign bank for which the Board is the appropriate Federal banking agency.

Subsection (a)(1)(A) amends section 11(a) of the Federal Reserve Act by adding a new paragraph (2) and redesignating former paragraph (2) as paragraph (3). New paragraph (2) requires the Board of Governors of the Federal Reserve System to conduct annual onsite examinations of such banks and branches of foreign banks. For banks and foreign bank branches that have assets of less than $1,000,000,000 and are in compliance with required capital standards, the Board must conduct examinations at least once every eighteen months, but may examine them more frequently.

Subsection (a)(1)(B) amends section 11(a) of the Federal Reserve Act at paragraph (3), as redesignated, to require that reports made to the Board of Governors of the Federal Reserve System, other than those for monetary control purposes, be made through the appropriate Federal banking agency, the National Credit Union Administration Board for insured credit unions, and a State officer or agency designated by the Board for State banks and savings associations and credit unions that are not federally insured.

Subsection (a)(2)(A) amends section 9 of the Federal Reserve Act to permit the Board of Governors of the Federal Reserve System to examine affiliates of those banks and foreign bank branches for which the Board is the appropriate Federal banking agency and which are not part of a holding company. The scope of the Board's examination authority for such affiliates parallels the authority of the Director of the Office of Depository Institutions Supervision in section 323(d) and 323(g)(2) of this Act. The Board's authority to examine banks and branches and their affiliates within a holding company structure is set forth in the Financial Services Holding Company Act of 1991.

Subsection (a)(2)(B) amends section 9 of the Federal Reserve Act to allow the Board of Governors of the Federal Reserve System to assess the expense of examinations of affiliates against the affiliated bank or branch. The amendment also permits the Board to require an affiliated bank to surrender its Federal Reserve stock and forfeit its membership in the Federal Reserve System if the affiliate refuses to be examined or to provide requested information in connection with an examination or if the bank refuses to pay its examination assessment.

Subsection (b) provides that the provisions of this section shall become effective on January 1, 1993.

SECTION 107. MARKET VALUE AND OTHER DISCLOSURE

This section provides for supplemental fair market value disclosures and disclosure of audit reports by depository institutions.

Subsection (a) would require the appropriate Federal banking agencies and the Securities and Exchange Commission to develop jointly a method by which banks would include supplemental disclosures of the fair market value of their assets and liabilities (with respect to those assets and liabilities for which a fair market value could reasonably be determined) in financial statements and in reports filed with those agencies. This section only requires supplemental disclosure and does not require a change in accounting standards. This method must be developed within one year of enactment of this Act.

Subsection (b) amends section 7(a) of the Federal Deposit Insurance Act by adding a new paragraph (9) requiring insured depository institutions to supply their appropriate Federal banking agency with copies of their audit reports (including any qualifications to those reports), management letters, and other reports within 15 days after they are received by the banks. Banks are also required to provide written notification to the appropriate Federal banking agency of a change in their independent auditors and the reasons for any change. Notification is required within 15 calendar days of the change.

SECTION 108. CAPITAL STANDARDS AND INTEREST RATE RISK

This section requires the appropriate Federal banking agencies to develop a system to monitor interest rate risk and incorporate interest rate risk into the risk-based capital standards. No later than one year after enactment of this Act, the agencies must issue regulations implementing the system, and the regulations must take effect no later than two years after enactment.

SECTION 109. REQUIREMENT TO EXPENSE DEPOSIT WITH NATIONAL CREDIT UNION SHARE INSURANCE FUND

This section eliminates the double counting of insurance fund assets and credit union assets by requiring the double-counted assets to be expensed over a twelve-year period.

Subsection (a) amends section 201(b)(8) of the Federal Credit Union Act, pertaining to application for insurance of member accounts, to require newly chartered Federal credit unions and credit unions converting to National Credit Union Share Insurance Fund coverage to make an initial capitalization payment (formerly called a "deposit") to the National Credit Union Share Insurance Fund and to pay a capitalization adjustment and the required deposit insurance premium. To avoid diluting the equity ratio for credit unions already in the National Credit Union Share Insurance Fund, the initial capitalization payment will equal the current equity ratio of the Fund times the total insurable shares of the applicant. The initial capitalization must be expensed annually by the credit union over a 12-year period with minimum payments each year in an amount equal to one-twelfth of the total initial capitalization payment. Amounts expensed in a single year in excess of the required amount will reduce the amount due in future years. The National Credit Union Administration Board is authorized to prescribe procedures for expensing the initial capitalization.

Subsection (b)(1) amends section 202(b)(1) of the Federal Credit Union Act to require an insured credit union to include in its annual certified statement the capitalization adjustment amount due to the National Credit Union Share Insurance Fund for the preceding year, the amount of insurance premium due for that year and any other information the National Credit Union Administration Board requests.

Subsection (b)(2) amends subsection (c) of section 202 of the Federal Credit Union Act to provide for annual payments to and rebates from the National Credit Union Share Insurance Fund. Subsection (c)(1) requires insured credit unions to pay to the National Credit Union Share Insurance Fund, under procedures established by the National Credit Union Administration Board, an annual capitalization adjustment (formerly called a "deposit") equal to one percent of any increase in the credit union's insured shares over the prior year. Any insured credit union with a decline in insured shares over those of the prior year will receive a refund equal to one percent of the decline. Amended subsection (c)(1) does not represent a substantive change from former law.

Subsection (b)(2) also amends section 202 of the Federal Credit Union Act at subsection (c)(2) to require that insured credit unions pay to the National Credit Union Share Insurance Fund, in addition to a capitalization adjustment and pursuant to procedures prescribed by the National Credit Union Administration Board, an annual premium in an amount sufficient to maintain the Fund's equity at a minimum level of 1.25 percent. Under former law, the required premium equalled one-twelfth of one percent of total insured shares in the credit union. The premium must be in proportion to the insured shares of each credit union. If the equity level of the National Credit Union Share Insurance Fund substantially declines below 1.25 percent in a given year, the National Credit Union Administration Board may allow replenishment to the minimum level over a period longer than one year.

Subsection (b)(2) further amends section 202 of the Federal Credit Union Act at subsection (c)(3) to provide for rebates to the insured credit unions if the equity of the National Credit Union Share Insurance Fund exceeds its normal operating level (i.e., ex-

ceeds 1.5 percent) at the close of a given insurance year and any loans to the Fund from the Federal Government and the interest on those loans have been repaid. The rebate shall bring the Fund down to its normal operating level and be in proportion to each insured credit union's insured shares.

Subsections (b)(3) and (4) make conforming amendments to section 202(d) through (g) of the Federal Credit Union Act.

Subsection (b)(5) redefines, at subsection (h)(2) of the Federal Credit Union Act, the Fund's "normal operating level" to mean a level of Fund equity, based on market value accounting, equal to 1.3 percent of the total amount of insured shares in all insured credit unions, or such other level as determined by the Federal Credit Union Administration Board, but such level may not be below 1.25 percent or exceed 1.5 percent. Current law imposes a ceiling of 1.3 and gives the National Credit Union Administration Board discretion in setting a floor.

Subsection (b)(6) adds a new subsection (i) to section 202 of the Federal Credit Union Act requiring that insured credit unions expense annually their deposits on one percent, maintained with the Federal Credit Union Administration Board pursuant to the Deficit Reduction Act of 1984 (P.L. 98-369), over a period of 12 years after the date of enactment of this Act. At least one-twelfth of the total deposit of each insured credit union, as calculated on the date of enactment of this Act, must be expensed each year, as prescribed by the Board. If more than one-twelfth is expensed in a given year, treatment of further payments will reduce the amount due in future years and will be made in accordance with Board direction.

Subsection (c) makes conforming amendments to section 203(b) of the Federal Credit Union Act.

Subtitle C—Reinsurance Demonstration Project

SECTION 116. REINSURANCE DEMONSTRATION PROJECT.

This section requires the Federal Deposit Insurance Corporation, in consultation with the Department of Treasury, to establish a reinsurance demonstration project to determine whether it would be feasible to develop a private reinsurance system to help price risk-based premiums.

Subsection (a) defines the project as consisting of a sample of private reinsurers and insured depository institutions that would simulate or could even engage in, if deemed appropriate by the Federal Deposit Insurance Corporation, actual reinsurance transactions. To reflect how the system would actually work, the project must include, at a minimum, the following steps that would be taken in an actual reinsurance transaction: establish the pricing structure for risk-based premiums, prepare insurance contracts, and identify and obtain the information needed to evaluate and monitor risk in a given insured depository institution.

Subsection (a) also establishes a Reinsurance Demonstration Project Committee, comprised of the Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation and a representative of each of the private reinsurers and depository institutions participating in the project, to analyze and review the results of the project and report those results to Congress.

Subsection (b) requires that the Reinsurance Demonstration Project Committee report to Congress, within one year of enactment of this Act, on the feasibility of a private reinsurance system. The report must include whether the private insurers have sufficient interest and the capacity to participate in such a system, whether public policy goals can be satisified by such a system, and any recommendations for administrative and legislative action necessary to establish such a system.

Title II—Financial Services Modernization

Title II contains the amendments to the Bank Holding Company Act of 1956 and other laws that are necessary to implement the Treasury recommendation to strengthen the financial system and improve the competitiveness of the nation's banks by permitting banks to affiliate with a broad range of financial firms through the formation of financial services holding companies (FSHCs), which in turn will be permitted to be owned or controlled by commercial businesses so long as the subsidiary banks remain well capitalized. Subtitle A, which contains the Financial Services Holding Company Act of 1991 (the FSHCA), amends the Bank Holding Company Act to permit banks to affiliate through FSHCs with securities, insurance, and other companies that engage in activities determined to be of a financial nature. The FSHCA contains a number of safeguards, described in greater detail below, which will assure that the broader range of permitted affiliations does not expose the taxpayer to greater risk through the Federal safety net.

Subtitle B includes amendments to the Banking Act of 1933 and the Federal Reserve Act to conform provisions in these laws relating to permitted activities for banks. Subtitle C covers non-banking activities of foreign banks in the United States.

Subtitle D amends the various securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934, to revise applicability of the securities laws to banks. Subtitle E provides for a new system for supervising banks based primarily on their capital levels. In particular, based on the capital level and the financial condition of a given bank, the appropriate Federal banking agencies are authorized to take various mandatory and discretionary supervisory actions with respect to banks and companies that control banks.

Finally, Subtitle F expands the authority of banks to branch interstate.

Subtitle A—Financial Services Holding Companies

Subtitle A provides a new framework for ownership of banks. It creates a new Financial Service Holding Company Act through amendments to the Bank Holding Company Act of 1956 and new provisions. The FSHCA will be effective on January 1, 1993.

The FSHCA is crafted to (1) encourage ownership of well capitalized banks by providing expanded activities and expedited regulatory procedures for holding companies that have such banks and (2) streamline regulatory procedures and reduce regulatory burdens for all holding companies by placing the emphasis of regulation on the insured bank. This is achieved by the integration of the provisions of the FSHCA and the Prompt Corrective Action provisions of the Federal Deposit Insurance Act so that the expansion of activities and the availability of the expedited regulatory procedures under the FSHCA is dependent on the capitalization of the banks in the holding company while any deterioration of bank capital is subject to corrective action which may include imposing requirements on the holding company.

The FSHCA provides for two different types of holding companies. The first, financial services holding companies, will be able to directly own banks and engage in certain activities as defined in the FSHCA. These holding companies replace bank holding companies. Financial services holding companies will be permitted to engage directly in the activities currently permissible for bank holding companies except that a bank will not be able to be a holding company.

In addition, if a holding company is a Zone 1 financial services holding company which means that 80% of the banks it controls are in Zone 1 (the highest Zone of capital) and the remaining 20% of the banks are in Zone 2, the holding company also can engage through subsidiaries (but not bank subsidiaries with certain exceptions) in securities, insurance, and activities deemed by the appropriate Federal banking agencies to be of a financial nature. Holding companies in Zone 2 that have demonstrated that they are making substantial progress in becoming a Zone 1 company also can engage in the expanded securities, insurance, and financial activities. Zone 1 financial services holding companies, but not the Zone 2 companies, also will be able to take advantage of expedited regulatory procedures for approval of bank and savings association acquisitions and of nonbanking activities.

The second type of holding company is a diversified holding company, which can engage in any activity but cannot own or control a bank directly. Diversified holding companies can only own or control a bank indirectly through ownership or control of a financial services holding company.

SECTION 201. FINANCIAL SERVICES HOLDING COMPANIES

This section amends the definitions in section 2 of the Bank Holding Company Act of 1956 to incorporate descriptions of the organizations to which the FSHCA will apply.

Subsection (a)(1) amends section 2(a)(1) of the Bank Holding Company Act to delete the definition of "bank holding company" and replace it with definitions of "financial services holding company" and "diversified holding company". The effect of this amendment is that, after the FSHCA becomes effective, *all* companies that control banks will be known as financial services holding companies rather than bank holding companies. In addition, companies that control financial services holding companies and engage in activities not permitted for financial services holding companies will be known as diversified holding companies.

The definition of "financial services holding company" includes any company which has control over a bank but that is not a diversified holding company. The intent is that financial services holding companies will only be allowed to engage in activities pursuant to the Financial Services Holding Company Act while diversified holding companies can engage in any activity. Companies that control a bank through a financial services holding company and are engaged only in activities permissible for financial services holding companies will themselves be financial services holding companies.

The definition of "diversified holding company" refers to any company, other than a bank or a foreign bank, that has control over a bank through a financial services holding company and is engaged in or controls a company engaged in activities not permissible for financial services holding companies. Consequently, companies engaged in commercial activities can control a bank but only through ownership of a financial services holding company.

Subsection (a)(2) amends section 2(a)(5)(a) of the Bank Holding Company Act of 1956 to delete a provision that by its own terms has expired.

Subsection (a)(3) amends section 2(f) of the Bank Holding Company Act of 1956 to include a definition of appropriate Federal banking agency as that term is defined in section 3(q) of the Federal Deposit Insurance Act. The appropriate Federal banking agencies are the Board of Governors of the Federal Reserve System and the Director of the Office of Depository Institutions Supervision. The determination of which agency will be the appropriate Federal banking agency for a particular holding company is based on the charter of the largest bank subsidiary in the holding company as determined pursuant to Title III of the Financial Institutions Safety and Consumer Choice Act of 1991. The definition of "Board" has not been amended because there are references to the actions taken by the "Board" under the Bank Holding Company Act which will remain in the FSHCA.

Subsection (a)(4) adds eight new definitions to section 2 of the Bank Holding Company Act of 1956. These definitions are as follows:

(1) Securities Affiliate. A securities affiliate is defined as any company controlled by a financial services holding company and engaged in the activities permissible under 4(c)(15). The term does not include companies engaged in activities authorized pursuant to section 4(c)(8).

(2) Insurance Affiliate. An insurance affiliate is defined as any company controlled by a financial services holding company and engaged in activities permitted under 4(c)(16), which includes insurance underwriting and brokerage. The term does not include companies engaged in activities authorized pursuant to section 4(c)(8).

(3) Foreign bank. The term "foreign bank" has the same meaning as the term has under section 1(b)(7) of the International Banking Act. It means any organization organized under the laws of another country or a territory of the United States, Puerto Rico, Guam, American Samoa or the Virgin Islands that is engaged in the business of banking.

(4) Insured depository institution. The term "insured depository institution" includes any insured bank as that term is defined in section 3(h) of the Federal Deposit Insurance Act and any insured institution. The latter term is defined in section 2(j) of the Bank Holding Company Act to mean a Federal savings and loan association, a Federal savings bank, a building and loan association, a Federal savings bank, a building and loan association, savings and loan or homestead association or a cooperative bank, the accounts of which are insured by the Federal Deposit Insurance Corporation. A definition of insured depository institution has been added because in general the provisions of the FSHCA that apply to banks also will apply to savings and loan associations owned by a financial service holding company.

(5) Zone 1 and Zone 2. The terms Zone 1 and Zone 2 refer to the highest capital zones defined in section 35 of the Federal Deposit Insurance Act. These zone classifications generally determine the permissible activities for financial services holding companies.

(6) Zone 1 Financial Services Holding Company. The term Zone 1 financial services holding company means any financial services holding company that qualifies as a Zone 1 financial services holding company pursuant to section 35(d)(2) of the Federal Deposit Insurance Act, that is, holding companies that have well-capitalized banks.

(7) Functional Regulator. The term functional regulator is defined as the Federal or State regulator that has supervisory authority concerning the activities of a non-banking company that is part of a financial services holding company. The functional regulator for a securities affiliate is the Securities and Exchange Commission and for an insurance affiliate is the state insurance commissioner.

(8) New Financial Activity. The term new financial activity means any activity authorized pursuant to section 4(c)(8) after the effective date of the Financial Services Holding Company Act and securities and insurance activities pursuant to section 4(c) (15) or (16) respectively. It does not include any activities authorized by the Board of Governors of the Federal Reserve Board pursuant to the closely related standard under section 4(c)(8) of the Bank Holding Company Act prior to the effective date of the Financial Services Holding Company Act of 1991.

(9) Qualified Financial Activity. The term qualified financial activity means those activities authorized pursuant to section 4(c)(8), (c)(15), and (c)(16). The term qualified financial activities includes those activities authorized by the Board of Governors of the Federal Reserve System pursuant to the closely related standard under 4(c)(8) of the Bank Holding Company Act as in effect prior to the effective date of the Financial Services Holding Company Act of 1991.

(10) Financial Affiliate. The term financial affiliate means any company that is controlled by a financial services holding company that is engaged in the United States in qualified financial activities and any company controlled by a diversified holding company that is engaged in similar activities.

SECTION 202. ACQUISITION OF BANKS

Section 202 amends the application procedures in section 3 of the Bank Holding Company Act of 1956 for bank acquisitions. It also applies to acquisitions of savings and loan associations by financial services holding companies. This represents a different approach than under the Bank Holding Company Act in which the acquisitions of savings and loan associations were included in the provisions of section 4 dealing with non-banking activities. The amendments add new expedited procedures for acquisitions of insured depository institutions by Zone 1 financial service holding companies and new procedures for acquisitions of financial services holding companies by diversified holding companies.

The grandfather provisions in section 2 of the Bank Holding Company Act that except certain institutions from the definition of bank will remain in the FSHCA. Any loss of the grandfather exception pursuant to the current provisions will result in the parent company becoming a financial services holding company to the same extent as a loss of the grandfather provision would have caused such parent company to become a bank holding company.

Subsection (a)(1)(A) amends section 3(a) to make it unlawful for any bank or savings and loan association to become a financial services holding company or a diversified holding company. This changes current law which permits banks to be holding companies. This does not apply to foreign banks with insured branches in the United States, which would otherwise be subject to the bar because they are defined to be insured banks.

Subsection (a)(1)(B) amends section 3(a)(3) of the Bank Holding Company Act, which prohibits the acquisition of more than 5% of a bank without the prior approval of the appropriate Federal banking agency, to encompass acquisitions of insured depository institutions, financial services holding companies, or diversified holding companies. This is necessary because branches are legally part of the foreign bank and foreign banks that do not take advantage of the new financial activities of the FSHCA are permitted to own banks directly, as under present law.

Subsection (a)(1)(C) amends section 3(a)(3) of the Bank Holding Company Act to provide that companies that were bank holding companies on December 31, 1992 will be financial services holding companies as of January 1, 1993 without obtaining the approval of the appropriate Federal banking agency. This exemption is a one-time exemption for bank holding companies becoming financial services holding companies as a result of the enactment of this legislation. It applies to both companies regulated as bank holding companies and non-bank bank holding companies which will be financial services holding companies after the effective date of the Financial Services Holding Company Act, but which will maintain their exempt status.

Subsection (a)(1)(D) permits reorganizations of banks into holding companies without obtaining the prior approval of the appropriate Federal bank agency if, after the reorganization, the bank's shareholders will have substantially the same proportional share interest in the holding company as they had in the bank, the bank meets the requirements for Zone 1 or Zone 2 capital, the holding company only engages in managing and controlling banks or insured institutions after the reorganization and the holding company provides 30 days prior written notice.

Subsection (a)(2)(A) makes technical amendments to the notice and hearing requirements in section 3(b) of the Bank Holding Company Act to provide that the appropriate Federal banking agency will notify the other appropriate Federal banking agency and the State banking supervisor, if appropriate, when it receives an application for a bank acquisition. Section 3(b) of the Bank Holding Company Act provides that the Federal Reserve Board is to notify the Comptroller of the Currency and the State banking supervisor upon receipt of an application to acquire a national bank or State bank as appropriate. Under the Financial Services Holding Company Act there may be instances in which the appropriate Federal banking agency for a particular holding company must notify the other appropriate Federal banking agency because an application has been received to acquire a bank subject to the latter's authority. The amendment will insure that such notification is provided.

Subsection (a)(2)(B) makes a technical amendment replacing the reference to Comptroller of the Currency with a reference to the other appropriate Federal banking agency.

Subsection (a)(3) amends the factors that an appropriate Federal banking agency can consider in evaluating a bank acquisition, merger, or consolidation under the FSHCA to include the safety and soundness of the insured depository institution to be acquired or of the insured depository institutions that are currently controlled by the holding company.

Subsection (a)(4)(A) redesignates certain subsections of section 3 of the Bank Holding Company Act to provide for the inclusion of the following new section establishing expedited procedures for acquisitions of additional banks by Zone 1 financial services holding companies and acquisitions involving diversified holding companies.

Subsection (a)(4)(B) establishes expedited procedures for acquisitions of additional insured depository institutions by Zone 1 financial services holding companies. The expedited procedures provide for a shorter time period for consideration of the application. The other appropriate Federal banking agency and the State banking supervisors have 21 days after receipt of notice of the application from the appropriate Federal banking agency to recommend disapproval. The appropriate Federal banking agency has 45 days to act on the application from the date a complete application is received. If the appropriate Federal banking agency fails to act, the application will be considered approved. The 45-day period can be extended if the other appropriate Federal banking agency or the State banking supervisor recommends disapproval for one of the reasons established in the FSHCA. If one of the other agencies recommends disapproval, the appropriate Federal banking agency must follow the regular procedures for a hearing. The time period can also be waived in the event of an emergency acquisition.

The grounds for disapproval are the current anticompetitive provisions and the safety and soundness of the institutions to be acquired and the institutions controlled by the holding company. The application can also be disapproved if the financial services holding company does not or would not continue to qualify as a Zone 1 financial services holding company or if the appropriate Federal banking agency finds that such an acquisition is not consistent with the convenience or needs of the community.

Subsection (a)(4)(B) also provides that the appropriate Federal banking agency may not permit any acquisition, merger, or consolidation of a financial services holding company that involves a diversified holding company, including an application by a company to become a diversified holding company, unless the diversified holding company will become or is in Zone 1 and any financial services holding company that is the subject of the transaction must be a Zone 1 company as a result of the transaction. Consequently, a diversified holding company could acquire a financial services holding company that is not in Zone 1; however, as part of the acquisition, the diversified holding company must take the steps necessary to raise the capital of the financial services holding company to Zone 1. The same factors used to evaluate bank acquisitions are applicable to acquisitions of financial services holding companies.

The limits on the exemption for companies that own non-bank banks in the Bank Holding Company Act will remain in place including the restrictions and limitations on activities. As in the Bank Holding Company Act, if a non-bank bank holding company wants to change or in fact changes its activities in a manner that is not contemplated by its grandfather provisions, it will either have to comply with the provisions of the FSHCA or divest the bank.

Subsection (b) contains conforming amendments.

SECTION 203. INTERESTS IN NONBANKING ORGANIZATIONS

Section 203 replaces the current closely related standard in the Bank Holding Company Act for determining whether an activity is permissible for bank holding companies with a standard that requires a determination of whether the activity is of a financial nature. In addition the section replaces the application procedures concerning nonbanking activities and adds expedited procedures for Zone 1, financial services holding companies that want to take advantage of the securities, insurance, or other activities. The section also authorizes the appropriate Federal banking agencies to adopt funding firewalls.

Paragraph (a)(2)(B) amends subparagraph 4(a)(2)(A) of the Bank Holding Company Act to provide that financial services holding companies cannot be banks. This is accomplished by deleting the phrase "of banking or" from the description of activities that are permissible for holding companies. Foreign banks that are bank holding companies are permitted to carry on banking activity in the United States if they own a bank, if such activity is otherwise permitted through a branch or agency as those terms are defined in the International Banking Act of 1978 (12 U.S.C. 3101 *et seq.*). This is necessary because branches are legally a part of the foreign bank and would be barred from controlling banks without the exception.

Subsection (a)(2)(C) provides that financial services holding companies themselves may only engage directly in activities that were approved by the Board of Governors of the Federal Reserve System pursuant to the closely related standard in section 4(c)(8) of the Bank Holding Company Act. Financial services holding companies themselves will not be permitted to engage directly in any new activities that may be approved under the "financial nature" standard or in the securities or insurance activities authorized pursuant to 4(c)(15) and 4(c)(16) respectively.

However, insurance companies organized in mutual form or as reciprocal inter-insurance exchanges will be able to be financial services holding companies. The reason for the exception for these types of insurance companies is that they are organized in mutual form and therefore cannot be owned by a financial services holding company as a subsidiary pursuant to section 4(c)(16). All of the limitations and restrictions that would apply to the insurance affiliate would apply to a holding company engaged in insurance through these exceptions. Also, holding companies will be permitted to engage in the insurance activities authorized pursuant to section 4(c)(8).

Subsection (a)(3) deletes the provision of section 4(c)(8) of the Bank Holding Company Act that contains the "closely related" standard for determining whether activities are permissible for bank holding companies and replaces it with a "financial nature" standard. Activities that were determined to be "closely related" by regulation under the Bank Holding Company Act will be considered to be activities permissible under the "financial nature" standard. It is anticipated that the appropriate Federal banking agencies will republish or adopt the list of preapproved activities under section 4(c)(8) of the Bank Holding Company Act. Any bank holding company that was engaged in activities pursuant to an order or regulation under section 4(c)(8) may continue to engage in such activity after January 1, 1993 provided that the order or regulation is still in effect on December 31, 1992.

The section specifically addresses the continued ownership and control of companies by financial services holding companies that are engaged in underwriting and dealing in securities that national banks cannot underwrite and deal in (Section 20 subsidiaries). Bank holding companies that control such Section 20 subsidiaries and become financial services holding companies as a result of enactment of the FISCCA can continue to operate such subsidiaries for three years after enactment of the FISCCA. During the three year period, the section 20 subsidiaries will be subject to the conditions and limitations imposed by the Board of Governors in authorizing the activity including the activities that the subsidiaries can engage in, the revenue limitations, and the funding limitations. During the three year period, the holding companies will be exempt from the requirement that they must be in Zone 1 to conduct such underwriting and dealing activities. At the end of the three year period, the holding companies must be in compliance with the requirements of Zone 1 and file a notice to convert the section 20 subsidiary into a section (4)(c)(15) subsidiary if they intend to continue to engage in such activities.

The subsection also amends section 4(c) to provide that holding companies can only engage in insurance activities in a subsidiary authorized pursuant to 4(c)(16), except for those activities authorized for subsidiaries in section 4(c)(8) and directly if the financial services holding company is an insurance company organized in mutual form.

The section amends the Bank Holding Company Act to permit the establishment of securities and insurance affiliates upon the effective date of the Financial Services Holding Company Act. Securities affiliates can engage in a full range of securities activities. These activities include underwriting, distributing, and dealing in any type of securities without limitation. Securities affiliates also can organize, sponsor, control, and distribute shares of any registered investment company. Other permissible activities include full service securities brokerage, private placement, and investment advisory activities as well as other securities activities permitted for brokers or dealers registered under the Securities Exchange Act or for investment advisers registered under the Investment Advisers Act.

A financial services holding company that acquires control of a securities affiliate must not permit a depository institution it controls to engage in any securities activity except to the extent specifically permitted by statute, regulation, or order promulgated by the Comptroller of the Currency as of the date of enactment of the Financial Institutions Safety and Soundness Act. This language, in combination with the restrictions on bank activities as a result of amendments to the Glass-Steagall Act and the Securities Exchange Act of 1934, means that if a financial services holding company establishes a securities affiliate it cannot permit its bank subsidiary to engage in distributing general obligation bonds and mortgage backed securities. Brokerage activities will have to be transferred from the bank to a subsidiary of the bank or a holding company affiliate pursuant to section 4(c)(8) and 4(c)(15) with certain exceptions.

New paragraph (c)(15)(C) makes this requirement equally applicable to branches and agencies of foreign banks, and commercial lending companies owned by foreign banks. This provision will be effective with respect to branches and agencies beginning three years after enactment of this Act. After that time, no foreign bank will be able to maintain in the U.S. both affiliates undertaking new financial activities and branches and agencies of the bank itself.

Financial services holding companies will be able to establish insurance affiliates that provide insurance as principal, agent or broker without any geographic or product limitations pursuant to section 4(c)(16). However, a financial services holding company that establishes an insurance affiliate may not permit an insured depository institution

it controls to provide insurance as agent or broker including insurance for which the affiliate acts as principal, agent, or broker unless the laws of the State in which the State bank is located permit State-chartered banks to provide insurance as agent or broker or to the extent permitted by law for national bank subsidiaries. Foreign bank branches, agencies, and commercial lending company subsidiaries are subjected to a similar limitation.

Subsection (a)(4) adds a new notice provision in new subsection (j) to section 4 of the Bank Holding Act. This requires companies that become financial services holding companies to give at least 45 days notice to the appropriate Federal banking agency before engaging in, or acquiring or retaining ownership or control of the shares of a company engaged in, the nonbanking activities described in subsection (c)(8) (activities of a financial nature), (c)(15) (securities activities), or (c)(16) (insurance activities).

The appropriate Federal banking agency must define, by regulation or on a case-by-case basis, the contents of the notice. Only information relevant to the nature and scope of the proposed transaction or activity and to the agency's evaluation of the general standards of review (under paragraph 2) and any additional capital requirements (pursuant to subsection (k)), as appropriate, may be requested by the agency.

The agency may disapprove an activity or transaction by issuing an order to the holding company setting forth the reasons for dissapproval before the end of 45 days following receipt of the notice. The 45-day period may be extended an additional 30 days.

Expedited notice procedures are provided for Zone 1 financial services holding companies. Under the expedited procedures, a Zone 1 financial services holding company that intends to commence de novo through a subsidiary (but not through the acquisition of a company) any activity authorized under section 4(c)(15), 4(c)(16), or an activity that has been determined by regulation to be of a financial nature, must file a notice with the appropriate Federal banking agency 30 days after commencement of the activity. In order to engage in activities pursuant to section 4(c)(15), 4(c)(16) and 4(c)(8) through the acquisition of a company, a Zone 1 financial services holding company must file a notice 30 days before such acquisition. The notice will be deemed to be approved unless, within the 30 day period after receipt of the notice, the agency issues an order stating the reasons for disapproval.

A holding company may proceed with a proposal immediately if it receives written notification of approval from the agency. With respect to particular activities, the agency may eliminate the notice requirement or shorten the notice period. With respect to a proposal to engage in, directly or indirectly, a (c)(8) activity not previously approved, the agency may extend the notice period for an additional 90 days.

In considering a notice under this subsection, the agency must generally evaluate the proposal using the following criteria: managerial resources; financial resources, including capital; any material adverse effect on the safety and soundness or financial condition of an affiliated depository institution; and, as to (c)(8) activities, whether there is any reasonable expectation of a public benefit that would outweight any possible adverse effects.

Notwithstanding the above, an agency must disapprove a proposal under this subsection if any insured bank controlled by the holding company is engaging in an unsafe or unsound practice or is in an unsafe or unsound condition.

An agency may only disapprove a proposal by a Zone 1 holding company under this subsection if the holding company is engaging in an unsafe or unsound practice or is in an unsafe and unsound condition or the agency finds that the holding company does not qualify as a Zone 1 holding company.

Subsection (j) of section 4 of the Bank Holding Company Act provides that bank holding companies that become financial services holding companies may only engage in, or acquire or retain the shares of a company engaged in, new financial activities, as defined in section 2(a)(4) of the Bank Holding Company Act, if the holding company is in Zone 1 or it meets the following capital requirements: (1) the capital of each insured bank controlled by the company is above the mean capital level of the range for insured banks in Zone 2; and, (2) the holding company is making substantial progress toward qualifying as a Zone 1 holding company.

Subsection (k) of section 4 of the Bank Holding Company Act provides that any holding company that engages in, or controls a company engaged in, any new financial activity and does not qualify as a Zone 1 holding company within the time specified by the appropriate Federal banking agency shall be subject to the prompt corrective action provisions of section 35(d)(6) of the Federal Deposit Insurance Act.

Subsection (l) of section 4 of the Bank Holding Company Act places limitations on the activities of securities and insurance affiliates of holding companies. Securities affiliates, affiliates engaged in securities activities under section (c)(8), or insurance affiliates must prominently disclose in writing to their customers that they are not insured institutions and are separate from any insured institution, and that their securities or insurance products are not insured deposits, are not guaranteed by any affiliated insured institution, and are not otherwise obligations of the affiliated institutions (unless such is the case). The affiliates engaged in such insurance or securities activities must obtain from their customers an acknowledgment that such notice has been received and the date of receipt, and name, address, and account number of the customer.

Pursuant to subsection (1), the Securities and Exchange Commission may adopt regulations in consultation with the appropriate Federal banking agencies regarding the disclosures required of securities affiliates and affiliates engaged in securities activities under section 4(c)(8). The banking agencies may adopt regulations under this subsection for disclosures required by insurance affiliates or affiliates engaged in 4(c)(8) activities, other than securities activities.

The appropriate Federal banking agency may adopt regulations to limit disclosure of nonpublic customer information between an insured depository institution and its affiliates (including a creditworthiness evaluation of an issuer or other customer of the insured depository institution or its subsidiaries, or a financial, securities, or insurance affiliate).

The appropriate Federal banking agency also may issue regulations or orders limiting or restricting insured depository institutions owned by holding companies from providing financial support, purchasing or selling assets, or issuing guarantees, letters of credit, or other credit facilities to or for the benefit of an affiliate engaged in new financial activities or a customer of such affiliate. The agency must adopt such limitations or restrictions as it deems appropriate to limit potential adverse effects, such as unfair competition, conflicts of interest, and unfair banking practices. No insured depository institution and customer of an affiliate engaged in such activities may enter into transactions to evade those restrictions.

Subsection (m)(1) of section 4 of the Bank Holding Act permits a holding company to own or control voting shares of a company engaged in activities that are not permitted for financial services holding companies in two circumstances. First, the shares must have been acquired before January 1, 1993, and the total investment in the shares must not exceed five percent of the holding company's capital and surplus on a consolidated basis. Second, the shares must have been acquired and held by a securities affiliate as part of a bona fide underwriting or investment banking activity and will be held only for such period of time as will permit their sale on a reasonable basis consistent with the nature of such investment banking activity.

The effect of the first provision is that companies that become financial services holding companies may keep subsidiaries or investments in companies engaged in activities not permitted for the holding company if the shares were acquired before January 1, 1993, and the percentage limitation is met. The effect of the second provision is that a securities affiliate can engage in investment banking or underwriting activities without limitation. The intent is not to inhibit the usual investment activities of securities firms. This means that a financial services holding company securities affiliate could retain or acquire control of a company engaged in activities not permissible for the holding company. In order to protect the insured depository institution, the firewalls applicable to the diversified holding company will apply to companies in which the financial services holding company or a securities affiliate hold shares pursuant to this provision.

Subsection (m)(2) of section 4 of the Bank Holding Act requires a holding company that loses the exemption in paragraph (1)(A) to divest ownership and control of all companies engaged in activities not authorized by subsection (b) or (c) within 180 days of losing the exemption. If the paragraph (1)(B) exemption is lost, the holding company must divest ownership and control within 15 days of that loss. If the paragraph (1)(C) exemption is lost, the holding company must, within 180 days of that loss, divest ownership and control of a sufficient number of shares so that the aggregate investment of the holding company and its subsidiaries permits the company to requalify for the exemption.

SECTION 204. DIVERSIFIED HOLDING COMPANIES

This section sets out the framework pursuant to which commercial firms can affiliate with banks. Diversified holding companies may only own well-capitalized banks. Strict firewalls prohibit all forms of lending between a financial services holding company, including all its banking and nonbanking subsidiaries, and the diversified holding company. While a diversified holding company may choose to have financial companies either inside or outside the financial services holding company, those that stay outside the financial services holding company will be subject to the most restrictive firewalls plus any discretionary firewalls the appropriate Federal banking agencies may impose on the financial companies inside the financial services holding company.

Thus, the first part of section 204 provides that diversified holding companies can acquire a financial services holding company, but only if, after the transaction, the financial services holding company meets the requirements for Zone 1. The purpose of this provision is to ensure that affiliations between commercial firms and banks will only take place if the banks are well-capitalized.

In addition to the requirement that financial services holding companies be in Zone 1, this section establishes a number of "firewalls" to protect the insured bank or thrift. These firewalls provide that financial services holding companies and their subsidiaries (1) may not extend credit to an affiliated diversified holding company or its affiliates that are not controlled by a financial services holding company; (2) may not purchase for its own accounts the financial assets or securities of an affiliated diversified holding company or its affiliates, that are not controlled by a financial services holding company; (3) may not issue a guarantee, acceptance, or letter of credit to an affiliated diversified holding company or its affiliates, that are not controlled by a financial services holding company; and (4) may not extend credit to any customer of the diversified holding company or its affiliates other than on an arm's length basis, subject to the provisions of Section 23B of the Federal Reserve Act.

Third, unless the transactions are specifically prohibited, the firewalls provided for in section 4(1) of the FSHCA shall apply to diversified holding companies and their affiliates not otherwise controlled by a financial services holding company.

Fourth, a diversified holding company and any of its affiliates that purchase and sell real property as principal, agent, or broker or provide insurance as principal, agent, or broker may market such service jointly with any affiliated insured depository institution, provided the depository institution is permitted to engage in the activity by the State where the service is to be offered.

These restrictions are to be applied to foreign banks and their U.S. affiliates in the same manner and to the same extent as to U.S. organizations. The territorial limitation is necessary so that affiliate operations located outside the U.S. are not adversely affected by these firewalls.

SECTION 205. ADMINISTRATION

Section 205 creates a new section 6 which provides in subsection (a) that financial services holding companies register with the appropriate Federal banking agency within 180 days of becoming a financial services holding company. Registration shall be documented on forms prescribed by the appropriate federal banking regulators, which shall include information concerning the financial condition and operations, management, and inter-company relationships of the registrant and its affiliates, as well as any additional information deemed appropriate by the regulators. The regulators retain the discretion to extend the registration period beyond 180 days.

Subsection (6)(b) requires the Federal banking agencies to adopt and publish final joint regulations implementing this Act by January 1, 1993. After the implementing regulations are adopted, the appropriate Federal banking agencies do not have to issue joint regulations but they do have to provide each other with notice and opportunity to object to proposed rules or other policy changes. The appropriate Federal banking agencies shall provide the other Federal banking agencies with at least 60 days notice with respect to any proposed formal policy changes affecting diversified or financial services holding companies or any of their subsidiaries or affiliates. If one agency objects to the proposed policy change of another agency, the change may not be implemented without the written consent of the objecting agency.

Section 6(c) sets forth the recordkeeping and reporting requirements that may be imposed by the appropriate Federal banking agency on a financial services holding company and a diversified holding company. It also sets forth the examination authority with respect to a financial services holding company and affiliates it controls, a diversified holding company, and affiliates of the diversified holding company that are not controlled by a financial services holding company. Nothing in section 6(c) is intended to limit the sharing of records by banking agencies with appropriate law enforcement authorities.

Subsection (c)(1)(A) contains the authority for the appropriate Federal banking agency to impose recordkeeping requirements on a financial services holding company to enable monitoring of the financial and operational risk to insured depository institutions in a holding company structure from an affiliated diversified holding company and its financial affiliates that are outside the control of the financial services holding company.

Specifically the financial services holding company is required to obtain such information and make and keep such records as the appropriate Federal banking agency may prescribe concerning the policies and procedures for monitoring and controlling financial and operational risks to insured depository institution subsidiaries of the financial services holding company from the activities of a diversified holding company controlling the financial services holding company and from the activities of financial affiliates of the diversified holding company that are not controlled by the financial services holding company. The required records shall describe the activities conducted by the diversified holding company, and its financial affiliates that are not controlled by the financial services holding company, that are likely to have a material impact on the financial or operational condition of the insured depository institution subsidiaries of the financial services holding company. The records shall also describe the sources of capital and funding of any such activities.

Subsection (c)(1)(B) provides that the appropriate Federal banking agency may require a financial services holding company and its insured depository institution subsidiaries to file reports under oath to keep the appropriate Federal banking agency informed as to compliance with the provisions of the Act and regulations and orders issued thereunder. For insured depository institution subsidiaries for which the primary regulator is the other appropriate Federal banking agency, the appropriate Federal banking agency is required to consult with and, to the extent possible, use reports obtained by the other agency.

Subsection (c)(1)(C) provides that the appropriate Federal banking agency may require the financial services holding company, and any affiliate it controls, to file reports if the agency reasonably believes that the activities or financial condition of any such companies are likely to have a material impact on the financial or operational condition of any insured depository institution subsidiary, or a subsidiary of the insured depository institution. This permits the appropriate Federal banking agency to obtain additional information if, based on information obtained from the records and reports described above, the agency has concerns about the impact on any insured depository institution of the activities of the financial services holding company or affiliates it controls.

Where the affiliate or financial services holding company has a functional regulator, as defined in section 2 of the Act, the appropriate Federal banking agency is required to consult with and, to the extent possible, use reports obtained by, that functional regulator. A functional regulator is defined as a Federal or State agency that has supervisory authority over the activities of a company that are of concern to the appropriate Federal banking agency under this subsection. As a result, consultation is only required if the functional regulator examines the specific activities that the appropriate Federal banking agency believes are to have a material impact on the depository institutions.

Subsection (c)(1)(D) provides similar authority to require reports from an affiliated diversified holding company and financial affiliates of the diversified holding company that are not controlled by a financial services holding company.

Subsection (c)(1)(E) provides for reciprocal access to reports, other than examination reports, among the appropriate Federal banking agencies and the functional regulators, if any, for financial affiliates and diversified holding companies, if the agency or regulator reasonably believes that the activities or financial condition of an affiliate could have a material impact on the company for which the agency or regulator has responsibility.

Subsection (c)(1)(F) provides that any reports obtained from another agency or regulator may not be disclosed to the public by the recipient agency and shall not be disclosed to any other agency or the Congress except as permitted by law. Furthermore, reports obtained from another agency or regulator may be used only for purposes of determining if a material impact on a given entity exists, or as otherwise permitted by law. The reports may not be used to carry out other supervisory responsibilities of the recipient agency or regulator. As noted above, however, nothing in subsection (c) is intended to limit the sharing of records by banking agencies with appropriate law enforcement authorities.

Subsection (c)(2) provides for general authority to examine a financial services holding company and its insured depository institution subsidiaries, as well as more limited authority to examine other affiliates controlled by the financial services holding company, a diversified holding company and its financial affiliates. Under subsection (c)(2)(A), the appropriate Federal banking agency is given general authority to examine a financial services holding company, its insured depository institution subsidiaries, and other affiliates under its control. Wherever appropriate, the appropriate Federal banking agency is required to consult with and, to the extent possible, use the report of examination made by the other appropriate Federal banking agency. This is intended to encourage the regulator of a financial serivces holding company to use examination reports made by the other appropriate Federal banking agency with respect to an insured depository institution within the holding company structure for which the other appropriate Federal banking agency is the primary regulator.

Subsection (c)(2)(B) authorizes the appropriate Federal banking agency to examine the financial services holding company and any affiliate under its control to determine whether such company or affiliate is engaged in any transaction that would violate the restriction set forth in sections (4)(1) and 5(c), or to determine compliance with sections 35 (f) and (g) of the Federal Deposit Insurance Act if either is applicable because an insured bank controlled by the financial services holding company is within Zone 3 or Zone 4, as defined in section 35. The appropriate Federal banking agency is also authorized to conduct such examinations if the agency reasonably believes that the company or affiliate is engaged in a particular transaction or a course of conduct that may constitute a material risk to any insured depository institution subsidiary.

The appropriate Federal banking agency is directed to use examination reports prepared by the functional regulator, if any, of the holding company or financial affiliate. If the examination report does not contain the information necessary to identify any violations of sections 4(1) and 5(c), or assure compliance with sections 35 (f) and (g), if applicable, or if it does not contain the information necessary to determine if there is a material risk to an insured depository institution, then the appropriate Federal banking agency may request the functional regulator to conduct an examination to obtain such information. If the regulator does not do so within a reasonable period of time, then the appropriate Federal banking agency may conduct the examination after notifying the functional regulator.

Subsection (c)(2)(C) contains similar examination authority with respect to a diversified holding company and its financial affiliates that are not controlled by a financial services holding company.

Subsection (c)(2)(D) authorizes the functional regulator of a financial affiliate to examine an affiliated insured depository institution if the regulator reasonably believes that such institution is engaged in a particular transaction or course of conduct that may constitute a material risk to the financial affiliate. Similar to the procedure described above, the functional regulator is first required to attempt to obtain the necessary information through the appropriate Federal banking agency for such insured depository institution.

Subsection (c)(2)(E) authorizes the appropriate Federal banking agency to examine any nonfinancial affiliate of a diversified holding company in order to determine whether the affiliate is engaged in a particular transaction that would violate section 5(c).

Subsection (c)(2)(F) provides that the cost of examinations of a diversified holding company and any affiliate not controlled by a financial services holding company shall be assessed against the company that is the subject of the examination. The cost of examinations of a financial services holding company and its subsidiaries shall be assessed against the financial services holding company.

Subsection (d) makes clear that the mere transfer of records pursuant to section 205 of the Act does not in itself constitute a waiver of any privilege that may apply to that record (*e.g.*, attorney-client privilege, attorney work product doctrine).

Section 6(f) provides the appropriate Federal banking agencies with additional enforcement authority. First, an appropriate Federal banking agency may institute cease and desist proceedings or issue a temporary order requiring the holding company to cease and desist engaging in the activity in question to prevent any significant dissipation of assets or earnings of the insured depository institution. This authority applies to a diversified holding company or financial services holding company controlled by the diversified holding company or any of its affiliates. The appropriate Federal banking agency may take such action when it has reasonable cause to believe that (1) any financial affiliate of an insured depository institution is engaged in activities in such a manner as to constitute a serious risk to the financial health of the insured depository institution, or (2) the diversified or financial services holding company controlled by the diversified holding company or any affiliate is in danger of defaulting and thereby causing the insolvency or a significant dissipation of assets of the insured depository institution.

If the diversified or financial services holding company fails to comply with the order discussed above, the appropriate Federal banking agency may order the holding company to divest itself of the offending nonbank affiliate within 120 days. Due notice and an opportunity for hearing must be provided prior to any order to divest. A holding company may divest by selling the affiliate to a third party or by a pro rata distribution of the shares of the affiliate to all of the shareholders of the distributing holding company. The appropriate federal banking agency may enforce any order issued under this subsection in the United States District Court within the jurisdiction of which the principal office of the offending holding company is located.

Section 6(g) provides that the appropriate Federal banking agency may enforce any order issued under this subsection in the United States District Court for the District of Columbia, in the judicial district in which the proceeding is being conducted, or in the district where the witness resides or carries on business. This section also authorizes the appropriate Federal banking agency to issue witness subpoenas and subpoenas duces tecum in the course of any application, examination, investigation, or other proceedings under this chaper. Subpoenas may be issued under regulations adopted by the appropriate banking agency. Service of subpoenas is in accord with the Federal Rules of Civil Procedure, including service outside the jurisdiction of the United States. Witnesses subpoenaed under this subsection are accorded the standard fees and expenses of witnesses.

Subpoenas may be enforced in the United States District Courts. Courts before which enforcement actions are brought are authorized to award attorneys fees as they deem just and proper. Finally, willful failure or refusal to testify or produce documents pursuant to a subpoena can be punishable by up to one year in prison or by a fine of up to $1,000, or both.

SECTION 206. RESERVATION OF RIGHTS TO STATES: PRE-EMPTION OF ANTI-AFFILIATION PROVISIONS

Section 206 amends section 7 to continue the current law's existing requirement that the Bank Holding Company Act not be construed so as to diminish the existing or future powers and jurisdiction of any State regarding companies, banks, diversified holding companies, financial services holding companies, and any of their subsidiaries. The only change in the existing reservation of rights to states substitutes the terms "diversified holding company" for the term "bank holding company."

Subsection 7(b) creates three exemptions from the reservation of rights to the States, whereas existing law includes none. First, no State law shall prevent or impede any insured depository institution (or any related entity) from being or becoming a subsidiary or affiliate of a financial services holding company (or any related entity) because of the activities engaged in by either the depository institution (or the related entity) or the financial services holding company (or the related entity).

Second, no State law shall prevent or impede any financial services holding company (or any related entity) from acquiring, owning, controlling, or affiliating with any insured depository institution (or any related entity) because of the activities engaged in by either the depository institution (or the related entity) or the financial services holding company (or the related entity).

Third, no State law may prevent or impede any insured insured depository institution (or any related entry) from (1) offering or marketing the products or services of any affiliated financial services holding company (or related entity) or (2) having its own products or services offered or marketed by any affiliated financial services holding company (or related entity). However, cross marketing of insurance and real estate products and services in insured depository institution affiliates is permitted only to the extent such activities are permitted for State banks in the particular State in which the products or services are to be offered. The third exemption does not preempt any State law governing the examination, supervision, or regulation of financial service providers or the protection of consumers, unless such a law is inconsistent with the purposes of the Bank Holding Company Act (in which case the State law will be preempted only to the extent of the inconsistency).

The provisions of subsection (b) apply to foreign bank branches, agencies, and commercial lending companies as these terms are defined in the International Banking Act of 1978.

SECTION 207. PENALTIES

Section 207 amends section 8 of the Bank Holding Company Act of 1956, as amended by section 907(j) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (codified as 12 U.S.C. 1847 (1989)), by striking the vague term "profit significantly" and replacing it with the term "obtain anything of value," which is broadly construed to include intangibles as well as tangible items (*e.g.*, *United States v. Girard*, 601 F.2d 69, 71 (2d Cir.), *cert. denied*, 444 U.S. 871 (1979)) (bribery prosecution); and to focus on the worth attached to the item by the defendant rather than its commercial value (*e.g.*, *United States v. Williams*, 705 F.2d 603, 622–23 (2d Cir.), *cert. denied*, 464 U.S. 1007 (1983) (bribery prosecution). This section also would strike the last paragraph from subsection 8(a) of the Bank Holding Company Act, since the subsection addresses conduct best addressed by amending 18 U.S.C. 1005. A conforming amendment to 18 U.S.C. 1005 is made at section 618 of the FISCCA.

The civil penalty provisions in subsection (g) are intended to be in addition to, and not a substitute for, any criminal punishment or administrative sanction that may apply to the same conduct. A civil penalty awarded under this subsection is intended to be compensatory, not punitive, and therefore it avoids any double jeopardy issue under *United States v. Halper*, 490 U.S. 435 (1989). The

phrase "forfeit and" has been deleted from the draft provision in order to avoid confusing this civil penalty provision with civil forfeiture for purposes of *Halper* analysis.

SECTION 209. ANTITRUST TRUST REVIEW

Section 209 amends section 11(b)(1) of the Bank Holding Company Act, 12 U.S.C. 1849 (b)(1) and section 18(c)(6) of the Federal Deposit Insurance Act, 12 U.S.C. 1828 (c)(6), to permit, with the concurrence of the Attorney General, elimination or reduction of the special five-day period for consummation of certain mergers and acquisitions.

SECTION 212. APPLICATION OF THE LIMITATIONS ON TYING ARRANGEMENTS AND INSIDER LENDING TO FINANCIAL SERVICES AND DIVERSIFIED HOLDING COMPANIES

Section 212 replaces the term "bank holding company" with "financial services holding company" and "diversified holding company" in that portion of the Bank Holding Company Act Amendments of 1970 governing tying arrangements and in that portion of the Federal Reserve Act governing insider loans. In addition, section 212 adds specific transactions to the prohibited tying arrangements listed in the Bank Holding Company Act of 1970. Generally, a financial services holding company and any of its nonbank subsidiaries and a diversified holding company and any of its subsidiaries may not in any manner provide products or services, or set or vary the cost of such products or services, on the condition or requirement that the customer also obtain products or services from an affiliated bank.

Two exceptions to the general prohibition are provided. First, products and services of a bank and an affiliate of a bank may be offered together and the price of the nonbank product may be varied on the condition that the customer purchases a bank product or service. This can only be offered if both the bank product and the affiliate's product are separately available to the customer at an essentially fair market price. This is to ensure that the price of the products offered on a separate basis are not so exorbitant as to force the customer to purchase both products. Second, if the bank and the nonbank products are both "core banking" products, the price can be varied on the product offered by the affiliate provided both products are separately available. Core banking products include loans, deposit, discount, and trust services. This reflects the position of the Federal Reserve Board in a recent order. Competition in the area of banking products is so strong that it is likely the products will be offered separately at fair market prices. The Federal Reserve Board may adopt any regulations necessary to carry out the purposes of the section, including restrictions on the two exceptions to the section's general prohibition.

SECTION 213. PROVISIONS EXEMPTING FINANCIAL SERVICES HOLDING COMPANIES FROM THE SAVINGS AND LOAN HOLDING COMPANY ACT

This section generally exempts financial services holding companies that own savings associations from the provisions of the Savings and Loan Holding Company Act found at section 10(a) of Home Owners Loan Act, other than financial services holding companies that are defined in section 4(f) of the Financial Services Holding Company Act (companies owning non-bank banks). Consequently, as long as a company is a financial services holding company, it is not subject to the limitations of the Savings and Loan Holding Company Act when it acquires ownership or control of a savings and loan association. It also does not need to form a separate savings and loan holding company structure to make such an acquisition.

Section 212(a) amends section 10(a) of the Home Owners Loan Act (12 U.S.C. 1467a(a)) by adding a new paragraph (5) to generally implement this exemption from the savings and loan holding company regulatory regime. Section 212(b) amends the definition of savings and loan holding company found at section 10(a)(1)(D) of the Home Owners Loan Act (12 U.S.C. 1467a(a)(1)(D)) to incorporate this exemption in the definition.

Subtitle B—Financial Activities of National Banks

SECTION 221. AMENDMENTS TO THE BANKING ACT OF 1933

This section delineates the permissible activities of national banks once the expanded securities and insurance powers of the Financial Services Holding Company Act are effective and repeals certain provisions of the Glass-Steagall Act.

Section 221 amends paragraph Seven of section 5136 of the Revised Statutes (12 U.S.C. 24 (Seven)) by adding new limitations and rights to the powers of national banks.

Subsection (a) allows national banks that do not have a securities affiliate (as that term is defined in section 2 of the Financial Services Holding Company Act) to distribute securities issued by investment companies as that term is defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3).

Subsection (a) prohibits national banks from underwriting and distributing or selling interests in a pool of assets that are originated or purchased by the national bank itself, or by the bank's affiliates in the United States. This subsection also prohibits a national bank from sponsoring, organizing or controlling an investment company registered under the Investment Company Act that is established or maintained for employee benefit accounts under section 408 of the Internal Revenue Code.

Finally, subsection (a) permits national banks to engage only in those securities activities that were specifically authorized by statute, regulation, order, or interpretation on the date of enactment of this Act. This authority does not include, however, permission to engage in the asset-backed securities activities that were prohibited, as described above.

These amendments, when combined with other provisions of the FSHCA and amendments to the securities laws, require banks to transfer some existing securities activities to an operating subsidiary of the bank or an affiliate as provided. For example, brokerage must be conducted outside the bank in a subsidiary or an affiliate pursuant to section 4(c)(8) or (15). Underwriting and distributing mortgage backed securities must be conducted in a securities affiliate pursuant to section 4(c)(15). Brokerage of affiliate securities can only be conducted in a bank lobby to the bank's retail customer base through a registered broker dealer.

Subsection (a) repeals section 20 (12 U.S.C. 377) and section 32 (12 U.S.C. 78) of the Banking Act of 1933, commonly known as the Glass-Steagall Act. Section 20 prevented any affiliate of a member bank from engaging principally in certain securities activities, and section 32 generally limited common directors, officers, and employees between investment banks and commercial banks.

SECTION 222. INSURANCE ACTIVITIES OF BANKS

This section addresses insurance activities of national banks. First, it strikes the provision in the Act of September 7, 1916, that had been classified in 12 U.S.C. 92 and repeals it as purportedly amended by the Garn-St Germain Act (section 403(b) of P.L. 97-320). This provision authorized national banks to engage in insurance activities if they have an office in towns with populations under 5,000. The provision is re-enacted as subsection (a) to remove any doubt regarding its status and to amend it to provide that a national bank located in such a place may sell insurance in that place so long as: (1) such insurance activities are confined to that place, and (2) the insurance is sold only to residents of the State in which the association is located and natural persons employed in that State.

This section also adds a subsection (b) which allows a national bank to engage in insurance brokerage in any state in which the bank has its headquarters or a branch to the extent insurance brokerage activities are permitted in that State for banks chartered in that State. This provision supersedes any limitations that would prevent exercise of such authority.

SECTION 223. AMENDMENTS TO SECTIONS 23A AND 23B OF THE FEDERAL RESERVE ACT

Section 223 prohibits a financial services holding company from permitting an insured depository institution subsidiary from engaging in any "covered transaction," as defined in 12 U.S.C. 371c(b)(7), that exceeds five percent of the insured depository institution's capital stock and surplus, unless five days' notice has been provided to the appropriate federal banking regulator of the financial services holding company and the insured depository institution.

Section 223 amends the definition of the term "affiliate" in three respects. First, it includes in the definition any mutual fund, commodity pool, or other company engaged in such activities if a member bank or any member bank affiliate is an investment advisor, commodity trading advisor, or performs substantially equivalent activities for the company. Second, under current law, a subsidiary of a member bank, other than a bank, is presumed not to be an affiliate. Section 216 narrows this presumption to encompass only subsidiaries of which the member bank owns at least 80 percent of the voting stock.

Under existing section 23A, the term "bank" includes a trust company. Section 223 restricts this definition to trust companies principally engaged in deposit taking or lending activities.

Three transactions are added to the list of covered transactions under section 23A. First, a member bank's assumption of the liability of any affiliate. Second, any transaction to enhance the marketability of securities, obligations, or assets underwritten or distributed by an affiliate, unless there is substantial participation by other lenders in the transaction. Any transaction concerning securities that a member bank may underwrite under current law is exempt. Third, any financial transaction determined by the Federal Reserve Board by regulation to be the same as any transaction described in the paragraph.

Section 23A also includes as a transaction with an affiliate any transaction by a member bank or its subsidiary with any person if any of the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate. This provision is amended to provide that such a transaction will not be deemed to be with an affiliate if the member bank approves the loan or extension of credit in accordance with substantially the same standards it has used for similar loans or extensions of credit in which the proceeds are

not transferred to or for the benefit of an affiliate and the loan or extension of credit is not made for the purpose of evading section 23A.

Current law requires collateral to secure letters of credit issued on behalf of an affiliate. Section 223 ensures that collateral is also required for letters of credit issued to affiliates. Under the existing statute, securities issued by an affiliate are not considered acceptable collateral. Section 223 extends this treatment to securities issued by the member bank. Similarly, letters of credit issued on behalf of an affiliate are not considered acceptable collateral under current law. Section 223 extends this treatment to letters of credit issued to affiliates.

Although current law exempts the purchase of securities issued by bank service corporations from the provisions of section 23A, section 223 qualifies the exemption to apply only to those service corporations that provide services solely to affiliated member banks.

Under existing section 23B, covered transactions include those with a third party in the following two cases: (1) if an affiliate has a financial interest in the third party; or (2) if an affiliate is a participant in such a transaction. Section 216 adds a third case to the list, namely, any third party who is a customer of an affiliate as defined by the Financial Services Holding Company Act of 1991, unless the member bank approves the transaction in accordance with substantially the same standards, procedures, and terms that it has applied to similar transactions with individuals who are not customers of an affiliate and the transaction is not made for the purpose of evading any of the requirements of section 23B.

Existing section 23B prohibits a member bank or its subsidiary from acquiring, during the existence of any underwriting or selling syndicate, any security if a principal underwriter is an affiliate of the bank. The only exception is if the acquisition was approved before the securities were initially offered for sale to the public by a majority of the bank's board of directors, provided those directors are not officers or employees of the bank or any affiliate. Section 223 strengthens the exception by requiring that the majority of directors not be officers, directors, or employees of the affiliate for the exception to be operable.

SECTION 224. CUSTOMER DISCLOSURES

Section 224 requires an insured depository institution to prominently disclose in writing to each of its customers that any securities or insurance products offered, recommended, or sold by the institution are not deposits, are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by the institution or any affiliate, and are not an obligation of the institution, unless such is the case.

An insured depository institution may permit securities or insurance products to be offered, recommended, or sold on the institution's premises or to an institution's customer as part of joint marketing activities with another entity, provided the other entity prominently discloses in writing that it is not an insured institution and is separate from the insured depository institution. The entity must also make the disclosures discussed above regarding the fact that the products are not automatically insured in any way. An insured depository institution must ensure that prior to the consummation of a sale, the customer acknowledges in writing the receipt of the disclosure required by this section.

The appropriate Federal banking agencies shall adopt regulations governing disclosures required by this section.

Subtitle C—Non-Banking Activities of Foreign Banks in the United States

Subtitle C permits foreign banks to enjoy the benefits of the repeal of the Glass-Steagall Act and its related laws on the same basis as domestic banks.

Subsection (a) amends section 8(a) of the International Banking Act of 1978 (IBA). Amended paragraph 8(a)(1)(A) provides that any foreign bank that has a branch, agency, or commercial lending company in the United States is subject to non-banking activity restrictions of the Financial Services Holding Company Act of 1991 (FSHCA) in subtitle A of this Act to the same extent and in the same manner as a financial services holding company. Paragraph 8(a)(1)(B) subjects companies owning the foreign banks described in 8(a)(1)(A) to the FSHCA regulation as well.

A foreign bank that does not own an insured depository institution is not, however, by reason of this subsection alone, subject to the provisions of section 3 of the FSHCA. When and if a foreign bank seeks to acquire an insured depository institution, it will be subject to the FSHCA. In addition, if a foreign bank with a branch, agency, or commercial lending company wishes to acquire a savings association, it shall be treated as a financial services holding company, and not a savings and loan holding company.

The sections also amends paragraph 8(a)(2) of the IBA to prohibit any foreign bank or company that is engaged in banking in the United States from engaging in non-banking securities and insurance activities in any manner other than as set out in amended paragraph 8(a)(3) of the IBA. Paragraph 8(a)(3) requires all foreign banks wishing to engage in the new securities, insurance or other financial activities pursuant to section 4(c) of the FSHCA to conduct their business in the U.S. only through, directly or indirectly, a single financial services holding company established in the United States. This is national treatment.

Subsection (b) of section 231 amends section 8(c) of the IBA to cause the authority under the IBA for the continued operation of certain foreign bank securities subsidiaries operating before 1978 to expire three years after the date of enactment of the FSHCA. These entities can simply apply for approval pursuant to section 4(c)(15) of the FSHCA at the appropriate time.

The net effect of this section, when combined with the phasing out of "section 20" securities affiliates of banks under section 4(c)(8) of the FSHCA, is to require foreign banks to adopt a comparable holding company structure in the U.S. as exists for domestic institutions. A foreign bank will not be entitled to maintain direct branches and agencies in the U.S. if it chooses to undertake securities activities under section 4(c)(15) of the FSCHA, or insurance activities under 4(c)(16) of that Act. Foreign banks that choose not to undertake these new activities may continue to operate their U.S. branches and agencies, and will be fully entitled to engage in interstate banking. The choice will be left to each foreign bank. It is expected that costs of converting existing branches and agencies into subsidiary operations in the U.S. will be alleviated somewhat by the fact that all existing U.S. branches and agencies can be converted into one subsidiary given the interstate branching reforms.

Subtitle D—Amendments to the Securities Acts

SECTION 241. AMENDMENTS TO THE SECURITIES ACT OF 1933

Subsection 3(a)(2) of the Securities Act of 1933 currently exempts any security issued or guaranteed by any bank from the registration provision of that Act. Subsection 3(a)(5) exempts from the registration provisions of that Act securities issued by savings and loan associations. Section 241(a) amends section 3(a)(2) to delete the exemption for bank-issued and bank-guaranteed securities and (b) amends section 3(a)(5) to eliminate the exemption from registration for securities issued by savings and loan associations and similar institutions that are supervised by a State or Federal authority. Section 241(c), which is discussed in greater detail below, also adds a new subsection (d), however, which provides that any deposit instrument which has been deemed to be a security within the definition set forth in section 2(1) of the Securities Act would be exempt from its provisions, as is the case for those classes or securities listed in section 3(a). The new subsection (d) is intended to avoid any suggestion that the language of the exemption reflects an intention that the instruments listed be treated as "securities," under the Act.

The overall purpose and effect of this amendment is to centralize regulation of all public offerings of bank-issued or bank-guaranteed securities in the SEC. Under the current exemption, the bank regulatory agencies generally have jurisdiction over offering disclosure requirements with respect to securities issued by banks under their supervision. The proposed amendment is intended to preclude uneven regulatory treatment of public offerings of bank securities as opposed to the securities of other classes of issuers. The proposed amendment, however, does not modify or alter the existing scope of the Federal securities laws regarding bank instruments, nor does it confer authority on any agency to expand, by interpretation or regulation, the coverage of the Federal securities laws over bank products and instruments.

The elimination of the special exemption for thrift securities offerings will achieve the same purposes of economy of government resources, protection of investors and uniformity of regulation described above for bank securities offerings. In this regard future thrift offerings will be treated in the same manner as already occurs under current law for offerings of thrift holding companies.

The list of banking instruments in new section 3(d) generally is based on the relevant provisions of the Federal Deposit Insurance Act, 12 U.S.C. 1813. For purposes of defining a "deposit," the list includes deposit accounts and certificates of deposit, certified checks, letters of credit, traveler's checks, non-pooled assets of individual trust funds received or held by a bank or savings association and funds held for special or specific non-investment purposes, such as escrow funds, funds held as security, and other special purposes. Further, the list includes a general provision for any bank account or instrument which is insured by the Federal Deposit Insurance Corporation, is subject to the Federal Reserve Board's deposit reserve requirements, or is regulated as a deposit by the Bureau of Financial Institutions Supervision or the Federal Reserve Board.

Subsection (d) adds an exemption under section 4 of the Securities Act of 1933 for the reorganization of a bank into a financial services holding company or the reorganization of a financial services holding company into a diversified holding company. The ex-

emption provides that the interests of the securities holders in the new holding company must be in substantially the same proportion as their interest in the bank or financial services holding company and the newly formed holding company has substantially the same assets as its predecessor.

SECTION 242. AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

The Securities Exchange Act of 1934 (the "Exchange Act") currently excludes banks from the definition of "broker." As a result, a bank may currently engage in permissible securities activities directly, subject to regulation by the appropriate bank regulator, but is not subject to regulation by the Securities and Exchange Commission under the Exchange Act. The following amendments were adapted in large part from provisions of S. 1886 passed by the Senate in 1988.

Subsection (a) amends the Exchange Act's definition of "broker" to include banks under certain specific circumstances and subject to certain specific exemptions. This is consistent with other sections of the bill that promote functional regulation: the SEC will regulate securities activities as a general rule, but the appropriate Federal banking agencies will continue to regulate certain securities activities that are closely connected to traditional banking activities.

Subsection (a) achieves this result by amending the definition of "broker" to exclude a bank except when the bank "publicly solicits" brokerage business or receives "incentive compensation" for brokerage. A bank covered by either of these exceptions will be subject to broker-dealer registration and regulation under the Exchange Act unless the brokerage activities fall within the exemptions described below.

If the bank is covered, it will be required under subsection (d) to spin off its public brokerage business into a separate corporate entity, which for purposes of this section includes an operating subsidiary of the bank or a subsidiary of the parent financial services holding company established under section 4(c)(8) or 4(c)(15) of the Financial Services Holding Company Act of 1991.

The term "publicly solicits" is to be broadly interpreted, and includes not only general advertisements or public telephone solicitation, but also systematic solicitation of existing customers through such items as materials included with bank statements.

"Incentive compensation" is the payment of commissions or similar remuneration based on effecting transactions in securities in excess of the bank's incremental costs directly attributable to effecting such transactions. "Incentive compensation" does not include fees calculated on a basis unrelated to or unconnected with effecting transactions in securities, such as, for example, an annual administration charge or an hourly charge for fiduciary consulting services, or fees calculated as a percentage of assets under management.

As mentioned above, section 242(a) also includes certain specific exemptions. These recognize that certain bank brokerage activities are closely allied to traditional bank functions that already are subject to extensive regulation and supervision by Federal banking agencies. Specifically, section 242(a) includes nine exemptions that allow a bank to continue engaging in such brokerage activities directly in the bank without being deemed a "broker" under the Exchange Act, and without being subject to SEC regulation.

A. Networking Exemption—A bank will not be deemed a "broker" because of transactions in connection with a "networking arrangement". This occurs where a bank contracts with a registered broker dealer, whether or not affiliated with the bank, to provide brokerage services on bank premises on a fully disclosed basis. However, bank employees engaged in this activity whose functions are other than clerical or ministerial, or who are compensated on a commission basis, must be suitably qualified and regulated as securities registered representatives. Whether or not such employees are so qualified, however, the bank itself could receive commissions without losing the exemption.

B. Trust Activities Exemption—A bank will not be deemed a "broker" because of trust activities, including brokerage, unless the bank receives incentive compensation and publicly solicits brokerage business other than by advertising, in conjunction with advertising its other trust activities, that it affects transactions in securities.

C. Exemption for Transactions in Certain Securities—A bank will not be deemed a "broker" because of transactions in certain specific types of securities. These are: (a) securities that are defined as "exempted securities" under the Exchange Act, but excluding municipal securities, which are subject to the separate exemption described below; (b) commercial paper; (c) bankers' acceptances; and (d) commercial bills.

D. Municipal Securities Exemption—A bank that does not have a securities affiliate under new section 4(c)(15) of the Financial Services Holding Company Act will not be deemed a "broker" because of transactions in municipal securities. The exemption applies to transactions in both general obligation bonds and certain municipal revenue bonds that banks are permitted to underwrite and deal in pursuant to section 16 of the Glass-Steagall Act (12 U.S.C. 24 (seventh)).

A bank that does have a securities affiliate, however, would not receive this exemption. As a result, if it otherwise fell within the definition of "broker" it would be required to spin off its municipal securities brokerage activities into an affiliate established pursuant to section 4(c)(15) of the Financial Services Holding Company Act.

E. Employee Benefit Account Exemption—A bank will not be deemed a "broker" because of transactions for employee benefit accounts. Such accounts include bonus, profit sharing, pension, retirement, thrift, savings, incentive, stock purchase, stock ownership, stock appreciation, stock option, dividend reinvestment, or similar plans.

F. Money Market Sweep Account Exemption—A bank will not be deemed a "broker" because of transactions that sweep depositors' funds into money market accounts.

G. Affiliate Transaction Exemption—A bank will not be deemed a "broker" because of transactions for the account of any affiliate, as that term is defined in the Banking Act of 1933.

H. Private Placement Exemption—A bank will not be deemed a "broker" because of its role in placing primary offerings of securities by an issuer, not involving a public offering, to three classes of purchasers:

(1) specified institutional investors, such as banks, insurance companies, investment companies, thrifts, State and local governments, charitable organizations, and certain foreign entities;

(2) individuals with a net worth exceeding $5 million—an amount which is adjusted annually for inflation; and

(3) employees benefit plans if the investment decision is made by a plan fiduciary as if the plan has assets in excess of $5,000,000; an employee benefit plan established by a State or political subdivision if the plan has an excess of $25,000,000 in assets and the decision is made by a plan fiduciary; a corporation with assets in excess of $50,000,000 and net worth in excess of $5,000,000; and other entities or individuals that have net worth of $5,000,000.

With respect to the second class, a bank would not lose the exemption if a particular purchaser did not meet the net worth requirement so long as the bank reasonably believed that the purchaser met that requirement.

This exemption is intended to preserve certain existing bank private placement functions.

I. Under 1,000 Transactions Exemption—A bank will not be deemed a "broker" if it limits its brokerage activities to fewer than 1,000 transactions per year (other than those transactions described in the other eight exemptions from the "broker" definition) and if it does not have a separate registered broker-dealer, regardless of whether it is a bank operating subsidiary or holding company affiliate established pursuant to either section 4(c)(8) or 4(c)(15) of the Financial Services Holding Company Act of 1991.

J. Effect of Exemptions—The exemptions from the definition of "broker" are concerned with registration and regulation as a broker under the Exchange Act. They are not grants of authority, and do not affect any restrictions applicable under the Federal banking laws. The exemptions should not be used to draw inferences about the Federal banking laws, including the provisions added by the other subtitles of the bill.

Section 242(b) is a complementary amendment to the Exchange Act concerning the definition of "dealer." Lke the current definition of "broker," the current definition of "dealer" in the Exchange Act specifically excludes banks. This section includes banks under the general definition of "dealer"—"any person engaged in the business of buying and selling securities for his own account through a broker or otherwise"—but creates three specific exemptions for banks that are similar to the "broker" exemptions.

A. Exemption for Transactions in Certain Securities—A bank will not be deemed a "dealer" because of transactions in certain specific types of securities. These are: (1) commercial paper; (2) bankers' acceptances; (3) commercial bills; and (4) securities that are defined as "exempted securities" under the Exchange Act, but excluding municipal securities, which are subject to the separate exemption described below.

B. Municipal Securities Exemption—A bank that does not have a securities affiliate under new section 4(c)(15) of the Financial Services Holding Company Act will not be deemed a "dealer" because of transactions in municipal securities. As with the similar "broker" exemption, this applies to transactions in general obligation bonds and certain municipal revenue bonds. However, a bank that does have a securities affiliate will not receive this exemption, and will therefore be required to spin off its municipal securities dealing activities into a registered broker-dealer holding company affiliate authorized pursuant to section 4(c)(15).

C. Trust Activities Exemption—A bank will not be deemed a "dealer" because it engages in trust or fiduciary activities, including buying and selling securities for investment purposes in the course of those activities.

Section 242(b) preserves the existing distinctions between dealer activities on the

one hand, and non-dealer principal transactions on the other hand (including bank investment and trading portfolio transactions for its own account or as a trustee or fiduciary), as reflected in current SEC interpretive positions.

D. Effect of Exemptions—The exemptions from the definition of "dealer" are concerned with registration and regulation as a dealer under the Exchange Act. They are not grants of authority, and do not affect any restrictions applicable under the Federal banking laws. The exemptions should not be used to draw inferences about the Federal banking laws. Including the provision added by other subtitles of the bill.

Subsection 242(d) amends section 3 to authorize the SEC to exempt by rule, regulation, or order any person or class of persons from the definition of "broker" or "dealer" if the SEC finds that the exemption is consistent with the public interest, the protection of investors, or the purposes of the Exchange Act.

Subsection (d) amended the general registration requirement for brokers and dealers under the Exchange Act to prohibit a bank from becoming a broker or dealer, except on an exclusively intrastate basis. This change is intended to require banks that come under the revised definitions of "broker" and "dealer" in the Exchange Act to create a separate affiliate or subsidiary to perform these activities. Consistent with the general purposes of this legislation, this section would not restrict the substantive authority of any bank or financial services holding company, under the national banking laws or any State banking law provision, to offer through an affiliate or subsidiary any permitted securities brokerage and dealing services.

Under this section, a bank would engage in activities as a "broker" or "dealer" either through an affiliate or a subsidiary. For those activities not required to be conducted in a securities affiliate pursuant to section 4(c)(15) of the Financial Services Holding Company Act, banking organizations will—insofar as this section is concerned—be allowed the organizational flexibility to select the corporate form through which they would offer brokerage and dealing services. This would include a bank operating subsidiary, a nonbank affiliate established under section 4(c)(8) of the Financial Services Holding Company Act, or a section 4(c)(15) securities affiliate.

It is intended that a bank be permitted, subject to applicable SEC registration and other requirements, to establish an operating subsidiary to engage in broker-dealer activities that are permissible for banks under section 16 of the Glass-Steagall Act but that may not be conducted directly in the bank because of section 242(d) of the bill. Accordingly, the second sentence of section 15(a)(2) of the Exchange Act is amended to provide that the prohibition on a bank's conducting broker-dealer activities directly does not preclude the bank from establishing a subsidiary to conduct those activities. Those activities must, however, be activities that the bank could conduct directly but for section 242(e).

Section 242(e) amends section 15 of the Exchange Act to impose restrictions on the offering or sale of certain securities on bank premises. Generally, shares or debt issued by a bank or any affiliate of a bank may not be offered or sold to the general public in any office of the bank that is commonly accessible to the general public for the purpose of accepting deposits. This restriction does not apply to shares of certain mutual funds affiliated with the bank if such securities are offered for sale by a registered broker and dealer. The restrictions of subsection (e) also do not apply to ownership interests which are deposits or which constitute a means of payment to a third party such as a traveler's check or cashier's check.

Section 242(f) repeals section 12(i) of the Exchange Act of 1934 that requires the bank regulatory agencies to administer and enforce the disclosure requirements under the Exchange Act with respect to banks and thrifts. Deletion of section 12(i) will centralize all administration and enforcement responsibilities for the disclosure requirements under the Exchange Act in the SEC.

SECTION 243. AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

Subsection (a) amends the Investment Company Act of 1940 to provide the SEC with rulemaking authority over certain situations involving banks affiliated with management investment companies (i.e., mutual funds and closed-end investment companies) and unit investment trusts.

Subsection (a)(1) amends section 17(f) of the Investment Company Act to clarify and strengthen the SEC's authority to adopt regulations governing how banks may serve as custodians of affiliated management investment companies. Specifically, an investment company is permitted to place its assets with a bank that is an affiliated person, promoter, sponsor, organizer, or principal underwriter for such a company only in accordance with rules that the SEC may adopt after written consultation with the appropriate Federal banking agencies.

Subsection (a)(2) amends section 26(a) of the Investment Company Act. That provision, among other things, prohibits a principal underwriter or depositor of a unit investment trust from selling securities issued by the trust unless the trust, by appropriate agreement, designates a bank meeting certain qualifications as trustee. The amendment would allow a unit investment trust to designate an affiliated bank as trustee only in accordance with rules that the SEC may adopt after written consultation with the Federal banking agencies.

Subsection (b) amends two provisions of the Investment Company Act to strengthen its requirements for independent directors sitting on the boards of investment companies. Paragraph (1) amends the definition of "interested person" in section 2(a)(19)(A) of the Investment Company Act to include a person (or any affiliate of a person) that acts as custodian or transfer agent or effects portfolio transactions for, engages in principal transactions with, or loans money to, an investment company or any other investment company in the same investment company "complex" within the preceding six-month period.

For example, officers, directors, or employees of a bank or other financial services provider that effects transactions in Government or municipal securities for an investment company without broker-dealer registration would become "interested persons" of that investment company. Such persons would not be prevented from serving as directors of that investment company; rather, they merely would be considered "interested persons" for purposes of the required percentage of disinterested or independent directors of that investment company.

The change also clarifies the status of foreign broker-dealers under section 2(a)(19) that execute portfolio transactions for U.S.-registered investment companies investing in foreign markets, but that are not registered as broker-dealers under the Exchange Act. The current definition of "interested person" refers only to SEC-registered broker-dealers. As a result, officers, employees, and directors of a foreign broker-dealer are not automatically disqualified from serving as independent directors of a registered investment company, even if the broker-dealer effects portfolio transactions for the investment company. This amendment clarifies this situation by including such broker-dealers (and their affiliated person) within the definition of "interested person."

Paragraph (2) amends section 10(c) of the Investment Company Act, which currently provides that no registered investment company may have a majority of its board of directors consisting of persons who are officers, directors, or employees of any one bank. The amendment extends the prohibition to the officers, directors, or employees of any one bank and its subsidiaries, or of any one financial services holding company and its affiliates and subsidiaries. This eliminates the potential to circumvent the legislative intent of section 10(c) by a bank operating under a multiple financial services holding structure. Section 243(c) amends section 38 of the Investment Company Act of 1940 to authorize the SEC to adopt rules regarding transactions between a bank, or an associated person or an affiliated mutual fund. The purpose of this provision is to give the SEC authority to address conflicts that may arise as a result of bank affiliation with investment companies to the same extent as the Investment Company Act of 1940 currently addresses conflicts involving investment companies.

Section 243(d) prohibits an investment company from representing that it or its securities are federally insured or guaranteed by federally insured banks or thrifts. Specifically, section 35(a) of the Investment Company Act is amended to prohibit a registered investment company or persons who sell securities issued by a registered investment company from representing or implying that the company or the securities are insured by the FDIC or is guaranteed by or is otherwise an obligation of any bank or insured institution.

The SEC is also authorized to require persons who issue or sell securities of an investment company, and have specified relationships with a bank or financial services holding company, including a similar name to the bank, to disclose prominently that the company and any security issued by it are not: (1) insured by the FDIC; (2) otherwise guaranteed by an affiliated bank or insured institution; or (3) otherwise an obligation of that bank or institution. In addition, persons who issue or sell securities of an investment company that have such relationships are required to obtain a customer acknowledgment of the receipt of such disclosures. The SEC is required to consult in writing with the Federal banking agencies before adopting such regulations.

Section 243(d) is not intended to affect the Commission's authority under other provisions of the Federal securities laws to require disclosure, such as section 5 of the Securities Act of 1933.

Subsection (e) amends the definition of "broker" in section 2(a)(6) of the Investment Company Act to reflect the bill's amended definition of that term in the Securities Exchange Act. The new definition would, however, continue to exclude any person (including a bank) solely by reason of the fact that such person is an underwriter for one or more investment companies.

Similarly, this subsection (f) amends the definition of "dealer" in section 2(a)(11) of the Investment Company Act to reflect the amended definition of that term in the Securities Exchange Act. The new definition would continue to exclude insurance companies and investment companies.

SECTION 244. REMOVAL OF EXCLUSION FROM THE DEFINITION OF INVESTMENT ADVISER FOR BANKS THAT ADVISE INVESTMENT COMPANIES.

This section amends section 202(a)(11) of the Investment Advisers Act of 1940 ("Advisers Act") to remove the current exclusion from the definition of "investment adviser" for a bank or bank holding company that serves as an investment adviser to a registered investment company. This does not mean, however, that a bank is required to establish a separate subsidiary or affiliate in order to register as an investment adviser (although it would be permitted to do so). Instead, a bank would be permitted to establish a separately identifiable department or division to perform this function, in which case only the department or division, and not the bank or bank holding company, would be required to register. The SEC would have the same regulatory authority over such a bank department or division as it has over other investments advisers. The amendment includes reference to financial services holding companies because the amendments to the securities laws will be effective January 1, 1993, which is the same effective date as that of the FSHCA.

This removal of the bank exclusion is intended to strengthen the SEC's ability to oversee the activities of registered investment companies. It is also intended to subject banks and financial services holding companies that advise investment companies to the Advisers Act restrictions on performance fees, as well as agency cross and principal transactions. As a result, the SEC's regulatory authority over a bank or its departments or divisions would extend only to investment advisory services provided to registered investment companies and not to other advisory services.

Subsection (b) amends the definition of "broker" in section 202(a)(3) of the Advisers Act to make it identical to the definition of "broker" in the Securities Exchange Act, as amended by this Act.

Subsection (c) amends the definitions of "dealer" in section 202(a)(7) of the Advisers Act to make it identical to the definition of "dealer" in the Securities Exchange Act, as amended by this Act, except that the amended definition does not include an insurance company or an investment company.

Subsection (d) requires the SEC to notify the appropriate Federal banking agency before initiating any examination, investigation or enforcement action against any financial services holding company, bank, or department or division of a bank registered or required to be registered under the Advisers Act. The only exception to this requirement would be in a situation in which the protection of investors require immediate SEC action. In addition, regulators are required to share those portions of examination reports covering bank and financial services holding companies' investment advisory functions that are subject to the Advisers Act. The notification and sharing requirements will diminish the possibility of redundant or duplicative regulation.

SECTION 245. TREATMENT OF BANK COMMON TRUST FUNDS.

This section amends the exclusion from the definition of investment company in section 3(c)(3) of the Investment Company Act of 1940 for common trust funds to provide that the exclusion is applicable only under certain conditions. These conditions are designed to ensure that the common trust fund is established only as a vehicle to assist in administering fiduciary accounts and not as an investment vehicle for the general public.

To achieve the purpose of ensuring that common trust funds are not used as investment vehicles for the public, section 3(c)(3) is amended to provide that common trust funds (1) must be established solely for the purpose of administration of fiduciary accounts; (2) that the funds cannot be advertised; and (3) that the bank does not charge the fund fees and expenses that when added to the fees and charges to the participating trusts would exceed the costs to the trust if its assets had not been invested in the fund. However, the bank can charge the fund reasonable and necessary expenses such as the cost of an outside auditor, that are related to the prudent operation of the fund. These conditions reflect current regulations and interpretations. The purpose of incorporating these conditions into the statute is to ensure that common trust funds are only used to assist in the administration of fiduciary accounts.

In the event a common trust fund did not meet the conditions set forth above it would not be exempt from registration as an investment company under the Investment Company Act of 1940. The bank would be required to transfer the fund if it did not comply with the conditions to a mutual fund because banks themselves are not permitted to sponsor investment companies.

In the event a bank decides to transfer a common trust fund to a mutual fund, the section includes a provision that such a transfer would not be a taxable event for the participating trust.

SECTION 246. SECURITIES AND EXCHANGE COMMISSION STUDY OF BANK INSURANCE POOLED INVESTMENT VEHICLES.

Section 246 directs the SEC in consultation with the Department of Labor to study the appropriate treatment of collective investment funds and separate accounts that are organized for the investment of certain pension and employee benefit plans under the securities laws and the Employee Retirement Income Security Act. Collective investment funds and separate accounts are currently exempt from the Investment Company Act of 1940. As part of the study, the SEC should also consider the appropriate treatment of bank common trust funds under the securities laws. The goal is to adopt a regulatory scheme that protects investors in pooled investment funds on an equal basis, regardless of whether the funds are pooled by investment companies, banks, or insurance companies.

Subtitle E—Prompt Corrective Action

SECTION 251. PROMPT CORRECTIVE ACTION

In General. This section would add a new section 35 to the Federal Deposit Insurance Act (12 U.S.C. 1811 *et seq.*) that establishes a new system for supervision of insured banks based primarily on their capital levels. Generally using a risk-based capital standard and a leverage limit, the new section 35 establishes five different capital zones. The section authorizes certain mandatory and discretionary supervisory actions that may be taken by the appropriate Federal banking agency with respect to an insured bank in any of the lower capital zones. Certain actions are also authorized with respect to a financial services holding company and to a diversified holding company. The new prompt corrective actions do not depend exclusively on capital levels, however. The appropriate Federal banking agency has the explicit authority to reclassify institutions into lower zones based on the safety and soundness of a bank wholly apart from its capital levels. In addition, the authority for supervisory actions under section 35 are in addition to the other supervisory powers of the appropriate Federal banking agencies.

Definitions. Subsection (a) contains definitions for terms used in section 35.

The term "banking laws" is defined to include any law codified in Title 12 of the United States Code that is applicable to or affects insured banks and persons that own or control insured banks, and any regulations promulgated pursuant to such law.

The term "capital distribution" generally includes dividends or other distributions in cash or in kind paid with respect to any shares or other ownership interest in any insured bank. The phrase "other ownership interest" includes preferred stock as well as any ownership interest in a mutual savings bank, but does not include debt, whether or not subordinated. The term "capital distribution" does not include dividends consisting only of shares of the insured bank making the dividend, nor does it include any amount paid on the deposits of a mutual savings bank that is determined by the appropriate Federal banking agency not to constitute a dividend. The latter exception permits the appropriate Federal banking agency to determine which amounts paid on the deposits of a mutual savings bank constitute interest and which amounts constitute dividends or other distributions of capital. A capital distribution also includes a payment made by an insured bank to repurchase, redeem, retire, or otherwise acquire any of its shares, including any extension of credit made to finance an affiliated company's acquisition of such shares, or a transaction that the appropriate Federal banking agency determines by order or regulation to be in substance the distribution of capital.

The term "company" has the same meaning as provided in section 2(b) of the Financial Services Holding Company Act of 1991.

The term "compensation" means any payment of money or provision of any other thing of current or potential value in connection with employment.

The terms "diversified holding company," "financial services holding company," and "financial affiliate" have the same meanings as provided in section 2(a) of the Financial Services Holding Company Act of 1991.

The term "new financial activity" includes any activity authorized pursuant to sections 4(c)(8), 4(c)(15) or 4(c)(16) of the Financial Services Holding Company Act of 1991, other than activities determined by other or regulation by the Board of Governors of the Federal Reserve System prior to enactment of this Act to be closely related to banking pursuant to section 4(c)(8). For the exception to apply, the order or regulation must still be in effect on December 31, 1992, the day prior to the effective date of the provisions permitting well-capitalized banks and financial services holding companies to engage in the new financial activities. This definition parallels the definition of "new financial activity" in the Financial Services Holding Company Act of 1991.

The term "qualified financial activity" includes all activities authorized pursuant to sections 4(c)(8), 4(c)(15), and 4(c)(16) including those authorized pursuant to section 4(c)(8) prior to the effective date of this Act. This definition parallels the definition for "quali-

fied financial activity" in the Financial Services Holding Company Act of 1991.

Definitions of Zones. Unless otherwise specified by the appropriate Federal banking agencies, risk-based capital ratios and the leverage limits established by the appropriate Federal banking agencies are the relevant capital measures for purposes of Zones 1 through 4. The appropriate Federal banking agencies are authorized to adopt other relevant capital measures for these zones in addition to the risk-based capital ratio and the leverage limit, and to eliminate the use of the risk-based capital ratio or the leverage limit upon a finding, after notice and opportunity for comment, that the measure is no longer appropriate. The capital ratio, leverage limit, and additional relevant capital measures may include different ratios or minimums for different classes of banks, but section 35 is not intended to incorporate individual minimum capital ratios set by an appropriate Federal banking agency for a specific bank.

Subsection 35(b) also provides for a critical capital level which is the level of capital that will permit resolution of an insured bank's problems without significant financial loss to the relevant insurance fund. The critical capital level, which is to be established by the appropriate Federal banking agencies, must equal or exceed a ratio of Tier 1 capital to total assets of one and one-half percent. "Tier 1 capital" and "total assets" shall be calculated as set forth in the risk-based capital rule or guideline adopted by the appropriate Federal banking agency.

Zone 1 is generally defined to include any insured bank that (1)(A) maintains a risk-based capital ratio that is significantly in excess of the minimum ratio required by the appropriate Federal banking agency under its risk-based capital standard and Tier 1 capital that is significantly in excess of the required minimum for Tier 1 capital, or (B) meets the required minimum risk-based capital ratio and maintains Tier 1 capital that is substantially in excess of the required minimum for Tier 1 capital, and (2) meets or exceeds each other relevant capital measure established by the appropriate Federal banking agency. For purposes of the alternatives described above, Tier 1 capital that is substantially in excess of the required minimum is intended to be a higher standard than Tier 1 capital that is significantly in excess of the required minimum. Alternative (1)(A), which in part requires risk-based capital significantly in excess of the required minimum, is designed to permit banks to issue subordinated debt as a means of raising their capital level to qualify for Zone 1.

Zone 2 includes any insured depository bank that meets or exceeds both the applicable risk-based capital standard and the other relevent capital measure, but is not within Zone 1. Zone 3 includes any insured bank that maintains capital below any of the relevant capital measures but that is not within Zone 4 or Zone 5. Zone 4 includes any insured bank that maintains capital that is significantly below any of the relevant capital measures but is still in excess of the applicable critical capital level. The use of the term "significantly" is not intended to suggest symmetry with Zone 1, which is based in part on a capital level that significantly exceeds the specified minimum. Zone 5 is defined to include any insured bank with capital at or below the applicable critical capital level.

Notwithstanding these general definitions, pursuant to subsection (b)(7), if the appropriate Federal banking agency determines that an insured bank is in an unsafe and unsound condition, the bank may be reclassified to another zone. Any such bank within Zone 1 or Zone 2 is automatically reclassified as Zone 3 and may be further reclassified to Zone 4 by the appropriate Federal banking agency. Any bank in Zone 3 that is determined to be in an unsafe and unsound condition may also be reclassified to Zone 4.

Regulations. Under subsection 35(c), each appropriate Federal banking agency is directed, in consultation with the other appropriate Federal banking agency, to promulgate such regulations and take such other actions as are necessary to implement the provisions of this section. Each appropriate Federal banking agency is also authorized to issue orders and take such other actions as are necessary or appropriate to carry out its purposes. The appropriate Federal banking agencies also are directed to adopt regulations specifying the applicable capital ratios for each relevant capital measure in each of the zones, including the critical capital level described above which defines Zone 5. The appropriate Federal banking agencies are authorized to establish different critical capital levels for different classes of insured banks. Classes may be determined according to size, activities, condition of assets, local economic conditions, or any other relevant factor consistent with the purposes of this section. Establishment of all the capital ratios shall be done in consultation with the Federal Deposit Insurance Corporation.

Zone 1. Subsection 35(d)(1) permits qualifying Zone 1 banks to engage in certain expansions of their activities without prior notice to the appropriate Federal banking agency and to engage in mergers and certain other transactions under expedited procedures. A financial services holding company that qualifies as a Zone 1 company receives similar benefits under the Financial Services Holding Company Act.

To qualify, a bank must fall within Zone 1 both before and after the expansion. In addition, if the depository institution is owned by a financial services holding company, the company must qualify as a Zone 1 financial services holding company both before and after the expansion. A financial services holding company qualifies as within Zone 1 if insured banks representing at least 80 percent of the assets of all insured banks controlled by the company are within Zone 1, and the balance of its insured banks are within Zone 2. This standard will permit a financial services holding company to acquire, for example, a Zone 3 bank, so long as the financial services holding company brings up the capital level of the bank to a level sufficient for the holding company to meet the 80 percent test after the acquisition.

Although the provisions of section 35 generally do not apply to savings associations, both insured banks and savings associations are to be taken into account to determine if a company qualifies as a Zone 1 financial services holding company. A savings association is in Zone 1 if, based on the risk-based capital rule and leverage limit applicable to the savings association, it meets the capital ratio that defines Zone 1 as adopted by regulation by the appropriate Federal banking agency for the lead bank of the financial services holding company.

A Zone 1 bank is permitted without prior notice or approval to open any new branch office at any otherwise permitted location, so long as the branch office is not the first branch office of the bank in a given state and the bank has been rated as outstanding or satisfactory pursuant to the Community Reinvestment Act of 1977. A Zone 1 bank also may, without prior notice or approval, commence, directly or through a subsidiary, any activity determined by Federal statute or by regulation by the appropriate Federal banking agency to be permissible for an insured depository or its subsidiary. Under subsection (d)(3)(A), the bank is required only to give the appropriate Federal banking agency notice of any such expansion within 30 days following the opening of the new branch or other permitted commencement of new activities. Any branch office that is the first branch office of the bank in a given state must be approved in advance pursuant to the procedures applicable under other relevant provisions of Title 12 of the United States Code.

In addition, an insured bank in Zone 1 may merge or consolidate with any other insured bank, acquire the assets or assume the liability to pay any deposits of any other insured bank, or acquire the assets, or all the voting shares or control, of any company other than an insured bank that is engaged solely in activities determined by regulation by the appropriate Federal banking agency to be permissible for an insured bank.

The appropriate Federal banking agency shall by regulation establish the form and content of any subsequent notice required by subsection (d)(3)(A). The notice requirement of subsection (d)(3)(A) supersedes any other notice or application requirement applicable under Title 12 to the bank with respect to the expansion. Proposed transactions not eligible for the subsequent notice provision must still be approved under the applicable provisions of Title 12. However, the appropriate Federal banking agency is required to act within 45 days of receipt of the completed notice or application.

Subsection (d)(3)(C) specifically provides that the appropriate Federal banking agency may not approve any transaction involving a bank within Zone 1 if the agency determines that the bank is engaging in an unsafe and unsound practice or will be in an unsafe and unsound condition following the transaction, notwithstanding its qualification as a Zone 1 bank. An application by a Zone 1 bank may otherwise be disapproved only because it would violate the antitrust laws, as set forth in section 18(c)(5)(A) of the Federal Deposit Insurance Act, or if the appropriate Federal banking agency determines that the bank is not in compliance with the Community Reinvestment Act or that the transaction is otherwise inconsistent with the convenience and needs of the community to be served. Nothing in subsection (d) relieves the bank from any other applicable provisions of law or regulation, including requirements under other provisions of Title 12 of the United States Code. It is expected that the appropriate Federal banking agencies will adopt regulations consistent with the purposes of this Act to allow the best-capitalized foreign banks with branches and agencies in the United States to take advantage of the expedited procedure on a basis similar to domestic institutions.

Paragraph (5) of subsection (d) provides that an appropriate Federal banking agency shall not approve any investment, expansion, acquisiton, or other proposal subject to review under the banking laws that would result in reclassification of an insured bank from Zone 1 to Zone 3 or 4, unless the agency finds that the transaction substantially improves the financial condition of the bank or is consistent with a capital restoration plan approved by the agency. No expansion may be permitted that would result in reclassification to Zone 5.

Finally, paragraph (6) of subsection (d) imposes either capital restoration or divestiture requirements on certain financial services holding companies that cease to qualify as Zone 1 financial services holding companies or that do not to attain Zone 1 status within the period of time specified by the appropriate Federal banking agency pursuant to section 4(j) of the Financial Services Holding Company Act of 1991. In addition to the failure to maintain or attain Zone 1 status, for the requirements of paragraph 6 to apply, the financial services holding company must either be engaged in any of the new financial activities, directly or through a subsidiary, or it must be controlled by a diversified holding company.

Any such financial services holding company is required to promptly restore the capital of insured depository institutions controlled by the company to at least the levels required for the company to requalify under Zone 1 or to take the actions required in subparagraph (B). Under subparagraph (B), the financial services holding company must execute a bond in an amount equal to the amount necessary to restore the capital of the depository institutions to at least the level required for the company to requalify as a Zone 1 financial services holding company. The bond shall be subject to forfeiture in the event resolution of the insured depository institution's problems require an expenditure of funds by the Federal Deposit Insurance Corporation. In addition, the company must either (1) file an acceptable capital plan in accordance with subsection (i), or (2) within one year from the date the company first failed to qualify under Zone 1, divest any interest in any insured depository institution, or terminate all new financial activities, as defined above, or divest any interest in any company engaged in such activities.

If the financial services holding company does not take the required actions, the appropriate Federal banking agency may appoint a conservator for any insured depository institution with capital at a level that causes the company to fail to qualify as a Zone 1 financial services holding company. Because savings associations are taken into account in determining qualification for Zone 1 status, all of the requirements of this subparagraph apply with respect to both banks and savings associations controlled by the financial services holding company.

The appropriate Federal banking agency is authorized to extend the compliance period for up to one year if it finds that the financial services holding company has taken significant steps toward restoring the capital of the controlled depository institutions to at least the levels required for the company to requalify under Zone 1. The period may also be shortened by regulation by the appropriate Federal banking agency. In any case involving a financial services holding company controlled by a diversified holding company, if the financial services holding company does not requalify as a Zone 1 financial services holding company or divest any insured depository institutions, as provided in subparagraph (b), then the diversified holding company must either divest the financial services holding company or terminate all activities not permitted for a financial services holding company. Under the Financial Services Holding Company Act, a diversified holding company may only acquire Zone 1 financial services holding companies. Under the provision just described, the diversified holding company will be required either to cease to be a diversified holding company or to divest a financial services holding company that loses its Zone 1 status and does not requalify.

Zone 2. Subsection (e) specifies certain mandatory supervisory actions that are authorized with respect to banks that fall within Zone 2.

Similar to the restriction on expansion described above for Zone 1 banks, subsection (e)(1)(A) provides that the appropriate Federal banking agency shall not approve or permit any investment, expansion, acquisition, or other proposal subject to review under the banking laws that would result in reclassification of an insured bank from Zone 2 to Zone 3 or 4, unless the agency finds that the transaction substantially improves the financial condition of an insured bank involved in the transaction or is consistent with a capital restoration plan approved by the agency. Expansions that would result in reclassification to Zone 5 are not permitted.

Subsection (e)(1)(B) provides that the appropriate Federal banking agency shall not approve any investment, expansion, acquisition, or other proposal involving any insured bank within Zone 2 or a financial services holding company which controls an insured bank within Zone 2 if the appropriate Federal banking agency determines that such bank, or any other commonly-controlled bank is engaging in an unsafe or unsound practice or is in an unsafe or unsound condition. This provision would not preclude an acquisition involving such a bank provided that the unsafe or unsound practice or condition is corrected as part of the acquisition.

Subsection (e)(2)(B) provides that no insured bank within Zone 2 shall make any capital distribution that would cause the bank to be reclassified within Zone 4 or 5. An insured bank may make a capital distribution that would cause the institution to be reclassified within Zone 3, if the institution provides the appropriate Federal banking agency with 30 days' prior written notice of such distribution and the agency has not issued a notice of disapproval. The agency may permit the distribution only if the agency determines that the capital distribution will enhance the bank's ability to restore its capital to Zone 2 or otherwise determines that the distribution is in the public interest.

Subsection (e)(3) provides that the appropriate Federal banking agency may modify, defer, or remove any mandatory supervisory action applicable under section 35 to an insured depository bank within Zone 2 or to a company that controls an insured bank within Zone 2 if the agency determines in writing that such action is in the public interest.

Zone 3. Subsection (f) authorizes mandatory and discretionary supervisory actions for banks that fall within Zone 3.

Subsection (f)(1)(A) requires every insured bank within Zone 3, within the specified time period, to submit to the appropriate Federal banking agency and implement a capital plan that will restore the relevant capital measures to at least the levels required for classification within Zone 2. The plan must contain all of the information specified in, and meet the other requirements of, subsection (i).

Subsection (f)(1)(B) provides that no insured bank within Zone 3 shall make any capital distribution, or pay any management fee to any person or affiliate controlling the bank, that would cause the bank to be reclassified below Zone 3. No insured depository institution within Zone 3 shall make any other capital distribution or pay any other management fee without receiving the prior approval of the appropriate Federal banking agency. The agency may approve such a payment only if the agency determines that it will enhance the ability of the bank promptly to restore its capital to Zone 3 or is otherwise in the public interest.

Subsection (f)(1)(C) provides that the appropriate Federal banking agency shall not approve or permit any investment, expansion, acquisition or other similar action subject to review under the banking laws by an insured bank within Zone 3, by a company that controls an insured depository bank within Zone 3, or by an affiliate that is engaged in any qualified financial activity, unless the agency finds that the transaction furthers achievement of the capital restoration plan approved by the agency and meets the other standards required to be reviewed by the agency in considering such proposals under the banking laws.

Subsection (f)(1)(D) imposes certain requirements on financial services holding companies and diversified holding companies that control an insured bank within Zone 3. The requirements cease to apply if the company divests any interest in the bank or the bank is restored to at least Zone 2. The first requirement is that the financial services holding company and the diversified holding company must maintain capital, on a consolidated basis, at least equal to the required minimum capital ratio applicable to the lead bank of the financial services holding company for each relevant capital measure. In addition, the diversified holding company may not make any capital distribution without the prior approval of the appropriate Federal banking agency.

Finally, the financial services holding company and each company controlled by the diversified holding company that engages in activities authorized to be engaged in by a subsidiary of a financial services holding company shall be subject to the mandatory supervisory actions of paragraph (1) as if the company were an insured bank within Zone 3. Under section 6(c)(2) of the Financial Services Holding Company Act, the financial services holding company, the diversified holding company and affiliates engaged in qualified financial activities will be subject to examination for compliance with these provisions.

The requirements of subsection (f)(1)(D) begin to apply after 45 days after the latest of the date on which the bank becomes a Zone 3 bank, the date on which the financial services holding company acquires the bank, or the effective date of the subsection.

Subsection (f)(1)(E) provides that an insured bank within Zone 3 shall immediately be reclassified as within Zone 4 if the insured bank does not submit the capital restoration plan required under subparagraph (A) within the time required by the appropriate Federal banking agency, or the appropriate Federal banking agency is not satisfied that the insured depository bank is making every effort in good faith to fulfill completely the capital plan within the schedule approved by the agency.

Subsection (f)(2) provides that the appropriate Federal banking agency may modify, defer, or remove any mandatory supervisory action applicable under section 35 to an insured depository bank within Zone 3 or to a company that controls an insured bank within Zone 3 if the agency determines in writing that such action is in the public interest.

Discretionary Supervisory Actions. Subsection (f)(3) lists the discretionary supervisory actions that are authorized with respect to an insured bank within Zone 3. Subsection (f)(3)(A) authorizes the appropriate

Federal banking agency to restrict or eliminate growth of the bank's assets, or to require contraction of the bank's assets. Subsection (f)(3)(B) authorizes the appropriate Federal banking agency to restrict the insured bank and any company that controls the insured bank from making any capital distribution.

Subsection (f)(3)(C) authorizes the appropriate Federal banking agency to limit any increase in, or order the reduction of, any type of liabilities of the bank. Subsection (f)(3)(D) authorizes the appropriate Federal banking agency to order the insured bank to issue new capital in any form and in any amount sufficient to restore the institution to at least the capital levels required for Zone 2. Subsection (f)(3)(E) authorizes the appropriate Federal banking agency to require the insured bank to terminate, reduce or alter any activity, if the agency determines that the activity creates excessive risk to the institution.

Subsection (f)(3)(F) authorizes the appropriate Federal banking agency, for cause, to require the insured bank to dismiss from office at the bank any or all of the listed persons, if the person accepted employment, accepted a new position, or renewed any contract for employment in the same position at the insured bank following the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 and the person has been employed in that position at the insured depository bank for at least 180 days. The listed persons are any member of the bank's board of directors, the chief executive officer, the chief financial officer, and any other executive officer. Dismissal under this authority shall not be construed to be removal under section 8 of the Federal Deposit Insurance Act.

Subsection (f)(3)(G) authorizes the appropriate Federal banking agency to order the insured bank to reduce or eliminate any or all of the listed types of compensation for any executive officer who accepted employment, accepted a new position, or renewed any contract for employment as an executive officer at the insured bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991. The listed types of compensation include any bonus, any compensation at a rate exceeding the officer's average rate of compensation during the previous 12 calendar months, and any payment that is or would be due under any employment severance contract.

Subsection (f)(3)(H) authorizes the appropriate Federal banking agency to order a new election of the board of directors of the insured bank and to designate such individuals as the agency deems appropriate to serve on the board.

Subsection (f)(3)(I) permits the appropriate Federal banking agency to require divestiture of any affiliate of a Zone 3 bank, if the appropriate Federal banking agency determines that the affiliate is in danger of default and it poses a significant risk to the liquidity or solvency of the bank or is likely to cause a significant dissipation of its assets or earnings.

Subsection (f)(4) requires the appropriate Federal banking agency to provide the Federal Deposit Insurance Corporation with prompt notice of any supervisory action taken pursuant to subsection (f).

Zone 4. Subsection (g) lists the mandatory and discretionary supervisory actions authorized with respect to an insured bank within Zone 4.

Mandatory Supervisory Actions. Subsection (g)(1)(A) requires every insured bank within Zone 4 that has not submitted a capital restoration plan under subsection (f), as described above, to submit and implement a plan that meets the requirement of subsection (i) and will restore the relevant capital measures of the bank to at least the levels required for classification within Zone 2.

Subsection (g)(1)(B) provides that no insured bank within Zone 4 shall make any capital distribution or pay any management fee to a person or affilate controlling such bank. Subsection (g)(1)(C) provides that no insured bank within Zone 4, or financial services holding company controlling any insured bank within Zone 4, is permitted, directly or indirectly, to acquire any interest in an insured bank or any company that is not an insured bank, or establish or acquire additional branch offices. The insured bank or financial services holding company is also precluded from engaging in any new activity. This restriction is intended to preclude engaging in any new line of business, but not to preclude expansion of activities already engaged in.

Subsection (g)(1)(D) provides that any financial services holding company and any diversified holding company that controls an insured bank within Zone 4 shall be subject to the requirements of subsections (f)(1)(D)(i) and (f)(1)(D)(ii) (relating to consolidated capital and capital distributions, as described above) and to the mandatory supervisory actions of subsection (f) as if the company were an insured bank within the relevant zone. The financial services holding company or diversified holding company is subject to these requirements until such time as the relevant capital measures of the insured bank are restored to at least the levels required for classification within Zone 2 or the company divests any interest in the insured bank. The companies and their financial affiliates will also be subject to examination pursuant to section 6(c)(2) of the Financial Services Holding Company Act.

Subsection (g)(1)(E) provides that an insured bank within Zone 4 shall not increase its total assets except under specified circumstances. The appropriate Federal banking agency may permit a bank within Zone 4 to increase its total assets by an amount not exceeding the amount of net interest that depositors reinvest in their deposit accounts at the insured bank, if the agency has accepted the bank's capital restoration plan, any increase in assets is accompanied by a specified increase in capital, and the bank's capital levels increase at a rate sufficient to enable the bank to satisfy the bank's capital restoration plan within a reasonable time.

Subsection (g)(1)(F) provides that an insured bank within Zone 4 may not pay excessive compensation to any executive officer who accepted employment, accepted a new position, or renewed any contract for employment as an executive officer at the insured bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991. The listed compensation includes any bonus, or any compensation at a rate exceeding the officer's average rate of compensation during the previous 12 calendar months.

Subsection (g)(2) provides that the appropriate Federal banking agency may modify, defer, or remove any mandatory supervisory action authorized by this section to an insured depository bank within Zone 4 or a company that controls an insured bank within Zone 4 if the agency determines in writing that such action is in the public interest.

Discretionary Supervisory Actions. Subsection (g)(3)(A) authorizes the appropriate Federal banking agency to take any discretionary action authorized under Zone 3 with respect to an insured bank within Zone 4 or a company that controls an insured bank within Zone 4. Subsection (g)(3)(B) authorizes the appropriate Federal banking agency to restrict or eliminate any transaction between the insured bank and any other affiliate.

Subsection (g)(3)(C) authorizes the appropriate Federal banking agency to require an insured bank within Zone 4 or a company that controls such an insured bank to divest, liquidate or close any affiliate that is not an insured bank, if the appropriate Federal banking agency determines that the affiliate is in danger of default. Subsection (g)(3)(D) authorizes the appropriate Federal banking agency to order the insured bank to reduce or eliminate any compensation to any executive officer who accepted employment, accepted a new position, or renewed any contract for employment as an executive officer at the insured bank following enactment of the Financial Institutions Safety and Consumer Choice Act of 1991, if the appropriate Federal banking agency determines the compensation to be excessive.

Subsection (g)(1)(E) authorizes the appropriate Federal banking agency to order any company that controls an insured depository bank within Zone 4 to divest the bank, if the appropriate Federal banking agency determines that such divestiture would improve the financial condition and future prospects of the bank. Subsection (g)(1)(F) authorizes the appropriate Federal banking agency to require the insured bank to dismiss from office at the bank any or all of the listed persons, if the person accepted employment, accepted a new position, or renewed any contract for employment in the same position at the insured bank following the date of enactment of the Financial Institutions Safety and Consumer Choice Act of 1991 and the person has been employed in that position at the insured depository bank for at least 180 days. Subsection (g)(1)(G) authorizes the appropriate Federal banking agency to appoint a conservator for the insured bank.

Zone 5. Under subsection (h)(1), the appropriate Federal banking agency shall, no later than 30 days after determining that an insured bank is within Zone 5, require the sale or merger of the insured bank, or appoint a conservator or receiver for the bank. Any conservator or receiver shall have full authority, in its sole discretion, to liquidate or sell the insured bank, to take any actions authorized under subsections (f) and (g) that are not inconsistent with the powers of the conservator or receiver, and to take any other combination of actions authorized pursuant to the provisions applicable to conservators and receivers under the banking laws. As with mandatory supervisory actions under Zone 3 and Zone 4, the appropriate Federal banking agency is authorized to modify, defer, or remove any applicable mandatory supervisory action, if the agency determines in writing that such action is in the public interest. However, with respect to Zone 5 banks, the Federal Deposit Insurance Corporation must concur in such determination.

Capital Restoration Plans. Subsection (i)(1) specifies that a capital plan submitted for purposes of section 35 must be a feasible plan for promptly restoring the levels of capital for all relevant capital measures of the insured bank to at least the levels required by the subsection pursuant to which the capital plan is ordered. Subsection (i)(1) also lists the required contents of the plan and

specifies that the plan must be acceptable to the appropriate Federal banking agency.

Subsection (i)(2) provides that each appropriate Federal banking agency shall by regulation establish the deadlines for submission of acceptable capital restoration plans. Unless the agency specifically determines that a greater amount of time is needed, the maximum time allowed shall be no greater than 30 days.

Subsection (i)(3) provides that the appropriate Federal banking agency shall review and act on a capital restoration plan within 30 days after its submission. This period may be extended by the appropriate Federal banking agency.

Judicial Review. Subsection (j)(1) provides that a person aggrieved by action of an appropriate Federal banking agency under section 35 may obtain review of that action by filing a written petition in the United States Court of Appeals for the circuit in which the concerned bank maintains its home office. The "concerned depository institution" means the bank whose classification within a particular zone is the basis for the agency action being complained of.

An aggrieved person is defined to include a company ordered to make a divestiture or terminate activities under section 35; an insured bank or company that is the subject of a mandatory or discretionary supervisory action and any company that controls such a company, with respect to an action taken for an insured bank within Zone 3, 4, and 5; a person dismissed under any provision of section 35; and a person whose compensation, bonus or severance payment has been reduced or eliminated under section 35.

Generally, action taken by an appropriate Federal banking agency under section 35 shall be modified, terminated, or set aside if the court finds that the agency's action under review was arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. Subsection (j)(2)(B) contains a savings clause providing that an aggrieved person may pursue any judicial review of the order of the appropriate Federal banking agency appointing a conservator or receiver that is otherwise available under the banking laws. This clause is not intended to expand or diminish any otherwise existing rights to judicial review under the banking laws.

Subsection (j)(3) provides that preliminary or temporary injunctive relief is not available.

Subsection (j)(4) provides that petitions under subsection (j) shall be given expedited review. Subsection (5) provides that, except as provided in subsection (j), no court shall have jurisdiction to effect by injunction or otherwise the issuance or effectiveness of any action of an appropriate Federal banking agency under section 35 or to review, modify, suspend, terminate, or set aside such agency action.

Section 251(b) amends section 8(i) of the Federal Deposit Insurance Act to include references to orders issued under section 35. This permits enforcement of section 35 orders by injunctions issued by a United States district court. It also permits imposition of civil penalties for failure to comply with section 35 orders.

Section 251(c) amends Title 28 of the United States Code to add a new jurisdictional section granting the United States Claims Court exclusive jurisdiction to consider claims for damages based on an agency action that has been modified, terminated, or set aside pursuant to judicial review under subsection 35(j) as described above.

Section 251 (d) and (e) make conforming amendments to certain sections of Title 12 to incorporate appointment of a conservator or receiver pursuant to section 35 as a basis for exercising appointment authority.

Section 251(f) grants the Board of Governors of the Federal Reserve System with general authority to appoint conservators and receivers for insured State banks other than District banks chartered by the Director of the Office of Depository Institutions Supervision. The authority given to the Board parallels the authority of the Director with respect to national banks.

Section 251(g) adds section 35 classification to the grounds for appointment of a conservator or receiver for District banks.

Section 251(h) also amends section 11 of the Federal Deposit Insurance Act to require appointment of the Corporation whenever a receiver is appointed pursuant to section 35.

Section 251(i) provides for the effective date of section 35.

Subtitle F—Nationwide Banking and Branching

SECTION 261. NATIONWIDE BANKING

This section provides that, three years after the effective date of FISCCA, section 3(d) of the Bank Holding Company Act, as redesignated section 3(f) of the Financial Services Holding Company Act of 1991, shall be repealed. At present, section 3(d) prohibits a bank holding company from acquiring a bank in a State other than the company's principal State of business unless the acquisition in question is specifically authorized by the laws of the State in which such bank is located.

Pursuant to the revised section 3(f), which is effective three years from date of enactment, the appropriate Federal banking agency may approve an application of a financial services holding company or foreign bank to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of, any additional insured depository institution.

The new provisions preempt certain State laws by allowing an interstate acquisition that has been approved under section 3 of the Financial Services Holding Company Act of 1991 of an insured depository institution or financial services holding company Holding Company Act of 1991 to be consummated notwithstanding any State law that would have the effect of prohibiting or limiting an acquisition by an out-of-state financial services holding company or foreign bank if the legal standard for denial would not be applied, with similar effect, to the same acquisition by an in-State financial services holding company.

A State will continue to review acquisitions for anticompetitive effects, financial and managerial resources, and other safety and soundness considerations in the same manner as it would review expansion proposals of in-State entities. However, acquisitions cannot be limited on the basis of the location or size of the acquiring company or foreign bank, the number of insured depository institution subsidiaries of such company or foreign bank, or any other factor which has the effect of limiting or preventing the acquisition. State laws will continue to apply to branches just as they do to banks. Such laws include local community investment, consumer protection, and fair lending laws.

SECTION 262. INTERSTATE BRANCHING BY NATIONAL BANKS

Section 252 amends section 5155 of the Revised Statutes (12 U.S.C. 36(c)) by inserting a new provision allowing national banks to establish and operate new branches at an initial location within any State in which: (A) a financial services holding company having the same home State as the national bank could acquire a bank pursuant to section 3 of the Financial Services Holding Company Act of 1991; or (B) a State bank chartered in the home State of the national bank could establish a branch.

It is intended that banks opening branches outside their home State will be treated similarly to other business corporations that engage in business outside the State in which they are chartered or have their principal place of business. As a result, section 36(c) is also amended to provide expressly that a State, other than the home State, in which a bank wishes to establish a branch may impose on the bank such filing requirements as are ordinarily imposed on other corporations that are not chartered in such State but wish to engage in business in such State.

After an initial branch is established, additional branches may be approved at any point within the State to the same extent permitted under paragraphs (1) and (2) of section 36(c). State laws, such as community investment, consumer protection, and fair lending laws, will apply to interstate branches as they do to banks.

The definition of "branch" contained in Revised Statutes section 5155 (12 U.S.C. 36(c)) is amended by substituting "any office, agency, or other place of business" for "branch bank, branch office, branch agency, additional office, or any branch place of business".

The term "home state" is defined for purposes of this section to mean:

(i) in the case of a national bank, the State in which the principal place of business of the bank is located; and

(ii) in the case of a financial services holding company, the State in which the operations of the company's principal bank subsidiary are conducted for purposes of section 3(d) of the Financial Services Holding Company Act of 1991.

The term "State" is defined to include the District of Columbia.

For purposes of section 36 of the National Bank Act, "host State" shall mean the State in which a bank establishes or maintains a branch other than a State which is the bank's home State.

SECTION 263. INTERSTATE CONSOLIDATION OR MERGER OF NATIONAL BANKS OR STATE BANKS WITH NATIONAL BANKS

Section 263 amends provisions of the National Bank Act pertaining to the interstate consolidation or merger of national banks or State banks with national banks. Current law authorizes the Comptroller of the Currency to approve certain consolidations and mergers of national banks or State banks with national banks located in the same State.

This section inserts into sections 215(a) and 215a(a) of the National Bank Act (12 U.S.C. 215(a) and 215a(a)) the phrase "or in any other State", thereby expanding the authority of the appropriate Federal banking agency to approve such interstate consolidations or mergers.

A parallel change is made to the definition of "receiving association" in section 215b(4) by deleting the phrase "located within the same State".

Section 36(b)(2) of the National Bank Act (12 U.S.C. 36(b)(2)) is amended to expand the authority of national banks to retain branches following a merger or consolidation with a national bank.

In section 36(b)(2)(A), the parenthetical "(other than the national bank)" is stricken, and other provisions in paragraph (2) pertaining to certain branches which were in operation on February 25, 1927 are removed.

Section 263(d) of the legislation provides that the appropriate Federal banking agency may not approve the retention of a branch of any bank participating in the consolidation if a State bank (in a situation identical to that of the resulting national bank) resulting from the consolidation with another bank or banks would be prohibited by the law of such State from retaining and operating as a branch of the State bank immediately prior to the consolidation.

SECTION 264. INTERSTATE BRANCHING BY STATE BANKS

This section amends section 18(d) of the Federal Deposit Insurance Act (12 U.S.C. 1828(d)) to provide that no State may prohibit any insured bank chartered by, and engaged in, a banking business in another State from establishing and maintaining one or more branches within the State. Similar to the provision described above for national banks, section 18(d) is amended to provide that a host State may require an out-of-state bank to comply with the same filing requirements that are otherwise imposed on a corporation incorporated in another State and seeking to engage in business in the host State. For purposes of this subsection, "host State" is the State in which a bank establishes or maintains a branch other than the State in which the bank is chartered and engaging in banking business.

If authorized by the law of the State in which the bank is chartered, any insured State bank may establish a branch at an initial location within any other State or States in which a financial services holding company whose principal place of operations is the same State in which the insured bank is chartered could acquire a bank pursuant to section 3 of the Financial Services Holding Company Act of 1991. For purposes of this provision, the principal place of operations means the State in which the total deposits of all bank subsidiaries of such company are largest.

Once an initial branch has been established in a State, additional branches within that same State may be established and maintained to the extent permitted for insured State banks located in such State as if the initial branch of the out-of-state insured bank were a State bank chartered in such State with its head office at the location of the initial branch. Certain rights are reserved to the States under this section. In particular, States retain the right to determine the authority of State banks chartered in that State to establish and maintain branches, or to supervise, regulate, and examine State banks chartered by that State. State laws relating to community investment, fair lending, and consumer protection will apply to interstate branches just as they do to in-State banks.

Activities conducted at a branch are limited to those activities permissible for a bank chartered by the "host State". Branches established and maintained in a State by a bank chartered by another State may be examined by the State bank supervisory or regulatory authority for the purpose of determining compliance with the State law regarding permissible activities, sound banking principles, and safety and soundness considerations.

Enforcement actions or proceedings may be commenced by the State bank authority if such authority determines that the activities being conducted by the branch violate State law or the manner of operations is not consistent with sound banking principles. Such enforcement actions or proceedings are authorized only to the extent that would be permitted under State law if the branch were deemed to be a bank chartered by that State.

Cooperative agreements among State bank authorities from more than one State are authorized to facilitate State regulatory supervision and joint participation and coordination of examinations of State-chartered banks. Nonetheless, the participation by the host State supervisory authority in the examination of a branch of an out-of-state bank is limited to the same examination procedures and principles as would be applied if the branch were deemed to be a bank chartered by that State.

Subtitle F—Foreign Banking Organizations in the United States

SECTION 265. FOREIGN BANKS IN THE UNITED STATES

Section 265 amends the International Banking Act of 1978 (IBA) to extend national treatment to foreign banks conducting banking business in the United States with respect to interstate branching.

Subsection (a) amends section 4(a) of the IBA to allow a Federal branch or agency to be established in any State after licensing by the Director. Until three years after enactment of the Act, however, the States retain the right to prohibit such establishment of a Federal branch or agency if that branch or agency is the initial branch or agency of a foreign bank in the United States. Additional branches can be established according to the provisions of section 4(h) of the IBA.

Subsection (b) amends section 4(h) of the IBA to allow a foreign bank that already has a Federal branch or agency in the United States to branch both within its home state, as defined in the IBA, and outside its home state, to the same extent as national banks (*i.e.*, initially, into any State where a bank holding company with its principal place of business in the foreign bank's home state could acquire a bank, and thereafter subject to the branching laws of the host State).

Subsection (c) provides for interstate banking by foreign banks in addition to that under subsection (a) and (b). In particular, this section amends section 5 of the IBA to (1) limit a foreign bank's branching outside its IBA home state with a State licensed branch to those States where a financial services holding company with the same home State could acquire a bank; (2) require the approval of the Board and the state regulator in order to branch into another State; and (3) require approval of the appropriate Federal banking agency for acquisition by a foreign bank of 5 percent or more of the voting shares of, or all or substantially all the assets of, a bank or a financial services holding company.

Subsection (c) goes on to provide an exception from the requirement that no foreign bank can branch outside its IBA home state without the approval of the regulator of the host State by adding a new paragraph 5(a)(4) to the IBA. This provision allows any State to license foreign banks with State-licensed branches or agencies to branch into an initial location in another State without receiving approval of the host State. This provision is meant to parallel a similar provision for State banks in section 253 of this Act (interstate branching by insured State banks) and applies the same requirements on exercising of powers in that other State, subsequent branches in the host State, and regulatory cooperation.

Finally, subsection (c) continues to permit Federal and State agencies and "limited branches" (entities that can only take deposits that are incident to international and foreign business of the entity) to be established by a foreign bank in any State that permits such interstate establishments after the approval of the appropriate Federal banking agency.

Subsection (d) provides the Board with authority to approve any acquisition by a foreign bank of a commercial lending company where the foreign bank is not subject to the provisions of the Financial Services Holding Company Act. In acting upon any such application, the Board may consider the effects of the proposal on domestic and foreign competition, the financial prospects of the branch, agency and the applicant, and the convenience and needs of the community.

SECTION 266. INTERSTATE ACQUISITIONS BY SAVINGS AND LOAN HOLDING COMPANIES.

This section amends section 10(e)(3) of the Home Owners' Loan Act (12 U.S.C. 1467(e)(3)) by striking the current text and inserting a substitute paragraph authorizing the Director to approve applications for savings and loan holding companies to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of, any additional savings association located in any State. Foreign banks are also entitled to this right.

Section 10(e)(3) is further amended to preempt State laws by allowing, subject to approval by the Director, certain interstate acquisitions by savings and loan holding companies, bank holding companies, and foreign banks to be consummated notwithstanding any State law that would have the effect, directly or indirectly, of prohibiting or limiting an acquisition by an out-of-state company or foreign bank if the standards for denial would include any factor which has the effect of limiting or preventing an acquisition by an out-of-state acquirer when compared to an in-state savings and loan holding company in an identical transaction.

In particular, a State may not limit or prohibit an acquisition on the basis of the location or size of the acquiring company or foreign bank, the number of insured depository institution subsidiaries of such company or foreign bank, or any other factor which has a disparate effect.

A State can continue to review acquisitions for anticompetitive effects, financial and managerial resources, and other safety and soundness considerations in the same manner as it would review expansion proposals of in-state entities.

This provision is parallel to the amendment to section 3(d) as redesignated 3(f) of the Financial Services Holding Company Act of 1991 which is set forth in section 251, *supra*.

Definitional amendments are inserted into section 10(e)(3) of the Home Owners' Loan Act (12 U.S.C. 1467a(e)(3)) which provide that, for purposes of this paragraph, "State" shall include the District of Columbia, and "foreign bank" shall mean any foreign bank as defined in section 1(b)(7) of the International Banking Act of 1978.

SECTION 267. EFFECTIVE DATE.

The amendments contained in this subtitle F shall be effective upon the date of enactment.

Title III—Regulatory Restructuring

Subtitle A—Office of Depository Institutions Supervision

SECTION 301. ESTABLISHMENT OF AN OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION

Effective January 1, 1992, section 301 establishes the Office of Depository Institutions Supervision which shall be a bureau within the Department of the Treasury.

SECTION 302. DEFINITIONS

Section 302 sets forth definitions for use in this title. "Director" means the Director of the Office of Depository Institutions Supervision. "Office" means the Office of Depository Institutions Supervision. "Secretary" means the Secretary of the Treasury.

SECTION 303. DIRECTOR OF THE OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION

Section 303 provides for a Director who shall be the head of the Office of Depository Institutions Supervision, and who is appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States. The Director shall be appointed for a five-year term, subject to removal by the President; thus, the Director is an Officer of the United States within the meaning of the Appointments Clause. A vacancy in the position of Director which occurs before expiration of the Director's term shall be filled only for the remainder of that term, and the successor Director shall be appointed by the President, by and with the advice and consent of the Senate. This section provides that the Director may designate who shall act as Director if the Director dies, resigns, or is sick or absent. If the Director fails or is unable to designate who shall act as Director, the Secretary shall designate an acting Director who shall possess the power to perform the duties vested in the Director. An individual may serve as Director after the term for which appointed until a successor Director has been appointed. Effective January 1, 1993, the Secretary may appoint two Deputy Directors.

SECTION 304. AUTHORITY OF THE DIRECTOR

Section 304 provides for exclusive authority of the Director to make certain decisions with respect to particular institutions or entities for which the Director is the appropriate Federal banking agency. These decisions concern a grant or denial of a charter or other application, an examination, a decision to appoint a conservator or receiver for a depository institution and a final decision in a contested administrative enforcement proceeding. These authorities, which are vested in the Director effective January 1, 1993, do not prevent the Director from consulting with the Secretary on any matter. Effective January 1, 1992, all other authority vested in the Director by this title is exercised by the Director subject to the review and approval of the Secretary. The Director may delegate to any employee, representative, or agent of the Office any authority or power of the Director, effective January 1, 1992.

SECTION 305. PERSONNEL

Section 305 provides that the Director appoints, directs and fixes the compensation of all employees of the Office. Such compensation is set without regard to the provisions of laws (other than this title) applicable to officers and employees of the United States. Additional benefits may be provided to the employees of the Office if the Director determines that the same type of benefits are then being provided by the Board of Governors of the Federal Reserve Board or the Federal Deposit Insurance Corporation or if such benefits could be provided by those other agencies under applicable provisions of law, rule, or regulation. In setting and adjusting the compensation and benefits for employees, the Director must consult with and may seek to maintain comparability with the Board of Governors of the Federal Reserve Board and the Federal Deposit Insurance Corporation. This section becomes effective January 1, 1993.

SECTION 306. REGULATIONS AND ORDERS

Section 306 authorizes the Director to prescribe such regulations and orders as the Director determines to be necessary or appropriate for carrying out any law within the Director's jurisidiction.

SECTION 307. FUNDING

Section 307 authorizes the Director to impose and collect assessments, fees and other charges from any institution or entity for which the Director is the appropriate Federal banking agency. The amounts collected are to be set to cover all the Office's expenses. Funds obtained may be used to pay all direct and indirect expenses of the Office, including salary and administrative expenses.

Subtitle B—Interim Provisions; Transfer of Functions, Personnel, and Property

SECTION 311. INTERIM PROVISIONS FOR THE OFFICE OF DEPOSITORY INSTITUTIONS SUPERVISION

Section 311 sets forth provisions, covering the one-year period from January 1, 1992 to January 1, 1993, for the orderly transfer of the functions of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS) to the Office. During this interim period, the Director must consult and cooperate with the Director of the Office of Thrift Supervision and the Comptroller of the Currency (Comptroller) to facilitate the orderly transfer of functions to the Office. During the interim period, the Director, jointly with the Board of Governors of the Federal Reserve System, may issue regulations governing financial services holding companies which shall become effective on January 1, 1993. Further, during the interim period, the Director is authorized to take such actions as are necessary to provide for the establishment of the Office. The Secretary may detail to the Director of the Office such personnel of the OCC and the OTS as the Secretary deems appropriate to assist in carrying out the Director's interim duties. The Secretary may provide all administrative services necessary to support the Office during the interim period and may obtain, in equal shares from OCC and OTS, and spend, reimbursement for the cost of such services.

SECTION 312. OFFICE OF THRIFT SUPERVISION ABOLISHED.

Section 312(a) abolishes the Office of Thrift Supervision (OTS) and the position of the Director of the Office of Thrift Supervision, effective on January 1, 1993.

Before the OTS is abolished, its Director must consult and cooperate with the Director of the Office of Depository Institutions Supervision and the Comptroller of the Currency to facilitate the orderly transfer of functions to the Bureau. Any matter not resolved through such consultation shall be resolved by the Secretary. Except for the requirements that the Director of the OTS consult and cooperate with the Director of the new Office and the Comptroller regarding transition, any authority which was vested in the Director of the OTS on the day before the date of enactment of this title which is necessary for him to carry out his duties shall continue until his position is abolished. Any agency, department or other instrumentality of the United States that was providing support services to the OTS on the day before the date the OTS is abolished shall continue to provide such services in accordance with the terms of the arrangement, except that, effective January 1, 1993 the new Office shall substitute for OTS as a party to the arrangement. Any such agency, department or other instrumentality of the United States shall consult with the new Office's Director to coordinate a prompt and reasonable transition.

All rights, duties and obligations of the United States, the OTS or any person which exist on the day before the date the OTS is abolished are preserved from being affected by the Act. Any suit or other proceeding commenced by or against the OTS or its Director is unaffected by this act, except that, effective January 1, 1993, the Director of the new Office shall be substituted as a party. All orders, resolutions and regulations of the OTS which are in effect on January 1, 1993 shall continue in effect according to their terms. The Director of the new Office must administer such orders, resolutions and regulations and they are enforceable by or against him until such time as they are modified, terminated, set aside or superseded by him, a court, or operation of law. Any proposed regulations or rules of the OTS are deemed proposed regulations or rules of the new Office. Each of the foregoing provisions applies unless expressly provided otherwise.

All individuals employed by OTS on the day before OTS is abolished are transferred to the new Office.

Each transferred employee has the rights accorded by 5 U.S.C. 3503 and is guaranteed a position in the new Office with the same status and tenure as that held by the employee preceding the transfer. Transferred employees who held permanent positions at OTS may not be involuntarily separated or reduced in grade for one year after the transfer, except for cause and except for those who held positions at OTS that were exempted from the competitive service by reason of the positions' confidential policy-making, policy-determining or policy-advocating character. Each transferred employee who remains with the new Office is to receive for one year after the transfer the same total compensation that the employee received immediately preceding the transfer. Transferred employees also may elect to retain for one year after the transfer membership in any OTS employee benefit program (other than retirement but including insurance) if the Director of the new Office continues the program. The new Office will pay all costs of the continued benefit programs. If an employee elects not to continue membership in such a program, the employee may participate in the new Office's program notwithstanding pre-existing health conditions. However, such an election must be made within 120 days after the transfer or the OTS program's discontinuation.

If the new Office's Director determines between one and three years after the transfer that a reorganization of the combined work force is required, the reorganization is to be treated as a major reorganization for purposes of entitling employees to certain early retirement options under other law. Chapter 35 of title 5, United States Code, shall apply to any reduction in force resulting from such reorganization.

The Director of the new Office is to take necessary action on a case-by-case basis to

continue to provide transferring employees with equitable treatment for retirement, and leave and vacation time purposes regarding credit previously received for prior service with a Federal entity or instrumentality or with a Federal Home Loan Bank or a joint office of such Banks. This provision tracks the language of section 722(f) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). Under section 722(f) of FIRREA, approximately 2,000 employees who were transferred to the OTS from the Federal Home Loan Banks and joint offices of those Banks were grandfathered in a private retirement plan, the Financial Institutions Retirement Fund (FIRF), rather than being compelled to leave the FIRF and enter a Federal retirement program. Accordingly, one purpose of paragraph (d)(4) is to authorize the Director of the new Office to permit OTS employees who participate in FIRF to continue that participation after they transfer to the Office.

All OTS property is to be transferred to the new Office on January 1, 1993.

SECTION 313. OFFICE OF THE COMPTROLLER OF THE CURRENCY ABOLISHED

Section 313(a) abolishes the Office of the Comptroller of the Currency (OCC) and the position of the Comptroller of the Currency, effective on January 1, 1993.

Before the OCC is abolished, the Comptroller must consult and cooperate with the Director of the Office of Depository Institutions Supervision and the Director of the Office of Thrift Supervision to facilitate the orderly transfer of functions to the new Office. Any matter not resolved through such consultation and cooperation shall be resolved by the Secretary. Except for the requirement that the Comptroller consult and cooperate with the Secretary and the Director of the Office of Thrift Supervision regarding transition, any authority which was vested in the Comptroller on the day before the date of enactment of this Act which is necessary for him to carry out his duties shall continue until January 1, 1993. Any agency, department, or other instrumentality of the United States that was providing support services to the OCC on the day before the date the OCC is abolished shall continue to provide such services in accordance with the terms of the arrangement, except that, effective January 1, 1993, the new Office shall substitute for the OCC as a party to the arrangement. Any such agency, department, or other instumentality of the United States shall consult with the Director of the new Office to coordinate a prompt and reasonable transition.

All rights, duties and obligations of the United States, the OCC or any person which exist on the day before the date the OCC is abolished are preserved from being affected by the Act. Any suit or other proceeding commenced by or against the OCC or the Comptroller is unaffected by this Act, except that, effective January 1, 1993, the Director of the new Office shall be substituted as a party. All orders, resolutions and regulations of the Comptroller which are in effect on January 1, 1993 shall continue in effect according to their terms. The Director of the new Office must administer such orders, resolutions and regulations and they are enforceable by or against him until such time as they are modified, terminated, set aside or superseded by him, a court, or operation of law. Any proposed regulations or rules of the Comptroller are deemed proposed regulations or rules of the new Office. Each of the foregoing provisions applies unless expressly provided otherwise.

All individuals employed by OCC on the day before the OCC is abolished are transferred to the new Office.

Each transferred employee has the rights accorded by 5 U.S.C. 3503 and is guaranteed a position in the new Office with the same status and tenure as that held immediately preceding the transfer. Transferred employees who held permanent positions at the OCC may not be involuntarily separated or reduced in grade for one year after the transfer, except for cause and except for those who held positions at the OCC that were exempted from the competitive service by reason of the positions' confidential policy-making, policy-determining or policy-advocating character. Each transferred employee who remains with the new Office is to receive for one year after the transfer the same total compensation that the employee received immediately preceding the transfer. Transferred employees also may elect to retain for one year after the transfer membership in any OCC employee benefit program (other than retirement but including insurance) if the Director of the new Office continues the program. The new Office will pay all costs of the continued benefit programs. If an employee elects not to continue membership in such a program or if the Director of the new Office terminates the program, the employee may participate in the new Office's program notwithstanding pre-existing health conditions. However, such an election must be made within 120 days after the transfer or the discontinuation of the OCC's program.

If the new Office's Director determines between one and three years after the transfer that a reorganization of the combined work force is required, the reorganization is to be treated as a major reorganization for purposes of entitling employees to certain early retirement options under other law. Chapter 35 of title 5, United States Code shall apply to any reduction in force resulting from such a reorganization.

All property of the OCC is to be transferred to the new Office on January 1, 1993.

Subtitle C—Regulatory and Supervisory Responsibility

SECTION 321. REGULATORY AUTHORITY

Section 321 transfers all powers and duties that were vested in the Director of the Office of Thrift Supervision and the Comptroller of the Currency on December 31, 1992 to the Director of the Office of Depository Institutions Supervision, effective January 1, 1993.

SECTION 322. APPROPRIATE FEDERAL BANKING AGENCY

Section 322 provides that the Director of the Office of Depository Institutions Supervision is the appropriate Federal banking agency for all institutions and entities with a national or Federal charter or license and for District banks chartered by the Director, Federal branches and Federal agencies of foreign banks, State savings associations, and savings and loan holding companies. The Board of Governors of the Federal Reserve System is the appropriate Federal banking agency for all other institutions and entities with a State charter or license (including State branches and State agencies of foreign banks) and for commercial lending companies, Edge Act corporations, and agreement corporations.

The appropriate Federal banking agency for a diversified holding company or a financial services holding company is determined by the charter of the principal bank subsidiary. The term "principal bank subsidiary" is defined as the single subsidiary depository institution of a financial services holding company that has the greatest dollar amount of assets on average for the last day of each quarter of the preceding calendar year. The appropriate Federal banking agency for a foreign bank that is not a financial services holding company is the same as the appropriate Federal banking agency for the largest branch, agency, or commercial lending company controlled or operated by the foreign bank.

The appropriate Federal banking agency must evaluate the principal bank subsidiary every five years for the purpose of determining whether a transfer of supervisory authority over the financial services holding company to the other appropriate Federal banking agency is necessary. In order to ensure regulatory and supervisory consistency, the appropriate Federal banking agency for a holding company cannot change more frequently than every five years. This section amends the definition in current law of appropriate Federal banking agency in accordance with the overall scheme for regulatory restructuring set forth in the Act. This section is effective on January 1, 1993.

SECTION 323. EXAMINATIONS

Section 323 authorizes the Director of the Office of Depository Institutions Supervision to examine institutions or entities for which the Director is the appropriate Federal banking agency, and any other institution or entity over which the Director has examination authority pursuant to the Financial Services Holding Company Act of 1991.

At least once during every twelve month period, the Director must conduct an on-site examination of each depository institution and branch of a foreign bank for which the Director is the appropriate Federal banking agency. Depository institutions for which a conservator or receiver has been appointed may be examined less frequently. Any depository institution or foreign bank branch that has total assets of less than $1 billion for the year preceding a scheduled examination and that is in compliance with the capital standards prescribed by the Director must be examined on-site at least once during the following 18-month period.

This section authorizes the Director to examine any institution or entity for which the Director is the appropriate Federal banking agency as frequently as the Director determines to be necessary. This examination authority extends to any affiliate of a depository institution (other than those examined pursuant to the Financial Services Holding Company Act of 1991) to permit the Director to determine the relationship between the depository institution and its affiliate and the effect of such relationship on the depository institution. The Director's authority to examine other affiliates within a holding company structure is set forth in Financial Services Holding Company Act of 1991.

Examiners appointed by the Director have the power to conduct an examination and prepare a full report of condition of any depository institution for which the Director is the appropriate Federal banking agency. Such examiners also have the power to administer oaths and to examine any raise, directors, employees, or agents under oath. Examiners must be given prompt and complete access to all relevant books, records, and documents of any type.

This section retains current law with respect to publication of examination reports of national banks and their subsidiaries that fail to comply with the recommendations or suggestions made in an examination within 120 days after notification. The national

bank or subsidiary must be given 90 days notice prior to publication. This section contains a limitation on visitorial powers for depository institutions chartered under Federal law. State auditors and examiners may review such institutions' records solely to ensure compliance with applicable unclaimed property or escheat laws when there is reasonable cause to believe that the institutions have failed to comply with such laws. This section parallels the current limitation on visitorial powers for national banks. This section is not intended to expand or limit the valid exercise of law enforcement.

If any affiliate of any depository institution (other than those examined pursuant to the FSHCA which is subject to examination by the Director refuses to pay any assessment or fails to pay any assessment within 60 days after the assessment, the Director may collect the amount not paid from the depository institution. If such an affiliate is an affiliate of more than one depository institution, the amount not paid may be collected from any affiliated depository institution in such proportions as the Director determines. If any such affiliate of any depository institution refuses to permit the Director to make an examination or refuses to provide information required to be disclosed in the course of examination, the Director is authorized to assess a civil penalty of $5,000 against the depository institution for each day that such refusal continues.

SECTION 324. CONFORMING AMENDMENTS

Section 324 revises section 5240 of the Revised Statutes by deleting those provisions relating to the examination and assessment of national banks and their affiliates since the authority provided in such provisions is duplicative of the Director's authority, and by retaining those provisions relating to the authority of the Federal Reserve banks to examine member banks, with the approval of the Board of Governors of the Federal Reserve System or the appropriate Federal Reserve agent. Section 324 amends the Home Owners' Loan Act by deleting those provisions which provide authority that is duplicative of the Director's examination and assessment authority. This section becomes effective on January 1, 1993.

SECTION 325. APPOINTMENT OF A RECEIVER

Section 325 provides the Director of the Office of Depository Institutions Supervision with authority to appoint a receiver for a national bank based on any of the grounds currently set forth in the Bank Conservation Act (12 U.S.C. 203) and in section 5239 of the Revised Statutes (12 U.S.C. 191). In addition, this section requires the Director of the Office of Depository Institutions Supervision to appoint a receiver for any national bank that is classified by the Director as a Zone 5 institution pursuant to section 35 of the Federal Deposit Insurance Act. The amendments made by this section are effective on January 1, 1993. For savings associations, the grounds for appointment of a receiver as set forth in the Home Owners' Loan Act and transferred by this title to the Director of the Office of Depository Institutions Supervision are unchanged.

Subtitle D—Transfer of Federal Deposit Insurance Corporation Authority

SECTION 331. AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

Section 331 transfers the Federal Deposit Insurance Corporation's supervisory and regulatory authority over State nonmember insured banks, to the Board of Governors of the Federal Reserve System which is the new appropriate Federal banking agency for such institutions. The amendments made by this section become effective on January 1, 1993.

SECTION 332. CONFORMING AMENDMENTS TO THE FEDERAL RESERVE ACT

Section 332 amends the Federal Reserve Act to include State nonmember insured banks in those provisions of law in the Federal Reserve Act for which there was a parallel provision in the Federal Deposit Insurance Act which was amended or repealed by section 331 of this Act. The amended sections include those dealing with transactions with affiliates, loans to executive officiers, and lotteries.

SECTION 333. SAVINGS PROVISIONS

Section 333 preserves the validity of any right, duty or obligation of the United States, the Federal Deposit Insurance Corporation, or any person which exists on December 31, 1992, the day before the date the Federal Deposit Insurance Corporation's supervisory and regulatory authority over State nonmember banks is transferred to the Board of Governors of the Federal Reserve System. Any suit or other proceeding commenced by or against the Federal Deposit Insurance Corporation with respect to the supervisory and regulatory responsibilities transferred under this Act is unaffected by this Act, except that the Board of Governors of the Federal Reserve System shall be substituted as a party.

All orders, resolutions, and regulations of the Federal Deposit Insurance Corporation which are in effect on December 31, 1992, and which relate to the supervision and regulation of insured State nonmember banks continue in effect according to their terms. The Board of Governors of the Federal Reserve System must administer such orders, resolutions, and regulations and they are enforceable by or against the Board until such time as they are modified, terminated, set aside, or superseded by the Board by a court, or by operation of law. Any proposed regulations or rules of the Federal Deposit Insurance Corporation relating to the supervision and regulation of State nonmember insured banks are deemed proposed regulations or rules of the Board of Governors of the Federal Reserve System. Each of the foregoing provisions applies unless expressly provided otherwise in this Act.

SECTION 334. TRANSFER OF PERSONNEL AND PROPERTY

The Chairman of the Board of the Federal Deposit Insurance Corporation (FDIC) and the Chairman of the Board of Governors of the Federal Reserve System (FRB) shall jointly determine which FDIC employees should accompany the functions transferred by the Act from the FDIC to the FRB, and this section requires that those employees be so transferred.

Employees so identified are to be transferred not later than January 1, 1993 with the protection accorded by 5 U.S.C. 3503 to employees accompanying a transferred function. The transferred employees are guaranteed a FRB position with tenure comparable to what they had at the FDIC and with pay no lower than their most recent FDIC pay level. In addition the transferred employees may not be removed or reduced in pay except for cause for one year after the transfer. If the FRB determines between December 31, 1993, and December 31, 1995, that the combined work force is to be reorganized, the reorganization is treated as a major reorganization for purposes of authorizing certain retirement options under other law.

Employees transferred from the FDIC can elect to retain membership in FDIC benefit programs (other than retirement) for one year after the transfer if the FDIC continues the programs. If the cost of a FDIC program exceeds the cost of the comparable FRB program, the excess cost is to be paid by the FDIC. If a transferred employee does not elect to retain a FDIC health benefit or if FDIC discontinues a health benefit program, the employee may elect to participate in the FRB health benefit program within one year after the transfer.

Transferred employees who are within the definition of employee at 5 U.S.C. 8401(11) may elect to remain in a Federal retirement plan in which they participated while employed at the FDIC, and the FRB will make all contributions to the plan that the FDIC would have made if the employees had not been transferred. The employees also may elect within one year after the transfer to participate in the retirement program offered by the FRB to those commencing service with the FRB after December 31, 1983. Employees electing the FRB retirement program forego all benefits (except for the thrift plan) under the Federal Employee Retirement System (FERS) but receive benefits under the FRB program as if they had enrolled in that system on the same date they enrolled in FERS.

Transferred employees are to be placed in FRB positions comparable to the positions they occupied at the FDIC. The FRB is to take necessary action on a case-by-case basis to provide transferring employees with equitable treatment for retirement, and leave and vacation time purposes regarding credit for prior service with a Federal entity or instrumentality. Transferring employees are to receive notice of their position assignments within 120 days after the effective date of their transfer. Transferring employees have the same rights and entitlements as other, similarly situated FRB employees have under sections 10 and 11(1) of the Federal Reserve Act (12 U.S.C. 244 and 248(1)), except as the Act otherwise specifically provides.

The Chairman of the Board of Governors of the Federal Reserve System and the Chairman of the FDIC shall jointly determine no later than January 1, 1993, the FDIC property that had been used to perform functions transferred to the FRB by this Act, and such property shall be transferred to the FRB promptly. The FRB is authorized to hold such transferred property and acquired any other property necessary to perform the transferred functions or related functions or activities with respect to State member banks or holding companies.

Any agency, department or other instrumentality of the United States that was providing support services to the FDIC on the day before the date functions are transferred from the FDIC to the FRB under this Act shall continue to provide such services in accordance with the terms of the arrangement, except that, effective January 1, 1993, the FRB shall substitute for the FDIC, or, if appropriate, be added, as a party to the arrangement. Any such agency, department or other instrumentality of the United States shall consult with the FRB to coordinate a prompt and reasonable transition.

Conforming amendments are made to the FRB's property authorities.

Subtitle E—Litigation Authority

SECTION 341. LITIGATION AUTHORITY

Section 341 authorizes the Director of the Office of Depository Institutions Supervision, the Board of Governors of the Federal

Reserve System, the National Credit Union Administration, and the Federal Deposit Insurance Corporation to employ attorneys to conduct litigation, but such litigation may be conducted only with the prior consent of the Attorney General and is subject to the direction and control of the Attorney General. Section 341 is intended to permit the Attorney General to allocate federal litigation resources in the manner he deems most efficient.

Under current law, except as otherwise provided, the Attorney General is responsible for conducting litigation involving Federal agencies. See e.g., 28 U.S.C. 516, 519. However, much litigation involving Federal banking agencies and concerning questions of banking law can be conducted most effectively by attorneys employed by the appropriate Federal banking agencies, the National Credit Union Administration and the Federal Deposit Insurance Corporation rather than the Department of Justice. Section 341 therefore permits the Attorney General to delegate authority to conduct litigation to the appropriate Federal banking agency, the National Credit Union Administration, or the Federal Deposit Insurance Corporation when he believes that attorneys from those agencies are able to provide the most efficient and effective representation. Such delegation may be made in individual cases or may be made more generally.

The Home Owners' Loan Act is amended by deleting the Director of the Office of Thrift Supervision's independent litigating authority as of January 1, 1993, the date on which all powers of the Director of the Office of Thrift Supervision transfer to the Director of the Office of Depository Institutions Supervision.

Subtitle F—Reorganization of Boards of Directors

SECTION 351. REORGANIZATION OF BOARDS OF DIRECTORS

Section 351 revises the composition of the Board of Directors of the Federal Deposit Insurance Corporation to conform with the new regulatory structure. The Federal Deposit Insurance Corporation's Board of Directors consists of the Director of the Office of Depository Institutions Supervision, the Chairman of the Board of Governors of the Federal Reserve System, and three independent members. The Director of the Office of Depository Institutions Supervision and the Chairman of the Board of Governors of the Federal Reserve System may delegate their authority to serve as Board members.

SECTION 352. NATIONAL CREDIT UNION ADMINISTRATION BOARD OF DIRECTORS

Section 352 revises the composition of the Board of Directors of the National Credit Union Administration to include the Director of the Office of Depository Institutions Supervision as a Board member. Effective January 1, 1993, the Board of Directors of the National Credit Union Administration will consist of the Director of the Office of Depository Institutions Supervision and two independent members appointed by the President.

Subtitle G—Savings Provisions for Authority Transferred from the Board of Governors of the Federal Reserve System to the Director of the Office of Depository Institutions Supervision.

SECTION 361. SAVINGS PROVISIONS

Section 361 preserves the validity of any right, duty, or obligation of the United States, the Board of Governors of the Federal Reserve System, or any person which exists on December 31, 1992, the day before the Board's supervisory and regulatory authority is transferred to the Director of the Office of Depository Institutions Supervision. Any suit or other proceeding commenced by or against the Board of Governors of the Federal Reserve System with respect to the supervisory and regulatory responsibilities transferred under this Act is unaffected by this Act, except that the Director of the Office of Depository Institutions Supervision, as the appropriate Federal banking agency, may be substituted as a party.

All orders, resolutions and regulations of the Board of Governors of the Federal Reserve System which are in effect on January 1, 1993, and which relate to any function transferred under this Act shall continue in effect according to their terms. The Board of Governors of the Federal Reserve System or the Director of the Office of Depository Institutions Supervision, as appropriate, must administer such orders, resolutions and regulations and they will be enforceable by or against the Board or the Director until such time as they are modified, terminated, set aside or superseded by the Board or by the Director, by a court, or by operation of law.

Any proposed regulations or rules of the Board of Governors of the Federal Reserve System relating to any function transferred under this Act shall be deemed a proposed regulation or rule of the Director of the Office of Depository Institutions Supervision.

Title IV—Bank Insurance Fund Recapitalization

Subtitle A—FDIC Borrowing

SECTION 401. FDIC BORROWING

This amendment provides the FDIC with new borrowing authority under section 15 of the Federal Deposit Insurance Act. Paragraph (1) of the amendment explicitly permits the FDIC to borrow up to $25 billion from the Federal Reserve banks for use as loss funds of the Bank Insurance Fund and to protect the liquidity of the Fund or to deal with a troubled or failed institution. The FDIC is to have no more than $25 billion in borrowing from the Federal Reserve banks outstanding at any one time.

Paragraph (2) of the amendment adds a new subsection (c)(6) concerning exemptions on FDIC obligations. Subsection (c)(6)(A) preserves the existing exception from the obligation limitation for $5 billion in FDIC borrowing. Subsection (c)(6)(B) permits the FDIC to use its authority to borrow from the Federal Reserve banks as intended by explicitly exempting such borrowing from the limitation on FDIC obligations. In addition, funds flowing between the FDIC and the Federal Reserve banks in connection with such borrowing will not be counted in calculating compliance with the limitation on FDIC obligations.

Finally, new subsection (c)(6)(E) provides that the unused portion of the FDIC's existing $5 billion in emergency borrowing authority—which is exempt from the limitation on FDIC obligations under current law—shall be counted as net worth solely in calculating compliance with the limitation on obligations. The purpose of this provision is to permit the FDIC to continue to incur obligations to hold working capital in resolving institutions insured by the Bank Insurance Fund, even if the Fund's accounting net worth is exhausted.

SECTION 402. FEDERAL RESERVE LENDING

This amendment is intended to provide to the Board of Governors of the Federal Reserve System and the Federal Reserve Banks, as directed by the Board, the authority to lend to the FDIC. In addition, the amendment is intended to provide to the Board of Governors wide authority to prescribe the terms under which the funds will be lent.

Subtitle B—FDIC Assessments

SECTION 411. MAXIMUM AGGREGATE ASSESSMENT

This section strikes out a redundant provision in the current Federal Deposit Insurance Act, and replaces it with a provision that the maximum aggregate assessment rate to be charged to the members of the Bank Insurance Fund is 0.30 percent of deposits of the members of the Fund. This aggregate limitation would apply not to individual institutions, but to all institutions insured by the Bank Insurance Fund in the aggregate. The FDIC would retain discretion to assess individual institutions more than 0.30 percent of deposits. This amendment also makes it clear that the Corporation has full discretionary authority to compute the assessment using industry-wide data it has gathered, and may then collect whatever assessment it has computed. Any challenges assessment is due, and may only seek repayment of the amount in question.

SECTION 412. BANK INSURANCE FUND BORROWING ASSESSMENT

This section directs the Board of Directors, so long as funds borrowed from the Federal Reserve banks remain unpaid, to determine the amount of assessments necessary to repay the borrowed funds in accord with the terms of loan. The language further directs the Board of Directors to take whatever actions are necessary to dedicate the amounts of assessments necessary to repay the loans so as to preclude the use of dedicated assessments for any purpose other than repaying the loans.

Title V—Payment System Risk Reduction

Subtitle A—Payment System Risk Reduction

SECTION 501. FINDINGS

This section sets forth the Congress' findings regarding the need for efficient processing of financial transactions and for legal recognition of the validity of netting procedures.

SECTION 502. DEFINITIONS

(1) "Broker/dealer." Broker/dealers are included in the definition of financial institution, which establishes the coverage of the Act. The provisions of the Act apply to all registered or licensed securities brokers, underwriters, and dealers.

(2) "Clearing organization" is defined broadly to include any entity that clears or settles transactions for financial institutions. Section 5 of the Act provides that such transactions shall be netted on an aggregate basis if so provided in the rules of the clearing organization.

(3) "Covered clearing obligation." This definition describes those obligations settled through a clearing organization that are covered by the Act.

(4), (5) "Covered contractual payment entitlement" and "Covered contractual payment obligation." The Act applies to obligations to make payments and entitlements to receive payments if (i) they are covered by a netting contract, and (ii) they are either (a) obligations or entitlements between two financial institutions or (b) obligations or entitlements settled or cleared through a clearing organization.

(6) "Depository institution" is defined to include all domestic depository institutions, U.S. branches and agencies of foreign banks, and Edge and agreement corporations. De-

pository institutions are included in the definition of financial institution.

(7), (8) "Failed financial institution" and "failed member." A failure occurs when a financial institution or member: (i) fails to satisfy its obligations with respect to another financial institution or member; (ii) is subject to, whether voluntary or involuntary, insolvency, liquidation, receivership, or similar proceedings; or (iii) generally fails to meet obligations.

(9) "Futures commission merchant." Futures commission merchants are included in the definition of financial institution. The provisions of the Act apply to all registered or licensed sellers of commodity futures and options.

(10) "Futures commission merchant." Futures commission merchants are included in the definition of financial institution. The provisions of the Act apply to all registered or licensed sellers or commodity futures and options.

(11) "Member" is defined broadly to cover all participants in a clearing organization.

(12) "Net entitlement" and "net obligation" are defined to mean the post-netting amounts a financial institution or member is entitled to receive or obligated to pay under a netting contract.

(13) "Netting contract." The Act applies only when there are contractual netting arrangements between private parties. The Act does not impose a netting requirement in the absence of a contractual arrangement, nor does the Act impose a United States rule of law when the contractual parties elect to apply the law of a foreign jurisdiction. The contractual obligations among members of a clearing organization are normally established by the rules of the clearing organization, thus "netting contract" is defined to include such rules.

SECTION 503. BILATERAL NETTING

This section provides that, in accordance with the terms of the contractual arrangements between two financial institutions, the mutual obligations of such institutions shall be netted and set off. The obligations and entitlements between the parties shall relate only to the remainder after giving effect to netting procedures. Netting may occur without regard to whether the obligations are matured or unmatured.

To illustrate, assume that Bank A has an obligation to make a payment of $10 million to Bank B and that Bank B then incurs an obligation to make a $12 million payment to Bank A. If a netting contract between the two banks so provides, at the time Bank B's obligation is incurred, the two obligations will be netted so that Bank B has a $2 million obligation to Bank A and Bank A has no obligation to Bank B. The $2 million net obligation represents the excess of Bank B's $12 million obligation to Bank A over Bank A's $10 million obligation to Bank B.

Although it is believed that a similar result would be obtained under existing law, some uncertainty exists. The daily volume of trillions of dollars of payments through clearing organizations requires that this uncertainty be eliminated.

SECTION 504. CLEARING ORGANIZATION NETTING

Members of a clearing organization will normally transmit and receive numerous payment orders during the course of a business day. The vast majority of these payments orders will be made for customers of the member rather than for the member's own account.

Under the rules of most clearing organizations, final settlement is made on a "net-net" (sometimes referred to as "multilateral") basis. Each member aggregates all the payment orders received during the day and compares that amount to the aggregate amount of all payment orders sent during the day. The member's obligation to make a settlement payment, or its entitlement to receive a settlement payment, is equal to the differential between the two aggregate amounts. If the aggregate amount of payment orders received by a member exceeds the aggregate amount of payment orders transmitted, the member receives a net settlement amount equal to the differential.

This section addresses the concern that, in the event of a member's bankruptcy, its receiver or liquidator would attempt to negate the net-net settlement rules of the clearing organization. If the receiver or liquidator were successful in that effort, the failed member could be immediately entitled to the gross amount of all payment orders received by it during the day, but all payment orders transmitted by it would represent merely unsecured creditor claims. The recipients of those transmitted payments orders would almost certainly receive less than face amount and would probably be required to wait a substantial period of time before receiving any actual payment. The potential loss to the recipients would be exacerbated if the failed member were subject to a depositor preference or similar statute.

Section 504 is intended to eliminate the risk that the receiver or liquidator of a failed member of a clearing organization could negate the netting rules of the clearing organization. This section provides statutory validation of netting to the extent provided by the clearing organization rules. If a member fails, its claim with respect to payment orders received through the clearing organization would be limited to the excess, if any, of the amount of payment orders received over the amount of payment orders transmitted.

SECTION 505. PREEMPTION

Financial institutions and members of clearing organizations are organized under the laws of numerous jurisdictions, which may differ. These laws may establish a variety of preferences and priorities among creditors in the event of bankruptcy, many of which are not codified and the implications of which are not fully developed.

Consequently, it cannot be determined with certainty whether the netting procedures provided in private contracts would be honored under these various laws. Because certainty of settlement on a net basis is essential to the safety and soundness of the banking system and financial markets, this section provides that the Act preempts any injunction or similar order issued by a court or agency that would interfere with the netting procedures governed by the Act. This preemption is, however, explicitly limited to orders that are inconsistent with the netting procedures and are not intended to affect any other priorities or preferences established by other laws.

Subtitle B—Right to Financial Privacy Act Amendments

SECTION 511. AMENDMENTS TO THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978

Section 1(a) is intended to clarify the language of subsection 1112(f), as amended, of the Right to Financial Privacy Act (RFPA), (12 U.S.C. 3412(f)), which relates generally to transfers of financial records that may be relevant to a violation of federal criminal law. Such transfers are permitted by a Federal agency or department to the Attorney General. As a result of changes in federal statutes since the passage of the RFPA in 1978, the Department of Justice has authority not only to prosecute criminal violations of bank fraud statutes, but also to initiate civil actions under those statutes pursuant to section 951 of FIRREA, (12 U.S.C. 1833a) and to seek civil and criminal forfeitures under 18 U.S.C. 981 and 982.

The current language of subsection 1112(f)(2), however, limits the use of records transferred under subsection 1112(f)(1) to "criminal investigative or prosecutive purposes by the Department of Justice." While this language arguably extends to criminal forfeitures under 18 U.S.C. 982, Federal agencies require an unambiguous source of authority to transfer records to the Department of Justice for use in either civil actions under section 951 of FIRREA or in civil forfeitures under 18 U.S.C. 981. In contrast to subsection 1112(f), subsection 1113(1) of the RFPA, (12 U.S.C. 3413(1)), which exempts from the RFPA's provisions disclosures of certain financial records relating to possible crimes against financial institutions by insiders, contains no language that limits the use of records so disclosed. Accordingly, no amendment of that language appears necessary.

Subsection 1(b) would further amend subsection 1112(f)(2) of the RFPA by adding a new sentence to make clear that when a Federal agency or department transfers records under subsection 1112(f), that transfer does not constitute waiver of any privilege that may apply to those records (e.g., the attorney-client privilege and the attorney work product doctrine). Similarly, subsection (2) would amend subsection 1113(l) of the RFPA by adding a new sentence to make clear that when a Federal supervisory agency transfers a record under that subsection, that transfer does not constitute a waiver of any privilege that may apply to that record (e.g., the attorney-client privilege and the attorney work product doctrine). Federal supervisory agencies have expressed concern that when they transfer financial records to the Department of Justice for use in possible criminal cases, for civil actions under section 951 of FIRREA or for forfeiture cases under 18 U.S.C. 981 and 982, third parties in litigation with those agencies may seek to discover those records and claim that by transferring those records to the Department, the agencies have waived otherwise applicable privileges. If the Department of Justice is to have timely and complete disclosure of all financial records that agencies may view to suggest criminal conduct, the Act should make clear that the mere transfer of records under subsection 1112(f) or subsection 1113(l) does not constitute a waiver of those privileges. This amendment, however, would not bar courts from finding that in a particular case, an agency may have otherwise waived its privilege, as through an explicit written waiver provided at the time of transfer of the records in question.

Subtitle C—Reduction in Regulatory Burden

SECTION 521. HOME MORTGAGE DISCLOSURE ACT

Section 521 increases the exemption in the Home Mortgage Disclosure Act for small depository institutions from $10 million to $50 million in total assets. This section also adds a provision requiring yearly adjustments in the exemption amount of total assets based on the annual percentage change in the Consumer Price Index. Current law exempts depository institutions with total assets of less than $10 million from the provisions of the Home Mortgage Disclosure Act and does not provide for an adjustment to the exemp-

tion level due to changes in the Consumer Price Index.

SECTION 522. REGULATORY BURDEN STUDY

Section 522 requires the Secretary of the Treasury and each appropriate Federal banking agency to conduct a review of all laws and regulations primarily enforced by each agency, except tax laws and regulations, giving particular attention to duplicate paperwork and compliance requirements, to determine the effect on insured depository institutions' capital positions and profitability.

The agencies' reports must be submitted to Congress no later than one year after enactment of the Act. The reports must contain a description of all laws and regulations that each agency determines may be modified in order to enhance and protect depository institutions' capitalization and profitability. The report must include a cost benefit analysis of the laws and regulations under study, including applications and other reporting and recordkeeping requirements. In particular the report must analyze the feasibility of reducing the number of items reported on reports of condition for institutions with total assets of under $50 million. The agencies must also report on the effectiveness of the Paperwork Reduction Act and the Regulatory Flexibility Act, including an after-the-fact analysis of the accuracy of agency estimates of the paperwork burden and the overall impact of the rules adopted.

SECTION 523. FAIR HOUSING REPORTING

The data the Federal banking agencies currently require to be disclosed for purposes of the Home Mortgage Disclosure Act and the Fair Housing Act are nearly identical. Section 523 eliminates the necessity to prepare separate forms by prohibiting the Federal banking agencies from requiring any institution that they regulate to prepare, file, or maintain a form to satisfy the Fair Housing Act, other than the form required under the Home Mortgage Disclosure Act. Under current law, the Secretary of Housing and Urban Development is responsible for promulgating rules to carry out the Fair Housing Act, including rules for the collection, analysis, and maintenance of data. The Secretary of Housing and Urban Development's authority under current law is unaffected by this section.

Subtitle D—Expedited Funds Availability

SECTION 531. AMENDMENT OF THE EXPEDITED FUNDS AVAILABILITY ACT

Section 531 amends the Expedited Funds Availability Act regarding the frequency of notices when funds will be held beyond statutory schedules based on the exceptions in the statute. For the exceptions to the statutory schedules for funds availability, no further notice is required after the required notice has been provided to a depositor until the earlier of 1 year after notice has been provided or such other time as the exception for which the notice was provided ceases to apply.

Subtitle E—Final Settlement Payment Procedures

SECTION 541. FINAL SETTLEMENT PAYMENT PROCEDURES

Section 541 amends section 11 of the Federal Deposit Insurance Act to give the Corporation, as receiver, the discretionary authority to use the "final settlement payment" method of resolving failed institutions. Under this method, in resolutions where uninsured depositors are not fully protected, the Corporation would make an immediate payment equal to the weighted average recovery of the Corporation standing in the shoes of depositors. In recent years, the weighted average recovery rate has been over 80 percent.

Title VI—Technical and Conforming Amendments

Subtitle A—Severability; Transition References

SECTION 601. SEVERABILITY

This section provides that if any provision of the Act is held to be invalid, the remainder of the Act will continue in force.

SECTION 602. TRANSITION REFERENCE

This section provides that until January 1, 1993, any references in this Act to financial services holding companies and to the FSHCA encompass bank holding companies and the BHCA, respectively.

Subtitle B—Technical and Conforming Amendments

SECTIONS 611–627. AMENDMENTS TO VARIOUS PROVISIONS OF LAW

This subtitle contains technical and conforming amendments to various provisions of law. Almost all of these amendments result from the abolishment of the Office of the Comptroller of Currency and of the Thrift Supervision and the redistribution of responsibility among the Board of Governors of the Federal Reserve System, the Director of the Office of Depository Institutions Supervision, and the Federal Deposit Insurance Corporation. A number of other provisions amend obsolete references to the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation in order to conform to current law and the substantive provisions of this Act. Amendments are also made to reflect changes in nomenclature and regulatory responsibility made by title II of the Act relating to financial services holding companies. The following additional amendments are also made:

Section 611. Subsection (b) amends the Balanced Budget and Emergency Deficit Control Act of 1985 to provide the Office of Depository Institutions Supervision with the same exemption from the apportionment and sequestration provisions of that Act provided by current law for the Office of Thrift Supervision and the Office of the Comptroller of the Currency.

Section 612. Paragraph (1) amends 5 U.S.C. 3132 to exclude the Office of Depository Institutions Supervision from the provisions of law concerning the Senior Executive Service in the same manner as the Office of Thrift Supervision and the Office of the Comptroller of the Currency are excluded under current law.

Paragraph (2) provides that the Director of the Office of Depository Institutions Supervision will be paid at the rate established for Executive Level III, the same rate at which the Director of the Office of Thrift Supervision and the Comptroller of the Currency are paid under current law.

Section 615. Subsections (a) and (b) repeal portions of the Act of January 3, 1923 (12 U.S.C. 7) and the Act of March 4, 1923 (12 U.S.C. 9–10) that relate to the organization of the Office of the Comptroller of the Currency.

Subsection (d) deletes the Office of Thrift Supervision from section 111 of Public Law 93–495 (12 U.S.C. 250) which exempted from Presidential oversight its legislative program. The same exemption did not apply to the Office of the Comptroller of the Currency and is not extended to the Office of Depository Institutions Supervision.

Subsections (e)(2) and (10) substitute the Secretary of the Treasury for the Comptroller of the Currency in sections 11(d) and 16 of the Federal Reserve Act (12 U.S.C. 248(d), 418 and 419) with regard to certain administrative matters relating to the circulation and cancellation of Federal Reserve notes.

Subsection (g)(2) repeals section 3 of the Home Owners' Loan Act (12 U.S.C. 1462a) which established the Office of Thrift Supervision. Subsection (g)(5) repeals section 9 of the Home Owners' Loan Act (12 U.S.C. 1467) governing the assessment of the cost of examinations against savings associations because this Act authorizes the Director of the Office of Depository Institutions Supervision to recover the costs of examinations from regulated institutions.

Subsection (k)(9) repeals section 26 of the Federal Deposit Insurance Act (12 U.S.C. 1831c), an obsolete provision governing the conversion of mutual savings banks to Federal savings banks prior to October 15, 1982.

Section 618. Paragraph (6) amends 18 U.S.C. 1005 to include financial services holding companies and diversified holding companies within the coverage of the section. This is accomplished by reference to the term "depository institution holding company," which is amended elsewhere in the Financial Services Holding Company Act of 1991, to include the terms "financial services holding company" and "diversified holding company."

Section 623. Paragraphs (1) through (3) amend chapter 3, subchapter I, of title 31, United States Code, to reflect the organizational changes made in the Department of the Treasury by this Act. Paragraph 4 amends 31 U.S.C. 321 to provide that powers and duties vested in the Director of the Depository Institutions Supervision by this Act are not vested in the Secretary of the Treasury. Paragraphs (8) and (9) amend provisions governing United States currency notes.

Subtitle C—Repeal of Obsolete Provisions of Law

SECTION 630. REPEAL OF OBSOLETE PROVISIONS OF LAW

Paragraph (1) repeals various provisions relating to the Comptroller of the Currency that are obsolete or are made obsolete by the Act. Paragraph (2) repeals title II of the Act of October 28, 1974 (12 U.S.C. 2401 et seq.), relating to the National Commission on Electronic Fund Transfer which completed its work more than ten years ago. Paragraph (3) similarly repeals section 14 of the Act of December 22, 1974 (12 U.S.C. 2612), relating to a report submitted to Congress by the Secretary of the Treasury prior to 1980.

Subtitle D—Effective Date

SECTION 641. EFFECTIVE DATE

This section provides that the amendments made by title V are effective on January 1, 1993, unless otherwise provided.●

● Mr. GARN. Mr. President, today I am joining with Senator RIEGLE in introducing, by request, the administration's proposal to reform our deposit insurance system and modernize our banking laws. This proposal is the result of an 18-month study of our financial system mandated by the Financial Institutions Reform, Recovery and Enforcement Act, passed in August 1989. I am very encouraged by the fact that the administration has taken the initiative in developing a comprehensive approach to the problems in our financial services industry, rather than recommending narrow "band-aid" type fixes for these problems. The issues addressed in this proposal are of vital im-

portance to our country, and have already been the focus of an on-going series of hearings in the Banking Committee, under the leadership of Chairman RIEGLE. Following these hearings, I hope that the Banking Committee and the Senate will be able to turn its full attention to completing the necessary legislative action to address these issues in this session of Congress.●

By Mr. COCHRAN:

S. 714. A bill to provide for the establishment of the Margaret Walker Alexander National African-American Research Center; to the Committee on Labor and Human Resources.

MARGARET WALKER ALEXANDER NATIONAL AFRICAN-AMERICAN RESEARCH CENTER

● Mr. COCHRAN. Mr. President, I am introducing legislation to provide for the establishment of the Margaret Walker Alexander National African-American Research Center.

The research center is to be located at Jackson State University in Jackson, MS. Historically, the university has been known for providing education, support, and encouragement for many black students from economically disadvantaged backgrounds by providing the means for young black people to move into America's social and economic mainstream. In 1979, Jackson State University was assigned the role of an urban university, by Mississippi's governing board of public universities. Mississippi has long been a State with a predominately rural population and agriculturally based economy, but the State is now confronting many issues associated with urbanization and modernization. Jackson State University's challenges and opportunities include providing effective programs and services to meet the needs of both black and white populations in the urban area of Jackson, MS. This research center will provide an opportunity for the University to share the African American experience with all Mississippians and with others from across our Nation.

This national research center will be named after Margaret Walker Alexander, professor emeritus in the department of English at Jackson State University and a noted author and poet perhaps best known for her Civil War novel "Jubilee," her volume of verse "For My People," and most recently for her biography about her novelist friend, "The Daemonic Genius of Richard Wright."

The primary purpose of the center will be the preservation of 20th century African-American materials and archival resources. The facility will serve as a national center for the study, research, and teaching of African-American literature and history and as a repository for papers and memorabilia relating to the life of Margaret Walker Alexander and other individuals noted for their work in African-American literature, history, and the civil rights movement.

Since there is currently no national archival oral history research facility focusing exclusively on 20th century African Americans, this center will provide much needed resource materials to inform present and future generations of African-American contributions to our Nation.

Mr. President, I urge other Senators to join me in this effort and to cosponsor my bill establishing the Margaret Walker Alexander National African-American Research Center.●

By Mr. BURNS (for himself, Mr. DOLE, Mr. DIXON, Mr. BOREN, Mr. SYMMS, Mr. BAUCUS, Mr. GRASSLEY, Mr. LOTT, Mr. WIRTH, Mr. BROWN, Mr. CONRAD, Mr. NICKLES, Mr. PRESSLER, Mr. COCHRAN, Mr. SHELBY, Mr. MACK, Mr. WALLOP, Mr. COATS, Mr. FORD, Mr. SMITH, Mr. BURDICK, Mr. BOND, Mr. HELMS, Mr. KASTEN, Mr. GRAMM, Mr. SIMPSON, Mr. LUGAR, Mr. FOWLER, Mr. PRYOR, Mr. STEVENS, Mr. MCCONNELL, Mr. DASCHLE, Mr. KERREY, Mr. EXON, Mr. HEINZ, Mr. DOMENICI, and Mr. HEFLIN):

S. 715. A bill to permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer; to the Committee on Commerce, Science, and Transportation.

COMMERCIAL DRIVERS LICENSES

Mr. BURNS. Mr. President, I rise today to introduce legislation. Time has run out as harvest season starts to near. It seems like we are in an early spring, but in some sections of our country, the harvest has started.

I introduce this bill for its consideration, along with 36 cosponsors.

Mr. President, this is a bill to give the States the right to waive the commercial driver's license requirement for the part-time young men and women who work in the harvest every year. Where I come from, family members and young workers have always worked on the family farm and in the family businesses, and this addresses part of that problem.

All I am asking is that the States most affected by these requirements, our Nation's farm States, are given the opportunity to exempt not only farmers but farm retailers and custom harvesters.

I think this is a reasonable piece of legislation, and I urge my colleagues to support it.

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. 715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in addition to the authority which the Department of Transportation granted to States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to farm vehicles contained in volume 53, pages 37313–37316, of the Federal Register (September 26, 1988), such States may extend such waivers to vehicles used to transport farm supplies from retail dealers to or from a farm, and to vehicles used for custom harvesting, whether or not such vehicles are controlled and operated by a farmer.

Mr. DOLE. Mr. President, last year I was proud to cosponsor this measure, and I am proud to do so again this year. This bill would permit States to waive application of the Commercial Motor Vehicle Safety Act of 1986 with respect to vehicles used to transport farm supplies from retail dealers to or from a farm, to vehicles used for custom harvesting, and to vehicles used to transport livestock feed, whether or not such vehicles are controlled or operated by the farmer.

Nearly 2 years ago, the U.S. Department of Transportation gave States the authority to waive commercial drivers license requirements for farm vehicles under the Commercial Motor Vehicle Safety Act. Unfortunately, DOT did not recognize when granting this waiver that the majority of these particular seasonal agricultural shipments were carried out by agricultural retail outlets, not necessarily by farmers.

DOT failed to recognize the importance of the custom harvesting industry, which many farmers rely upon to harvest a seasonal, perishable crop. The same is true for livestock feed operations which provide a valuable, cost effective service for farmers. These industries are markedly different than the commercial trucking industry. Most of the driving is done offpavement. They differ from other for-hire carriers because they only provide the initial transportation of grain from the field to storage, or to market, or to feedlots. These trucks average 15,000 per year and simply cannot be considered in the same category as commercial, long-haul trucking operations.

Farmers are currently facing serious economic hardship with increasing operation and transportation costs. This bill is not an exemption from commercial drivers license requirements, rather it is a commonsense approach to give States with an excellent safety record in the area the ability to set reasonable requirements for farm vehicles.

Mr. President, last year when I joined in the introduction of this legislation, this bill was cosponsored by

Senators BURNS, GRASSLEY, SYMMS, BURDICK, BOREN, PRESSLER, and NICKLES. Subsequently, upon passage of this bill October 9, 1990, Senators BAUCUS, WALLOP, COATS, FORD, BOND, HELMS, WIRTH, KASTEN, GRAMM, SIMPSON, FOWLER, and LUGAR joined as cosponsors.

The waiver was also unanimously approved by the Senate Commerce Committee on July 31, 1990, gaining Senator EXON'S support, and was included as a provision in the Negotiated Rates Equity Act. The waiver was approved again by the Senate when it was included in the Safe Food Transportation Act of 1990 which was passed by the Senate in September.

Mr. President, it is my firm belief that this measure is desperately needed in farm country. It is quite probable, if this measure is not adopted in Congress, that crops will go unharvested, farmers will find themselves short of needed supplies, and livestock producers will find themselves in trouble when it comes to securing adequate feed supplies as well.

I encourage my colleagues, particularly in the House where this measure has met repeated resistance, to once again pass this needed legislation.

By Mr. JEFFORDS (for himself, Mr. DOMENICI, Mr. WIRTH, Mr. BURDICK, Mr. BURNS, Mr. DASCHLE, Mr. CONRAD, Mr. SHELBY, Mr. CRAIG, Mr. SEYMOUR, Mr. REID, Mr. KERREY, Mr. AKAKA, and Mr. BINGAMAN):

S. 716. A bill to establish a replacement fuels and alternative fuels program, and for other purposes; to the Committee on Energy and Natural Resources.

REPLACEMENT AND ALTERNATIVE FUELS ACT

Mr. JEFFORDS. Mr. President, before our sense of pride and relief over the Mideast conflict fades from our memory, we should reflect on some of the underlying causes of that war. Primary among these is oil and our desire to preserve political stability in a region with huge reserves of this resource.

Today we are introducing a proposal to phase in the replacement of gasoline with domestic, nonpetroleum resources. I am joined by Senators DOMENICI, WIRTH, BURDICK, BURNS, DASCHLE, CONRAD, SHELBY, CRAIG, SEYMOUR, REID, KERREY, AKAKA, and BINGAMAN.

I've long held an interest in energy issues, partly from my upbringing in oil-dependent New England, and partly from my experiences as a young naval officer aboard one of the first U.S. vessels through the reopened Suez Canal in 1957. Each experience taught me the inherent advantages to domestic energy resources, an intuition that has recently been reinforced.

Our recent victory will not end our problems of oil dependence—it only emphasizes how perilous our situation remains. Cultural differences and huge disparities of income cannot help but lead to more oil interdictions.

Recently, I had the opportunity to ask Admiral Crowe, the immediate past Chairman of the Joint Chiefs of Staff, how important it is to become energy independent. He replied, "It is extremely important. We must become energy independent even if it results in a serious reduction in our standard of living." The program I am proposing today will allow us to reach that goal. And, it will do so with no significant change in our standard of living. In fact, it could improve it.

The proposal I will describe today is not new or Johnny-come-lately. I first introduced it in the 96th Congress, it garnered over 100 cosponsers, and was incorporated as title 5 of the House Energy Committee's omnibus energy bill before the bottom fell out of the price of oil.

I've reintroduced it each session of Congress since then, during which time we've reaped the benefits and detriments of cheap foreign oil without taking any significant action in the way of national energy strategy.

In brief, the bill guarantees a market for alternative and replacement fuels independent of the price of oil. It calls on refiners to substitute a fixed percentage of their total motor fuel product with nonpetroleum, domestic fuels. A market credit program, a reversal of sorts to the program under which we eliminated lead from gasoline, is established to ease the transition and encourage the least-cost options. All fuels compete on a level playing field with no new subsidies. Candidate fuels include, but are not limited to, ethanol, methanol, natural gas, electricity, and liquids from coal or oil shale.

Mr. President, scores of studies reveal the extent of our domestic energy resources. Clearly oil production alone, given that our total proven reserves are only equal to about 5-years consumption at current rates, will never bring us to oil independence. For the record, let me review my understanding of those which are potential alternative and replacement transportation fuels.

Biomass alcohols include both ethanol and methanol. A July 1990 GAO report showed that a tripling of today's ethanol capacity can be accomplished with relative ease by the year 2000. Such action would help establish the land base, refinery capacity, and distribution system for a cellulous-based biomass industry, which recent reports estimate will become cost-effective around the turn of the century.

Based on DOE research and projections, and from that which I have personally observed at its research center, all of the requirements of my bill can be met with biomass alcohols, although nothing in my bill dictates such an outcome.

Our most abundant domestic fossil fuel resource is coal, followed by oil shale. My proposal includes liquids from these resources as candidate transportation fuels, either as a refinery-blended crude-equivalent, or as converted methanol or gasoline.

Much progress has been made in improving the conversion efficiency of coal to liquids. A pilot project in Ohio, which I recently visited, achieves a thermal conversion efficiency above 80 percent in a closed system, yielding clean gases for methanol and electricity generation. A clean coal technology demonstration plant in Wyoming will convert coal to two products, one solid and one liquid.

These processes, in addition to improving the efficiency of coal utilization, render clean energy products that help with the sorts of problems we grappled with during Clean Air Act reauthorization last year. The technologies we develop will not only help in meeting clean air targets, but will help other countries, such as China and the Soviet Union, more efficiently use their vast coal reserves.

Natural gas is a promising transportation fuel, as demonstrated by the number of initiatives to encourage its use in private fleets, urban buses, and large trucks. While projections of our domestic resource base of natural gas is somewhat debatable right now, especially considering increasing estimates of coal-bed methane, my bill will encourage efforts to utilize natural gas as a transportation fuel, but will not mandate it.

Progress on battery technologies for electric vehicles has been promising, and with a new public-private research effort having recently been announced, further progress is likely. My program includes the use of electric vehicles.

Other potential candidate fuels include propane, hydrogen, fuel cells, and solar energy.

Allow me to briefly describe our proposal. First, potential nonpetroleum fuels are defined under two broad definitions. "Alternative fuels" are those fuels not suitable for being incorporated into gasoline and for which distinct engines are required. These include natural gas, propane, and the "neat" alcohols.

"Replacement fuels" are those that are capable of being mixed with gasoline and used in today's gasoline engines. These include gasohol, the ether blends, including the methanol or ethanol constituents, and liquids derived from coal, shale, or tar sands.

Under this bill, all of these fuels are treated equally, based on their relative energy content.

Under the program, beginning in 1996, refiners of motor fuels would be required to substitute an increasing per-

centage of their product with alternative or replacement fuels.

This substitution could take place at the refinery, as is currently being done pursuant to Clean Air Act requirements for oxygenated fuels, or through a credit-trading program with other fuel providers. The credit system also allows a company to average its requirement among its separate refineries.

For refiners who also distribute motor fuel, the substitution could take place at service stations, via blended gasohol or dedicated methanol pumps. Again, this is nothing new as it is currently being done in this area, in the Midwest and in California.

Other options for these alternative and replacement fuels to penetrate the market are created through the establishment of a market credit system, similar to that established under the acid rain title of the Clean Air Act.

Refiners that exeed their quota generate market credits to sell to another refiner who is deficient in volume. Distributors of natural gas as a transportation fuel generate credits which are then available to refiners. The same is true of distributors selling ethanol and methanol into the transportation market.

Under the market credit system, each transportation fuel is given equal opportunity to penetrate the market, because each fuel generates market credits that can be used by refiners in meeting their percentage requirement.

Mr. President, the administration proposes to expand the alternative fuels provisions of the Clean Air Act to include private fleets nationwide. The Johnston-Wallop bill proposes Federal assistance to State and local governments for purchases of alternative fueled vehicles. My State of Vermont has considered converting to natural gas vehicles. Under the Clean Air Act, municipalities will be required to purchase alternatively fueled buses.

The fuels utilized under any of these scenarios would generate market credits, which would be of value to refiners seeking to meet their percentage requirement. The program envisions maximum flexibility in meeting the requirements, it establishes a cost-sharing program, of sorts, which ultimately will be passed on to purchasers of motor fuel. Because the costs will be distributed over the total volume of motor fuel sold, and because the least-costly options are implicitly encouraged, the cost increase per gallon of gasoline should be in the range of 2 to 3 cents.

Now, producing the alternative and replacement fuels is only part of the equation. Vehicles capable of utilizing these fuels must also be phased in.

Our bill builds upon incentives of current law, the vehicle manufacturers CAFE credit for producing dual fuel and dedicated-fuel vehicles—the so-called Rockefeller-Sharp CAFE credit. The current cap of 1.2 mpg would be lifted, but only to the extent to which alternative and replacement fuels are being used as transportation fuels to displace imported oil. The idea is to give both the vehicle makers and the fuel providers timely incentives to encourage a successful and ambitious phase-in of alternative fuels.

And, under this bill, fuel for the existing vehicle fleet will become cleaner and less oil-dependent through the encouragement of alcohols, ethers, and synthetics which are suitable for refinery processing.

A final link, to the distribution network, is established by granting DOE the authority to require fuel availability at large stations in critical areas. The same authority that the State of California already has.

Mr. President, as I pointed out at the beginning of this testimony, our proposal works in harmony with everything else proposed for alternative transportation fuels.

The President's NES estimates that 700,000 barrels per day of gasoline will be displaced by the year 2000 under provisions of the Clear Air Act for reformulated gasoline and oxygenated fuels. Add to this the volume displaced under California's program, under the Fleet Conversion Program and as ethanol capacity is expanded under the GAO scenario, and the target of 10 percent by 2000 is well within reach. Ramping up to 30 percent after two decades of progress should likewise be within our national potential.

Mr. President, our bill is an insurance policy that will enhance the programs others have proposed and indeed bring them further along. Incorporated in the percentage requirements are assumptions for reformulated gasoline, oxygenated fuels, vehicle fleets, municipal buses, dual-fueled and dedicated fuel vehicles. My bill assures the effectiveness of each of these programs.

But the proposal goes further still. Some see it as "technology forcing," but I prefer to describe it as "technology proving." There are plenty of fuel technologies out there in America waiting to jump into the fuel market. Each may be confident of being more cost-effective than the other, but none is prepared to challenge the inherent cost advantages, and the volatile price, of gasoline.

This bill requires each to compete under market conditions, but leaves conventional gasoline out of the game. I see this as the only way, given the fact that OPEC can dictate the price of oil as its wellhead price is only limited by the imagination of the OPEC ministers. The uncontrolled oil gushers in Kuwait clearly proclaim the ease to which oil comes to the surface in the Mideast. As for bringing this oil from the wellhead to our refineries, our commitment here is also now well documented.

Gasoline has other advantages, as well—as well-defined infrastructure for processing and distribution; a huge vehicle fleet designed to consume it; a public accustomed to its convenience.

Unfortunately, our country's oil resources are dwindling. Even the most ambitious of strategies merely attempt to slow the rate at which we are becoming more dependent on imported oil.

Our bill guarantees the introduction of a fixed volume of alternative and replacement fuels. It puts this country in a position to prove the technologies that will allow us to go entirely oil independent later in the century. It does so in a least-cost fashion, with a coordinated introduction of alternatively fueled vehicles, and allows the market to determine the sorts of energy initiatives that the American people desire.

Mr. Chairman, until we break the grip of oil in the transportation sector, we cannot claim to have taken meaningful strides in achieving energy independence. It is not an easy task, but I see this bill as the only comprehensive and cost-effective proposal for the replacement of gasoline.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

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

S. 716

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 "Replacement and Alternative Fuels Act of 1991".

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) United States national security demands that we reduce our dependency on imported oil;

(2) domestic resources are available to eliminate or substantially reduce our dependency on imported oil;

(3) the transportation sector, currently 95% dependent on oil, accounts for more than 60 percent of our national oil consumption;

(4) a comprehensive energy program, including the stimulation of the production and use of automobiles capable of using alternative fuels, is needed to reduce pollution as well as reduce our dependency on imported oil;

(5) such program should be designed to create a positive impact on the economy, our national trade balance, and our national budget;

(6) such program should allow market forces, within appropriate environmental parameters, to affect the selection of replacement or alternative fuels; and

(7) such program should provide long-term stability to industries producing replacement and alternative fuels.

SEC. 3. PURPOSE.

The purposes of this Act are to—

(1) enhance energy security;

(2) reduce air pollution;

(3) improve our balance of trade;

(4) reduce the budget deficit;

(5) improve the marketability of alternative and flexible fuel vehicles; and

(6) improve the condition of the national economy through the enhancement of the replacement fuel industry and the creation of an alternative fuel industry.

SEC. 4. DEFINITIONS.

For purposes of this Act—

(1) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(2) the term "alcohol" means methanol or ethanol, which is suitable for use by itself or in combination with other fuels as a motor fuel;

(3) the term "conventional petroleum" means petroleum derived from oil wells, including stripper wells, domestic or imported;

(4) the term "domestic" means derived from resources within the 50 States and the territories of the United States;

(5) the term "motor fuel" means any substance suitable as a fuel for self-propelled vehicles designed primarily for use on public streets, roads, and highways;

(6) the term "alternative fuel" means a motor fuel not designed to be mixed with gasoline, including propane, natural gas, "neat" alcohol, hydrogen, and electricity;

(7) the term "replacement fuel" means a motor fuel capable of mixing with gasoline, including alcohol and liquids not derived from conventional petroleum;

(8) the term "commerce" means any trade, traffic, transportation, exchange, or other commerce—

(A) between any State and any place outside of such State; or

(B) which affects any trade, traffic, transportation, exchange, or other commerce described in subparagraph (A);

(9) the term "refiner" means any person engaged in the refining of crude oil to produce motor fuel, including any affiliate of such person, or any importer of motor fuel; and

(10) the term "Secretary" means the Secretary of Energy.

SEC. 5. REPLACEMENT AND ALTERNATIVE FUEL PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish, pursuant to this Act, a program to promote the development and use of domestic-produced replacement and alternative fuels. Such program shall promote the replacement of conventional petroleum motor fuels with replacement and alternative fuels to the maximum extent practicable. Such program shall, to the extent practicable, ensure the availability of those replacement fuels and alternative motor fuels which will have the greatest impact in improving air quality in urban areas, along transportation corridors, and nationwide.

(b) DEVELOPMENT PLAN AND PRODUCTION GOALS.—Under the program established under subsection (a), the Secretary, in consultation with the Administrator, the Secretary of Transportation, the Secretary of Agriculture, the Secretary of Commerce, and the heads of other appropriate agencies, shall review appropriate information and—

(1) estimate the production capacity in the United States for replacement fuel and alternative fuel needed to implement the provisions of this section;

(2) determine the technical and economic feasibility of producing in the United States sufficient replacement fuels and alternative fuels, by the calendar year 2010 to replace 30 percent or more, on an energy equivalent basis, of the projected consumption of motor fuel in the United States for that year;

(3) determine the most suitable raw materials, other than conventional petroleum, for the production in the United States of replacement and alternative fuels;

(4) determine the most suitable means and methods of developing and encouraging the production, distribution, and use of replacement and alternative fuels; and

(5) identify ways to encourage the development of reliable replacement fuel and alternative fuel industries in the United States, and the technical, economic, and institutional barriers to such development.

The Secretary shall prescribe, by rule, a substitute percentage goal for purposes of paragraph (2) upon a determination that 30 percent is unachievable due to technological or cost constraints.

(c) TIMETABLE.—(1) Not later than January 1, 1993, the Secretary shall, by rule, prescribe the minimum percentage of domestic-produced replacement and alternative fuels, on an energy equivalent basis, to be sold in calendar years 1996 and 1997 by any refiner for use as a motor fuel. In establishing such percentages, the Secretary shall—

(A) take into account the availability of reliable sources of replacement fuel and alternative fuel; and

(B) provide that the goal for domestic production of replacement fuel and alternative motor fuels for calendar year 1998 and thereafter shall be not less than 10 percent on an energy equivalent basis of the projected consumption of motor fuel in the United States for each year. The Secretary shall increase the minimum percentage for the years 2005 through 2009 if feasible based on the findings rendered under subsection (b).

(2) Of the total quantity of gasoline, alternative fuel, and replacement motor fuel sold in commerce during any of the following years by any refiner (including sales to the Federal Government), replacement fuel and alternative fuel produced domestically shall constitute the minimum percentage determined in accordance with the following table:*ERR08*

In the calendar year:	The minimum percentage which replacement fuel constitutes, shall be—
1996, 1997	Determined by the Secretary under subsection (c) of this section.
1998 through 2009	10 percent, adjustable by rule after 2005.
2010 and each year thereafter.	The percentage determined feasible under subsection (b).

(3) The Secretary shall, not later than January 1, 1993, promulgate regulations allowing the sale and other exchange of marketable credits among—

(A) refiners;

(B) distributors of alternative motor fuels sold into commerce for transportation purposes; and

(C) manufacturers of electricity powered automobiles;

in order to satisfy the requirements of this section, and to further the purposes of this Act. In determining the value of such credits for the various fuel sources, the Secretary shall consider the relative energy content of the fuel source.

(4)(A) Any domestic refinery of crude oil, whose capacity per calendar day as of the date of enactment is less than 20,000 barrels, shall be granted a 36-month extension by the Secretary from the requirements of this subsection.

(B) The Secretary may, on the application of any person, make adjustments to reduce the minimum percentage requirement as it applies to that person, due to prohibitive costs or an inability to access raw materials.

(d) REPORTING REQUIREMENTS.—(1) Not later than 9 months after the date of the enactment into law of this Act, the Secretary shall complete his review and determinations under this section and prepare and transmit a report thereon to each House of the Congress.

(2)(A) Each refiner shall report annually to the Secretary the percentage of domestic-produced replacement fuel, on an energy equivalent basis, contained in the total quantity of motor fuel that such refiner sold during the preceding calendar year, and the amount of alternative motor fuels, sold or credited to such refiner during such year.

(B) Each distributor of alternative fuel shall report annually to the Secretary the amount of alternative fuel sold into commerce for transportation purposes, and the amount of credits sold to refiners, by such distributor during such year.

(C) The Secretary of Transportation shall report annually to the Secretary of Energy the number of dual fuel and dedicated alternative fuel vehicles manufactured and sold into commerce by each manufacturer each year.

(D) For electricity powered vehicles, the Secretary shall determine the value of credits which shall be available to manufacturers of electricity powered vehicles.

(3) The Administrator shall report to Congress not later than 24 months after the date of the enactment into law of this Act on the environmental impact potential of developing replacement fuels and alternative motor fuels. Such report shall analyze potential benefits and detriments to air and water quality, the ramifications on solid and hazardous waste management, and implications for public land management.

SEC. 6. COORDINATION OF AUTOMOBILES WITH ALTERNATIVE FUELS.

Subsection (g) of section 513 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2013) is amended by adding at the end the following:

"(3) Notwithstanding any other provision of this section, if the average fuel economy standard applicable to passenger automobiles is increased above 27.5 miles per gallon for any model year, the Secretary may increase the maximum increase in average fuel economy for a manufacturer attributable to dual energy automobiles and natural gas dual energy automobiles to the extent that alternative and replacement motor fuel sales indicate that such fuels are being used to displace the use of conventional petroleum as a motor fuel, provided that the fuel economy standard for gasoline fueled vehicles does not decrease from the level as of the date of enactment of this Act.".

SEC. 7. ENFORCEMENT BY THE SECRETARY.

(a) VIOLATIONS.—Any person who violates any requirement of section (5) is subject to a civil penalty of not more than $1 per gallon for each gallon of fuel sold that is not in compliance with subsection (c). Such penalties shall be assessed by the Secretary.

(b) REVIEW.—Any person against whom a penalty is assessed under this paragraph may, within 60 calendar days after the date of the order of the Secretary assessing such penalty, institute an action in the United States court of appeals for the appropriate judicial circuit for judicial review of such order in accordance with chapter 7 of title 5, United States Code. The court shall have ju-

risdiction to enter a judgment affirming, modifying, or setting aside in whole or in part, the order of the Secretary, or the court may remand the proceeding to the Secretary for such further action as the court may direct.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary to carry out this Act not to exceed $10,000,000 for each of the fiscal years 1992 through 1996.

SEC. 9. COORDINATION WITH OTHER ACTS.

This Act shall be administered and enforced in coordination with the administration and enforcement of the Energy Security Act, and the Clean Air Act.

SEC. 10. REGULATIONS.

The Secretary shall issue such regulations as may be necessary to require retailers of motor fuel, at service stations which dispense more than 20,000 gallons of motor fuel per month, to have available for sale, in addition to replacement motor fuels, other alternative motor fuels, for the transportation needs of consumers.

SUMMARY OF THE REPLACEMENT AND ALTERNATIVE FUELS ACT OF 1991

Section 1: Title: "Replacement Fuels & Alternative Fuels Act of 1991"

Section 2: Findings: Need for national energy strategy that utilizes domestic resources competing under market conditions.

Section 3: Purpose: To enhance energy security and reduce air pollution, and for other purposes.

Section 4: Definitions:

Alternative Fuel: motor fuel not designed to be mixed with gasoline, including propane, natural gas, "neat" alcohol, hydrogen and electricity.

Replacement Fuel: motor fuel capable of being mixed with gasoline, including alcohol and liquids not derived from conventional petroleum.

Section 5: Program:

Secretary of Energy shall establish program to replace gasoline with the maximum amount of replacement and alternative fuels.

Targets: 10% replacement by 1998 and 30% replacement by 2010.

Credit trading: Allowed between refiners of gasoline and distributors of alternative fuels.

Reporting: Required by refiners, distributors, and manufacturers of vehicles.

Exemptions: Deadline extension allowed for small refiners of domestic oil, and on a case-by-case basis. Year 2010 target may be adjusted by the Administrator.

Section 6: Automobiles: manufacturers may earn credits against Corporate Average Fuel Economy standard for production of alternative fuel vehicle, provided fuel sales indicate that such vehicles utilize alternative fuels.

Section 7: Enforcement: $1 per gallon penalty for non-compliance.

Section 8: Authorizes $10 million annually to administer program.

Section 9: Program to be coordinated with Clean Air Act.

Section 10: Regulations: Secretary may require retailers to make available sales of alternative fuels.

By Mr. DOMENICI (for himself and Mr. INOUYE):

S.J. Res. 97. Joint resolution to recognize and honor members of the reserve components of the Armed Forces of the United States for their contribution to victory in the Persian Gulf; to the Committee on Armed Services.

PERSIAN GULF WAR RESERVIST COMMEMORATIVE LEGISLATION

Mr. DOMENICI. Mr. President, for myself and Senator INOUYE, I send to the desk for proper referral a joint resolution, which would appropriately honor the men and women of the Reserve forces of the United States who were called up for this engagement in the Middle East. I do not believe we have properly set about to thank and honor them, while many of them sacrificed well beyond anything we ever expected. This resolution would properly recognize them in a joint congressional way.

I send to the desk the resolution, and ask that the resolution be properly referred.

Over 200,000 reservists were called to active duty since the beginning of Operation Desert Shield/Storm on August 2, 1991. Mr. President, about half of these Americans were sent to Saudi Arabia to serve in that theatre, but over 120,000 who were called to active duty remained here in the United States to make up the backbone of the line of support that lead to the troops stationed in Saudi Arabia.

We are justifiably proud of our service men and women who took us to victory in the Persian Gulf. However, we must not forget that this victory could not have been possible without the efforts of those members of the Reserve forces called to active duty but who remained here in the United States.

Many of these reservists come from all walks of life. Some of them are engineers, some are doctors, some are small store owners—but they are all dedicated and hard-working Americans. One of these reservists called to active duty is a member of my staff in New Mexico, so I know about what they are going through. It is a credit to them and to our country that such a massive number of people could be called to active duty and serve with such professionalism, skill and pride. One of the lessons we have learned from this war is the value of the professional soldier, who is trained, educated, and well-equipped. That is what these reservists who were called to active duty demonstrated very plainly to the American people and to the world.

It is important to point out that the lives of these reservists and their families were as equally disrupted as the active duty component of our Armed Forces that left for the Saudi Arabian theatre. It doesn't really matter to a 4- or 5-year old whose parent is called to active duty where their mother or father serves. Georgia, Florida, or New Mexico can be as far away in their eyes as Saudi Arabia. All they really know is that mommy or daddy is gone and they don't know for certain when he or she might be coming home again.

Therefore, Mr. President, I rise to call to the attention of this body, the American people, and the rest of the world, the valiant efforts of the Reserve forces called to active duty and remaining in the United States to support the efforts of those deployed elsewhere. Their actions were truly an indispensable contribution in carrying the Nation to victory. They deserve to be honored in this way, and it is my hope that my fellow colleagues will support this resolution. It is but one small way to pay them the thanks they really deserve.

• Mr. INOUYE. Mr. President, I am honored to join with my distinguished colleague from New Mexico, Senator DOMENICI, in sponsoring the Persian Gulf War Reservist Commemorative Act of 1991.

Surely, there is not a person in the Chamber today who has not stood in awe of the magnificent actions taken by the men and women in our armed services during Operation Desert Shield/Desert Storm. An armed force composed of all elements of the total force policy faced an enemy and won.

As we recognize the bravery and gallantry shown by the members of the active-duty Army, Navy, Marine Corps, Air Force, and Coast Guard—of whom we are so rightfully proud—we must not forget the citizen soldiers who served during the Persian Gulf conflict.

The Reserve components who reaped the most renown for their service were those on the front line of battle, and we honor them. But we must not forget—and we must also honor—those units of the Reserves and National Guard who served in supporting roles in the United States.

Without these good Americans, willing to endure disruption of their private lives and to sacrifice self for country, I doubt that the outcome of the battle in the Persian Gulf could have been the same. To all of them, we are grateful.

It is wonderful—and I use that word in its classic sense, I am "full of wonder"—how successfully the members of the activated Reserves and National Guard performed a myriad of complex and often dangerous tasks. Because of their service, ships went to sea quickly, and it was they who expeditiously loaded and unloaded our ships and planes to provide needed supplies to our military on the ground in the Persian Gulf. Without them fewer combat missions would have flown, and the air support our troops on the ground desperately needed would have been lacking.

Medical facilities—both in the Persian Gulf and in the United States—would have been undermanned. Indeed, it is no exaggeration to say that, without medical care professionals brought in from the reserve component, military hospitals in the United States could not have functioned once active duty physicians and nurses had been deployed.

Some reservists made the ultimate sacrifice—their lives—and others will bear the scars of battle forever. They have our respect and gratitude.

I shall not attempt to enumerate all the functions provided by reservists, from the provision of pure water to carrying the mail, from equipment maintenance to medical care. All were necessary, all were performed with professionalism and skill.

When we offer tribute to the Reserves who served so well on the Arabian Peninsula and in the United States, we must not forget to offer a similar tribute to their families who also served their country by enduring the pains of separation, the fear of loss, and who bore their burdens with grace.

I referred earlier to the "citizen soldier." One of the things that has made our Nation great is the partnership between those who choose a life of active military service and those who are prepared to respond when their country calls.

I am glad to join with my friend from New Mexico in offering this tribute to the Reserve components of the United States, and I am sure our colleagues will also join us in honoring them.●

By Mr. EXON (for himself, Mr. ADAMS, Mr. AKAKA, Mr. BENTSEN, Mr. BIDEN, Mr. BRADLEY, Mr. BRYAN, Mr. BURDICK, Mr. BURNS, Mr. BYRD, Mr. COATS, Mr. CONRAD, Mr. D'AMATO, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DOMENICI, Mr. FORD, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GRASSLEY, Mr. HEINZ, Mr. HOLLINGS, Mr. INOUYE, Mr. JEFFORDS, Mr. KASTEN, Mr. KENNEDY, Mr. KERREY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. PRYOR, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. SANFORD, Mr. SARBANES, Mr. SIMON, Mr. SPECTER, Mr. WARNER, and Mr. WELLSTONE):

S.J. Res. 98. A joint resolution to express appreciation for the benefit brought to the Nation by Amtrak during its twenty years of existence; to the Committee on Commerce, Science, and Transportation.

COMMEMORATION OF AMTRAK'S FIRST TRAIN

● Mr. EXON. Mr. President, on October 30, 1970, Congress enacted the Rail Passenger Service Act in an attempt to salvage the Nation's rail passenger system. Now, some 20 years later, the wisdom and vision reflected in passage of the act is demonstrated daily as thousands of travelers board Amtrak trains across the country. I rise today to introduce a joint resolution commemorating the 20th anniversary of the operation of Amtrak's first train, which will occur on May 1, 1991.

Over the years, as chairman of the Senate Subcommittee on Surface Transportation charged with the oversight of Amtrak, I have been involved in several capacities with this federally created corporation charged with saving and revitalizing the Nation's intercity rail passenger system.

While many were skeptical 20 years ago that Amtrak could or would succeed, there were those in this body who believed that it had to succeed for the good of the Nation. While every other major industrialized nation was rapidly developing their rail passenger programs, trains in the United States were on the transportation endangered species list.

Congress recognized that rail passenger service had an important role to play in the Nation's transportation system—both in urban areas and as a link to rural America. As an energy-efficient and environmentally preferable alternative to highway and airport congestion, its role was a unique one.

The convictions of this Congress proved well founded. While the new Rail Passenger Corporation struggled with antiquated equipment, a decentralized and fragmented rail network and a skeptical industry, the public responded with their wallets at the ticket windows. The downtrend in rail passenger ridership reversed itself overnight and Amtrak set its sights on expansion and improvement.

It was anything but smooth sailing for Amtrak in the first decade. The railroad maintained its equipment in outdoor facilities in the dead of winter. It fought breakdowns for lack of parts, and struggled to instill a sense of professionalism and optimism in a work force that had been demoralized by years of neglect of the passenger train business.

Amtrak's success in the face of those early challenges has exceeded the expectations of even its most ardent supporters. Its on-time-performance today rivals that of the airline industry. Rolling stock, though in short supply, is well maintained and in many cases state-of-the-art. Amtrak's track and track maintenance capabilities are unparalleled, and its modern computer reservations and ticketing system is serving as the model for the development of new systems around the world.

No rail passenger system in the world covers a higher percentage of it costs from non-Federal sources than Amtrak, and it has announced that it intends to become the first passenger railroad in the modern age to operate without federal operating support by the year 2000.

Frankly, Mr. President, if Amtrak had announced such a goal 10 years ago, I would have been concerned for its collective sanity. But I have witnessed firsthand the strides the company has made under the capable and steady hand of its president and chairman, W. Graham Claytor, Jr. He has brought a toughmindedness about cost control and a dedication to quality transportation service to Amtrak, with remarkable results.

Indeed, an announcement that would have seemed absurdly unrealistic under another CEO suddenly strikes anyone who knows Graham Claytor as deadly serious. His organization has made it clear that he is not content merely keeping the status quo in today's transportation environment. Amtrak wants to be able to meet the call for new and expanded service, where it makes good business sense.

Amtrak is an important part of our nationwide transportation system. Amtrak serves my home State of Nebraska with stops in Omaha, Lincoln, Hastings, Holdredge, and McCook. Amtrak has also become the Nation's largest rail commuter operator and is expanding its leadership role in that field. With that learning curve behind them, Amtrak is now looking ahead to the development of high-speed rail passenger systems and magnetic levitation systems in the United States. It intends to be an active participant in this repainting of the American transportation landscape.

Mr. President, the support shown for Amtrak in Congress during recent votes on the Amtrak Reauthorization and Improvement Act was impressive. For the first time in a decade, a freestanding Amtrak authorization bill has been signed by the President. I believe Amtrak has a very bright future, and I further believe that the Nation will be better for it.

In light of the dramatic progress Amtrak has made since its inception, and the enthusiasm with which it looks to its future, it gives me great pleasure to introduce this joint resolution to Congress, to commemorate 20 years of good railroading and to applaud those with the vision and conviction to preserve rail passenger service.●

By Mr. GLENN (for himself, Mr. BRADLEY, Mr. REID, Mr. MOYNIHAN, Mr. CONRAD, Mr. SANFORD, Mr. WARNER, Mr. DIXON, Mr. JEFFORDS, Mr. CRANSTON, and Mr. MURKOWSKI):

S.J. Res. 99. Joint resolution designating November 24–30, 1991, and November 22–28, 1992, as "National Family Caregivers Week"; to the Committee on the Judiciary.

NATIONAL FAMILY CAREGIVERS WEEK

● Mr. GLENN. Mr. President, today, along with Senators BRADLEY, REID, MOYNIHAN, MURKOWSKI, CONRAD, SANFORD, WARNER, DIXON, JEFFORDS, and CRANSTON, I am introducing Senate Joint Resolution 99 designating the weeks of November 24, 1991, and November 22, 1992, as "National Family Caregivers Week." Congresswoman OLYMPIA SNOWE has introduced an identical resolution, House Joint Resolution 125, in the House of Representatives.

The fastest growing segment of our population is the age 85 and older group. Although the majority of older Americans enjoy a fulfilling and independent retirement, those fortunate to reach age 85 and beyond face an increased chance of suffering from multiple chronic ailments, and thus requiring help from caregivers. Over 80 percent of this care is provided by family members. The resolution that I am introducing today would both recognize the important work done by America's 7 million family caregivers and highlight the need to provide assistance to these hard-working individuals.

Most of the care received by older Americans comes from wives, daughters, and daughters-in-law. Caregivers are usually between the ages of 30 and 70 and often have many other demands on their time. Caregivers who face the challenge of caring for their children and parents simultaneously—an estimated 1.8 million women—are called the sandwich generation. Many sacrifice employment opportunities because they are unable to meet the demands of their jobs, their families, and their caregiving responsibilities. They are forced to risk not only their careers but also their current and future financial well-being. Also, an increasing number of caregivers are elderly themselves and have taken on the responsibility of caring for their spouses.

The care provided by these people often delays or prevents the receiver's need for institutional care. It can save money and help keep families intact. However, caregiving is very stressful. It is often an around-the-clock responsibility that leaves the caregiver emotionally and physically exhausted.

As our population continues to age, more Americans will provide care to the elderly. We must improve services to assist our Nation's caregivers. Programs such as adult day care, respite care, and counseling and support groups for caregivers are essential and should be expanded. The U.S. Bipartisan Commission on Comprehensive Health Care, also known as the Pepper Commission, has recommended creating a long-term care insurance program for the elderly and disabled which would cover respite, home health, personal, and home- and community-based care. I agree that we need to assure access to these services which would help caregivers take care of themselves and their families.

"National Family Caregivers Week" recognizes the vital role of caregivers in our society and focuses on ways of meeting their needs. I urge my colleagues in the Senate to join me in supporting this important measure.

Mr. President, I request that the text of the joint resolution be printed in the RECORD at this point.

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

S.J. RES. 99

Whereas the number of Americans who are age 65 or older is growing;

Whereas there has been an unprecedented increase in the number of persons who are age 85 or older;

Whereas the incidence of frailty and disability increases among persons of advanced age;

Whereas approximately 5.2 million older persons have disabilities that leave them in need of help with their daily tasks, including food preparation, dressing, and bathing;

Whereas families provide older persons help with such tasks, in addition to providing between 80 and 90 percent of the medical care, household maintenance, transportation, and shopping needed by older persons;

Whereas families who give care to older persons face many additional expenses, including the costs of home modifications, equipment rental, and additional heating;

Whereas 80 percent of disabled elderly persons receive care from their family members, most of whom are their wives, daughters, and daughters-in-law, who often must sacrifice employment opportunities to provide such care;

Whereas the role of the aged spouse as a principal caregiver has generally been understated;

Whereas family caregivers are often physically and emotionally exhausted from the amount of time and stress involved in caregiving activities;

Whereas family caregivers need information about available community resources;

Whereas family caregivers need respite from the strains of their caregiving roles;

Whereas the contributions of family caregivers help maintain strong family ties and assure support among generations; and

Whereas there is a need for greater public awareness of and support for the care that family caregivers are providing:

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 24–30, 1991, and November 22–28, 1992, are each designated "National Family Caregivers Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such weeks with appropriate programs, ceremonies, and activities.•

ADDITIONAL COSPONSORS

At the request of Mr. BOREN, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 3, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits for Senate election campaigns, and for other purposes.

S. 28

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 28, a bill to amend title 13, United States Code, to remedy the historic undercount of the poor and minorities in the decennial census of population and to otherwise improve the overall accuracy of the population data collected in the decennial census by directing the use of appropriate statistical adjustment procedures, and for other purposes.

S. 50

At the request of Mr. SYMMS, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor 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. 68

At the request of Mr. THURMOND, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 68, a bill to amend title 10, United States Code, to authorize the appointment of chiropractors as commissioned officers in the Armed Forces to provide chiropractic care, and to amend title 37, United States Code, to provide special pay for chiropractic officers in the Armed Forces.

S. 83

At the request of Mr. SYMMS, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 83, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income payments made by public utilities to customers to subsidize the cost of energy and water conservation services and measures.

S. 106

At the request of Mr. CRAIG, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of S. 106, a bill to amend the Federal Power Act.

S. 144

At the request of Mr. MCCAIN, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. BUMPERS], and the Senator from California [Mr. CRANSTON] were added as cosponsors of S. 144, a bill to protect the natural and cultural resources of the Grand Canyon and Glen Canyon.

S. 178

At the request of Mr. INOUYE, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 178, a bill to amend title 10, United States Code, to authorize the appointment of health care professionals to the positions of the Surgeon General of the Army, the Surgeon General of the Navy, and the Surgeon General of the Air Force.

S. 284

At the request of Mr. LIEBERMAN, the name of the Senator from Utah [Mr. GARN] 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. 311

At the request of Mr. ROTH, the names of the Senator from Montana

[Mr. BURNS], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 311, a bill to make long-term care insurance available to civilian Federal employees, and for other purposes.

S. 369

At the request of Mr. WARNER, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of 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.

S. 377

At the request of Mrs. KASSEBAUM, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 377, a bill to amend the International Air Transportation Competition Act of 1979.

S. 391

At the request of Mr. REID, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 391, a bill to amend the Toxic Substances Control Act to reduce the levels of lead in the environment, and for other purposes.

S. 401

At the request of Mr. DOMENICI, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 401, a bill to amend the Internal Revenue Code of 1986 to exempt from the luxury excise tax parts or accessories installed for the use of passenger vehicles by disabled individuals.

S. 448

At the request of Mr. SYMMS, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 448, a bill to amend the Internal Revenue Code of 1986 to allow tax-exempt organizations to establish cash and deferred pension arrangements for their employees.

S. 463

At the request of Mr. HATFIELD, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Washington [Mr. GORTON], the Senator from Hawaii [Mr. AKAKA], the Senator from Mississippi [Mr. LOTT], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 463, a bill to establish within the Department of Education an Office of Community Colleges.

S. 474

At the request of Mr. DECONCINI, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 474, a bill to prohibit sports gambling under State law.

S. 487

At the request of Mr. GLENN, the names of the Senator from Maine [Mr. MITCHELL], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 487, a bill to amend title XVIII of the Social Security Act to provide for coverage of bone mass measurements for certain individuals under part B of the Medicare Program.

S. 534

At the request of Mr. LOTT, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Maryland [Mr. SARBANES], the Senator from Texas [Mr. GRAMM], the Senator from Iowa [Mr. GRASSLEY], the Senator from Delaware [Mr. ROTH], the Senator from South Dakota [Mr. PRESSLER], the Senator from Rhode Island [Mr. PELL], the Senator from Wisconsin [Mr. KASTEN], the Senator from Montana [Mr. BAUCUS], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 534, a bill to authorize the President to award a gold medal on behalf of the Congress to General H. Norman Schwarzkopf, and to provide for the production of bronze duplicates of such medal for sale to the public.

S. 559

At the request of Mr. SYMMS, the names of the Senator from New York [Mr. D'AMATO], the Senator from Michigan [Mr. LEVIN], the Senator from Indiana [Mr. COATS], the Senator from Massachusetts [Mr. KERRY], the Senator from Idaho [Mr. CRAIG], the Senator from Arizona [Mr. DECONCINI], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nevada [Mr. BRYAN], the Senator from North Carolina [Mr. HELMS], the Senator from Colorado [Mr. WIRTH], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Tennessee [Mr. SASSER], the Senator from Colorado [Mr. BROWN], the Senator from Connecticut [Mr. DODD], the Senator from Illinois [Mr. DIXON], the Senator from Delaware [Mr. ROTH], the Senator from New Mexico [Mr. DOMENICI], the Senator from Virginia [Mr. WARNER], the Senator from Florida [Mr. MACK], the Senator from Mississippi [Mr. LOTT], the Senator from Oklahoma [Mr. NICKLES], the Senator from Alaska [Mr. STEVENS], the Senator from Wyoming [Mr. SIMPSON], the Senator from Washington [Mr. ADAMS], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Montana [Mr. BURNS], the Senator from Arkansas [Mr. BUMPERS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Kentucky [Mr. FORD], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 559, a bill to require the Secretary of the Treasury to mint coins in commemoration of Operation Desert Shield/Desert Storm.

S. 565

At the request of Mr. WARNER, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 565, a bill to authorize the President to award a gold medal on behalf of the Congress to General Colin L. Powell, and to provide for the production of bronze duplicates of such medal for sale to the public.

S. 583

At the request of Mr. ROTH, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 583, a bill to amend the Internal Revenue Code of 1986 to require the recapture of certain losses of savings and loan associations, to clarify the treatment of certain Federal financial assistance to savings and loan associations, and for other purposes.

S. 593

At the request of Mr. CHAFEE, the name of the Senator from Hawaii [Mr. INOUYE] was withdrawn as a cosponsor of S. 593, a bill to amend title 23, United States Code, to control billboard advertising adjacent to Interstate Federal-aid primary highways, and for other purposes.

S. 615

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 615, a bill entitled the "Environmental Marketing Claims Act of 1991."

S. 627

At the request of Mr. JOHNSTON, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 627, a bill to designate the lock and dam 1 on the Red River Waterway in Louisiana as the "Lindy Claiborne Boggs Lock."

S. 651

At the request of Mr. GARN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 651, a bill to improve the administration of the Federal Deposit Insurance Corporation, and to make technical amendments to the Federal Deposit Insurance Act, the Federal Home Loan Bank Act, and the National Bank Act.

S. 654

At the request of Mr. DECONCINI, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 654, a bill to amend title 35, United States Code, with respect to patents on certain processes.

S. 689

At the request of Mr. HATFIELD, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 689, a bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift

tax payments spent for nonmilitary purposes; to create the United States Peace Tax Fund to receive such tax payments; to establish a United States Peace Tax Fund Board of Trustees; and for other purposes.

SENATE JOINT RESOLUTION 21

At the request of Mr. SASSER, the name of the Senator from Alabama [Mr. HEFLIN] 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 65

At the request of Mr. D'AMATO, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of Senate Joint Resolution 65, a joint resolution designating the week beginning May 12, 1991, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 94

At the request of Mr. PACKWOOD, his name was added as a cosponsor of Senate Joint Resolution 94, a joint resolution relative to Iraq.

At the request of Mr. BROWN, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Joint Resolution 94, supra.

SENATE CONCURRENT RESOLUTION 12

At the request of Mr. LAUTENBERG, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Concurrent Resolution 12, a concurrent resolution to express the sense of the Congress that the civil rights and civil liberties of all Americans, including Arab Americans, should be protected at all times, and particularly during times of international conflict of war, and for other purposes.

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. BOREN, his name was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution urging Arab states to recognize, and end the state of belligerency with, Israel.

SENATE CONCURRENT RESOLUTION 19

At the request of Mr. CRANSTON, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Concurrent Resolution 19, a concurrent resolution condemning the People's Republic of China's continuing violation of universal human rights principles.

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. PACKWOOD, his name was added as a cosponsor of Senate Concurrent Resolution 22, a concurrent resolution extending the appreciation of Congress to all American Indian veterans for their service in the Armed Forces of the United States.

SENATE RESOLUTION 72

At the request of Mr. KASTEN, the names of the Senator from Washington [Mr. GORTON], the Senator from South Carolina [Mr. THURMOND], and the Senator from Iowa [Mr. GRASSLEY], were added as cosponsors of Senate Resolution 72, a resolution to express the sense of the Senate that American small businesses should be involved in rebuilding Kuwait.

SENATE RESOLUTION 81

At the request of Mr. DECONCINI, his name was added as a cosponsor of Senate Resolution 81, a resolution commending the Baltic States for their efforts to regain independence and urging measures to support such efforts.

SENATE CONCURRENT RESOLUTION 23—DEPLORING THE BLATANT DESTRUCTION OF THE ENVIRONMENT IN THE PERSIAN GULF REGION BY SADDAM HUSSEIN

Mr. MACK (for himself and Mr. GRAHAM) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 23

Whereas the release of millions of gallons of oil into the Persian Gulf will have a devastating impact on the wildlife and marine life of the Gulf region and endangers the water supplies of several Gulf states;

Whereas the deliberate torching of more than 500 oil wells in Kuwait has created severe atmospheric pollution; and

Whereas Saddam Hussein is responsible for the degradation of the environment: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) deplores Saddam Hussein's vicious attacks against the environment in releasing millions of gallons of oil into the Persian Gulf and torching hundreds of oil wells in Kuwait; and

(2) declares that Saddam Hussein and the current Iraqi regime should be held liable under United Nations Security Council Resolution 686 (1991) for the costs resulting from these deliberate destructive acts, including—

(A) the costs of containment incurred by any nation,

(B) the clean-up costs incurred by any nation,

(C) the costs of restoration of the natural resources, and

(D) any other costs associated with these environmental catastrophes.

• Mr. MACK. Mr. President, the human tragedies for which Saddam Hussein is undeniably responsible are borne by many families throughout the world. These sacrifices are foremost in our minds as the civilized world determines the appropriate recourse against Saddam Hussein.

Even as we mourn these human tragedies which are clearly the greatest tragedies attributable to the "Butcher of Baghdad," we ought to also direct attention to the other destructive events that Saddam Hussein has caused. The Kuwaitis along with their neighbors will be able to resurface roads and rebuild buildings, but they will not be able to replace or refurbish much of the ecological damage that has been done. Saddam Hussein chose not only to wage a military and political war, but an environmental war as well.

We have been steadfast in our resolve that Saddam Hussein must pay reparations for the damage which he has caused. It is only appropriate that these reparations include the devastating environmental damage that has been done to the entire gulf region. This damage has manifested itself in many ways. The oil fires that have made much of Kuwait a "hell on Earth" and the resulting air pollution has led to what the Kuwaiti people call black rain. The intentional release of oil into the gulf has caused severe damage to much of the wildlife that resides within the area.

This resolution which Senator BOB GRAHAM and I are introducing today was first introduced by Congressman PORTER GOSS and passed by the House of Representatives yesterday. It is my hope this resolution will serve as a reminder that Saddam Hussein must be held accountable for all of his actions, and that we along with the rest of the world community will not stand for any form of ecoterrorism. I urge my colleagues to cosponsor this resolution.•

• Mr. GRAHAM. Mr. President, much of the news coming to us today about the Persian Gulf is bright.

The people of Kuwait are struggling to rebuild their war-ravaged country, literally from the ground back up again. Although the challenges are great and the obstacles many, the Kuwaitis are energized by their newly restored freedom and the return of their Emir, and a world coalition of partners is aiding the reconstruction effort.

The despotic rule of Saddam Hussein over Iraq appears to be threatened by those who were once his ardent followers.

More of our brave troops arrive home to the awaiting arms of their families and friends. Again, we express our gratitude and indebtedness for their service to America and the cause of world peace.

My colleagues and I on the Banking Committee voted last week to award congressional gold medals to Generals H. Norman Schwarzkopf and Colin Powell for their leadership in orchestrating this great military victory over the dictator Saddam Hussein.

But, Mr. President, I rise today to remind my colleagues that, amid all this bright news, the Sun is not shining today in the Middle East. An ominous cloud hangs over the Persian Gulf, a cloud thick with black smoke and noxious gases, certain to cause widespread and irreparable damage to the region's ecosystem and to create untold health risks for its citizenry.

The source of that cloud is a seemingly endless series of oil field fires raging out of control, set by Saddam's troops in the immediate wake of Iraq's

defeat by the allied coalition. On their way out, the forces blew up or otherwise sabotaged 80 percent of Kuwait's more than 1,000 oil wells; over 500 of these wellheads remain ablaze at this moment. By comparison, the largest oil field fire in history consisted of just five wellheads.

Mr. President, not having personally witnessed this massive fire, I am certain that I cannot accurately portray its impact to my colleagues. In last Thursday's Washington Post, however, a front-page article describes the scene in newly freed Kuwait:

. . . a wellhead in the al Burgan oil field, one of the world's largest, shoots orange flames at least 50 feet into the air. It is a "dirty burn," in industry parlance, for the well is also filling the sky with monstrous rolling thunderheads of thick black smoke.

When the wind shifts unfavorably, some of the hundreds of oil well fires that are burning around the clock in Kuwait produce a black overcast above Kuwait City and environs that turns day into night, creating a literal darkness at noon. This week, motorists have had to drive with their headlights on at midday. . . .

Kuwait today is an environmental nightmare whose future no one yet knows. Venture outdoors, and the insides of your nostrils soon become coated with thin black soot. Look around after a rain, and there are black puddles of water on the ground that have come to be known as "black rain." The howling winds that blow across the desert this time of year spray a sticky grit over everything.

Clearly, Mr. President, the fire is making what already was a harsh life in Kuwait a greater challenge. Those who have been outside in the oil smog have suffered from stinging eyes and sore throats. Medical professionals expect the incidence of respiratory ailments to increase.

But the true health implications of this blaze are yet unknown. For one thing, no one has been able to measure the toxicity of the gases and smoke billowing into the atmosphere from these fires; in addition, the world has simply never experienced an oil field fire of this magnitude. Experts believe that massive amounts of hydrogen sulfide, a poisonous gas, have been released into the air. In addition, early estimates suggest massive destruction of the upper ozone layer, an effect which will have longlasting health impacts.

As if this unprecedented collection of fires were not enough, the waters of the gulf are polluted by a deliberate oilspill of proportions the world has never seen. The wildlife which has perished and will continue to suffer as a result of the spill is perhaps the most visible effect of this action.

Americans viewing images of the spill's destruction undoubtedly revisited their memories of the devastation following the Valdez, AK, oilspill. The *Exxon Valdez* tanker dumped 11 million gallons of crude into the bay, the most in American history. Saddam Hussein's sabotage has created a spill in the Persian Gulf waters six to eight times the magnitude of the Valdez disaster.

The economic costs of this tragedy are almost incalculable, as a region plagued by more immediate crises struggles to contain this monumental spill. Science is being pushed to its limits in the cleanup and containment efforts.

Most importantly, we must remember that the implications for human health of this willful destruction are tremendous. Water is quickly eclipsing oil as the most precious natural resource in the Persian Gulf. War has greatly heightened demand for fresh water supplies there. The desalination plants near the spill—a vital source of safe drinking water—are operating today, but the long-term consequences of the spill cannot be estimated.

Today, Mr. President, I am introducing with Senator MACK a concurrent resolution expressing the outrage of Congress at these acts of ecological terrorism. We must hold Saddam Hussein morally, legally, and financially responsible for his actions.

Our colleague from Florida, Representative PORTER GOSS, has introduced similar legislation in the House. I am pleased to report that House Concurrent Resolution 57 passed the House of Representatives just yesterday. This resolution, as amended in committee and introduced here today, has been endorsed by the State Department.

Mr. President, I invite my colleagues to join me as cosponsors and supporters of this important expression regarding the environmental tragedy which has occurred at the hand of Saddam Hussein.●

AMENDMENTS SUBMITTED

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1991

NICKLES (AND DeCONCINI) AMENDMENT NO. 53

Mr. NICKLES (for himself and Mr. DECONCINI) proposed an amendment to the bill (H.R. 1281) making dire emergency supplemental appropriations for the consequences of Operation Desert Shield/Desert Storm, food stamps, unemployment compensation administration, veterans compensation and pensions, and other urgent needs for the fiscal year ending September 30, 1991, and for other purposes, as follows:

On page 56, between lines 13 and 14, insert the following new section:

SEC. 502. PROHIBITION ON CERTAIN ASSISTANCE FOR JORDAN.

(a) PROHIBITION.—Except as otherwise provided in this section, none of the funds appropriated or otherwise made available by the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, may be obligated or expended for assistance for Jordan except pursuant to appropriate congressional notification procedures.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) assistance for refugees; or

(2) assistance to finance the training or studies outside Jordan of students whose course of study or training program began before the date of enactment of this Act.

(c) WAIVER.—Notwithstanding subsection (a), funds appropriated or otherwise made available for fiscal year 1991 to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) may only be obligated or expended for Jordan if the President determines and certifies to the appropriate congressional committees that the Government of Jordan has taken steps to advance the peace process in the Middle East.

(d) DEFINITION.—FOR PURPOSES OF THIS SUBSECTION—

(1) the term "appropriate congressional committees" means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives; and

(2) the term "appropriate congressional notification procedures" means—

(A) with respect to the Committees on Appropriations of the House of Representatives and of the Senate, the procedures of section 523 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, and

(B) with respect to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961.

(e) REPEAL.—(1) The ninth proviso of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, is hereby repealed.

(2) Any other provision of law that earmarks economic or military assistance for Jordan shall have no force or effect upon the date of enactment of this Act.

BYRD AMENDMENT NO. 54

Mr. BYRD proposed an amendment to the bill H.R. 1281, supra, as follows:

On page 39, strike lines 9 thru 13, and insert the following:

Funds appropriated under this head in Public Law 101-507, 104 Stat. 1362, and all unobligated balances of prior year appropriations under such head, shall be made available for the revised Congregate Housing Services Program under section 802 of the Cranston-Gonzalez National Affordable Housing Act shall remain available until expended.

On page 41, line 8, strike "said" and insert "such".

On page 41, strike lines 13 thru 22 and insert:

"Section 17(f) of the United States Housing Act of 1937 (42 U.S.C. 1437o(f)), as amended by Public Law 101-507 (104 Stat. 1369) is further amended by striking "or City of West Hollywood, California" and by inserting at the end thereof, the following new sentence: 'This subsection shall also not apply to requirements relating to rents imposed on a structure by the City of West Hollywood, California.'. Section 17(f) as amended by the immediate foregoing amendment shall apply retroactively to any structure assisted with

section 17 rental rehabilitation funds in the City of West Hollywood, California."

BYRD (FOR LEAHY) AMENDMENT NO. 55

Mr. BYRD (for Mr. LEAHY) proposed an amendment to the bill H.R. 1281, supra, as follows:

At the appropriate place, insert the following:

SEC. . ADMINISTRATIVE PROVISION.

Section 837 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11403 note) is amended by striking subsection (c).

BYRD AMENDMENT NO. 56

Mr. BYRD proposed an amendment to the bill H.R. 1281, supra, as follows:

At the end of title III add the following new section:

SEC. . (a) Section 6 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605) is amended by adding at the end the following new subsection:

"(j) Transition.—

"(1) ORIGINATOR LIABILITY.—A person who makes a federally related mortage loan shall not be liable to a borrower because of a failure of such person to comply with subsection (a) with respect to an application for a loan made by the borrower before the regulations referred to in paragraph (3) take effect.

"(2) SERVICER LIABILITY.—A servicer of a federally related mortage loan shall not be liable to a borrower because of a failure of the servicer to perform any duty under subsection (b), (c), (d), or (e) that arises before the regulations referred to in paragraph (3) take effect.

"(3) REGULATIONS AND EFFECTIVE DATE.—The Secretary shall, by regulations that shall take effect not later than August 21, 1991, establish any requirements necessary to carry out this section. Such regulations shall include the model disclosure statement required under subsection (a)(2).".

(b) Section 16 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2614) is amended by striking "section 8 or 9" and inserting "section 6, 8, or 9".

GRAHAM (AND OTHERS) AMENDMENT NO. 57

Mr. GRAHAM (for himself, Mr. LAUTENBERG, Mr. MCCAIN, Mr. LEVIN, Mr. KASTEN, Mr. DECONCINI, Mr. SIMON, and Mr. FOWLER) proposed an amendment to the bill H.R. 1281, supra; as follows:

the successful conclusion of the war in the Persian Gulf provides an opportunity to begin building a lasting peace in the Mideast;

a crucial element of peace in this unstable region is the willingness of Arab states to negotiate with Israel, recognizing her right to live in peace;

the United States should continue to urge Arab states to negotiate peace with the State of Israel;

one of those Arab states, Syria, continues to undermine goodwill and peace in the region by depriving the 4,000 Jews living in Syria the right to emigrate;

Syrian Jews continue to live in a climate of fear and insecurity, still denied fundamental civil and human rights;

a Jew living in Syria, in order to travel, must leave a large sum of money and members of his immediate family as insurance for his return;

Jews suspected of having traveled "illegally" or even of planning to do so have been arrested, interrogated, and subjected to lengthy imprisonment;

Syrian President Hafez Assad continues to deny the basic right of free emigration, a violation of the Universal Declaration of Human Rights to which Syria is a signatory: Now, therefore, be it

the sense of Senate, That the Senate—

(1) Condemns the Government of Syria for continuing to deny the basic human right of free emigration;

(2) calls upon the Government of Syria—

(A) to allow all Syrian Jews to emigrate freely,

(B) to release from prison Jews suspected of having traveled illegally or of planning to do so;

(3) urges the administration to continue to make known to Syrian authorities the important role that human rights in the Jewish community, especially the right to emigrate, will play in determining future policy toward Syria.

BOND AMENDMENT NO. 58

Mr. BOND proposed an amendment to the bill H.R. 1281, supra; as follows:

On page 28, line 12

Strike "$25,000,000: *Provided*" and insert in lieu thereof the following: "$57,400,000, *Provided*, That no less than 95 percent of such funds shall be used for expanding patient services, *And Provided further*,".

COATS (AND OTHERS) AMENDMENT NO. 59

Mr. COATS (for himself, Mr. HELMS, Mr. SMITH, and Mr. MCCAIN) proposed an amendment to the bill H.R. 1281, supra, as follows:

On page 22, strike lines 8 through 13.

HELMS AMENDMENT NO. 60

Mr. HELMS proposed an amendment to the bill H.R. 1281, supra, as follows:

In lieu of the language proposed to be stricken, insert the following:

"The language on page 30, lines 1-5 are null, void, and of no effect."

BYRD AMENDMENT NO. 61

Mr. BYRD proposed an amendment to the bill H.R. 1281, supra, as follows:

On page 30, between lines 7 and 8, insert the following:

SENATE ADMINISTRATIVE PROVISION

SEC. 502. (a) Upon the written request of the Majority or Minority Leader of the Senate, the Secretary of the Senate shall transfer during any fiscal year, from the appropriations account appropriated under the headings "Salaries, Officers and Employees" and "Offices of the Majority and Minority Leaders", such amount as either Leader shall specify to the appropriations account, within the contingent fund of the Senate, "Miscellaneous Items".

(b) The Majority and Minority Leaders of the Senate are each authorized to incur such expenses as may be necessary or appropriate. Expenses incurred by either such leader shall be paid from the amount transferred pursuant to subsection (a) of this section by such leader and upon vouchers approved by such leader.

(c) The Secretary of the Senate is authorized to advance such sums as may be necessary to defray expenses incurred in carrying out this section.

DOMENICI AMENDMENT NO. 62

Mr. DOMENICI proposed an amendment to amendment No. 60 proposed by Mr. HELMS to the bill H.R. 1281, supra, as follows:

In lieu of the language proposed to be inserted, insert the following:

"The language on page 30, line 1-5 are null, void, and of no effect.

"Sec. 103. FOOD AND MILK PRICES.

"The Secretary shall not implement subsections 101 (a) and (b) of amendment No. 43, as modified and agreed to by the Senate on March 19, 1991, if the Secretary determines that implementation of those provisions will reduce by at least 50,000 the estimated average monthly participation in, or reduce significantly the benefits received per participant under, the Special Supplemental Food Program for Women Infants and Children established pursuant to section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

"Sec. 104. CEREAL PRICES.

"The Secretary shall not expend, in fiscal year 1991, in excess of $425,000,000 in the aggregate amount of funds and/or commodities to carry out an export enhancement program if the Secretary determines that the expenditure of those funds and/or commodities will reduce by at least 50,000 the estimated average monthly participation in, or reduce significantly the benefits received per participant under, the Special Supplemental Food Program for Women Infants and Children established pursuant to Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).".

LEAHY (AND OTHERS) AMENDMENT NO. 63

Mr. LEAHY (for himself, Mr. JEFFORDS, Mr. KASTEN, and Mr. KOHL) proposed an amendment to the bill H.R. 1281, supra, as follows:

SEC. 103. MAINTENANCE OF NUTRITION PROGRAMS.

(a) MAINTENANCE OF BENEFITS.—In order to ensure that benefits under the Special Supplemental Food Program for Women, Infants, and Children established pursuant to section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) (hereafter referred to in this section as the "WIC" program) are not significantly reduced as a result of the implementation of section 101(a) of this Act, the Secretary of Agriculture shall distribute as soon as possible at the beginning of the second, third, and fourth quarters of 1991 a portion of the funds described in section 101(a)(2)(A) of this Act to each State agency overseeing the WIC program, as needed to prevent any decline in the average monthly participation in the WIC program as determined in subsection (b) caused as a result of the implementation of section 101(a).

(b) DETERMINATION.—Any determination under subsection (a) by the Secretary of Agriculture of a decline in the average monthly participation in the WIC program as a result of the implementation of section 101(a) of this Act shall—

(1) be based upon any difference between the estimated average monthly participation in the WIC program (as set forth in the Budget of the United States Government for fiscal year 1992 submitted by the President of

the United States to the Congress of the United States) and monthly participation levels in such program for each of the last three quarters of 1991 (as estimated by the Secretary of Agriculture on a quarterly basis) that is caused by an increase in the seasonally adjusted cost of fluid milk during the last three quarters of 1991 (as measured by the Retail Price Index for Urban Consumers of Whole Milk issued by the Bureau of Labor Statistics) that is greater than—

(A) for the second quarter of 1991, the seasonally adjusted cost of fluid milk during the first quarter of 1991 multiplied by 1.00925;

(B) for the third quarter of 1991, the seasonally adjusted cost of fluid milk during the first quarter of 1991 multiplied by 1.0185;

(C) for the fourth quarter of 1991, the seasonally adjusted cost of fluid milk during the first quarter of 1991 multiplied by 1.02775; and

(2) be made on the record.

(c) DELAY IN DISTRIBUTION OF FUNDS.—The secretary shall not delay the distribution of funds to producers of milk under section 101(a) of this Act due to provisions of this section.

(d) FINAL ADJUSTMENTS.—If actual monthly participation levels in the WIC program (determined in accordance with subsection (b)(1)) are different from the Secretary's estimate in subsection (b)(1), the Secretary shall make adjustments, based on actual monthly participation levels, in the distribution of funds under this section or under section 101(a) of this Act to carry out the purposes of subsection (a) of this section and to maintain dairy income under section 101(a) of this Act.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. WIRTH. Mr. President, I would like to announce for the public that a field hearing has been scheduled before the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, April 3, 1991, at 9:30 a.m. in the council chambers, room 450, City and County Building, 1437 Bannock Street, Denver, CO 80202.

The purpose of the hearing is to address the implications of proposed national energy policy legislation on natural gas production and consumption in the United States. In particular, the hearing will focus on S. 662, the Natural Gas Policy Reform Act, and pertinent provisions of S. 341, the National Energy Security Act of 1991—(including Senator BINGAMAN'S amendments to title X)—and S. 570, the National Energy Strategy Act.

Testimony will be by invitation only. For further information, please contact Don Santa of the subcommittee staff at (202) 224-4820.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. The Committee on Rules and Administration will meet on Wednesday, April 17, 1991, at 9:30 a.m., in SR-301, Russell Senate Office Building, to markup S. 250, the National Voter Registration Act of 1991. I would also like to remind Members and the public that prior to this markup, the Rules Committee will hold two hearings on this bill. On Thursday, March 21, and Wednesday, April 10, 1991, at 9:30 a.m. on each date, the committee will meet in SR-301 to receive testimony on S. 250.

For further information regarding the markup on April 17, please contact Tom Zoeller of the Rules Committee staff on 224-0279.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON SMALL BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate of Wednesday, March 20, 1991, at 9:30 a.m. The committee will hold a confirmation hearing on the nomination of Patricia F. Saiki to be Administrator of the Small Business Administration. There will also be an ogranizational meeting to approve committee rules and subcommittee assignments for new Members.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. 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, March 20, 1991, at 9 a.m., for an executive session on pending nominations.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the full Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., March 20, 1991, to receive testimony on S. 341, the National Energy Security Act of 1991, title XI concerning transportation issues, and on the administration's proposal contained in the national energy strategy concerning alternative-fuel fleets.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the full Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m., March 20, 1991, to receive testimony on S. 341, the National Energy Security Act of 1991, title XI concerning corporate average fuel economy [CAFE].

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, March 20, 1991, at 9:30 a.m., on the subject: status of the FTS 2000 contract.

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

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, March 20, beginning at 10 a.m., to conduct a hearing to examine and evaluate global warming and other environmental consequences of energy strategies.

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

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the committee on Finance be authorized to meet during the session of the Senate on March 20, 1991, at 10 a.m., to hold a hearing on President Bush's budget for fiscal year 1992.

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

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, March 20, 1991, at 10 a.m., to hold a hearing on the nomination of Kenneth L. Ryskamp, to be U.S. circuit judge for the 11th circuit.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, March 20, 1991, beginning at 9:30 a.m., to markup pending legislative business. The committee will consider the following: S. 3, to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits for Senate election campaigns, and for other purposes; Senate Resolution 79, authorizing the printing of additional copies of the Senate report titled "Developments in Aging: 1980: and House Concurrent Resolution 45, permitting the use of the Capitol for ceremonies as part of the commemoration of the days of remembrance of victims of the Holocaust.

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

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, March 20, 1991, at 9:30 a.m. in open session to receive testimony on the Defense authorization request for fiscal years 1992 and 1993 and the fiscal year 1992-97 future year defense plan.

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

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet in open session on Wednesday, March 20, 1991, at 2 p.m. to consider the nomination of Gen. Duane H. Cassidy, USAF (retired), to be a member of the Defense Base Closure and Realignment Commission.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation, be authorized to meet during the session of the Senate on March 20, 1991, at 2 p.m. on new priorities for U.S. technology.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be allowed to meet during the session of the Senate, Wednesday, March 20, 1991, at 10 a.m. to conduct a hearing on the Treasury proposal on interstate banking and branching, and S. 300, dealing with nationwide banking.

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

ADDITIONAL STATEMENTS

TRIBUTE TO THE FRANCIS MARION HIGH SCHOOL BASKETBALL TEAM

• Mr. SHELBY. Mr. President, it is an honor to rise today in tribute to one of the great athletic dynasties in the Nation—the Francis Marion High School basketball team of Marion, AL.

The Francis Marion Rams have recently won their fourth consecutive Alabama 2A State Basketball Championship. Their fourth straight State title marks an unprecedented event in Alabama high school athletics.

This outstanding group of student-athletes is ably led by Coach Woodie Jackson. Coach Jackson is one of the most highly respected coaches in America. In addition to his four State championships at Francis Marion, Coach Jackson has also taken two teams to participate in the AAU summer games in Birmingham and compiled a remarkable 115–18 record during his tenure with the Rams. Coach Jackson's dedication to the game and commitment to young people have made him an outstanding mentor to his players.

The Francis Marion High School basketball team is a model of dedication and commitment for individuals and teams everywhere. The example these young men have set, on and off the court, is a tribute to their coaches, their families, their school, and their community. It is my hope that the members of this championship team take the discipline and commitment they have learned under Coach Jackson with them in all of their pursuits.

Mr. President, it has been a privilege to share some of Francis Marion High School basketball team's immense accomplishments with my colleagues in the U.S. Senate.•

AN OFFERING FROM THE INSIDER

• Mr. SIMON. Mr. President, recently, I read a front-page statement by the editor-in-chief of a publication called The Insider that is printed in English and comes from Warsaw, Poland. It is a publication I recommend to give something of an insight in to what is happening in Eastern Europe.

It formerly was called Solidarity and was an arm of that movement in Poland.

I sense that it is now largely independent, and I hope it can survive economically.

On the front page, in an editorial written immediately after the United States and the coalition partners launched our offensive against Iraq, the editor comments about the West's failure to show greater support for the Baltic Republics.

My own feeling is that we can do much more short of formal recognition for Lithuania, Estonia, and Latvia.

We do not formally recognize Taiwan and, yet, there are significant ties between our Government and their Government.

I do not suggest that there are complete parallels between the Taiwan situation and the situation in Lithuania, Latvia, and Estonia, but there are some parallels.

There certainly would be nothing wrong with the U.S. Government having a permanent trade mission, in each of these countries, or a cultural mission to encourage exchanges between the Baltic States and the United States.

I insert into the RECORD the statement by Jane Dobija, editor-in-chief of The Insider.

The statement follows:

AN OFFERING FROM THE INSIDER

As we go to press for the first time, the attention of world leaders, and the military forces they control, are concentrated upon a tiny, oil-rich country, that has been robbed of its independence. Meanwhile, in the Baltic region, small states, which are unlucky enough to have no oil, have been left to struggle alone for their autonomy.

Here in Warsaw, we are acutely aware of the agony our eastern neighbors are suffering. Poland faced a similar tragedy with the declaration of martial law in 1981. Our solidarity with the supporters of democracy in Lithuania, Latvia, and Estonia is motivated, in part, by self-interest. We see strong, democratic neighbors as the best partners for this country's own, very young democratic system.

We recognize the danger which Soviet troops, that President Mikhail Gorbachev claims he no longer controls, might pose to Poland's hard-won freedom.

Western absorption with the Gulf crisis is, in part, a result of the seemingly very different self-interests, which motivate leaders' decisions in another part of the world. But it is also, in our estimation, a result of a lack of information and understanding. In the West, glasnost has been mistakenly interpreted as an irreversible process. The civilian casualties in recent skirmishes with Soviet soldiers on the streets of Riga proved the error of that thinking. The hesitation on the part of Western leaders to declare unequivocal support for the Baltic republics' aspirations to democracy, indicates that those leaders do not appreciate the fragility of perestroika, and the frightening consequences a reversal of that process of change might entail—not only for a small corner of the Soviet Union, not only for the East.•

NANCY RADER'S TESTIMONY BEFORE THE HOUSE AGRICULTURE COMMITTEE VALUABLE TO THE SENATE

• Mr. CONRAD. Mr. President, I would like to enter into the CONGRESSIONAL RECORD an excellent piece of testimony offered by a North Dakotan at the House Committee on Agriculture. Nancy Rader traveled to Washington from Cando, ND, to offer a firsthand account of what farm families are going through with the planting season arriving and many farmers still stationed in the gulf.

Nancy's husband, Gary, was deployed to the Persian Gulf on September 12. Since then, she has worked in a local hospital, given birth to her fourth child, and worked to keep the family farm afloat. All this she has done without her husband.

It has been difficult. And now, Nancy needs to know that our Government will do its best to get our troops home as soon as possible.

Mr. President, as the Pentagon begins the process of bringing our troops home, I hope careful thought and consideration will be given to the civilian responsibilities of our Nation's Guard and Reserve personnel. While we hope that all our soldiers will be home soon, some thought should be given to returning single parents, farmers, small business owners, and others with great responsibilities home as soon as possible.

Nancy Rader is just one of the countless Americans who has done a courageous job since our troops were sent to the Persian Gulf. I commend her for her courage through this ordeal. Let us do our best to bring Gary Rader and others like him home as soon as we possibly can.

The testimony follows:

TESTIMONY OF NANCY RADER

Life in rural America is troubled. As members of a congressional committee whose efforts have a profound effect on the rural population, I would hope that this statement comes as no surprise to any of you. Droughts, high input costs, depressed returns, scarce economic opportunities have all contributed to hard times in our rural States. Now in the past 6 months we have been asked to deal with yet one more hardship. Many men and women, both young and not so young, have been called out of military reserve components to active duty status in support of allied operations in the Persian Gulf. My husband, Gary, is one of these reservists.

Gary has been a so called "part time soldier" with the North Dakota National Guard for the past 14 years. He was put on active duty September 12, 1990. In addition to his involvement in the Guards, Gary and I also farm. During the past 10 years of our marriage there have been many times in our lives that would have been made much easier had he not been in the Guards. In the past years very few excused absences from drill weekends were granted. Come August we would always hope for rain on the scheduled guard drills so that we would not have to shutdown part of our harvesting operation while he practiced being a soldier. The 2 week annual training in June also caused difficulties as Gary had to leave the farming operation during the time when spraying for weeds and the first summer fallow operations were to be done. But despite these difficulties we decided that Gary should stay in the Guards. You see, I believe farm living is among the best lifestyles this country has to offer. In order to stay on the farm though, we had to have more income than our farm generated. It is hard to maintain, let alone increase, a standard of living when the total operation expense increases year after year while the total income per operation steadily declines as it has in the case of our small grains operation. This past fall I sold good quality hard amber durum at $2.35 a bushel. With durum prices at their lowest in 6 years of farming, we continue to rent our portion—440 tillable acres—of the farm from Gary's father instead of buying into it, because we are afraid of the future in farming. We live in a mobile home, too small for our growing family, also because we are unsure if we want to set down a permanent home in an area where the economic future looks so bleak. Still we hold on to the idea that urban America cannot survive without rural America. Therefore Gary stayed in the Guards, building a small retirement pension and enrolling in a reasonably priced life insurance plan for both himself and me through the Guards, in addition to receiving his part-time soldier pay. I also work part-time and full-time as a medical technologist in a local hospital and clinic.

As trying as it has been for us in the past maintaining our life on the farm, we, as a couple, have only recently faced our greatest trials, beginning at the time of Gary's activation in September. We had just completed harvest but had done no fall field work. I was pregnant with our fourth child, and we were in the midst of fall lambing, another venture we have undertaken, with the urging and support of area university extension representatives who say that diversification is yet another way to enhance family farm incomes. I was at least thankful that his activation came at a time when the majority of the field work for the crop year had been completed. Gary left with orders stating he was called to active duty "for a period of 90 days which can be extended for an additional 90 days unless sooner released or later extended." In September, when he left, we prepared ourselves for 90 days plus 90 days—6 months. I was certain he would be back in March 1991 to take care of the spring farming responsibilities (silly me!) I, with the help of Gary's father, brother-in-law, and uncle finished the lambing, sold enough of the grain to pay the year-end expenses, and did what fall work was absolutely necessary. I cut back on one part-time job while trying to juggle the responsibilities of caring for the farm and our three children. For, while Gary is making more in the Army than he made on the farm and we could have done without my income for the time being, I could not give up my job and risk the chance of not having one to come back to as my job normally contributes to at least 30 percent of our total income. I had our baby. I and the children dealt with loneliness. The kids became increasingly watchful and protective of me, in their fears that I too would be taken from them. And as the tensions in the gulf area increased I hoped and prayed I would see Gary in the spring, but I was no longer certain.

Now March is almost here. Gary will not be back for the start of spring's field work. He will likely not be back for the harvesting. We have received orders stating that our soldier's active duty time has been extended for a period of 360 days starting on the day of activation. This could be a very hard year for me, as the wife of a part-time soldier turned fulltime. I am now planning for the new crop year. We will soon be lambing again. All the fields need to be soil tested, fertilized, and tilled before the seedbed is ready for planting. I know I can depend greatly on Gary's father and other family members to help me out, but I may also have to hire custom work to be done so that we can all finish our seeding preparations in an optimal time. This would mean an extra expense added to an already marginally profitable business. If I have to apply for a farm operating loan, I am not eligible for a reduced interest rate, as are other loans that activated soldiers may have had prior to their activation. Yet I may not be able to maintain our family business during my husband's activation without that new loan.

Gary, as are most of the other activated guardsmen from the Cando Area, is a member of a support unit—a quartermaster water supply company to be more specific. I, our children, and Gary's family are now looking forward to being together again with him by mid-September, the end of this 360 days. But I have a real fear that this may not happen. Gary's enlistment contract states that upon enlistment in a Reserve component he "may be ordered to active duty * * * for the duration of a war and for 6 months thereafter * * *" His active duty time has already been extended twice. According to some sources "the troops won't rush out of the gulf." "It will probably take more time to dismantle Operation Desert Storm than it took to set it up * * * the military command will want the reservists to be the last to leave." So, even now as the end of the war may seem to be in sight, I can not allow myself to get excited about seeing the return of my husband anytime soon.

I am here before you today, not to ask for sympathy for my situation—my husband signed a contract, he then reenlisted under the terms of that contract after careful consideration of our personal family situation; we know he has an obligation to fulfill—but to being to you a firsthand scenario of what sacrifices making a commitment to a Reserve component of the military can mean to one rural family, especially upon activation of the military person from that family. I would also like to further describe some scenarios relating the concerns of and sacrifices made by other soldiers, family members and exployers connected with my husband's Guard unit, arising upon activation of the unit. These are likely concerns and sacrifices very similar to those felt by reservists and their family members and employers across the country.

Like my husband, many of these soldiers also enlisted to earn extra money. In one family situation where this was the case the wife has chosen to cutback on the number of hours she works outside her home because she is just otherwise unable to meet the needs of her family while her spouse is away. And, while his military pay is comparable to his civilian pay, she has realized a decrease in income and their family has therefore made a financial sacrifice.

In more than one other case there are single farmers serving. The managers of their affairs are going to have to make decisions with regard to their farm land, and likely, as in my case, these farmers will realize increased farm related operating expenses by having to custom hire to get the farm operations completed for the year.

There are younger soldiers who joined as a means of paying for ongoing college enrollment. If these soldiers are not released from active duty before the start of the fall sessions they will lose additional college time and will likely encounter difficulties in finding a short term job while waiting for the start of the next college session. These soldiers will then be making a financial sacrifice for being a member of a military Reserve component.

Employers and people who accept employment as replacements for reservists also make sacrifices. One of the reservists with the Cando Guard unit is a farm laborer. His employer does not know how to make employment plans. He cannot very easily hire someone to fill in for his soldier/employee without hiring then for some specific length of time, normally the entire farming season. Yet he cannot afford to have two hired laborers, should the soldiers be released from active duty sometime this spring or summer. There is a school system that has had much difficulty keeping the position of their soldier/music teacher filled. In 6 months of school there has been three substitute teachers. The students have made little musical progress in this year of school as there has been little continuity in their class. The teachers who are substituting during this school year may be very hesitant to agree to fill in at the start of the next school year if they fear they may teach only a couple of weeks, then have the regular teachers return to the classroom, as would be the case with those teachers from my husband's unit, if they are indeed discharged at the end of the 360 days of active duty.

I have just enumerated some real concerns of soldiers, family members, employers, and fill-in employees. Had there not been a Reserve component of our military many of these concerns would not exist. But we, as a country, do have an all-voluntary military with Reserves and so we must recognize these concerns and address them. There may be nothing that can be done about some of these problems at this point in the activation, but possibly by looking at them now something could be done if a call-up of re-

servists to this magnitude ever happens again.

Having only a vaguely defined period of active duty and having to consider the possibility of extension has been a real difficulty for all parties involved to deal with it. The solution for that problem may be hard to develop. But certainly at this time, consideration for early discharge from active duty on a case by case basis of teachers, farmers and agriculture industry employees, self-employed reservists, college students, and others may be necessary following the resolution of our current conflicts in the gulf as a means of reducing the effects of the economic and personal sacrifices made by reservists, their families, and employers.

Another consideration may include establishing new guidelines under the Soldiers and Sailors Civil Relief Act to allow for reduced interest rates for business operating loans on established businesses, and loans to cover other extenuating circumstances within the family unit, even though application for these loans may have been made after activation of a reservist. Increased compensation, financial or otherwise, for the reservist upon activation may also be a consideration, as their lives and the lives of their family members are more profoundly disrupted than the lives of the already active full time military personnel and their families. The majority of reservists' families have difficulties accessing military base facilities and the benefits and services offered through such facilities, therefore compensation in other forms for these families may be appropriate.

There may also be justification of some type of increased compensation to the activated reservists, during their time of activation, when one considers the overall cost savings the Government has realized by having a highly trained and ready Reserve component over having to maintain the same number of full time active military strength.

Because of the activation of the numbers of reservists from the United States in support of allied forces in the gulf our Nation is now having to deal with many new problems and situations never before encountered to such a degree due to war. Addressing these problems early on and openly will hopefully diminish their negative effects. I thank you for your consideration of my concerns. As I said earlier on in my remarks, I consider farm living and the rural way of life that best this country has to offer. I know this now more so than ever because of the love and support given by all the folks in Cando and surrounding communities to me and my family during the difficult days of separation from my husband. It is also because of their monetary support, along with other contributions received, and their support in caring for my children now that I am able to be here. We cannot allow our rural way of life to be lost. We depend on all of you to help see that our standard of living in the rural area is preserved. Please concern yourself with our needs. Thank you.•

PROBATION PROMOTING PUBLIC SAFETY IN THE NINETIES

• Mr. SIMON. Mr. President, recently, I had the opportunity to read a presentation of Commissioner Catherine M. Abate, who heads the New York City Department of Probation, before the City Club of New York.

Her call for prevention and constructive efforts seems to me to be so obviously sound it hardly needs to be repeated. And yet, we know we are not paying attention to this.

I thought one of the interesting items in her speech was:

Over 50 percent of our probationeers come from the City's poorest neighborhoods. The average probationer is a minority male, between the ages of 16 and 25, placed on probation for drug-related felony offense. He is abusing either drugs and/or alcohol. A high school dropout and unemployed, he is functionally illiterate with few, if any, job skills.

Commissioner Abate is the kind of humanitarian leader I would expect from Mayor David Dinkins, a leader for whom I have great respect.

But the practical suggestions of community involvement, sensitivity to the victims, and better monitoring of offenders is a sound recommendation.

I insert her remarks into the RECORD at this point.

The remarks follow:

PROBATION PROMOTING PUBLIC SAFETY IN THE NINETIES

(Remarks by Catherine M. Abate)

Never before has this nation and this City been challenged on so many fronts. We are waging one war across our waters, the results of which will have a profound effect on the City for years to come. With the same determination, resolve and resources, we must fight our war against crime, drug abuse and violence at home. It is time for us to press our cause in Washington and throughout the State. It is time for us to say "Mr. President, you speak of freedom and human rights abroad, then let us speak of the same freedom of each and every citizen to live in their homes and walk through their neighborhoods free from fear and violence." 1991 must mark the time when we in government, joined with communities throughout this City, act with clarity, vigor and conviction. Together we must meet the challenge to restore and maintain public safety.

According to the National Institute of Justice, last year there were more than 1,000,000 Americans aged 18 years and over in prison and jail in the United States, and more than 2,500,000 on parole and probation. The grand total under the control of the criminal justice system exceeded 4 million. That number is nearly 2 percent of the nation's adult population.

We have seen the prison population more than double in the last decade. Among the nations of the world, the United States has surpassed South Africa and the Soviet Union in having the highest per capita ratio of its population in prison.

In New York State alone the number of prison beds has doubled in the 1980's. The City system has grown from 7,000 beds in 1980 to 21,000 today. Unfortunately those incarcerated soon were replaced by too many others on the street who were willing to follow in their footsteps. Too many released from prison returned to their communities no better prepared to live a law-abiding life.

Today more persons are incarcerated in New York State than ever before. Yet crime has not diminished. Arrests for violent crime are ever increasing. The percentage of juveniles arrested for felonies has dramatically increased by 75 percent in the last three years.

We must ask ourselves, how can we meet the challenge of crime's insidious and relentless assault upon the quality of life in our City. We know that not all the solutions are before us. But we have an opportunity to learn from our experiences in the 80's to define an action plan for the 90's. One lesson we have learned is that the focus of our criminal justice system—whether that be corrections, the courts or probation—must involve more than punishment and control. We must be in the business of preventing crime and shaping behavior. Prevention, treatment, and law enforcement must become the co-equal cornerstones of a justice system that can begin to effectively stem the tide of victimization.

Fiscal constraints will define future policy. It costs the City 58,000 dollars per year to maintain a defendant at Rikers Island. To construct an additional 5,500 beds will cost 1 billion dollars. Overtime costs in City Correction are currently at 61 million dollars—or almost equalling the entire budget of the New York City Department of Probation.

With escalating prison costs, jail overcrowding and increasing violence, the role that probation plays in the criminal justice system becomes even more critical. On any given day in New York City, over 60,000 people are under our supervision. That is almost three times the number incarcerated at Rikers Island. In fact, more people are on probation in New York City than are incarcerated in New York State correctional institutions statewide.

Over 50 percent of our probationers come from the City's poorest neighborhoods. The average probationer is a minority male, between the ages of 16 and 25, placed on probation for a drug-related felony offense. He is abusing either drugs and/or alcohol. A high school dropout and unemployed, he is functionally illiterate with few, if any, job skills.

The mission of the Department is to promote public safety by providing community-oriented criminal justice sanctions and by assisting the offender to remain in his community as a law abiding and productive citizen. We must honor our contract with the Courts and the community to violate those individuals who fail to live up to the conditions of their probation. But to effect change, probation must do more than process people. We must offer meaningful services and interventions.

To that end, we have developed a resource delivery concept to enable the probation officer to provide the appropriate services to more fully meet the needs of our probationers. This model will include medical and mental health care, drug treatment, vocational training, job preparation, direct employment referrals, literacy and life skills development. The Department has created a network of community-based services to enhance the quality of supervision to offenders. Other City agencies, as well as not-for-profits, are cooperating in this effort.

We know that we must not only design programs to meet the specific needs of offenders, but that these limited resources must be directed to those who present the highest risk to society. We have strengthened our intensive supervision programs to better monitor high risk juveniles and adults.

We are establishing a Day Treatment Center for those probationers, who despite our best efforts, are on the road to violating the terms of their probation sentence. The Center will provide probationers with an intensive program of rehabilitative and remedial services for up to 12 hours a day, five days a week, for a period of 90 to 120 days. On site, operating within the Center, will be a Board of Education alternative school, a Department of Employment Tap Center, and a Department of Mental Health psychiatric social work clinic. If such a model proves effec-

tive—we hope to open similar centers throughout the City.

To address the severe drug crisis facing the City, we have developed a specialized unit of probation officers to supervise "high risk" cocaine abusers. This case management strategy includes reduced caseloads, more frequent reporting requirements and home visits as well as routine drug testing. As a result of a City/State initiative, the Department will be able, for the first time, to contract for 1,100 drug treatment slots dedicated to probationers. And with a grant from the State, special assessment, diagnosis and support referral will be available to those who are developmentally disabled among this substance abuse population.

Mayor Dinkins has stated on numerous occasions that responsible government must be responsive to the communities we serve. This shift in philosophy is reflected in the new direction of the Probation Department. We recognize that the community and victims throughout this City are our primary clients. If we effectively monitor and supervise offenders, our streets and our neighborhoods will become safer. To accomplish this, however, Probation must become a part of the community it serves. We must bring Probation back to the community.

Because probationers pose the largest threat to their own communities, our efforts to establish neighborhood offices have been given high priority. Community probation will improve our ability to monitor offenders and link them to appropriate services in their own neighborhoods. We are returning probation officers to the field to intervene with the probationer and his family before a violation occurs. In FY 92, at least 20 percent of the Probation Officer's time will be spent in the field. Our Field Service Unit, a specially trained unit of armed Probation Officers, will continue to work with the Police Department to execute warrants against probationers wanted for new crimes or for violating the terms and conditions of their probation sentences and just as importantly, to intervene in potentially volatile crisis situations.

We want to send a strong message to the community that we do not condone violence and abuse, and that the rights of the victims of crime are at the forefront of our agenda. We believe that probationers must be accountable to the individual and to the community they victimized.

One way of repaying their debt to society is through community service. Community service acts as a constructive punishment reminding offenders that their actions have consequences and tying them in a positive way into the very neighborhoods that they victimized. The Mayor's "Safe Streets/Safe City" program will allow the Department to expand its community service program well beyond the current 100,000 hours of service. It will mean cleaner parks, food and other services provided to the homeless, cleared vacant lots, graffiti free subways and rehabilitated apartments for the elderly. Community service teaches the probationer respect for his/her community and enables civic leaders to see offenders as potential assets. It will improve the quality of life in the neighborhoods and provide the offender with a positive work experience.

Communities throughout this City face the consequences of crime on a daily basis. Crime affects each and every household. The impact on its victims is severe and lasting. To address the needs of victims, we have created a Victims Advisory Panel made up of the leading advocates and service providers in this City. The Panel is assisting the Department in developing improved victim impact statements within the 53,000 pre-sentence investigation reports we prepare for the Family and Criminal Courts each year. Better impact statements will lead to wider use of restitution to victims. We are automating our restitution program to provide more effective collection and disbursement of these funds. Victim advocates are training our staff to identify child, elder and spouse abuse when making family visits. We are establishing specialized caseloads to better supervise and treat batterers and sex offenders. We are making efforts to ensure that orders of protection are real and not illusory sanctions.

I hope I have dispelled the notion that Probation coddles criminals and is soft on crime. Probation is punitive. It is punishment and it is tough. To many offenders, "doing time" is far less intrusive than being supervised on probation for up to five years. They know if they fail—do not undergo drug treatment—remain unemployed—do not go back to school or pay back their community and the victim—they will be faced with longer terms of imprisonment.

Probation makes sense. Both Govenor Cuomo and Mayor Dinkins speak about investing in our future—in our children. I do not believe children are born to hate. They learn too well—growing up—the ways of violence, denial, and apathy. We must do all we can to stop the vicious cycle once a child enters the criminal justice system. We must see that they graduate from school and on to higher levels of learning and growth and not into Attica, Elmira, and Danemora and higher levels of incarceration and detention.

Probation cannot succeed without your support. Together we must assist probationers to become productive citizens by addressing their needs for an education, a decent job and a stabilized family life. By teaching them to resolve conflicts without violence, to reduce their dependency on alcohol and drugs, to manage family responsibilities and to find resources they need to improve their lives, we hope to restore the probationer to the community. By promoting greater community involvement in Probation practice, by being more sensitive to the almost 30,000 victims of crime we encounter yearly and by better monitoring offenders living in the City's neighborhoods, I believe Probation can have a significant impact on reducing crime.

Adequately staffed, properly equipped and intelligently managed, Probation is the most safety-conscious and cost-effective criminal justice sanction we have. Its unique blend of punishment, prevention and treatment will significantly contribute to a safer New York. That is the mission of the New York City Department of Probation and its commitment to this City.•

TRIBUTE TO THURMAN PARSONS BY KERAK SHRINE TEMPLE

• Mr. BRYAN. Mr. President, I rise today to recognize a Nevadan who has made a difference for the youth of Nevada. Thurman Parsons, who is being honored by Kerak Shrine Temple, has given freely of his time to many worthy causes. Foremost among these is the Shrine Circus and Hospital.

The Shrine Circus is an institution in Nevada that annually entertains thousands of people. The main event in Reno spawns several satellite circuses. These circuses cover northern Nevada, from Ely in the east to Fallon in the south. These people provide valuable entertainment for small towns throughout Nevada. Without the office work and individual fundraising capability of Thurman Parsons and his fellow shriners, this would be a special event lost to many of the people in these smaller communities. Through Thurman Parson and his fellow shriners' efforts, the lives of more than 30,000 people are enriched each year.

Mr. President, many organizations have been the recipient of Thurman's largess. These include Masonic youth groups, International Order of Rainbow for girls, DeMolay for boys, Bethel No. 2, Little League, the ATO fraternity, as well as the YWCA. Whether repairing cabins for the YWCA, or coaching in Little League, he was there for the children of Nevada.

Mr. President, people devoting time to children are not enough in evidence today. The example of people like Thurman Parsons enables us to remember that it is the selfless giving of one generation to another that has helped make this country great. Thurman Parsons is a shining example of the spirit of Nevada and our love of children.•

CHILDREN'S AID INTERNATIONAL IN POLAND

• Mr. SIMON. Mr. President, I have the privilege of serving on the Advisory Committee for a group called American Committee for Aid to Poland.

Our colleague, Senator BOB DOLE, serves as cochairman, and former Security Adviser to President Carter, Zbigniew Brzezinski, is the other cochairman. Serving as president and chief executive officer of the organization is former Ambassador John W. Shirley.

I recently received the minutes of the meeting that took place on February 28 with representatives of private voluntary organizations. All of it is fascinating, but particularly depressing is a report in the minutes of the comments of Dr. T.J. Grosser, president of Children's Aid International. The statement is so eloquent in expressing need that I am simply inserting the two paragraphs from the minutes in the CONGRESSIONAL RECORD at this point. Mr. President, I ask to insert them into the RECORD at this point.

I do not know precisely how we can respond more effectively to this need, but somehow we have to be able to do it.

I am confident that is what the American public would want us to do.

The excerpts follow:

CHILDREN'S AID

Dr. T. J. Grosser, President of Children's Aid International, said that his organization, with a budget of $7 million, is focussed en-

tirely on the private sector and does not seek U.S. government assistance. Dr. Grosser was in Poland last July to set up a program for retarded children in Warsaw and a center for urban poor children in Elk.

He spoke at length about health problems in Poland caused by the Chernobyl disaster. One stop during his visit was a sanatorium in a village near Bialystok, where 125 child victims of Chernobyl are being cared for. The nuns who operate the sanatorium are obliged to turn away 20 children for every one they are able to take. Children's Aid International is currently working to determine the scope of this health problem, the needs of the victims and to identify who can help. Even such basics as the need for pure water and pure food must be addressed. He added that he found Polish technical competence to be high, but there is a shortage of medications and instruments for testing. He said that in Poland today there is only a 50% possibility for cure of leukemia. Simply removing children from contaminated areas for a period of time can help to raise the levels of their immune systems. He is working closely with the Polish Ministry of Health and with people here on this problem, but at the present time even the extent of the problem is not known.•

COSPONSOR PEACE TAX FUND

• Mr. HATFIELD. Mr. President, yesterday I introduced S. 689 the Peace Tax Fund Act. My friend and colleague, Senator HARKIN was inadvertently not listed as an original cosponsor of this important bill. This is unfortunate, because I greatly appreciate the Senator's partnership in this effort this year, as well as in years past. I understand that he will now be listed as the primary cosponsor, and I wish to extend my deep thanks to him for his consistent support.•

THE SENATE FUMBLES ON PUERTO RICO

• Mr. SIMON. Mr. President, if there is one thing the United States has stood for throughout the decades it is self-determination.

And yet, I regret to say, we have failed to apply self-determination to the status of Puerto Rico.

I frequently resent editorials attacking the Senate for decisions we make, the editorial writers frequently not understanding the dimensions of an issue. But when the Chicago Tribune recently headed an editorial, "The Senate Fumbles on Puerto Rico," they hit it right on the head. By a 10–10 vote we have denied the people of Puerto Rico the right to have a plebiscite to determine their future.

The final paragraph of the editorial sums it up well:

In the past, dissatisfaction with Puerto Rico's status has given rise to occasional violence and terrorism. But that isn't what should motivate Congress or the Puerto Rican legislature. The real motivation ought to be to assure to Puerto Ricans what all Americans treasure: the right of popular self-determination.

The current status is commonwealth status, which is a fancy name for old-fashioned colonialism. Puerto Rico eventually will either become an independent country or it will become a State. That decision should be up to the people of Puerto Rico, and we should not deny them that decision.

Mr. President, I ask to insert into the RECORD the full editorial from the Chicago Tribune.

The editorial follows:

THE SENATE FUMBLES ON PUERTO RICO

A United States Senate committee has deadlocked on legislation to authorize a referendum on Puerto Rico's political future. While the 10-10 tie probably reflects perfectly the ambivalence most Americans feel about the island, it does nothing to advance the nation toward resolution of the so-called "status issue."

Neither, for that matter, does the Puerto Rican Senate's approval last week of a bill to make Spanish the island's sole official language. It's time lawmakers in Washington and San Juan began dealing realistically with the status question. Continued delay is unwise, and it could become dangerous.

Puerto Rico and the mainland U.S. have been locked in an ambiguous embrace since 1898, when Spain ceded the island after the Spanish-American War. Puerto Ricans were granted U.S. citizenship in 1917. In 1952, the island acquired its current status as a commonwealth; residents got all benefits of citizenship except the right to vote in federal elections and the duty to pay income taxes.

In 1967, in a referendum initiated by their own government, Puerto Ricans reaffirmed their backing for commonwealth status.

But things have changed since then. Recent polls have indicated growing support among Puerto Ricans for statehood, and mainland Americans have become increasingly uncomfortable with any relationship that smacks of colonialism.

At the request of Puerto Rican political leaders of all stripes, Congress in 1989 began considering legislation to authorize a new referendum and, potentially, a new status. A bill passed the House last year to authorize a non-binding referendum, with Puerto Ricans to choose among statehood, independence and "enhanced commonwealth" status. But the Senate lagged and now has failed to move a similar bill.

The recent committee action virtually assures that there can be no referendum before 1993 at the earliest. Whether there will be one even then depends on whether, after more than two years of dithering, Congress can summon the will to face this difficult issue head-on and pass the necessary legislation.

That cause won't be helped by things like the Spanish-only bill, which is expected to win quick approval in the Puerto Rican House and the signature of Gov. Rafael Hernandez Colon, a commonwealth proponent. While it is unlikely to have much practical effect, it may have a large political effect on members of Congress who would be concerned about offering the possibility of statehood to a determinedly foreign territory.

In the past, dissatisfaction with Puerto Rico's status has given rise to occasional violence and terrorism. But that isn't what should motivate Congress or the Puerto Rican legislature. The real motivation ought to be to assure to Puerto Ricans what all Americans treasure: the right of popular self-determination.•

TRIBUTE TO HARRY E. (BUD) SMITH BY KERAK SHRINE TEMPLE

• Mr. BRYAN. Mr. President, I rise today to recognize a native Nevadan, Harry E. (Bud) Smith who is being honored by the Kerak Shrine Temple for his contributions to the Nevada community. He is an outstanding member of the Order of the Eastern Star, as well as the Kerak Shrine Temple. The most visible evidence of his involvement is 12 years of devoted service to the Shrine Circus for children, and raising funds for crippled and burned children. Bud is a living example of the spirit to give that is alive and well in Nevada.

The Shrine Circus is an institution in Nevada that annually entertains thousands of people. The 3-day event in Reno is not the end; from this main event there are satellite circuses, which span more than 500 miles from Elko in the East, to Bishop, CA, in the West. These people provide valuable entertainment resources for small towns throughout northern Nevada and into California. Through their efforts the lives of more than 30,000 people are enriched in the region. Without the fundraising capabilities of people such as Harry Smith, the circus would be an experience lost to many of the people of these communities.

Mr. President, laughter is a precious gift, and Harry has proven to be generous with his talent. He was a charter member of the Kerak Shrine Klown Unit, founded on January 11, 1971. He proved so successful in this unit, that eventually he clowned his way to its pinnacle, Chief Klown. He is also a member of the Royal Order of Jesters, Court #33.

Mr. President, Harry may have been a lifetime worker on the Southern Pacific Railroad, but he will always be "Mr. Circus" to Kerak Shrine.•

RECOGNIZING VIETNAM

• Mr. SIMON. Mr. President, on Sunday, the New York Times has an editorial suggesting once again that it is long past time to renew official diplomatic ties with the Government of Vietnam.

The time has long since past.

It should have been done long ago, but we should do it now.

We want to make clear to the Government of Vietnam that we want to work with them to bring peace to Cambodia, but we also have to make clear to Vietnam that any substantial improvement in relationship depends on whether they pay attention to human rights in Vietnam.

Official recognition does not mean approval of their policies any more than it does of the policies of China and Syria and other countries that are mentioned in the New York Times editorial.

Mr. President, I ask to insert the New York Times editorial into the CONGRESSIONAL RECORD at this point.

The editorial follows:

[From the New York Times, Mar. 10, 1991]

GOOD MORNING, VIETNAM

It was as if two wars, not just one, ended with the American-led coalition's quick and decisive victory over Iraq. When the guns fell silent, President Bush proudly proclaimed that "The specter of Vietnam has been buried forever in the desert sands of the Arabian Peninsula."

Postwar diplomacy concerning the Middle East has already begun. But postwar diplomacy concerning Veitnam has been mired in bitterness and recriminations for 16 years. Washington can make constructive use of America's revived international pride by now moving to normalize relations with Vietnam.

Vietnam contributed to its long diplomatic isolation by sending troops into Cambodia late in 1978 and keeping them there for almost 11 years. But Washington is also to blame. The past four Administrations have refused to acknowledge the 1975 Communist triumph in Indochina as a fact of international life.

Hanoi prevailed against American power on the battlefield. Washington has punished this affront by diplomatic ostracism, even to the point of winking at a Chinese invasion of Vietnam and, until last year, aiding a Cambodian resistance coalition incorporating the genocidal Khmer Rouge.

Victory in this new war offers an opportunity to bury the bitter legacy of an old one. True, Vietnam is neither a model democracy nor a model international citizen. Its human rights performance has recently been criticized by Asia Watch and by brave voices from within. And while Hanoi has withdrawn its troops from Cambodia, it still backs hard-liners in Phnom Penh who resist implementing the United Nations peace plan.

Yet Vietnam's policies are no more offensive to Americans than those of many other states. The U.S. rightly maintains ties with Syria, even though it sponsors terrorism and occupies much of Lebanon. The U.S. deals with China despite the massacres in Tiananmen Square and Tibet, and with the Soviet Union despite the brutal crackdown in the Baltics.

Diplomatic relations give Washington the chance to raise vexing issues and exert a moderating influence. The Vietnam War ended 16 years ago. Now it has been officially buried. It's time to banish the ghost.●

McDONALD'S CAPITAL CLASSIC ALL-STARS

● Mr. LUGAR. Mr. President, I would like to take this opportunity to recognize the extraordinary talent that will gather Monday, March 25, 1991, in our Nation's capital during the McDonald's Capital Classic. Indiana is very proud of its tradition of excellence in basketball and I would like to acknowledge two outstanding individuals who will be participating in the Monday night game. They have set an example for others to follow in high school athletics and academics. Their achievements and accomplishments are worthy of our attention.

Six-foot, 8-inch Alan Henderson will participate in this year's all-star game as an all-American basketball player. Alan is a native of Indianapolis, IN, and attends Brebeuf Preparatory High School. He has maintained a 3.7-grade point average despite the enormous time commitment of the basketball season. Alan's intelligence is evident, scoring 1,300 on the SAT test, with high ambitions to study either medicine or law at Indiana University in Bloomington next fall.

Another great Indiana player, Daimon Beathea, attends Memorial High School in Elkhart, IN. He is a solid 6-foot, 7-inch forward with an impressive outside jump shot. Daimon plans to attend Michigan State University in East Lansing, MI next year.

I would also like to take this opportunity to acknowledge the coach of the all-stars, another Hoosier, Mr. Ed Schilling, Jr. Coach Schilling will be assisted by his father, Ed Schilling, Sr. During the regular season, Coach Schilling coaches at Western Boone High School in Thorntown, IN.

I ask my colleagues to join me in saluting all the individuals who will participate in the 1991 Capital Classic.

The Capital All-Stars are Romeo Roach and Johnny Rhodes, from Dunbar High School, District of Columbia; David Vanderpool, from Blair High School, Maryland; Rob Garner, from Potomac High School, Maryland; Nii Nelson-Richards, from Good Counsel High School, Maryland; Avis Willis, from West Potomac High School, Virginia; Wayne Bristol, from High Point High School, Maryland; John Stuckey, from Coolidge High School, District of Columbia; Devin Gray, from St. Francis High School, Maryland; Bart Lammersen, from James Madison High School, Virginia; Don Reid, from Largo High School, Maryland; Luteke Kalombo, from Herndon High School, Virginia. The coach of the Capital All-Stars is Joe Gallagher, from St. John's High School in Washington, DC.

The United States All-Stars include Travis Best, from Springfield Central High School, Maine; Danny Hurley, from St. Anthony's High School, New Jersey; Louis Roe, from Atlantic City High School, New Jersey; Reggie Manuel, from Southwest Macon High School, Georgia; James Scott, from Eastside High School, New Jersey; James Forrest, from Southside High School, Georgia; Tom Kleinschmidt, from Gordon Tech High School, Illinois; Donyell Marshall, from Reading High School, Pennsylvania; Cherokee Parks, from Marina High School, California; and Erik Meek, from San Pasqual High School, California.●

A DEMOCRATIC IRAQ

● Mr. SIMON. Mr. President, it has been my privilege to have the opportunity to come into contact with Dr. Jawad Hashim, who heads a committee for a democratic Iraq that is composed of exiles from Iraq.

Recently, they issued a statement that merits the attention of my colleagues in the Senate and the House and the administration.

I ask to insert this into the RECORD at this point.

The statement follows:

THE COMMITTEE FOR DEMOCRATIC IRAQ

On behalf of the People of Iraq, brutalized by Saddam Hussein for two decades; subjugated by terror to fight two pointless wars; helpless as genocide was committed in their name; facing now their gravest threat, I make this appeal.

The appointment of Saddam's cousin as the new Interior Minister is the latest and most hideous attempt to sustain the regime. It was he who gassed a Kurdish village, and he who committed the atrocities to be witnessed in Kuwait. It will be him who will act now for a regime, which—criminal beyond measure; amoral beyond human recognition—has no flat, no mandate to rule and is by any standard unfit so to do. A regime whose sole purpose, manifest by the appointment, is self-perpetuation and self-preservation. This signals the intent to continue their heinous dominion by force of arms. By terror.

The people cannot fight; have no power, no communications; no vestige of protection by law or civilized code. No Geneva convention; no Hague treaty. Not hopeless but without hope.

They are faced by Saddam's "Special Force" of some 10,000 thugs who are the instrument of suppression.

I implore you to bring this affront to humanity, this villainous regime, to an immediate end.

It is the duty of every civilized nation to succour the people of Iraq by every means possible. A people united by suffering. A duty to end suffering.

For and on behalf of the Committee.

JAWAD HASHIM, Ph.D.

MARCH 7, 1991.●

UP FROM THE GHETTO?

● Mr. SIMON. Mr. President, Anthony Lewis visited Chicago in my State. I wish I could tell my colleagues in the Senate he came away with a glowing report about the fine city of Chicago.

What he did was to visit an area that is too often ignored, like all areas of poverty in this Nation are too often ignored.

We continue to be a nation that is deeply segregated on the basis of economics. We are more economically segregated than at any point in our Nation's history.

That means that those who are less fortunate do not live next to most of us who are not in that category, and we continue to ignore their problems.

That is both inhumane and it is contrary to the long run best interest of the Nation.

I urge my colleagues to read Tony Lewis's column, "Up From the Ghetto?" I ask to insert it into the RECORD at this point.

The column follows:

UP FROM THE GHETTO?

(By Anthony Lewis)

"They are now among the worst places in the world to live." That stark epitaph for the black urban ghetto in America comes at the end of Nicholas Lemann's stunning new book, "The Promised Land." I thought of it as I visited North Lawndale, on Chicago's West Side.

North Lawndale was one of the first parts of Chicago to become home for blacks moving up from the South in the great migration that is the subject of Mr. Lemann's book.

The idea of a city slum brings to mind densely packed buildings, a teeming population. But that is not North Lawndale. What strikes the eye here is empitness: burned-out buildings, vacant lots, stores boarded over. And everywhere the ground littered with shards of glass.

On Roosevelt Road and other main streets, stores were destroyed in the 1968 riots and never rebuilt. On the side streets there are gaps where houses and small apartment buildings decayed or were abandoned: sometimes more gaps than buildings. It is as if the great flat prairie of Illinois were trying to re-emerge.

Drug users filter into a crumbling hotel. A dozen young men hang out in an empty lot, getting through the empty day. A prostitute struts on a street corner.

It is a desolate scene. But something unexpected, and powerful, strikes the visitor. Some people in North Lawndale do not accept the desolation as inescapable. They have not given up on the place. They have not given up on themselves.

Some of the small three-story houses are nicely maintained. One has white pillars in front, freshly painted, with a yellow ribbon for the soldiers in the Persian Gulf.

A boy and girl carrying school books scurry across a vacant lot, neatly dressed. A young man with a college degree in biology, working in the local alderman's office, plans to go to law school so he will be better able to help the community.

Even in this place of lost hope, then, there are those who believe in the promise of American society. And that connects with Nicholas Lemann's message in the final chapter of "The Promised Land," which appears in somewhat briefer form in the March issue of The Atlantic.

"American society in the wider sense is not a presence in the ghettos," he writes, "except on television. Policemen don't walk the beat, most schools don't teach, fathers don't live at home, crime goes unpunished. . . ."

But that can change, Mr. Lemann argues. The ghettos can be brought back into the society. It would be a large undertaking, so comprehensive that it would substantially affect all aspects of life in a ghetto:

"The rather casual official attitude toward street crime, for example, which has existed for as long as there have been ghettos, could finally change; policemen could be put back on the streets, and criminals quickly punished. Welfare could become a temporary program leading to a job . . .

"We could try to insure that every ghetto child is born healthy, learns to read and write in grade school, graduates from high school, has a private or government-created job waiting at the end of the process . . ."

The concept is simple, Mr. Lemann concludes: "The Government should be trying to break the hold of those aspects of the ghetto culture that work against upward mobility, by constantly and powerfully encouraging ghetto residents to consider themselves part of the social structure of the country."

To speak of a comprehensive government effort to rescue the black ghettos is to go against the grain of politics today. For our political system has essentially given up on the problem. We have come to think that government programs don't work, that we have no answers.

But the facts are otherwise, Mr. Lemann persuasively argues. We know that some ideas do work. Head Start works. Job training works. Care for expectant mothers works. We have just not had the will to make the needed effort.

It is easy to understand why those of us who are comfortable tend to write off the afflicted, indeed forget them. Comfortable Chicagoans do not often, or ever, visit North Lawndale. But the existence of this and other ghettos nevertheless affects everyone's quality of life. American society is less safe and less decent while this corruption endures.

And there is the question that nags at us: Why should the richest country in the world have in it some of the worst places in the world to live?●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar Nos. 29, 30, 31, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44; all Nominations Placed on the Secretary's Desk in the Air Force, Army, Coast Guard, 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 to 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:

EXPORT-IMPORT BANK OF THE UNITED STATES

Cecil B. Thompson, of Virginia, to be a member of the Board of Directors of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1991.

Cecil B. Thompson, of Virginia, to be a member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1995. (Reappointment.)

SECURITIES INVESTOR PROTECTION CORPORATION

George H. Pfau, Jr., of California, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1993.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Capt. Christian Andreasen for appointment to the grade of rear admiral (lower half), while serving in a position of importance and responsibility as Deputy Director, Office of NOAA Corps Operations, National Oceanic and Atmospheric Administration, and

Capt. Freddie L. Jeffries for appointment to the grade of rear admiral (lower half), while serving in a position of importance and responsibility as Director, Atlantic Marine Center, National Oceanic and Atmospheric Administration, under the provisions of title 33, United States Code, section 853u.

Rear Adm. James A. Yeager for appointment to the grade of rear admiral (O–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) (O–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.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral:

Arthur E. Henn.
Peter A. Bunch.
David E. Ciancaglini.
William J. Ecker.

The following officers of the U.S. Coast Guard for appointment to the grade of rear admiral (lower half):

John L. Linnon, Jr.
Rudy K. Peschel.
Gerald F. Woolever.
Richard D. Herr.

NATIONAL RAILROAD PASSENGER CORPORATION

Carl W. Vogt, of Maryland, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term of 4 years.

INTERSTATE COMMERCE COMMISSION

J.J. Simmons III, of Oklahoma, to be a member of the Interstate Commerce Commission for a term expiring December 31, 1995. (Reappointment.)

DEPARTMENT OF TRANSPORTATION

Stanford E. Parris, of Virginia, to be Administrator of the Saint Lawrence Seaway Development Corporation for a term of 7 years.

IN THE AIR FORCE

The following-named officer for reappointment 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

Gen. John M. Loh, [redacted] Air Force.

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 120, United States Code, section 601:

To be lieutenant general

Lt. Gen. Leo W. Smith, II, [redacted] U.S. Air Force.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, section 611(a) and 624:

To be permanent major general

Brig. Gen. Roland Lajoie, [redacted] U.S. Army.

Brig. Gen. William A. Stofft [redacted] U.S. Army.

Brig. Gen. William W. Crouch [redacted] U.S. Army.
Brig. Gen. Edison E. Scholes [redacted] U.S. Army.
Brig. Gen. Arthur E. Williams [redacted] U.S. Army.
Brig. Gen. Theodore G. Stroup, Jr [redacted] U.S. Army.
Brig. Gen. James A. Musselman [redacted] U.S. Army.
Brig. Gen. James B. Taylor [redacted] U.S. Army.
Brig. Gen. Peter T. Berry [redacted] U.S. Army.
Brig. Gen. Walter J. Bryde, Jr. [redacted] U.S. Army.
Brig. Gen. James T. Scott [redacted] U.S. Army.
Brig. Gen. Dennis V. Crumley [redacted] U.S. Army.
Brig. Gen. Jerry R. Rutherford [redacted] U.S. Army.
Brig. Gen. Jay M. Garner [redacted] U.S. Army.
Brig. Gen. Eugene L. Daniel [redacted] U.S. Army.
Brig. Gen. Alfred J. Mallette [redacted] U.S. Army.
Brig. Gen. Joseph Raffiani, Jr. [redacted] U.S. Army.
Brig. Gen. Thomas W. Robison [redacted] U.S. Army.
Brig. Gen. John H. Tilelli, Jr. [redacted] U.S. Army.
Brig. Gen. Paul J. Vanderploog [redacted] U.S. Army.
Brig. Gen. John P. Otjen [redacted] U.S. Army.
Brig. Gen. Henry H. Shelton [redacted] U.S. Army.
Brig. Gen. Marvin L. Covault [redacted] U.S. Army.
Brig. Gen. William M. Boice [redacted] U.S. Army.
Brig. Gen. Steven L. Arnold [redacted] U.S. Army.
Brig. Gen. Dennis P. Malcor, [redacted] U.S. Army.
Brig. Gen. John R. Landry [redacted] U.S. Army.
Brig. Gen. Robert S. Frix [redacted] U.S. Army.
Brig. Gen. William M. Matz, Jr. [redacted] U.S. Army.
Brig. Gen. Dennis L. Benchoff [redacted] U.S. Army.
Brig. Gen. John F. Stewart, Jr. [redacted] U.S. Army.
Brig. Gen. Richard S. Siegfried [redacted] U.S. Army.
Brig. Gen. William W. Hartzog [redacted] U.S. Army.
Brig. Gen. David J. Baratto [redacted] U.S. Army.

IN THE NAVY

The following-named officer for appointment to the grade of Vice Admiral while assigned to a position of importance and responsibilty under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. William C. Bowes, U.S. Navy, [redacted]

STATEMENT ON THE NOMINATION OF STANFORD E. PARRIS ADMINISTRATOR OF THE ST. LAWRENCE SEAWAY CORPORATION

Mr. WARNER. Mr. President, I am pleased that the full Senate has given its consent to the nomination of my friend and former colleague in the Virginia congressional delegation Stanford E. Parris, who is the President's choice to be Administrator of the St. Lawrence Seaway Corporation.

Several of my colleagues served with Stan in the House of Representatives where he represented the Eighth District of Virginia with distinction for 12 years. Stan also has extensive experience in State government where he served in the General Assembly of Virginia and as Gov. John Dalton's Secretary of the Commonwealth and Director of the Governor's Washington office. He began his political career as a member of the Fairfax County Board of Supervisors.

Stan Parris is particularly skilled at working with the Congress, the States, and the local governments because he has been there and he understands the problems being faced at all levels of government.

In addition to his political career, Stan is an attorney and businessman by profession who was a partner in a northern Virginia law firm and owner of a Lincoln-Mercury dealership. He served with courage and dedication as a fighter pilot with the U.S. Air Force during the Korean war.

Stan, along with his lovely wife, Martie, has been a tremendous asset to Virginia, and I know they will continue to serve us well.

Mr. President, Stan Parris has the judgment, the skills, and the experience to be an outstanding Administrator of the St. Lawrence Seaway Corporation and to continue his record of service to this Nation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

THE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration en bloc of calendar numbers 51 and 52, that the resolutions be agreed to and the motion to reconsider be laid upon the table, and that the preamble, where appropriate, be agreed to.

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

Mr. FORD. Mr. President, I further ask unanimous consent that the consideration of these items appear individually in the RECORD.

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

AUTHORIZING PRINTING OF THE REPORT "DEVELOPMENTS IN AGING: 1990"

The resolution (S. Res. 79) authorizing printing additional copies of Senate report titled "Developments in Aging: 1990," was considered, and agreed to; as follows:

S. RES. 79

Resolved, That there shall be printed for the use of the Special Committee on Aging the maximum number of copies of volumes 1 and 2 of its annual report to the Senate, entitled "Developments in Aging: 1990", which may be printed at a cost not to exceed $1,200.

PERMITTING USE OF THE ROTUNDA OF THE CAPITOL

The concurrent resolution (H. Con. Res. 45) permitting the use of the rotunda of the Capitol for ceremonies as part of the commemoration of the days of remembrance of victims of the Holocaust, was considered, and agreed to.

The preamble was agreed to.

APPRECIATION OF AMERICAN INDIAN VETERANS

Mr. FORD. Mr. President, I ask unanimous consent that the Indian Affairs Committee be discharged from further consideration of Senate Concurrent Resolution 22, extending the appreciation of Congress to all American Indian veterans, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 22) extending the appreciation of Congress to all American Indian veterans for their service in the Armed Forces of the United States.

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.

Mr. MCCAIN. Mr. President, I am pleased to submit along with Senators INOUYE, KASSEBAUM, SIMON, COCHRAN, BURDICK, DASCHLE, MURKOWSKI, DECONCINI, GORTON, CONRAD, and NICKLES a concurrent resolution to extend the appreciation of the Congress to all American Indian veterans for their service in the Armed Forces of the United States.

Mr. President, as events in the Persian Gulf draw to a close, the attention of the Nation is focused upon the return of the men and women who have courageously served in Operations Desert Shield and Desert Storm. As America honors these brave men and women, I believe it is also important to acknowledge the unparalleled devotion that American Indians have had to the Armed Forces of the United States. In fact, American Indians continue to be the highest percentage of any ethnic group in the United States to serve our country, including Operation Desert Storm.

Ever since colonial times, American Indians have enlisted in the armed services of the United States. Even in pre-Revolutionary wars, American In-

dians were fighting on the side of the Colonists. Perhaps the most legendary contribution by American Indians occurred during World War II. When communications between Allied Forces were being continuously intercepted by our enemies, the need for a code which could not be broken became of paramount importance to our survival and success. When everything else failed, it was the Navajo code talkers whose native language provided a means of communication that eluded the most expert of codebreakers. Of all the codes developed in World War II, the Navajo language code was the only one not broken during World War II.

In Operations Desert Shield and Desert Storm hundreds of American Indians continued the proud and courageous tradition of service in the Armed Forces. From my own home State of Arizona, the Navajo Nation estimates that it has sent at least 360 men and women to the Persian Gulf. Recently, during a visit to the Tohono O'Odham Nation concerning Indian health issues, Secretary Sullivan and I had the privilege of meeting with the families of the 33 men and women serving in the Persian Gulf. It was a very moving occasion for me, one which showed the pride these families had in their sons and daughters and in the job they had been called to do.

Mr. President, the event I was able to witness in Arizona can be repeated on all, if not most, of the Indian reservations across this country. The young and old have a deep pride in their tribal members who have been or are presently called to duty; they don't take a back seat to anybody in the level of patriotism and love of country. Indeed, it was largely because of the American Indian's record of service in World War I that Congress enacted legislation in 1924 granting U.S. citizenship to all American Indians.

Yet as I reflected on these recent events, I am reminded of the services that we have failed to provide American Indian veterans. This perhaps is all too sadly captured in the life of Ira Hayes. The American public has probably never heard the full story about this American hero. He was a Pima Indian who served in the Marine Corps during the Korean conflict and is depicted in the Iwo Jima Memorial as one of the brave men who planted the American flag. Although that moment is captured in time, Ira Hayes the man was soon forgotten. He eventually died a broken man and a victim of alcoholism.

Another American hero, Senator DAN INOUYE, perhaps said it best:

Even though a great number of Native American veterans have served this country with incomparable bravery and valor, the recognition and level of services which have been provided to Indian veterans remains largely undocumented. It would appear that in our efforts to mainstream our country's veterans, the needs of America's Indian veterans have been forgotten.

As this concurrent resolution extends the appreciation of the Congress, I can think of no more appropriate subsequent action that the Congress can take than to examine the problems, assess current services, and explore the solutions necessary to fulfill the needs of Native American veterans. I look forward to working with my colleagues to do just that in this Congress.

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

The concurrent resolution (S. Con. Res. 22), with its preamble, is as follows:

S. CON. RES. 22

Whereas, American Indians, of various Indian tribes across the nation, have a long, proud and distinguished tradition of service in the Armed Forces of the United States;

Whereas, American Indians have historically served in the Armed Forces of the United States in numbers which far exceed their representation in the population of the United States;

Whereas, American Indians have lost their lives in the service of their nation, and in the cause of peace, including Operations Desert Storm and Desert Shield; and

Whereas, American Indians currently deployed in the Persian Gulf have continued this proud and courageous tradition of service in the Armed Forces of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. APPRECIATION.

The Congress expresses its appreciation to:

(1) all American Indian veterans for their long, proud, and distinguished tradition of service in the Armed Forces of the United States;

(2) all American Indian service men and women currently or heretofore deployed in the Persian Gulf region as part of Operations Desert Shield and Desert Storm; and

(3) the families of American Indian service men and women and members of Indian tribes nationwide who have supported their loved ones through traditional ceremonies and have prayed for the safety and continued strength of all American forces and Allied partners.

SEC. 2. CONDOLENCES.

The Congress expresses its condolences to the families whose loved ones have made the ultimate sacrifice in the service of their nation and in the cause of peace.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

EXTENSION OF DEADLINE FOR FILING REPORTS

Mr. FORD. Mr. President, I ask unanimous consent that the deadline for filing reports of committee activities during the 101st Congress by the standing committees pursuant to rule XXVI 8(b) of the Standing Rules of the Senate be extended from March 31 to April 9, 1991.

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

VITIATION OF SENATE ACTION

Mr. FORD. Mr. President, as if in executive session, Calendar 45 was inadvertently forwarded to the floor on March 19 and placed on the Executive Calendar.

I ask unanimous consent that yesterday's action be vitiated.

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

Mr. DOLE. Mr. President, will the acting majority leader yield?

Mr. FORD. Yes, I am glad to yield.

Mr. DOLE. I wonder if I could learn whether or not the nomination of Pat Saiki might be on the calendar tomorrow to be Administrator of the Small Business Administration.

Mr. FORD. If the Senator will let me proceed with these, we will check and notify you in just a few moments.

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m., Thursday, March 21; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business not to extend beyond the hour of 11:20 a.m., with Senators permitted to speak therein; that the time between 9:30 and 10:30 a.m. be under the control of the Republican leader or his designee; and that the time from 10:30 to 11:30 a.m. be under the control of the majority leader or his designee.

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

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

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

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. FORD. Mr. President, if no other Senator wishes to speak this evening and it is all right with the Republican leader, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess as under the previous order until 9:30 a.m. on Thursday, March 21, 1991.

There being no objection, the Senate, at 8:12 p.m., recessed until Thursday, March 21, 1991, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 20, 1991:*ERR08*

BOARD FOR INTERNATIONAL BROADCASTING

LANE KIRKLAND, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD FOR INTERNATIONAL BROADCASTING FOR A TERM EXPIRING APRIL 28, 1993. (REAPPOINTMENT)

INTER-AMERICAN FOUNDATION

ANN BROWNNELL SLOANE, OF NEW YORK, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING OCTOBER 6, 1996, VICE LYNDA ANNE BARNESS, TERM EXPIRED.

PEACE CORPS NATIONAL ADVISORY COUNCIL

NIARA SUDARKASA, OF PENNSYLVANIA, TO BE A MEMBER OF THE PEACE CORPS NATIONAL ADVISORY COUNCIL FOR A TERM EXPIRING OCTOBER 6, 1991, VICE JOHN J. PETILLO.

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

ROBERT W. NAYLOR, OF CALIFORNIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION FOR A TERM OF 4 YEARS, VICE DELBA WINTHROP.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20, 1991:*ERR08*

EXPORT-IMPORT BANK OF THE UNITED STATES

CECIL B. THOMPSON, OF VIRGINIA TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR THE REMAINDER OF THE TERM EXPIRING JANUARY 20, 1991.

CECIL B. THOMPSON, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JNAURY 20, 1995.

SECURITIES INVESTOR PROTECTION CORPORATION

GEORGE H. PFUA, JR., OF CALIFORNIA, TO BE A DIRECTOR OF THE SECURITIES INVESTOR PROTECTION CORPORATION FOR A TERM EXPIRING DECEMBER 31, 1993.

NATIONAL RAILROAD PASSENGER CORPORATION

CARL W. VOGT, OF MARYLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL RAILROAD PASSENGER CORPORATION FOR A TERM OF 4 YEARS.

INTERSTATE COMMERCE COMMISSION

J.J. SIMMONS III, OF OKLAHOMA, TO BE A MEMBER OF THE INTERSTATE COMMERCE COMMISSION FOR A TERM EXPIRING DECEMBER 31, 1995.

DEPARTMENT OF TRANSPORTATION

STANFORD E. PARRIS, OF VIRGINIA, TO BE ADMINISTRATOR OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR A TERM OF 7 YEARS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENTS TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

CAPT. CHRISTIAN ANDREASEN FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (LOWER HALF), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DEPUTY DIRECTOR, OFFICE OF NOAA CORPS OPERATIONS, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, AND

CAPT. FREDDIE L. JEFFRIES FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (LOWER HALF), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DIRECTOR, ATLANTIC MARINE CENTER, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

REAR ADM. JAMES A. YEAGER FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (O-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) (O-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 ATMOSHPERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED CODE, SECTION 853U.

COAST GUARD

THE FOLLOWING OFFICERS OF THE U.S. COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL:

ARTHUR E. HENN.
PETER A. BUNCH.
DAVID E. CIANCAGLINI.
WILLIAM J. ECKER.

THE FOLLOWING OFFICERS OF THE U.S. COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (LOWER HALF):

JOHN L. LINNON, JR.
RUDY K. PESCHEL.
GERALD F. WOOLEVER.
RICHARD D. HERR.

AIR FORCE

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT 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

GEN. JOHN M. LOH [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. LEO W. SMITH, II [redacted] U.S. AIR FORCE.

ARMY

THE FOLLOWING-NAMED 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:

To be permanent major general

BRIG. GEN. ROLAND LAJOIE [redacted] U.S. ARMY.
BRIG. GEN. WILLIAM A. STOFFT [redacted] U.S. ARMY.
BRIG. GEN. WILLIAM W. CROUCH [redacted] U.S. ARMY.
BRIG. GEN. EDISON E. SCHOLES [redacted] U.S. ARMY.
BRIG. GEN. ARTHUR E. WILLIAMS [redacted] U.S. ARMY.
BRIG. GEN. THEODORE G. STROUP, JR. [redacted] U.S. ARMY.
BRIG. GEN. JAMES A. MUSSELMAN [redacted] U.S. ARMY.
BRIG. GEN. JAMES B. TAYLOR [redacted] U.S. ARMY.
BRIG. GEN. PETER T. BERRY [redacted] U.S. ARMY.
BRIG. GEN. WALTER J. BRYDE, JR. [redacted] U.S. ARMY.
BRIG. GEN. JAMES T. SCOTT [redacted] U.S. ARMY.
BRIG. GEN. DENNIS V. CRUMLEY [redacted] U.S. ARMY.
BRIG. GEN. JERRY R. RUTHERFORD [redacted] U.S. ARMY.
BRIG. GEN. JAY M. GARNER [redacted] U.S. ARMY.
BRIG. GEN. EUGENE L. DANIEL [redacted] U.S. ARMY.
BRIG. GEN. ALFRED J. MALLETTE [redacted] U.S. ARMY.
BRIG. GEN. JOSEPH RAFFIANI, JR. [redacted] U.S. ARMY.
BRIG. GEN. THOMAS W. ROBISON [redacted] U.S. ARMY.
BRIG. GEN. JOHN H. TILELLI, JR. [redacted] U.S. ARMY.
BRIG. GEN. PAUL J. VANDERPLOEG [redacted] U.S. ARMY.
BRIG. GEN. JOHN P. OTJEN [redacted] U.S. ARMY.
BRIG. GEN. HENRY H. SHELTON [redacted] U.S. ARMY.
BRIG. GEN. MARVIN L. COVAULT [redacted] U.S. ARMY.
BRIG. GEN. WILLIAM M. BOICE [redacted] U.S. ARMY.
BRIG. GEN. STEVEN L. ARNOLD [redacted] U.S. ARMY.
BRIG. GEN. DENNIS P. MALCOR [redacted] U.S. ARMY.
BRIG. GEN. JOHN R. LANDRY [redacted] U.S. ARMY.
BRIG. GEN. ROBERT S. FRIX [redacted] U.S. ARMY.
BRIG. GEN. WILLIAM M. MATZ, JR. [redacted] U.S. ARMY.
BRIG. GEN. DENNIS L. BENCHOFF [redacted] U.S. ARMY.
BRIG. GEN. JOHN F. STEWART, JR. [redacted] U.S. ARMY.
BRIG. GEN. RICHARD S. SIEGFRIED [redacted] U.S. ARMY.
BRIG. GEN. WILLIAM W. HARTZOG [redacted] U.S. ARMY.
BRIG. GEN. DAVID J. BARATTO [redacted] U.S. ARMY.

NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. WILLIAM C. BOWES, U.S. NAVY [redacted]

IN THE COAST GUARD

COAST GUARD NOMINATIONS BEGINNING RALPH A. HOEKSTRA, AND ENDING JOHN A. GAUGHAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

COAST GUARD NOMINATIONS BEGINNING KARL E. SANDERS, AND ENDING HARDY D. JONES, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF MARCH 5, 1991.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING BRIAN D. AFFLECK, AND ENDING RICHARD M. ZWIRKO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

AIR FORCE NOMINATIONS BEGINNING DONALD H. ANKOV, AND ENDING LYMAN A. ADRIAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

IN THE ARMY

ARMY NOMINATIONS BEGINNING BENJAMIN M. ADAMS, AND ENDING ANTHONY R. STRICKLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 5, 1991.

ARMY NOMINATIONS BEGINNING RAYMOND P. ORWIG, AND ENDING *RANDAL C. KUMM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 5, 1991.

ARMY NOMINATIONS BEGINNING JOSEPH H. STRIBRNY, AND ENDING ROCKY L. MCELWAIN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 5, 1991.

ARMY NOMINATIONS BEGINNING MARC A. ABRAMOWITZ, AND ENDING ROBERT J. WYGONSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 19, 1991.

ARMY NOMINATIONS BEGINNING JOSEPH A. INTILE, JR., AND ENDING KENNETH C. YOHN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

ARMY NOMINATIONS BEGINNING BARNEY E. CREWS, JR., AND ENDING MICHAEL R. SNOW, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

ARMY NOMINATIONS BEGINNING RICHARD A. ELLIOTT AND ENDING *DONALD T. ZAJACKOWSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

IN THE NAVY

NAVY NOMINATION OF WILLIAM A. MCMANUS, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 31, 1991.

NAVY NOMINATIONS BEGINNING FRANCIS D. HURRY, AND ENDING SYLVIA MAXWELL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 19, 1991.

NAVY NOMINATIONS BEGINNING DAVID D. HINSPATER, AND ENDING ANTHONY A. VEIGA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

NAVY NOMINATIONS BEGINNING ALAN WILLIAM ABBS, AND ENDING MICHAEL WILLIAM ZUNA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

NAVY NOMINATIONS BEGINNING MARLON Q. ABREU, AND ENDING MICHAEL S. PINETTE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF FEBRUARY 26, 1991.

EXTENSIONS OF REMARKS

HISTORICALLY BLACK COLLEGES, AND UNIVERSITIES CAPITAL FINANCING ACT OF 1991

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. CLAY. Mr. Speaker, today, Congressman WHEAT and I are introducing the Historically Black Colleges and Universities Capital Financing Act of 1991.

This act provides an opportunity for historically black colleges and universities to have support for institutional improvement and capital projects. It is timely that these colleges and universities will have additional fiscal resources to strengthen and maintain capital projects.

There is a great need for historically black colleges and universities to build and renovate classroom facilities, libraries, dormitories, and other facilities to continue their educational mission and meet the heightened demands of producing the kind of work force necessary for America to successfully compete in the 21st century. These colleges and universities are generally small in size and typically serve students from socially and economically disadvantaged backgrounds; these schools generally experience difficulty in securing private capital.

This legislation authorizes the Secretary of Education to provide insurance on the bonds of a qualified bonding authority to be designated by this Act. The proceeds of the qualified bonds will be loaned to the colleges and universities which are eligible under this legislation. The amount is up to a level of $500 million, of which not less than 70 percent shall be used for loans to private member institutions and not less than 30 percent shall be used for loans to public member institutions.

This act also includes several safeguard provisions which significantly limit any financial risk that the Federal Government may encounter. This legislation serves the objective of facilitating access to the private credit sector. Low cost credit will be available to finance worthy and essential capital projects and enables colleges and universities serving disadvantaged African-American students to continue and expand upon their educational mission and help America meet the demands of the 21st century.

Historically black colleges and universities have, through the years, been severely underfunded, but have rendered monumental service to our Nation through its graduates. From these institutions very inception, the contributions that they have made to our Nation have been immeasurable. It is significant to observe that historically black colleges and universities which enroll 20 percent or 200,000 of the approximately 1 million black students in institutions of higher education have set an enviable record in graduating approximately 40 percent of all black college graduates from these institutions.

I am convinced that this is a major and necessary vehicle to support and extend the capital development of black colleges and universities. These institutions of higher education, as the historical record graphically shows, have suffered from very serious underfunding.

Mr. Speaker, it is clear that without these colleges and universities, thousands of black students will be denied the opportunity of higher education. The historically black colleges and universities have admitted young people who are viewed as nonproductive in our society and have nurtured, sustained, and developed them into productive and resourceful college graduates.

This is an extraordinary record and needs to be expanded.

Moreover, the graduates of these institutions of higher education make a significant contribution to the GNP of our Nation through their specialized knowledge and technical skills. It is most important, as a part of the multiplier effect, that this contribution of service continue to go forward with the support of the Congress. The record of students who have matriculated at these institutions of higher education and who have attained national recognition in the arts and humanities, the natural sciences, medicine, law, teaching, and other professional and technical fields is both highly impressive and inspirational. These institutions have a splendid opportunity to build upon this record through support for capital projects and improvement for historically black colleges and universities.

It is important as you well know, that as we face global competition from abroad in the area of high technology and cybernetics, all of our institutions of higher education should be in the best possible position to add to our economic strength by insuring that we have graduates of high quality.

I believe that in a time of an economic downturn and growing dependence on foreign products, this legislation will serve as a catalyst or a multiplier effect for our economy. In brief, I believe that this legislation is a prudent investment in our Nation's future.

I urge you to join with me in supporting this legislation. It represents an idea whose time has come.

HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING ACT OF 1991

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. WHEAT. Mr. Speaker, today I am pleased to join my distinguished colleague from the State of Missouri, Congressman BILL CLAY, in introducing legislation of critical importance to the future of historically black colleages and universities [HBCU's] in this country.

The bill we are proposing today, the Historically Black College and University Capital Financing Act of 1991, will help HBCU's meet their most pressing need—to secure private capital for long-awaited construction and repair of HBCU campus facilities.

Essentially, the legislation authorizes the Secretary of Education to provide insurance on the bonds of qualified HBCU's, increasing the ability of HBCU's to raise the large amounts of advance money needed to pursue major capital projects.

Because of the small size of HBCU's and the large number of disadvantaged students they serve, HBCU's usually lack the ability to secure private credit to finance major capital projects. This bill would allow HBCU's to enter the bond market by providing them with a Federal guarantee on up to $500 million in bond debt.

Proceeds from the bonds will be made available as loans to HBCU's to finance needed capital improvements to libraries, dormitories, laboratories, special education facilities, and other facilities that will allow HBCU's to fulfill their educational mission in the years ahead. The bill includes a safeguard provision for the Federal Government requiring a reserve fund from which payments would be made on bonds in the case of any delinquency, thus limiting the risk to the Government.

For over 100 years black colleges have served the special needs and interests of aspiring and talented young black Americans. The important role these institutions have played in advancing millions of black Americans and their families into the economic mainstream of American life can hardly be overstated.

Those black Americans with a college degree earn, on average, 86 percent more in annual income than those blacks who possess only a high school diploma. A 1986 survey found that while 85 percent of HBCU alumni came from blue-collar family backgrounds, only 3 percent of the alumni hold blue-collar jobs themselves. About 76 percent of the alumni hold managerial or professional positions.

How important are HBCU's to the mission of providing higher education to black Americans?

While HBCU's represent only 3 percent of the colleges and universities in this country, they are responsible for educating nearly 40 percent of all black graduates from institutions of higher education. It has also been estimated that 46 percent of all black business executives, 50 percent of all black engineers, 75 percent of all black Ph.D.'s, and 80 percent of all black Federal judges received their un-

dergraduate or graduate degrees from an HBCU.

These statistics are even more startling when one considers the disadvantaged backgrounds of the majority of students attending HBCU's.

Generally, HBCU's admit those students with the most severely limited family resources. For these students, the parental contributions to the cost of their college education is substantially less than the national average. As a result, HBCU's must work that much harder to help most of their students obtain financial aid to pay for their college education.

At the same time, HBCU's themselves have some of the lowest tuition rates and smallest endowments of all 4-year colleges and universities. The financial resources available to HBCU's across the Nation are increasingly constrained, threatening their continued ability to effectively meet the special higher education needs of young black Americans.

The financial constraints facing HBCU's have been exacerbated over the past decade by a relative decrease in the amount of Federal support for HBCU's. While the Federal share of all college and university revenues nationwide fell by 17.1 percent between 1979 and 1986, the Federal share for HBCU's fell 29.8 percent.

For public HBCU's the drop was even more dramatic. The Federal share of public HBCU revenues plunged 37.7 percent over the same time period, compared to 19.8 percent for all public schools. Since HBCU's are far more dependent on Federal support than their counterparts across the country, this trend is particularly troublesome for the future of all HBCU's.

In short, the financial resources available to HBCU's are shrinking. But we can see the negative consequences of this trend already on the campuses of HBCU's across the country.

From one campus to the next, critical construction and rehabilitation needs are going unmet. Classroom facilities, dormitories, laboratories, libraries, and other facilities crucial to providing a quality education are not being built or repaired because the money is simply not available.

At the private institutions represented by the United Negro College Fund, the highest priority construction and renovation plans currently placed on hold total over $450 million in capital projects. This figure does not include the capital needs of public HBCU's, which account for nearly three-quarters of all HBCU enrollment.

These capital needs must be addressed if our Nation's HBCU's are to maintain and expand their infrastructure to meet the growing numbers of young men and women seeking to enter the work force as trained professionals in the future. This legislation will commit Federal resources to help address those needs in a timely manner with little financial risk to the Federal Government.

Historically black colleges have existed for over 100 years. They have rich traditions of academic achievement, professional success, and cultural development that provide important role models for young black Americans.

Much of the black leadership in this country was educated at HBCU's. The names represent a library of black accomplishment—Supreme Court Justice Thurgood Marshall, former Atlanta Mayor and U.N. Ambassador Andrew Young, former Congresswoman Barbara Jordan, poet Nikki Giovanni, composer and jazz artist Grover Washington, and Rev. Martin Luther King, Jr.

These and countless other HBCU graduates have provided vivid examples of leadership and stimulated intellectual growth in our Nation's youth. Their alma maters have been an important part of the tapestry of institutions of higher education in this country.

HBCU's aspire to continue to provide opportunities to young black Americans who might not otherwise have access to higher education. Passage of this legislation will provide HBCU's the ability to improve their facilities and meet the challenge of educating our young men and women as we enter the next century.

Historically black colleges and universities represent a rich tradition of black achievement in America. Today, It is a tradition that needs and deserves our support.

IN RECOGNITION OF DADE COUNTY'S NEWEST AND BEST TEACHERS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, I am proud to recognize the Sallie Mae Teacher Award Program. The American Association of School Administrators [AASA], in cooperation with the Student Loan Marketing Association [Sallie Mae], is sponsoring this award to recognize 100 outstanding first-year elementary and secondary school teachers from throughout the country. Although all our teachers are outstanding, the Sallie Mae Award brings well deserved credit to some of the best new teachers in Dade Country, FL and the country.

As part of a national project, this program starts with nominations at the school level, through the region level, to county nominations. My congratulations go out to this year's Dade County Sallie Mae finalists: Marta Garcia of Ben Shepard Annex Elementary, Gonzalo L. Raventos of Parkway Middle, Cathleen Constantine of W. J. Bryan Middle, Magda Loureiro of Hialeah Elementary, Agnes Pagan of Brownsville Middle, Althea Duren of Dunbar Elementary, Thomas Santino of Holmes Braddock Senior, Michael Kent Sell of Miami Killian Senior, Lori Ann Austen of Redland Middle, and Lourdes Planas of Cutler Ridge Elementary.

The two Dade County nominees honored for national competition are Arva Suzanne Graham, a kindergarten teacher at Joella C. Good Elementary, and Marla Reyes, a third grade ESOL teacher at Miramar Elementary. Suzanne, daughter of our esteemed U.S. Senator BOB GRAHAM, and Marla are both first year teachers, which is a prerequisite for the award.

National award winners, to be announced by the AASA in September 1991, will receive $1,000 and a certificate of recognition.

I would like to take this opportunity to acknowledge the remarkable people who make this inspiring award a reality. The members of the joint Dade County Public Schools [DCPS]/ United Teachers of Dade [UTD] Teacher of the Year Task Force include: Carol Iglesias, UTD cochair; Bea Addison, Robert Borsong, Bettye Douglas, Annette Katz, Carol Renick, DCPS cochair; Dr. Richard Artmeier, Bertha Pitt, Daniel Tosado, Dr. Kenneth Walker, and David Wind, Greater Miami Chamber of Commerce representative. The Greater Miami Chamber of Commerce Education Task Force Committee members are: John E. Forta, vicechairperson, Education/Leadership Miami; Seth Gordon, and David R. Wind, Cochairpersons, Education Group Committees; Perry Branyon and Peggy Hurst, cochairpersons, Recognition Committee.

I would like to extend my best wishes to Arva Suzanne Graham, and Marla Reyes as they compete nationally for this prestigious award.

PROLIFERATION PROFITEERS: PART 5

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. STARK. Mr. Speaker, today I am placing into the CONGRESSIONAL RECORD the fifth in a series of 12 case studies on foreign companies that have contributed to nuclear proliferation. Each of these firms has sold nuclear equipment, materials, or technology, or dual-use items without proper safeguards to Iraq. The "dirty dozen" includes six companies from Germany, two from Britain and Switzerland, and one from Chile and Brazil.

To help address this problem, I've introduced the Nuclear Non-Proliferation Enforcement Act, H.R. 830. Under this legislation, any foreign company found selling nuclear weapons technology without the proper safeguards would have its goods barred from entering the United States. We'll hit these proliferation profiteers in the only place they care about—the bottom line.

This legislation is closely modeled on the missile technology sanctions which passed in the Defense bill last fall. Currently H.R. 830 has bipartisan support and 21 cosponsors as well as the endorsement of leading scholars in the field of nonproliferation.

TWELVE FOREIGN FIRMS REPORTEDLY ENGAGED IN NUCLEAR WEAPONS-RELATED TRADE WITH IRAQ[1]

FIRM 5: H & H METALFORM GMBH (GERMANY)

H & H Metalform is a German machine tool manufacturing firm. Since 1987, H & H Metalform has allegedly delivered specialized machinery to Iraq for the production of enriched uranium—a critical nuclear weapons-related material. For instance, in 1988 the company exported to Iraq a high speed lathe or "flow turn" machine useful in building centrifuges and missile nose cones. Although the West German government considered this equipment "dual-use" (i.e., having both military and industrial applications), the transaction was arranged by operatives of Iraq's nuclear procurement network working from Britain and Germany. H & H Metalform earlier exported a similar lathe machine to Brazil for its uranium enrich-

ment program. The company has also sent centrifuge balancing magnets to Iraq in clear violation of German export law and has acted as the go between for other German firms and individuals who assisted Iraq's nuclear weapons program. The firm reportedly agreed to establish an entire uranium enrichment plant in Taji, Iraq. The deal was to be handled through a London-based Iraqi-front company called Nasr Dependence Meed. H & H Metalform is co-owned by Dietrich Hinze and Peter Huetten with a 50 percent share held by the Technology Development Group, a London-based Iraqi front company.

Sources: Nucleonics Week, 8/23/90, p. 13 by Mark Hibbs; Nucleonics Week, 9/9/90, pp. 2–4 by Mark Hibbs; Der Spiegel, 12/19/89, pp. 93–94; Sunday Times, 12/16/90, pp. 1–2, 4–5; Poison Gas Connection, 1990, p. 42 by Kenneth R. Timmerman; U.S. News & World Report, 6/4/90, pp. 50–51.

IT IS TIME FOR A NATIONAL CONFERENCE ON AGING

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DOWNEY. Mr. Speaker, I am today introducing legislation which may provide an answer to a perplexing question that has plagued many of us for so long—"what has happened to the White House Conference on Aging?" For almost 2 years now, the Subcommittee on Human Services of the House Select Committee on Aging has been trying to find out if the President planned to hold the Conference and when. We have had no success, nor have any other Members who have inquired. The time to act is now.

My legislation, which would create a National Conference on Aging, would take the responsibility of convening a White House Conference on Aging out of the hands of the President, and put it into the hands of Congress and the American people. It would give Congress the authority to call a National Conference on Aging in 1993 which would be carefully planned, broad in scope, bipartisan in nature and would include grassroots concerns generated by State and local forums preceding it. It would be conducted by a joint congressional commission, and would bring together representatives of Federal, State and local governments, service providers, academics, community leaders, and private citizens. Its purpose would be to identify current problems of older individuals, develop recommendations for the coordination of Federal policy with State and local needs and to develop specific and comprehensive recommendations for executive and legislative action as may be appropriate for maintaining and improving the quality of life for older Americans.

Traditionally, White House Conferences on Aging have provided our Nation with a foundation for the decade ahead, pinpointing what issues and concerns should be targeted for special attention and items should be addressed. Since 1951, these Conferences, called by past Presidents and held in Washington, DC, every 10 years, have played a significant and constructive role in improving economic and social policies that support the needs of older citizens and that positively impact on the lives of younger persons. The mission of a White House Conference on Aging is to focus on aging as a lifelong process that is supported by the family as well as the community, in addition to the Government and private sector programs. Past White House Conferences have provided the basis for pivotal recommendations and breakthroughs in the areas of employment, age discrimination, transportation, research, elder abuse, aging women, income, housing, and health care.

When Congress passed the Older Americans Act Amendments of 1987 (public law 100–175) in November of 1987, it authorized the President to convene the White House Conference in 1991.

But for some reason, the Bush administration has not seen fit to announce this Conference. Although we were hopeful when an appropriation of $1 million was included in the fiscal year 1991 budget request to Congress, there has been no action since then. A congressional hearing, letters to the President signed by Members of Congress from both bodies and from both sides of the aisle, countless individual letters and inquiries have only resulted in growing frustration. We have confirmation that the concept of having a Conference has indeed made its way to the White House, only to have it stagnate for almost 2 years.

I know many of my colleagues join me in expressing our confusion and disappointment as to why the Bush administration has chosen not to announce this Conference. Last year, the 1991 White House Conference on Small Business and the 1991 White House Conference on Libraries and Information Services were announced. Both of these issues are commendable ones, and ones deserving of national attention. But what kind of signal does that send to the aging of our Nation? That a White House Conference on Aging is not as important? We are currently preparing to move into the 21st century, with an ever-increasing elderly population. Health care, especially long term care, continues to be a key concern, and one that will not fade away. A comprehensive 1991 White House Conference on Aging is needed to help shape our policy blueprint for the coming decade.

If the Bush administration is not going to assume responsibility for developing a national agenda for older Americans, then it is our responsibility to do so. Our seniors can no longer sit and wait for the administration to decide. While time has steadily ticked away, the President has remained silent.

Mr. Speaker, I would like to commend the many organizations representing and working with the elderly, in particular, the National Association for Home Care, for their continued support for the Conference.

It is my hope that my legislation will provide a platform to address the critical senior issues of the 1990's.

UNITED, WE CAN DO IT

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. BEREUTER. Mr. Speaker, the united effort that brought an early end to fighting in the Persian Gulf has made all Americans proud. With the same dedication and spirit, this Nation can conquer the problems that we face at home.

I commend to my colleagues the following editorial from the Crete (NE) News:

UNITED, WE CAN DO IT

It isn't right to say a war is good for a country. It is right to say the results of a war can be good for a country. And the results of the Middle East war were very good for this country, and probably the world.

From border to border the people of the United States are on a high over the results of the war. Everyone thought it would be much longer and harder and that casualties would be much greater. Such a quick decisive effort to achieve United Nations' and United States' goals was euphoric.

That isn't being callous to the feelings of people who suffered and are suffering from the horrors and destruction of war. It is a feeling of right being accomplished and of a greater conflict months or years hence being avoid.

The effort showed what can be accomplished when this nation and coalition nations pull together. The United States led the effort. It started with division in congress over whether military force should be used. But after a narrow majority, the division melted and it was solid support. Political party motives were forgotten.

During the war alleged problems on the home front lost importance. They received little mention. Before the war we were worrying about the national debt and the savings and loan bailout. Those problems still exist along with others.

This nation can conquer those problems. Pulling together 100 percent with an all-out effort could beat those opponents. It will take some sacrifice. It's not an easy chair job. Neither was the job of the pilots and the service people who advanced across the sand.

ZION ELEMENTARY SCHOOLS FIND PRACTICAL SOLUTIONS TO SOLID WASTE PROBLEMS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. PORTER. Mr. Speaker, early this year two elementary schools in my district took an active role in addressing the solid waste disposal predicament currently facing our Nation. I applaud these schools for setting a precedent for their own community of Zion, for Lake County, for the State of Illinois, and for the Nation.

Alarmed by the amount of solid waste generated at their schools and throughout their community as a whole, Principal Dallas Evans of Beulah Park School and Principal Bob Fink of West School, both located in Zion, IL, formed partnerships with a waste services

company to find a practical solution to the solid waste problem.

Small steps like these ultimately fuel broader community mobilization. At a time when waste reduction and recycling are becoming watchwords nationwide, it is becoming more and more important for communities to pull together and rethink their waste disposal habits. Beulah Park and West School in Zion have taken a leadership position in garnering support for such cooperation.

Principal Evans and Principal Fink believe that students must develop conscientious waste disposal habits now, so they can grow up to be tomorrow's responsible adults. At the beginning of the 1990–91 school year, the principals took steps toward integrating solid waste awareness into their school curriculums.

Principal Fink at West School, aided by second-grade teacher Bette Jo Ohmstead, established "Kids CARE [Concerned About Respecting the Environment], an environmental club that meets once a week to discuss issues and also oversees a small-scale recycling program. Principal Evans and some of Beulah Park's teachers met with the Illinois Department of Energy and Natural Resources to learn more about solid waste and recycling.

When Browning-Ferris Industries [BFI], a waste services company that serves the Zion community, approached the two schools in October with an offer to help set up and fund solid waste and recycling programs, both Evans and Fink accepted.

Faculty, administration, and students at Beulah Park and West School worked with BFI to establish two programs that promoted conscientious waste disposal habits. These noteworthy programs encourage student participation and responsibility, and further demonstrate the kind of business and community cooperation that is necessary to resolve the national waste disposal problem.

At Beulah Park School students in kindergarten through sixth grade have had a major responsibility for recycling activities since the launch of their program, the Beulah Park Green-Up. So far, the primary activity for the Green-Up has been a student run cafeteria recycling program that can serve as a model for other schools. Students scrape their trays when they are finished eating, staff and monitor the tray-washing process, and oversee collection of the trays. The goal is to recycle the 500 plastic and aluminum lunch trays, as well as flatware, produced daily, thus reducing the amount of lunchroom garbage by 90 percent.

Across town at West School, West classes challenge each other to see which can collect the most recyclables during the "Trash Bash Challenge." To enhance their familiarity with many kinds of recyclable items, the challenge program asks students to bring a different recyclable from home each week. At the end of the 5 weeks, BFI will award a pizza party to the winning class. The kids' enthusiasm for this activity is evident in the fact that they collected a total of 24,000 aluminum cans during the first week of the contest.

To supplement the primary recycling activities at Beulah Park and West, BFI is also leading assemblies, providing the schools with recycling bins and weekly pickup service, and supplying teachers with solid waste field trip ideas, games, and written materials. These materials include BFI's 6-week MOBIUS curriculum, which features a cartoon character whose body is made from recyclable items—tires, cans, bottles, newspaper, and corrugated cardboard. BFI also helped Beulah Park and West set up schoolwide paper recycling.

For effective solutions to waste disposal problems, waste services businesses need to be integrated as part of a community's plan for long-term waste disposal solutions. Like Evans and Fink, the people at BFI realize the powerful role schools can play in addressing the solid waste issue and in preparing the community to pursue alternative forms of waste disposal. This is why BFI established the MOBIUS curriculum as a resource for schools across the country.

The solid waste/recycling outreach program in Zion builds upon the MOBIUS curriculum by providing faculty and students with easy access to waste services experts, materials, and facilities, and aiding in the development of student-monitored activities that get kids excited about recycling.

Business working hand-in-hand with the community is what will ultimately allow us to solve the burgeoning solid waste problem. I commend Principal Evans, Principal Fink, BFI, and other Zion schools that are incorporating solid waste outreach into their curriculums for having the vision to move forward with these meaningful programs, and I hope the Zion school programs can serve as a model for others across the country.

HAPPY 20TH, LUSO FEDERAL CREDIT UNION

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. NEAL of Massachuetts. Mr. Speaker, today I would like to take time to pay tribute to the Luso Federal Credit Union which is located in my district. As we all know, the New England economy has faced some difficult times lately. This has been evidenced by the Federal Deposit Insurance Corporation takeover of the Bank of New England and the closing of credit unions in Rhode Island. During these turbulent times, the Luso Federal Credit Union has remained strong and solid. Today, I would like to commend the Luso Federal Credit Union on the occasion of their 20th anniversary.

The underlying philosophy of credit unions is "People helping People." The heart of the credit union is the members and to be a successful credit union requires institutions to provide services that are approriate to the needs of the members. Since its inception, the Luso Federal Credit Union has been under the guidance of the dynamic leadership of Joseph Dias, Jr. Mr. Dias has been the president of the credit union for 20 years. Mr. Dias has established a credit union that is synonymous with financial stability, profitability, steady growth, and a clear future.

Twenty years ago, Mr. Dias identified a need for a credit union and took action. When the Luso Federal Credit Union received its Federal charter, it began with seven members and $35 in total assets. Now, Luso Credit Union is proud to announce it has a capital assets ratio of 11.4 percent. The National Credit Union Association recommends the ratio to be around 8 or 9 percent. In addition, the credit union now has assets totaling over $18 million and 2,436 members. And most impressively, the Luso Federal Credit Union has never had foreclosure on a mortgage.

Credit unions are financial cooperatives organized by people with a common bond. The Luso Federal Credit Union began with members of the Germio Lusitano Club and their families. Over the years, membership has expanded to include companies that are members of the Ludlow Chamber of Commerce, town of Ludlow employees, and other associations in the town. This common bond has allowed the credit union to focus on the needs of the individuals it serves. This has been done primarily by encouraging savings and offering services at a low or no fee schedule.

The operation began in a small room donated by the Germio Lusitano Club and the credit union was open for three evenings a week for 2 hours. Now, the credit union is open 6 days a week and has a variety of hours that are convenient for the members. The credit union provides a full range of services such as passbook accounts, checking accounts, certificate of deposits, loans and miscellaneous services. With the expansion of services and the size of the credit union, the credit union has never sidetracked from its original purpose of serving its members.

The credit union has been superbly managed by its manager, Noealla E. Boileau. The Luso Federal Credit Union has been fortunate to have a dedicated board of directors. The members of the board are Alfredo Ribiero, Maria F. Gomes, Mario Cachucho, Albert Sousa, Joaquim Palatino, Armelin Saloio, Joaquim Costa, and William Cabral.

I am proud to have the Luso Federal Credit Union in my district and I am grateful for the services it offers to my constituents. I would like to congratulate the credit union on the occasion of their 20th anniversary. I wish them the best for the future and I know the Luso Federal Credit Union will remain a source of stability during these changing times in the financial services industry.

VICTORY IN THE PERSIAN GULF

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. SKELTON. Mr. Speaker, Kirk Powell, editor of the Holden Progress, wrote an excellent editorial concerning the success of American and coalition forces in the recent gulf war. Mr. Powell's editorial should be made part of this RECORD, as he pays tribute to our troops.

[From the Holden Progress, Mar. 7, 1991]

VICTORY IN THE PERSIAN GULF!

(By Kirk Powell)

The Persian Gulf War is over! American and coalition forces have won a stunning victory.

It was undoubtedly the best-planned and most professional military campaign in modern history. And, as a result, thousands of American lives were saved.

The extensive training and professionalism of Americans in uniform paid dividends far beyond our expectations.

U.S. Congressman Ike Skelton (D-Mo.) says there were three major factors that contributed to American military success in the Gulf:

First, U.S. war colleges and staff colleges trained effective leaders. That leadership, strategy and tactical proficiency paid off in the Persian Gulf.

American forces were prepared. Nothing is more critical to success than readiness. There is no substitute for a highly trained military and well-maintained equipment.

Finally, up-to-date military technology swung the war in America's favor. High-tech weapons are costly and controversial, but there is no doubt that superior U.S. technology like precision-guided missiles and night vision devices gave our forces a tremendous advantage over the Iraqi troops. It worked and it saved thousands of American lives.

"Our pride in our American troops will continue long past their victorious return," Skelton said. "We will not only embrace them when they come home, but we should honor them for their dedication to duty, their stoutheartedness in adversity and their patriotism toward our country in the most frightening hours."

Skelton says because of those brave Americans, there is new hope of establishing the rule of law and order over tyranny—a peaceful new world order.

"We owe these servicemen and women our gratitude and the civilized world owes them its appreciation," Skelton said. "Our soldiers, sailors, airmen, marines and coastguardsmen have been true to the values that make America the bastion of freedom."

"We look forward to their triumphant return," he said, "and at the same time our hearts go out to those families who suffered loss."

We couldn't agree more!

INTRODUCTION OF GEOGRAPHY AWARENESS WEEK

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. PANETTA. Mr. Speaker, today I rise to introduce a bill that would designate December 1–7, 1991, and November 15–21, 1992, as Geography Awareness Week. It is a pleasure to once again be joined by my good friends and esteemed colleagues, Mr. KILDEE and Mr. GREEN, in introducing this resolution for the fifth and sixth consecutive years. I am honored to be an original sponsor of the legislation and to be a part of increasing awareness on the subject of geography in our Nation's schools.

The designations of Geography Awareness Week over the past 4 years have highlighted the importance of geography. However, much more work needs to be done to address student illiteracy in this subject matter, especially in light of all the changes taking place in Eastern Europe and the Persian Gulf. These world events have a significant impact, not just on the physical geography of our globe, but also in terms of economic and national security implications.

In a recent study done in 1988, Americans aged 18–24 ranked last in an international comparison of geographic knowledge, and American adults of all ages scored among the bottom third. One in four Americans surveyed cannot identify the Soviet Union or the Pacific Ocean, and 3 in 4 could not locate the Persian Gulf on a map.

Geography illiteracy puts the United States at a significant disadvantage and weakens our ability to remain a nation with worldwide involvements and aspirations. Continued ignorance of world geography will severely hinder us in competing and participating effectively in the international marketplace. Indeed, as a nation with global influence and responsibilities, we must possess an understanding of other lands and cultures of the world.

It is my hope that Geography Awareness Week will again emphasize the importance of geographic literacy so that our students can effectively compete in global markets and meet global challenges. I urge my colleagues to show their support for this legislation and become a cosponsor. This resolution will focus national attention on the integral role that the knowledge of world geography plays in preparing our citizens for the future of our increasingly interdependent world. Thank you.

The text of the resolution is as follows:

H.J. RES. —

Whereas geography is the study of people and their planet, offering a framework for understanding ourselves, our interdependence with other peoples, our relationship to the Earth, and world events;

Whereas the United States has both worldwide involvement and influence that demand an understanding of geography, different cultures, and foreign languages;

Whereas the credibility of our Nation's foreign policy largely depends on the support of a geographically informed public, a public which understands both the locations and the significance of historic changes occurring around the globe and their impact on the United States;

Whereas an ignorance of geography, different cultures, and foreign languages places the United States at a disadvantage with respect to other nations in matters of business, politics, the environment, and global events;

Whereas, although geography as a distinct discipline has virtually disappeared from the curricula of schools in the United States, it is still being taught as a basic subject in other nations, including the United Kingdom, Canada, Japan, and the Soviet Union;

Whereas our Nation's governors, in their National Goals for Education, explicitly identified geography as one of five subjects in which American students should demonstrate competency;

Whereas a perspective in geography offers a critically needed understanding of the relationship between human activity and the condition of our planet in this time of increasing environmental problems;

Whereas the first federally funded National Assessment of Educational Progress revealed a "disturbing geography knowledge gap" among 12th graders: 58 percent could locate Jerusalem on a regional map, but only 36 percent knew that Saudi Arabia is bounded by the Red Sea and the Persian Gulf;

Whereas in a 1988 Gallup Poll, 75 percent of those surveyed could not locate the Persian Gulf on a map, and fewer than half of those surveyed could name Asia as the place that Christopher Columbus was hoping to reach when he discovered the New World;

Whereas that 1988 Gallup poll also projected that 24,000,000 Americans could not identify the United States on a map of the world, 58,000,000 Americans could not tell direction on a map, and 105,000,000 Americans did not know the population of the United States;

Whereas geography is more than the study of map identification, State capitals, and country names, but geography also gives meaning to location and establishes a context for understanding the connections among peoples, places, and events;

Whereas the success of a democracy relies heavily upon an educated citizenry whose members are aware of both their influence on and connection with the rest of the world; and

Whereas national attention must be focused on the integral role that a knowledge of world geography plays in preparing citizens of the United States to assume a responsible role in the future of an increasingly interconnected and interdependent world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning December 1, 1991, and the week beginning November 15, 1992, are each designated as "Geography Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

FEMA IN THE VIRGIN ISLANDS

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. de LUGO. Mr. Speaker, I am very pleased to make remarks today to commend the Federal Emergency Management Agency, its staff, and particularly three of its officials, Grant Petersen, Steve Singer, and Gerald Connolly, for their exemplary job assisting the people of the Virgin Islands to recover from the ravages and the horrors of Hurricane Hugo.

FEMA closed its offices in the Virgin Islands last week after nearly a year and a half of work that literally rebuilt the Virgin Islands, especially the island of St. Croix. It is fitting that we take a few moments to acknowledge the herculean task FEMA performed.

Hurricane Hugo was, without doubt, the worst natural disaster to hit an American community in more than a generation.

Winds blew in excess of 150 miles per hour for nearly 12 hours. Gusts to over 200 miles per hour tore roofs from buildings, leveled even reinforced concrete structures, toppled trees and stripped leaves, downed utility lines and poles, crushed huge 10 million gallon fuel storage tanks, and left a community of 110,000 people in a state of disbelief and shock.

Incredibly, only three lives were lost. But the damage to property was catastrophic. Over 90 percent of the buildings on St. Croix suffered damage; 75 percent were destroyed.

Within 36 hours of the passing of the storm, I traveled aboard the first flight to land on St. Croix, a C–131 commandeered by Grant Petersen, FEMA's Associate Director for State and Local Support Programs. Lt. Gov. Derek Hodge was with us. When we arrived we found a community with no electricity, no water, no food, no telephones, and almost no shelter. Entire neighborhoods were leveled. Stunned residents wandered the streets. The island looked as though it had been hit by an atomic blast.

Just 2 hours after our arrival, FEMA established the first communications link with the outside world. From that point on, help was on the way.

For the next year and a half, FEMA directed a recovery that was to total more than half a billion dollars. It included family grants, housing programs, crisis counseling, and public agency grants. It involved participation from the Departments of Defense, Justice, State, and Education, the Environmental Protection Agency, the General Services Administration, the Public Health Service, and others. While it was the combined assistance of all of these Federal agencies as well as the Virgin Islands government, it was FEMA that coordinated it all, and made it work.

And more than just the agencies, it was the outstanding work of many, many people who contributed to the Virgin Islands' recovery.

First and foremost, Grant Peterson. His leadership, his advocacy, his appreciation for the enormity of the tragedy that struck the Virgin Islands, in large part made the FEMA recovery as fast and far reaching as it was.

Steve Singer and Gerald Connolly, Federal Coordinating Officers at FEMA, were the on-the-scene professionals who ensured that the job that needed to be done was done, and done with sensitivity to Virgin Islands ways.

I have made statements to the House Public Works Subcommittee on Investigations and Oversight suggesting ways that FEMA response to a natural disaster of the proportions of Hurricane Hugo can be strengthened. These came as a direct result of my on-the-scene observations and my extensive work with FEMA since September 18, 1989. FEMA did an excellent job and should be empowered to do more. For in the aftermath of a disaster of Hugo-like proportions, every minute counts for both victims and response agencies.

I cannot say enough about the job FEMA did, and for the extraordinary ability and commitment of people like Grant Peterson, Steve Singer, and Gerald Connolly. On behalf of all of the people of the Virgin Islands and again, especially for those on St. Croix, I say, thank you for a job well done.

NEW JERSEY PRIDE HONOR ROLL: SELF-HELP CLEARINGHOUSE

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. GALLO. Mr. Speaker, 10 years ago, a group of dedicated individuals under the direction of Edward Madara identified a real human need in Morris County, NJ, and their effort to solve a local problem has resulted in the creation of a national resource.

Working within the health care profession, Ed and his coworkers came in daily contact with people who did not know where to turn during times of trauma in their lives.

In an effort to guide people with special needs to the best source of help and comfort for them, the founders of the Self-Help Clearinghouse of St. Clares-Riverside Medical Center compiled a list on a single sheet of paper of some two dozen self-help organizations as a service to medical center patients.

As the list was circulated, it grew to include 70 groups and was published, under a corporate grant, as the first self-help directory in New Jersey.

Today, the American Self-Help Clearinghouse is still associated with the medical center, but it is now national in scope, helping people to find mutual aid and support groups for problems ranging from addictions to disabilities, from illness to bereavement.

This model program has a long list of firsts to its credit—the first clearinghouse to be computerized, the first to provide statewide service, the first to add a toll-free number.

Its computer software program, Mutual Aid Self-Help Network [MASHnet], developed by the medical center's research and evaluation department, is used by 15 other clearinghouses in the United States and Canada.

The clearinghouse staff members and volunteers provide information on literally thousands of free, member-run groups to tens of thousands of callers a year, and when there is a need not currently being met by an existing self-help organization, the clearinghouse will help to establish new ones—more than 580 new groups so far.

The Self-Help Sourcebook, published by the clearinghouse, describes more than 600 national and model self-help groups and lists local and regional clearinghouses, helplines, and resources for rare disorders.

Mr. Speaker, on the occasion of the organization's 10th anniversary, I ask my colleagues to recognize the pioneering efforts of Edward Madara and the staff of the American Self-Help Clearinghouse, St. Clares-Riverside Medical Center and, most especially, all of the volunteers who have built this network of self-help and who keep it running effectively for the benefit of all individuals who need help and consolation.

A TRIBUTE TO POLICE OFFICER ALAN C. HALL

HON. JOAN KELLY HORN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Ms. HORN. Mr. Speaker, I rise today to pay tribute to a man who served the people of Florissant, MO, as a police officer. Alan C. Hall had a very distinguished career, receiving commendations from the Florissant Police Chief on at least three occasions in his 5½ years on the force.

Mr. Hall, who was 28 years old, shared his commitment to law enforcement with his father, who is a retired St. Louis city patrolman, and his two brothers who are both police officers. Those who worked with and knew Officer Hall held him in very high esteem. His untimely death has shocked and saddened our community.

I extend my deepest sympathy to his family.

INCREASE CHARITABLE DEDUCTIONS IN AUTOMOBILE USE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DOWNEY. Mr. Speaker, today I am introducing legislation to support the efforts of people who volunteer their time in a charitable manner, not for recognition, but for the greater good of all. We must recognize that in recent years, greater numbers of individuals have volunteered their services to help carry out the exempt-purpose activities of charitable organizations, such as Scouting and other youth activities, providing meals to the homeless or elderly, et cetera. In many instances, these volunteers incur actual out-of-pocket expenses in rendering services to charities, such as where an individual uses his or her own car in delivering meals to the homeless or elderly on behalf of a charity, and is not reimbursed for use of the car for this purpose.

To support the efforts of these volunteers, who do not receive any charitable deduction for the value of their contributed services, I believe that the standard mileage rate allowed for computation of the charitable deduction for use of a passenger automobile in providing services to a charity should be increased to 12 cents per mile in order to take into account additional out-of-pocket costs of operation.

As chairman of the Subcommittee on Human Services of the Select Committee on Aging, I have seen countless examples of social service programs for older Americans which could not function without the voluntary support of senior citizens. Many of these people use their cars to give friends and neighbors rides to hospitals, to go to senior centers, or meal programs where they volunteer their services. Others volunteer their time to visit frail elderly people who are unable to leave their homes. This companionship is sometimes the only contact the frail individual has with the outside world. I can assure you that these volunteers are not in it for the money, they give freely of their time. It seems only fair that they are compensated for the wear and tear on their vehicles. Earlier this year the subcommittee held a hearing on transportation services for the elderly and in the course of that hearing it became abundantly clear that transportation is a vital link to assure that people receive services to which they are entitled. This bill is a step in the right direction.

NATIONAL AGRICULTURE DAY AND NEBRASKA BEEF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. BEREUTER. Mr. Speaker, this Member stands in recognition of the great State of Nebraska which today is celebrating its No. 1 industry—agriculture.

This Member would like to recognize the tremendous work the farm men and women of this Nation do in feeding not only the people of our own country, but millions of others in countries throughout the world. As a member of the Select Committee on Hunger, this Member is proud of the fact that our country takes the lead in alleviating the worldwide problem of hunger. As America's farmers take to the fields this spring we owe them a great deal of thanks.

This Member would also like to proudly declare that Nebraska has finally won a national championship. This time it was won not by the Cornhuskers, but by the cattlemen and beef producers of Nebraska. On March 1, the USDA announced that Nebraska was No. 1 on their cattle-on-feed survey with feedlot inventories of 2.37 million head. We not only lead the Nation by 150,000 head, we also set a new State record eclipsing the old mark by 20,000. Spurred by increased domestic consumption and a growing foreign export market, consumers worldwide recognized that "Nebraska Beef is Best!" This Member invites his colleagues to examine the following article from the March 19, 1991, edition of the Omaha World Herald which refers to the recent USDA announcement.

This Member would like to extend condolences to our friends from the State of Texas as they have lost their title with a respectable second place finish. The State of Nebraska, once commonly referred to as "The Beef State," can now proudly wear that title again.

On this Agriculture Day, celebrate by having a good steak from the great State of Nebraska.

NEBRASKA SCORES FIRST IN FED CATTLE

Nebraska feedlots continued to hold a record high number of cattle, both for the state and the nation, earlier this month.

The March 1 USDA cattle-on-feed survey, released Monday afternoon, showed that Nebraska had 2.37 million head on feed.

Nebraska had the most cattle in feedlots among the seven states that account for about 75 percent of all cattle fed for slaugher in the United States.

The 2.37 million figure—the Cornhusker state's largest total for any month on record, according to the Nebraska Agricultural Statistics Service—eclipsed the previous record, 2.35 million head recorded Feb. 1.

Texas was runner-up in the on-feed category with 2.22 million head, followed by Kansas, 1.74 million; Iowa, 1.07 million; Colorado, 920,000; California, 435,000; and Arizona, 219,000.

Overall, the seven-state total was 8.974 million, up 8 percent from a year ago and the largest seven-states March total since 1974.

Nebraska also led the placements category, starting 440,000 on feed during February, up 10 percent from last year but 4 percent below two years ago.

Iowa's on-feed number, 107 million as of March 1, was up 6 percent from a year ago. Placements, 115,000, were unchanged from a year ago.

The seven-state total placements of 1.465 million head were up 6 percent from a year ago but 9 percent below two years ago.

Observers said the placement total was larger than what the trade had expected.

Marketings of fed cattle in February totaled 1.481 million head, down 1 percent from a year ago and down 3 percent from two years ago.

CATTLE ON FEED

State	Cattle (thousands)	Percent of 1988
Arizona	219	94
California	435	101
Colorado	920	111
Iowa	1,070	106
Kansas	1,740	108
Nebraska	2,370	113
Texas	2,220	106

Note.—State feedlot cattle inventories as of March 1 for the seven states that account for about 75 percent of the nation's beef.

CONGRATULATIONS TO LIBERTYVILLE HIGH SCHOOL WILDCATS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. PORTER. Mr. Speaker, today I would like to congratulate the Libertyville High School Boys Basketball Team for their fourth place finish in the Illinois High School Association Basketball Tournament that was held this past weekend in Champaign, IL. The team's head coach is Max Sanders and assistant coaches, Andy Bitta, Julian Emanuelson, and Jim Goodman played a solid schedule in the tough North Suburban Conference and had a final record of 25 wins against 8 losses.

The team members were: Jon and Andy Bauer, Matt Williams, Brian Davis, John Cimaroli, Chris Majeri, Matt Sriver, Matt Kosowski, Darren Cohen, John Garwal, Frank Walter, Zac Adams, Scott Keegan, and Gregg Wheeler.

The Libertyville team is only the second team from Lake County to reach the final four in Illinois basketball history and competed in the tournament for the first time in their 75-year history. While Libertyville lost to the eventual State champion, Proviso East, which had been highly rated in both Illinois and the Nation, they played an excellent game that will long be remembered. In the consolation game, Libertyville came within only 2 points of capturing third place.

While commending the team in athletics, it is also important to note that Libertyville High School is a leader in academics in my district. The Department of Education has recognized Libertyville as a "Drug Free School" and the school is currently in competition for the prestigious Excellence in Education Award that will be announced later this year.

Whether it is sports or academics, Libertyville High School is to be commended for their commitment to educating the young people of our area. The 10th Congressional District is very proud of the Wildcats and all of the students and faculty of Libertyville High School.

SPRINGFIELD CENTRAL "BESTS" EVERETT FOR MASSACHUSETTS STATE BASKETBALL TITLE

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. NEAL of Massachusetts. Mr. Speaker, I would like to take this opportunity to congratulate Central High School from Springfield, MA, on their impressive victory in the Massachusetts Division I State Boys Basketball Championship.

The Central High Golden Eagles overcame a scrappy Everett, MA, team on Saturday March 16, 1991, to win the championship 70–51, and thereby culminate a season in which they finished with a 25–0 record. The victory marks the second State championship for Central High and Coach Howie Burns since Central began competing in the tourney in 1987.

Central was led by First Team Parade High-School All-American Travis Best, who finished with 22 points despite being the subject of box-and-one defense. Best, who will attend Georgia Tech next fall, led Central to a 69–4 record during his 3 years at the school. Included in his list of accomplishments was an 81-point outburst earlier in the season.

Also contributing to the balanced Central effort were Fred Smith who scored 16 points, Desi Jackson who scored 9 points, pulled down 10 rebounds, and blocked 7 shots, and Edgar Padilla who scored 9 points, and contributed 5 steals and 4 assists.

The individual efforts notwithstanding, Central's unbeaten season and the State championship was the result of a total team effort. Other players contributing throughout the season were Ahmad Sharif, James Price, Gary Gauthier, Moses Makkiya, Luis Sierra, Rudy Smith, Anthony Boyd, John Daughtry, Paul Gosselin, and Anthony Wallace. In addition to Coach Burns, assistant coaches Jeffrey Messer and Wilford "Champ" Godbolt, and manager Abraham Makkiya guided Central throughout the school year.

I think the entire school and community has a right to be proud of the Central Golden Eagles, and I would like to add my congratulations to a job well done.

RETIREMENT OF DEXTER SLAGLE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. SKELTON. Mr. Speaker, it has come to my attention that a distinguished career in public service is coming to an end in my district.

Dexter Slagle, the dean of the Versailles City Council is retiring after having served the community in that capacity for 20 years.

Councilman Slagle is a graduate of Central Methodist College in Fayette, MO, and moved to Versailles with his wife Joan in 1954. They raised two daughters in Versailles, Wendy, who is now Mrs. William Sheehan; and Amy, who will graduate this spring from the University of Missouri Medical School.

Mr. Slagle was elected to the city council in 1971 and has served continuously on that board for the past 20 years. He served in the terms of four mayors, William Caine, James Scrivner, Milo Salyer, and Charles Pryor.

As a councilman, Slagle is credited with providing invaluable assistance to the community. He is the owner of Slagle Surveying Co., and has used his expertise to the community's benefit repeatedly.

He is a member of the Versailles United Methodist Church and of the Rolling Hills Country Club, where his friends expect to find him using his newly found spare time pursuing his interest in golfing.

It is a pleasure for me to use this vehicle to note his 20 years of public service and to join his community and those who served with him in thanking him.

RESOLUTION TO DESIGNATE MONARCH BUTTERFLY AS THE NATIONAL INSECT

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. PANETTA. Mr. Speaker, I rise today to introduce a House joint resolution designating the monarch butterfly as our national insect.

The majestic monarch butterfly is indeed the "monarch" of all insects and worthy of special acknowledgment. Insects play a crucial, yet often uncelebrated, role in maintaining the ecological balance of our planet. Unfortunately, excessive human intrusion into the environment has threatened the existence of many species of insects. Such is the case with the monarch butterfly.

The monarch butterfly, native to North America, has inhabited this continent for over 1,000 years, long before the Europeans ever set foot on North American soil. The monarch has been able to survive this millennium through its unique ability to sequester the poison from its host plant, the milkweed, thus making the monarch toxic to its predators. Tragically, the urbanization of America has resulted in a great reduction of the milkweed host plant, as well as a reduction of the groves of trees the monarch overwinters upon in California and Mexico. At one time this loss of habitat threatened the very existence of the monarch.

Despite the intrusion of humans on its sensitive environment, the enduring monarch continues to flourish and returns triumphantly every year to its overwintering sites in the central California coast, particularly in Pacific Grove, CA. Each fall millions of monarch butterflies return to the towns of Pacific Grove, Capitola, and others, where they are greeted by annual festivals and parades held in honor of their return.

I believe the monarch butterfly stands as an important reminder to all of us of the beauty of our environment and the need for the protection and conservation of our natural wonders. I urge my colleagues to join me in honoring the monarch by cosponsoring my resolution to designate the monarch as our national insect.

A copy of the resolution follows:

H.J. RES. —

Whereas the monarch butterfly, native to North America, is found throughout the United States;

Whereas the monarch is a unique representative of over 600 species of butterflies and nearly 90,000 other insects that are an integral part of the natural heritage of the United States;

Whereas the great numbers and diversity of insects play a vital role in the daily lives and ecology of the environment;

Whereas the population of monarchs is declining under pressure from urbanization and loss of habitat which results in the reduction of the host plant (milkweed) and overwintering groves of trees in California and Mexico;

Whereas conservation efforts are underway in both California and Mexico to maintain these overwintering sites;

Whereas Pacific Grove, California, holds an annual festival celebrating the return of the monarchs to overwinter until spring when the monarchs begin a northward flight; and

Whereas the monarchs enhance the beauty of the environment and signals the need for protection and conservation of the natural wonders:Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the monarch butterfly is designated and adopted as the national insect of the United States, and the President is authorized and requested to declare such fact by proclamation.

THE CONTRIBUTIONS OF EDWARD WILMOTH BLYDEN

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991S9920

Mr. DE LUGO. Mr. Speaker, I am proud to make a statement today in praise of an outstanding member of the Virgin Islands community, Edward Wilmoth Blyden, who has just celebrated 50 years of service with the Immigration and Naturalization Service.

Ed Blyden has served this agency and this Nation longer than any other active INS employee, beginning in 1941 at the age of 16 as a messenger. After military service in World War II, he returned to INS and later was promoted to clerk and, in 1972, to the position of immigration inspector.

His years of unstinting service and his rise through the ranks stand as an excellent example for young Virgin Islanders to follow. Ed Blyden has proven the worth of the old-time values of hard work, integrity, and dedication.

He has been married to Victorine Blyden for 30 years. He is the father of 21 children, whose lives have been enriched because Ed Blyden worked those 50 years to ensure that his sons and daughters would have the opportunity to obtain higher education. He knows that this is no greater gift that a parent can give.

On behalf of the U.S. Congress, I salute Edward Wilmoth Blyden on the occasion of his 50th anniversary with the Immigration and Naturalization Service.

NEW JERSEY PRIDE HONOR ROLL: LOUISE AND WILLIAM EASTON

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. GALLO. Mr. Speaker, the community newspaper has been the backbone of our democratic system of government since the founding of the Nation.

Without this local source of news and the coverage of civic events, a community cannot survive as a recognizable unit.

Community journalism provides the glue that holds groups of individuals together by giving them a common reference point and an avenue to debate and discuss the problems they must solve together.

The true reward for those who produce these newspapers lies in the knowledge that they are providing the essential links among people—they are the cornerstone of the community.

Owning and operating a community newspaper is also a life consuming experience, which requires long hours and the ability to keep many projects moving forward simultaneously.

In the communities of southeastern Morris County, NJ, including Madison, Chatham, and Florham Park, the keepers of the community conscience since 1973 will be honored for their dedication to the highest principles of community journalism.

Louise and William Easton, who recently decided to step back from this demanding avocation as publishers of the Eagle-Courier newspapers, will be honored on April 24 with the Chamber of Commerce's Distinguished Service Award.

Over the years, the newspapers that they published were honored with countless awards by the New Jersey Press Association. In 1979, Louise's strong commitment to quality community journalism earned her special recognition from the National Newspaper Association for her editorial accomplishments and distinguished service to the community.

Louise and Bill have been tireless contributors to community improvement efforts, supporting downtown revitalization and other civic activities. Together, they founded the annual Christmas walk, which has grown into the downtown Christmas parade.

Mr. Speaker, I ask my colleagues to recognize the important contributions of Louise and William Easton, publishers of the Eagle-Courier newspapers from 1979 to 1991, and to wish them all the best as they step back from this demanding profession and take some time to smell the roses.

MAKING ENGLISH THE OFFICIAL LANGUAGE OF THE UNITED STATES OF AMERICA

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DICKINSON. Mr. Speaker, Mr. Jack Hagopian, my constituent from the Second District of Alabama, recently wrote a most eloquent letter stating the reason why English should be the official language of the United States of America. It reads as follows:

Hon. WILLIAM L. DICKINSON,
Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE DICKINSON: A concerned first-generation American, veteran of three wars and the Dominican Republic action, a retired regular officer of the United States Air Force, who has the equivalent of a Masters Degree in International Relations, I strongly favor passage of Federal legislation making English the official language of the United States of America.

My parents were immigrants who spoke no English when they first came to this country. They raised and supported nine children, each of whom learned English well, graduated from high school pre-World War II, were never on drugs nor landed in jail, and like myself became productive citizens. While we often spoke my parents' native languages in the home and cherished our culture, it was ingrained into each of us that we were Americans first. We were severely censured if we spoke Armenian or Turkish in public or in the company of others who did not know these languages. My father learned English fluently, while my mother, who needless to say had little outside contact in those days serving the needs of such a large family, spoke broken English (her sentence structures were often direct translations with the subject following the verb. Yet, she did read and comprehend a newspaper, having taught herself to read.

Instead of knuckling under to pressure groups and creating problems similar to those that are splitting the Canadians with their two official languages, we should be reaffirming the "Melting Pot" philosophy that instilled high values in our immigrants and the strong desire to become full-fledged Americans in the greatest country on earth.

Declaration of English as our official language will create and nurture cohesiveness among our citizens. It will eliminate the unnecessary waste and expenditure of funds which can be put to more meaningful, necessary and productive purposes.

I sincerely hope you will vigorously and energetically support legislation making English the official language of the United States—such a law in no way will preclude anyone from speaking other languages or can be considered a "racial slur," it will be in the best interests of all Americans.

Respectfully,

JACK HAGOPIAN.

DON'T TREAD ON MY FLAG

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. CLEMENT. Mr. Speaker, events of recent months have touched an important sentiment in our communities large and small. Americans everywhere are proud of the men and women who served in Operation Desert Storm. They are proud that our people came together to defend freedom against the tyranny of Saddam Hussein.

The unifying symbol of our people is the flag. It is, as we all know, more than a piece of cloth. It is an amalgam of the experiences which have shaped our Nation and our people. It is the banner under which the men and women of our Armed Forces have faced adversity, the streamer for which they have offered up their lives.

The flag is an amazing source of patriotism and inspiration, a fact perhaps no better demonstrated than by the poem written by a friend and constituent, Mr. J.B. Williams of Ashland City, TN. I am pleased to share it with my colleagues.

The text of the poem follows:

DON'T TREAD ON MY FLAG

(By J.B. Williams)

It's only a piece of cloth, red white and blue.
It spells trouble for some, like an I.O.U.
Dont' tread on my flag it's all I want.
It stands for freedom you either do or don't.
It's been around for over 200 years.
Through fortunes of times,
Through blood sweat and tears.
Don't tread on my flag it's all I have
It's asking all people to come and share.
A house divided will not stand
Old glory was there to watch over our land.
After four years of bloodshed in the family
Our flag was waving over the land of the free.
Through wars and wars and rumors of wars
It's waving for freedom though battle scarred.
Don't tread on my flag it's waving today
Bringing freedom to people in a faraway place.
It's only a piece of cloth, red white and blue,
Standing for freedom for people like you.
Giving liberty and freedom and justice for all
From a small town courthouse
To the great justice halls.

KENTUCKY-BASED MILITARY UNITS IN OPERATION DESERT STORM

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. MAZZOLI. Mr. Speaker, I rise today to pay tribute to all the men and women of Operation Desert Storm. Every State was involved in the Operation, but Kentucky was involved in a very dramatic way in the activities in the gulf.

The 101st Airborne Division, the Screaming Eagles, are based at Fort Campbell, KY, and they performed what has been called bold and bodacious action in the air-land campaign in the gulf.

Fort Knox, KY, is the U.S. Army Armor Center and, under the leadership of Maj. Gen. Thomas Foley, trained not only Army but Marine Corps personnel in the tank warfare, which was so dramatically on display in the Kuwait theater. Also, the M1–A1 main battle tank which provided its prowess in the sands of Kuwait and Iraq was developed at Fort Knox.

The 100th Division (Training) is headquartered in Louisville, my hometown, and under the leadership of Maj. Gen. Richard Chegar, deployed many of its personnel to support the various divisions which were activated and deployed as a result of Desert Storm.

Last but not least, in our own family, my nephew, my brother's son, S. Sgt. Steven Mazzoli, is now at Fort Knox, having been activated as a member of the 100th Division's Reception Battalion.

Mr. Speaker, at this time, I commend to the attention of my colleagues as complete a list as I could compile of Kentucky-based military units involved in Operation Desert Storm:

101st Airborne Division.

100th Division (Training).

First Brigade: A and B Company, First Battalion, 398th Regiment, Armor; Headquarters, Second Battalion, 397th Regiment, Armor; Headquarters, Second Battalion, 399th Regiment, Bowling Green, Armor.

Second Brigade: Headquarters, Armor.

Third Brigade: Headquarters, First Squadron, 302d Cavalry, Armor.

Fourth Brigade: Headquarters, Armor.

100th Reception Battalion, Administrative.

149th Division: 137th, Transportation; 217th Quartermaster.

Army Reserve: 3346th Medical Unit; 5010th Army Hospital; 400th Combat Support; 209th Combat Support; 223d Military Police Units.

National Guard (ARMY): 137th Transportation; 217th Quartermaster; 475th Medical Unit; 438th Military Police; 888th Medical Unit; 133d Transportation Company; 623d Field Artillery; 614th Military Police; 199th Detachment; Medical Company.

National Guard (AIR): 123d Transportation Company; 123d TACT, Hospital; 123d CIV, Engineer Squad; 123d Services, Flight; 123d Security, Police; 165th Weather, Flight.

NORTH BAY VILLAGE STANDS BEHIND U.S. TROOPS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, in the President's March 6 speech to a joint session of Congress, he offered well deserved praise to all Americans saying, "Above all, I thank those whose unfailing love and support sustained our courageous men and women: I thank the American people."

The President's praise surely applies to the good people of North Bay Village. On February 12, 1991, the city of North Bay Village passed and adopted Resolution No. 91–03 expressing support for the United States' position in the Middle East. Their heartfelt resolu-

tion was the very embodiment of the "unfailing love and support," our President spoke about.

In the words of Resolution No. 91–03, North Bay Village, FL, passed and adopted on February 12, 1991:

Whereas, the City of North Bay Village extends complete support to the policies of the American Administration and the brave Allied Forces who are fighting in the Persian gulf as we pray for peace and the prompt Resolution of this crisis.

Now, therefore, be it resolved by the city commission of the City of North Bay Village, Florida:

That the City of North Bay Village expresses its complete support for the United States political and military position regarding the Persian Gulf Crisis, condemns the Iraq government, Saddam Hussein and Iraq's malicious attacks on Israel and we affirm our solidarity with the state of Israel and the members of our United States Armed Forces who are fighting valiantly to free the nation of Kuwait.

Mr. Speaker, the President's leadership was steadfast and unerring in judgement for many reasons. The President acted with clear and resolute purpose, the liberation of Kuwait and the putting down of aggression; he acted with international support, 12 United Nations resolutions and the military support of 30 nations; and most powerfully, the President acted with the support of the American people.

The city of North Bay Village and many other communities who in spirit stood shoulder to shoulder with our brave men and women in the gulf, should be recognized for their commitment to freedom and justice. In particular, I commend the leadership of North Bay Village for supporting this resolution: Mayor Dr. Paul Vogel, Vice Mayor Irving Leighton, Commissioner Alvin M. Blake, Commissioner Deborah Mas-Geller, Commissioner Irving J. Gurien.

THE BUS STOP KIDS

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mrs. BENTLEY. Mr. Speaker, now that Desert Shield/Storm is over and victory over Iraq's aggression is assured, we in Congress are continuing to praise the millions of men, women, and children who supported our most glorious rout of Iraq in the Persian Gulf war. The strong moral and physical support given to our service men by the caring American people in the home theater was crucial in strengthening our morale and effectiveness of American forces in the Kuwaiti theater.

One of the many support groups mobilized in support of solidiers and their families is the bus stop kids of Hickory Elementary School in Bel Air, MD.

Every day after school, almost from the start of Operation Desert Shield, the 15 boys and girls of bus No. 76 meet at the home of 7-year-old Amanda Melefsky and make stars for service people. The kids take the names of service men and women in the Middle East and write each soldier's information on a paper star and hang the star on a tree in the Melefsky's front yard.

Every star that hangs from their tree is accompanied with a letter written by one of the children to a soldier in the Persian Gulf. Each letter is sent overseas informing the soldier that a star has been hung in his or her honor.

Calls have come from friends and relatives of troops throughout Maryland. Each wanting to make their loved one part of the bus stop kids makeshift monument. The Melefsky's evergreen tree is now blanketed with white stars.

Amanda Melefsky will tell you that "each star means a prayer." I will tell you that each volunteer support group like the bus stop kids is a prayer come true for people who have loved ones who are risking their lives in the Middle East in the gulf war. The bus stop kids and thousands of volunteer groups across America that support our troops are an important reason for the allies' success against Saddam Hussein.

Mr. Speaker, my colleagues in the House of Representatives join with me in acknowledging the dedication to volunteer service the bus stop kids have demonstrated. We extend our deep appreciation to all the bus stop kids and their school and parents who have made the war effort a little easier for both soldiers in the Middle East and the friends and relatives who await their return.

TIME TO TRAVEL AGAIN

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. CLEMENT. Mr. Speaker, I want to join a recently formed coalition of travel and tourism industry executives who are working with the U.S. Travel and Tourism Administration in an effort to assure the American public that travel in America is safe again.

Now that the State Department has lifted most international travel advisories, the price of gasoline is declining, many airlines are offering inexpensive fares and airport security is at the highest level ever, it is a great time to travel in America.

Tourism is our Nation's largest export. Last year more than 40 million foreign visitors came to the United States spending over $53 billion.

America is a great place to visit. I encourage our own citizens as well as our foreign visitors to tour the U.S.A.

And by the way—if you are planning to travel, I know a great place that is the "home of country music," boasts a full size replica of the Parthenon and a statue of the goddess Athena, some of the best fishing in the world and some of the best food you ever tasted—my hometown, Nashville, TN.

ADDRESS OF HON. BENJAMIN GILMAN BEFORE THE 1991 MASONS AND FAMILIES BREAKFAST

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. FISH. Mr. Speaker, on Sunday, March 17, 1991, our colleague Congressman BENJAMIN GILMAN addressed the Free and Accepted Masons of New York. He spoke eloquently about the role Masonic values, such as freedom of religion and separation of church and state, and about our Mason Brothers, such as George Washington and Benjamin Franklin, played in laying the foundation of our great Nation. By contrasting the Masonic tradition with the brutality of Saddam Hussein, Mr. GILMAN highlighted how truly fortunate Americans are to have our country based on the ideals of the "Free Masons."

SPEECH BY REPRESENTATIVE BENJAMIN A. GILMAN

Good morning, my Brother Masons, families and friends—and happy St. Patrick's Day!

Our grand master, most worshipful Richard Thomas, most worshipful brother Ronald Steiner, and brother Robert Singer, our grand secretary, and grand chaplain the right worshipful Herb Groce, the right worshipful Arthur Markeway, Dep. President Chickeno:

I thank you and thank my good friend, Fred Dresdale, for your kind invitation to participate in today's family breakfast.

It gives me great pleasure and it is a privilege to break bread with you this morning and to reflect for a few moments on the rich heritage that we all share as Masons and as Americans.

We gather this morning at an historic juncture in our Nation's history. We have just achieved a significant victory over tyranny and aggression in the Persian Gulf war. A war which, while controversial before hostilities began, became clearly more and more justifiable as it progressed.

Saddam Hussein, the tyrannical dictator of Iraq, deliberately set his nation on a path of ruthless aggression against a weaker neighbor—an aggression which, had it gone unchallenged, would have led to ever further and greater aggression.

The 1930's taught the world an expensive, bloody lesson that appeasement is not a practical policy for any nation.

For forty-five years, the cold war brought a bizzare stability to the world. All nations knew perfectly well that any aggression might lead to involvement by the superpowers and to nuclear holocaust. Unfortunately for the world, Saddam Hussein came to believe that the end of the cold war, with the collapse of communism in Eastern Europe and the chaos in the Soviet Union, meant that checks against aggression no longer existed.

Fortunately for the rest of us, President Bush fully recognized that threat, and, in recognizing the need for a "new world order", immediately grasped that we had a responsibility to form a world-wide coalition that would nip aggression in the bud, and set a precedent for the rest of the post-cold war era.

Throughout Operation Desert Shield and Operation Desert Storm, many of us in Congress reflected on the irony that Saddam Hussein claimed he was fighting a holy war.

Those of us who put our ultimate faith in a "grand architect of the universe," found it profoundly ironic that:

A war of aggression,

A war which saw the hideous torture and murder of innocent women and children,

A war which saw gross violations of the most basic rights of prisoners of war,

A war which saw attacks against civilian populations in non-combatant nations,

A war which, for the first time in history, saw a deliberate effort to pollute the seas and the skys:

How ironic it is that Saddam Hussein claimed that his cause was a "holy" war.

Saddam Hussein's battlefield policies violated not only international law but the most basic tenets of his own Islamic religion.

I ask you to contrast this so-called "holy" war with our own Nation's struggle for independence led by our brother, George Washington, who defined his own efforts in our revolutionary war as follows:

"If my own endeavors to avert the evil with which this country was threatened, by a deliberate plan of tyranny, should be crowned with the success that is wished—the praise is due to the grand architect of the universe." And, in fact, masonic principles were the underpinning of our own struggle for nationhood.

In his book, "Masonic Membership of the Founding Fathers," Ronald F. Heaton notes that 33 general officers in the Continental Army, 8 of Washington's aides and Secretaries, 9 signers of our Declaration of Independence, and 13 signers of the U.S. Constitution all were Masons.

The first Masonic book printed in North America was the one published in 1734—just four years after the founding of the first American Masonic Lodges. That book was published by none other than Brother Benjamin Franklin, a grand master and guiding force behind the Revolution and the Constitution.

The list of Brother Masons at the time of our Revolution reads like a who's who of thought and action:

Paul Revere, John Hancock, John Adams, John Jay, John Marshall, the Marquis de Lafayette, all of these giants of our founding years were Brother Masons.

And their influence was felt, not just on the Revolutionary War battlefields, but in the crafting of the Republic which followed in its wake.

The Constitution itself is replete with Masonic principles, including the separation of church and state, allowing each individual to worship according to the dictates of their own conscience.

Our Founding Fathers had lived under the experience of paying tax monies to support a state church, and wanted to make certain that Americans would never be forced to do this. However, never did our Founding Fathers deny the existence of a supreme being. This is evidenced by the references to the Diety in our national seal, and in the motto, "In God We Trust", which was utilized from our earliest years as a Republic, and made official in 1864.

Since the adoption of the U.S. Constitution, 14 of our Presidents were Brother Masons, from George Washington to Gerald Ford. In 1793, the cornerstone of the U.S. Capitol Building was laid in what is now Washington, D.C. The ceremony was a Masonic event, conducted under the auspices of the Grand Lodge of Maryland. And, to this very day, if you request it on your tour of the Capitol Building, most guides will be pleased to point out the many examples of Masonic imagery which permeate the Halls of the Capitol Building.

And, if you turn your dollar bill to the reverse side, you will note the obverse and the reverse of the great seal of the United States, both of which incorporate the Masonic imagery which was so important to our Founding Fathers.

And, we owe so much to our Brother Mason George Washington, who, is one of the most heroic and significant acts in the history of our Nation (while one of the last known), turned down at the New Windsor Catonment the offer by his fellow officers of a crown.

There is no doubt that the military at the time of the Revolutionary War would have had no problem overthrowing the duly elected Congress: a coup d'etat that would have established a dictatorship here in the United States.

And George Washington, in his Newburgh addresses, cited Masonic principles to decline this offer of complete political power. He reminded his officers that Americans did not fight and bleed and die to exchange one king for another.

And for this selfless act, we owe Brother Washington so much.

For the two hundred plus years of our American Nation, we Masons have consistently supported policies which promote "morality in which all men agree, that is, to be good men and true . . ."

Is it any wonder that one of Hitler's first acts upon gaining power in Germany was to suppress Freemasonary?

And that is why, today, in a time of intense patriotic feeling and national pride, we Masons can feel so proud of our Nation.

Our Masonic predecessors had such an instrumental hand in founding our Nation and in keeping it true to its ideals.

And we Masons can be especially of assistance in pointing out the truth when a Saddam Hussein claims to be conducting a "holy war".

In closing, let us recall the words of another Brother Mason, Theodore Roosevelt, who said:

"The first requisite of a good citizen in this Republic of ours is that he shall be able and willing to pull his own weight . . ."

Thank you, Brother Masons, for pulling your weight in making our Nation and the world a better place in which to live.

And may the great architect of the universe bless you and your loved ones forever.

BIG BROTHERS/BIG SISTERS APPRECIATION WEEK, APRIL 21–27, 1991

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. MFUME. Mr. Speaker, I rise today to introduce a joint resolution designating April 21–27, 1991, as Big Brothers/Big Sisters Appreciation Week. This resolution will commemorate the work of the dedicated volunteers who serve "at risk" children through the Big Brothers/Big Sisters of America affiliated organizations throughout the United States. Each year, thousands of volunteers give of their time to develop and nurture a one-to-one relationship with youth. Big Brothers/Big Sisters are teamed up with youths, unsually from one-parent families, and act as role models, helping them successfully achieve their highest personal potential as they mature into responsible young men and women.

The Big Brothers/Big Sisters movement began at the turn of the century when concerned citizens in many American cities organized programs to stem the rising tide of juvenile delinquency and to help children who had come before the courts. Over the years, however, the focus increasingly shifted from reclamation to prevention.

By 1917, the movement had spread to many cities; and in an effort to coordinate these singular programs on the national level, the Big Brothers/Big Sisters Federation was formed. Falling victim to the Great Depression, however, the federation was dissolved in 1937. The need for outreach to adolescents and teens continued, nonetheless, and spawned the establishment of Big Brothers of America, and Big Sisters International, Inc., in 1945 and 1970, respectively.

In 1977, these two separate national organizations subsequently merged, becoming Big Brothers/Big Sisters of America. Today, this organization, serves thousands of young people through affiliate organizations nationwide. Comprehensive in scope, the national organization develops an array of counseling, referral, and family support services which are available to parents and children in over 110,000 families each year.

For more than 85 years, volunteer Big Brothers and Big Sisters have fostered one-to-one friendships with youth and have helped them through some of the most challenging and pivotal times of their lives. Building on the one-to-one model, volunteers work closely with adolescents and strive to steer them in the right direction by helping them to identify and achieve personal goals, and to overcome seemingly insurmountable obstacles.

Within the context of developing friendships with the youth that they serve, volunteers focus on being instrumental in ameliorating and preventing potentially ruinous behavior. For many adolescents, society offers obstacles and difficult choices; these may seem even more exacting in an environment that offers few chances for achievement.

Many adolescents, for example, fall prey to substance abuse; feel frustrated and drop out of school; or become teenage parents, without benefit of economic stability. Big Brother and Big Sister volunteers provide a support mechanism, showing youth that there is a better way and that there are better choices that can be made. Volunteers fully realize that they do not serve as substitutes for parents; rather they work in a partnership for the benefit of the child.

More than 15 million children in the United States are growing up in single-parent families and their numbers are increasing each year. In fact, 1 in every 4 children today, can expect to live in a single-parent household prior to her/his 18th birthday. Similarly, patterns of instability and upheaval in family life are expected to continue.

Big Brother and Big Sister volunteers offer support to these children of single-parent households. Many times single parents must work long hours to maintain a household and may not have the time or energy to fulfill the many needs of his/her child. Volunteers can

provide the friendship and support necessary and can act as a role model or mentor, especially to today's at risk youth.

Mr. Speaker, please join with me in highlighting the tireless efforts of the thousands of Big Brother and Big Sister volunteers to the benefit of our Nation's youth. You are greatly appreciated and contribute much to the spirit of this great Nation.

THE AMERICAN SERBIAN HERITAGE FOUNDATION

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mrs. BENTLEY. Mr. Speaker, I have received a letter from Michael Radenkovich, president of the American Serbian Heritage Foundation.

On October 23, 1990, the House of Representatives overwhelmingly voted down 362 to 55 the Broomfield resolution, House Concurrent Resolution 385, formerly numbered 352, which would have blamed all human rights violations in Kosovo on Serbia.

Now, Congressman WILLIAM BROOMFIELD is accusing the Serbian people again. Mr. BROOMFIELD writes: "Democracy may soon be brutally destroyed in the Republic of Croatia * * * because of Mr. Milosevic's blind drive to rebuild the Serbian kingdom of old."

The enclosed copy of the letter written to Mr. BROOMFIELD provides a credible expose of Mr. BROOMFIELD's unsubstantiated accusations against the Serbian people.

I include it in the RECORD.

AMERICAN SERBIAN
HERITAGE FOUNDATION,
Los Angeles, CA, February 15, 1991.

Hon. WILLIAM S. BROOMFIELD,
2306 Rayburn Building, Washington, DC.

DEAR MR. BROOMFIELD: We just received a copy of your statement, undated, and titled "The End of Democracy in Croatia?," which was released by the Croatian American Association, Washington, D.C., with the notation "To be inserted in Congressional Record as Extension of Remarks." We American Serbs are also greatly concerned about the situation in Croatia, and in subsequent paragraphs of this letter will point out why we believe that our fears of bloodshed are wellfounded, considerations which seem to escape you.

What concerns us the most, however, is the way in which you have manipulated facts, engaged in half-truths and outright falsehoods, and distortions of information—so that if bloodshed came you could put all of the blame on the Serbs. Although multiparty elections were held in all six of the Yugoslav republics last year, you state that they were held only in Croatia, Slovenia, Bosnia-Hercegovina, and Macedonia. The fact is also, Mr. Broomfield, that in Slovenia, Montegegro and Macadonia, the candidates of the Communist parties of these republics, Mr. Kucan, Mr. Bulatovic and Mr. Gilgorov, respectively, were elected presidents of the republics. In Serbia, Mr. Milosevic, former communist and banker, was elected as a candidate of the Socialist Party, while in Croatia, Mr. Tudjman, former communist and partizan general was elected as a candidate of the Croatian National Party. In Bosnia-Hercegovina Mr. Isambegovic was elected as a candidate of the Moslem Political Party.

Most serious is your attempt to identify the Federal Yugoslav authorities with Sebia.

Mr. Broomfield, it is a sad commentary that you seem to know so little about the Yugoslav political system. Under that system, the Federal Cabinet is headed by a prime minister (currently Ante Markovic, a Croat). The Federal Presidency is a collective body of 8 persons, in which each republic is represented. Under the Yugoslav Constitution, these governmental organs are vested with powers for the exercise of which they bear responsibility. They are not under thumb of Serbia or any other republic.

If there are threats to the unity of the state, would you expect these authorities just to set on their collective hands? Is that what President Lincoln should have done?

Now as to our fears of bloodshed in Croatia. First of all, Serbs have not forgotten that nearly one million of their compatriots (men, women and children) were massacred during World War II in what as then Nazi Puppet state of Croatia, together with thousands of Jews and Gypsies. For any student of World War II, genocide in Croatia is an objective fact.

Secondly, the Yugoslav authorities have publicized a covert recording of conversations among present day Croatian leaders, including the Croatian Minister of Defense, Martin Spegelj, detailing plans for massacring of Serbs in Croatia as well as ethnic Serbs, members of the Yugoslav Army.

Recording of October 14, 1990, of Mr. Martin Spegelj, Croatian Minister of Defense: ". . . then we just issue orders to our men to kill extremists, on the spot in the street, on the ground of the barracks, wherever, a bullet in the stomach, that's all. This will not be a war but a civil war in which there is no mercy for anyone. Not even women or children. Simply bombs thrown into family apartments."

On another occasion Mr. Spegelj declares: "We need to organize two or three men to liquidate the most dangerous ones, for their physical liquidation. They go to their flat, they appear at the door, boom!, he goes down the stairs, let them call the police to find out who did it . . . There will be no consideration for women, for children, for anything at all. The question does not arise."

Mr. Broomfield, a transcript in English on this documentary is enclosed for your reference.

It is ironic that in your statement there are references to supposed democratic and pro-American orientation of the Croats, when we remember that during the two world wars, they fought on the losing side and against the Americans. On the other hand, the Serbs were allied with America in both conflicts and shed their blood for freedom and democracy, only to be sold out to the Communists by their World War II allies.

Mr. Broomfield, I believe that we share a common interest in seeing American foreign policy succeed in this complex world of ours. That being the case, with all due respect, sir, I cannot avoid concluding that your ill-considered statement does not advance that goal.

Respectfully yours,
MICHAEL RADENKOVICH,
President.

SITTING ON A BOMB

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. CLINGER. Mr. Speaker, I rise to bring an issue and a resolution to the attention of my colleagues. Right now, in 1991, certain sections of our country are literally sitting on a bomb, one that could explode at any moment; and while I may be speaking metaphorically, the destruction caused by a major earthquake in areas where the population and structures are unprepared could be as devastating as a nuclear explosion.

The Eastern and Midwestern United States may not sit on the Ring of Fire, but that section of the country is still dangerously at risk. Geologists warn there is a 100-percent chance that a damaging earthquake will hit this region in the next 20 years.

Effects of a quake in many regions east of the Rockies would likely result in a high death and injury toll and the devastation of cities. Lack of earthquake-resistant provisions in building codes and little public notice of the danger leaves the region highly vulnerable. In addition, the geology of the east—rigid bedrock—carries the shock to much greater distances than those in California.

Even a moderate earthquake could have damaging effects. The weak, crumbling infrastructure in the region's scores of cities and towns include collapsing bridges, aging sewer systems, and unreinforced concrete. Plainly and simply, our public works in general are wearing out. In New York City, the huge tunnels that supply the metropolis with water could give out at any time, and other major Eastern and Midwestern cities are plagued by similar problems.

Let's face it, east of the Rockies most of the public is unprepared and unconcerned. They've never felt an earthquake and they know little of the potential hazard posed to them by our decaying infrastructure. Improving public awareness and coordination in this vein could easily save thousands of lives. Also, the question of how to reverse the tangible dangers presented by old, weak infrastructure will have to be answered.

To lessen the effect of Eastern or Midwestern earthquakes, certain to come, action is needed now. We need to provide local government with the technical assistance to help develop cost effective means of improving building codes, to educate the population and study ways that old structures can be rebuilt within our economic means. While cost is a concern it should not deter us finding creative ways to improve safety with existing resources.

Educating people about natural disasters and how to react to them is absolutely essential and certain aspects of an educational strategy can be relatively simple. The sense of Congress resolution that I have introduced today can be one step in such a process.

This modest measure would encourage, not mandate, publishers to include earthquake and disaster guidelines in the telephone books they release. These instructions would assist the population of an affected area about what

to do and put accessible information into almost every home and business.

In California, similar guidelines have been published in telephone books for many years. During the October 1989, Loma Prieta quake, the first place that people turned for help was to the information in their own homes—the phone book. As soon as local radio and television stations were back on the air, they instructed people to read these disaster guidelines. The entire system worked extraordinarily well.

I encourage your support of this resolution.

MOB JUSTICE

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. ENGEL. Mr. Speaker, I rise today to bring to the attention of my colleagues the 100th anniversary of a sad day of civil injustice. On March 14, 1891 in the city of New Orleans, there was a brutal murder and lynching of 11 prisoners of Italian descent.

According to reports, the prelude to this act was the murder of the New Orleans Police Chief, David C. Hennessey. On October 15, 1890, Hennessy was ambushed and shot by several men as he was entering his New Orleans home. As Hennessey lay on the sidewalk, he stated that a group of Italian-Americans committed the act.

Soon after, there was an eruption of anti-Italian feeling throughout the city. Mayor Joseph A. Shakespeare responded by ordering the police to "arrest every Italian in the city." Hundreds of Italian immigrants were rounded up, most not even having the slightest idea of why they were being arrested. They were kept in close confinement and treated harshly by the police.

Of the hundreds of Italians arrested, all but 19 were eventually released. The trial opened on February 16, 1891, for nine of the Italians. The State claimed to have overwhelming evidence to convict nine of the Italians. On March 13, 1891, the jury announced the acquittal of six and a hung jury for three of the men. Again, the city erupted and rumers of jury tampering ran wild. The New Orleans press ran an announcement for a mass meeting on the following day, Saturday, at 10 a.m. The notice was endorsed by the most prominent citizens of the city of New Orleans, who also allowed their names to be printed on the notice. The meeting, as the newspapers stated, was called for the purpose "* * * to take steps to remedy the failure of justice in the Hennessy case. Come prepared for action."

That morning, a mob of 6,000 to 10,000 people gathered at the base of the statue of Henry Clay. After several speeches from some of the leading citizens, the mob made its way to the parish prison.

The Italian-Americans, who were acquitted the day before were being held in prison to face conspiracy charges. When the oncoming mob began making its way to the prison, the Italian-Americans were let out of their cells and tried to find shelter among the grounds of the prison. The mob, after forcing its way into the prison, cornered six of the men in a prison courtyard, and let loose a barrage of pistol, rifle and shotgun fire into the helpless terrorized victims. All were killed.

Three more men met the same fate within the prison. Two more men, already wounded, were taken by the mob and lynched from lamp posts.

The victims of this outrageous act came to America for the same reasons that many immigrants have come to these shores, to provide for a better life for themselves and their families, and to share in the blessings of liberty. Unfortunately, these 11 men were not afforded this great privilege of liberty and the rule of law, but rather mob justice and the evils therein.

Mr. Speaker, it is for this reason I rise today to bring to the attention of my colleagues this act committed 100 years ago. Throughout history, people have been persecuted because of their race, religion, color, and political beliefs. By creating an awareness of this episode and seeing the dangers of prejudice, discrimination, and the failure of justice, all Americans will benefit, and hopefully a similar tragedy will again never be repeated.

YOUNG CHAMPION OVERCOMES ADVERSITY

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. SUNDQUIST. Mr. Speaker, from time to time, we take the floor of the House to note a significant achievement by young athletes from our districts. I want to briefly share with my colleagues the story of a very special young man, Jeff Loyd, a senior at Northwest High School from Clarksville, TN.

Jeff won the Tennessee State wrestling title in the 103-pound class earlier this month and is likely to go on to the national scholastic championships next month.

What makes this so remarkable is that Jeff Loyd was born without his left leg. He told the Clarksville Leaf-Chronicle that he doesn't consider himself to be handicapped. He is an unfailing pleasant and positive young man, not to mention a great competitor. He never looked at sports as something he could not do. Instead, he took up the challenge of wrestling, where he is 109–19 over three varsity seasons, and he has played baseball and soccer.

Jeff Loyd is a wonderful young man who richly deserves the congratulations of his community. But more than that, I believe he offers an uplifting example of what one can achieve if one puts his or her mind to it. He is an inspiration not only to the many in this country who battle daily with disabilities, but to all of us.

I ask my colleagues to join me in congratulating Jeff Loyd for his championship, but also for his spirit and for his example.

FOREST SERVICE AND BUREAU OF LAND MANAGEMENT IN LIEU SELECTION BILL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. LAGOMARSINO. Mr. Speaker, I am today reintroducing a bill to begin the process of resolution of land title issues on lands in the States of Arizona, California, Colorado, Idaho, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming. This bill addresses an issue which has been outstanding for 93 years.

This issue arose in 1897 with the passage of an act (30 Stat. 11, 36) which was intended to consolidate lands within the newly created National Forest System. This 1897 act was the first of a number of statutes authorizing the exchange of Federal and non-Federal lands to promote more efficient Federal land management. Unfortunately, the wording of the 1897 act suggested that the landowner first had to relinquish the private tract to the United States as a condition of selecting Federal land in exchange—rather than authorizing the simultaneous exchange of deeds, which has become the modern exchange procedure—and the Secretary of the Interior imposed that requirement by regulation.

In any event, many private land owners relinquished their lands to the United States by a formal conveyance as a condition to the selection of the Federal in lieu lands. However, for a variety of reasons—at least in part because subsequent laws restricted the kinds of land available for selection—many private landowners never made a formal selection of the compensating Federal lands, or if they did, their selection was not approved. Since that time, a number of actions by the administration, courts, and Congress have addressed the thousands of outstanding title questions through a variety of solutions. Congress currently deals with the situation on a case-by-case basis through private bills.

It is currently estimated that clouded titles exist on approximately 19,000 acres of land managed by the Forest Service and 8,000 acres of land managed by the Bureau of Land Management. These lands are owned by some 2,300 separate owners. Both agencies are aware of these title problems and desire to resolve them.

The bill I am introducing today reflects several amendments to the bill which passed the House during the last session. These amendments provide for important reduction in the timeframes for implementation of the act and ensure the bill provides for a final resolution to the issue. I look forward to working with my colleagues on this measure which will resolve these title questions both comprehensively and consistently.

THE PENSION TAX EQUITY ACT

HON. JOLENE UNSOELD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mrs. UNSOELD. Mr. Speaker, I am introducing the Pension Tax Equity Act to prohibit States from assessing income taxes on the pension income of nonresidents. Some 5 to 10 States are currently charging such source taxes against former residents. These States contend that pension income based on previous employment within their States should be subject to income taxation, regardless of whether the retiree currently resides within that State.

Source taxes are a clear example of taxation without representation. Individuals subjected to this taxation have no recourse at the ballot box because they are not residents of the State assessing the tax against them. Furthermore, these retirees are paying taxes to provide Government services in a State where they no longer reside and consume such services.

While many States provide various tax credits to their resident taxpayers, nonresident taxpayers subjected to the source tax are denied these credits. The end result is a higher tax rate for the nonresident taxpayer. The injustice is further compounded for such retirees in Washington State—and six other States—where there is no income tax from which they can deduct the source tax they pay elsewhere. The end result is that such retirees are hit particularly hard by taxes.

Many retirees who relocate at retirement have no idea they have this tax obligation from their former State until they receive a notice of liability. Such notices often assess back taxes for a number of years and add onerous late penalties. I have been told that some States are even hiring collection agencies to place liens on the property of these retirees.

Mr. Speaker, justice demands that we put an end to this unfair taxation and lift the financial hardship currently befalling thousands of retirees. I urge my colleagues to enact this legislation.

INTRODUCTION OF THE TELECOMMUNICATIONS EQUIPMENT RESEARCH AND MANUFACTURING COMPETITION ACT OF 1991

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. SLATTERY. Mr. Speaker, I am pleased to join today with Representative BILLY TAUZIN of Louisiana and five of our colleagues in introducing legislation that will allow the Bell Holding Cos. to enter the telecommunications equipment manufacturing business. Virtually identical legislation, S. 173, was approved overwhelmingly yesterday by the Senate Commerce, Science, and Transportation Committee. This legislation will remove the manufacturing restrictions imposed upon the Bell Cos. by the modified final judgment [MFJ] imposed by a Federal court.

Under the MFJ, the Bell Cos. are restricted to offering exchange telecommunications and exchange access services, while their unregulated subsidiaries may market—but not manufacture—telecommunications equipment—such as switches—and customer premises equipment—such as telephone handsets, key systems, and PBX's—to both the business and residential markets. The Federal court decided that the term "manufacture" includes not only the act of fabrication, but also product design and development, including the making of a prototype. The result has been not only more restrictions on Bell Cos. activity, but also the creation of numerous additional areas of uncertainty.

Under the MFJ, the Bell Cos. may engage in the early steps of the process, including research not involving the design of a specific product. They may define generic product features, but may not determine the detailed design specifications, or construct a prototype. This line between "pure" research and "design" research is so unclear that it discourages any research at all.

If the United States is to regain its leadership position in the international telecommunications manufacturing market, we must be willing to make use of all resources available to the telecommunications industry. Over the past decade, the United States has seen foreign companies increase their share of U.S. patents in sophisticated electronics, has watched as foreign companies spent over twice as much as our companies on basic research and development, and has observed as foreign companies have invested heavily in the United States and worldwide.

Seven years ago, for example, there were 10 major equipment manufacturers in the world market—3 of them American. Today there are eight—three from Japan, three from Europe, one from Canada, and only one from the United States—AT&T.

Total U.S. spending on research and development lags far behind other developed nations. According to the National Science Foundation, the United States spent 1.8 percent of our GNP on nondefense R&D last year, while West Germany spent 2.6 percent and Japan spent 2.8 percent. In communications, the largest European and Japanese firms have increased their research and development spending by 22 to 25 percent per year, while AT&T has increased its spending by about 6 percent per year until last year, when its R&D spending actually decreased.

Annual foreign investment in the U.S. high technology industries has increased from $214 million in 1985 to $3.3 billion in 1988. In the 6 years since the divestiture of AT&T, 66 different U.S.-based computer and telecommunications equipment companies have been bought in foreign firms.

Finally, the U.S. Patent and Trademark Office reports that the U.S. share of electrical U.S. patents has declined from 58 percent in 1980 to 46 percent in 1989. The share of United States patents awarded to Japanese companies has increased from 19 to 33 percent in the same time period. Today, more patents in electrical products are awarded to foreign companies than are awarded to U.S. companies.

Unfortunately, as a result of the MFJ restrictions, the Bell Cos., which control one-half of the Nation's telecommunications assets, earn over $77 billion in annual revenues, and employ 1 to 2 percent of this Nation's entire work force, cannot use any of these assets to manufacture communications equipment or to conduct the full range of research and development activities. They are prohibited from turning the results of their permitted research into marketable products; therefore, they have little reason to expend resources to that end. The result has been that, on the average, the Bell Cos. spend 1.4 percent of their revenues on R&D, while the average equipment manufacturer spends 6 to 8 percent.

With freedom from the manufacturing restrictions, Bell Cos. could work closely with high technology U.S. firms to develop new products and services; today, they cannot work closely enough with them to allow efficient product development. Any United States or foreign company can manufacture telecommunications equipment to meet consumer needs—but the Bell Cos. cannot. The current ban denies them the opportunity to do more for consumers, when they have the knowledge to do so. I have included with this statement a listing of recent examples detailing instances in which the Bell Cos. were prohibited by the manufacturing restrictions from developing new products and services.

This manufacturing restriction not only retards domestic investment, but, in fact, actually encourages overseas investment. The restriction does not apply to work carried out beyond the jurisdictional boundaries of the United States. Therefore, the Bell Cos. are completely free to do overseas what they cannot do in the United States. Most Americans, I believe, would rather see the Bell Cos. investing their capital here, rather than in British cable franchises, Soviet cellular franchises, and telephone companies in New Zealand and Mexico.

The Bell Cos. have the expertise, the capital and the desire to enter the telecommunications manufacturing market. I fully understand, however, that the Bell Cos. continue to exercise a substantial share of market power over local telephone services and over the equipment market. Their dominance of these markets, if unchecked, would undoubtedly give them incentives to engage in unlawful cross subsidization and self-dealing. This legislation, therefore, includes strict safeguards designed to prevent unlawful and anticompetitive activity. The Bell Cos. are barred from cross subsidizing their manufacturing activities with ratepayer revenues. Any equipment that a Bell Co. purchases from its manufacturing affiliate must be purchased at the open market price. The Bell Cos. must conduct all their manufacturing out of separate affiliates, and these affiliates must keep books of account separate from the telephone companies. I believe these safeguards are important and necessary, and I look forward to working with Members of Congress who may have ideas on how they can be further strengthened.

This measure also includes language requiring the Bell Cos. to conduct all their manufacturing activities within the United States and to employ a percentage of U.S. domestic components in the products they manufacture. This

provision was negotiated by the Bell Cos. and the Communications Workers of America and has the complete support of both groups. I believe that a domestic content provision such as this is essential to ensuring that the Bell Cos. potential manufacturing activities benefit the U.S. workers and our overall economic health.

In a 1989 report, the National Telecommunications and Information Administration of the Department of Commerce declared that reform of the current, very broad manufacturing limitation is likely to stimulate research and innovation, and to accelerate the advent of new service choices. This measure seeks to achieve that goal, so that all American telecommunications consumers will benefit.

I am pleased to report that the Community and Economic Development Steering Committee of the National Association of Counties recently adopted a resolution calling for the removal of the MFJ restrictions on Bell Co. manufacturing. The resolution follows this statement in the RECORD. The National Federation of Independent Business also recently issued a letter welcoming the introduction of S. 173, which also is reproduced here. The RECORD also includes a section-by-section summary of this legislation.

MANUFACTURING EXAMPLES

Concept Communications Corp. designs and develops technology to compress full motion video images so they can be transmitted over the public telephone network. US West purchased a Concept product off the shelf for use in US West in-house video transmissions and improved the product in a way that would be a substantial benefit to Concept and its other customers, but the MFJ prohibits US West from selling Concept the enhancements that US West made.

International Mobile Machines Corp. designs and develops digital radio transmission product for the telephone industry. IMM has recently announced that it will participate in a major venture to make digital cellular equipment with two other companies, one of whom is Siemens/Alcatel, a huge European telecommunications manufacturer. IMM's agreement to enter a venture with Siemens/Alcatel followed an attempt by top management of IMM and BellSouth to structure a IMM/BellSouth venture; although IMM and BellSouth management agreed on the terms of an IMM/BellSouth venture, MFJ lawyers vetoed the plan because of the "no manufacturing" provision in the MFJ. IMM's experience is evidence that the MFJ causes small U.S. manufacturers to form joint business arrangements with foreign companies.

Two years ago, Southwestern Bell Telephone proposed to offer an automatic call completion service to facilitate calls handled by directory assistance. The service would allow a caller to request a number from directory assistance, listen to a reading of the number as is currently provided, and then have the option of being connected to that number simply by pressing one button on a touchtone pad.

Southwestern Bell Telephone determined that such a service would require a different type of directory assistance terminal than was currently available. Although Southwestern Bell Telephone had the knowledge and resources to develop such a terminal, the restriction limited Southwestern Bell Telephone to merely providing a general specification request to Northern Telecom so that they could manufacture the system.

A more general example of the restriction's constraints is the nature in which Southwestern Bell Telecom handles customer service problems with Freedom Phone products. If the problem is a so-called "manufacturing" problem—a defect arising as a function of the metal bending process—Southwestern Bell Telecom can often simply replace or repair the defective part. However, if the defect occurs as a result of the "design or development" process—for instance, the manufacturer installed the wrong part or the intended part does not perform the proper function—then Southwestern Bell Telecom must simply return the defective product to the manufacturer with a general explanation of the problem.

The manufacturing restriction has also delayed the delivery of new services to consumers. Southwestern Bell has begun to offer custom calling features and other services which utilize Northern Telecom's signalling system 7 (SS7). Until recently, however, Northern Telecom's SS7 network was not compatible with AT&T's system.

As early as two years ago, Southwestern Bell Corporation had the resources and the knowledge necessary to design and develop an interface that would have made both systems compatible. However, due to the Court's interpretation of the manufacturing restriction we were not able to develop this software nor communicate the necessary information to either of the manufacturers. Although such an interface has now been developed, had Southwestern Bell Corporation been able to participate in the early design and development of the SS7 systems, or customers would have received the benefits of new services well before now.

Bellcore has devised and tested a new technology which will enable VCR quality video to be transmitted over existing metallic telephone lines. This technology would permit point-to-point viewing of specific user selected and produced television transmissions over the existing local exchange telephone network, thereby bringing the benefits of high quality video transmission technology to practically everyone who owns a telephone. However, for the reasons stated above, Bellcore is unable to deal directly with manufacturers in designing and developing the products needed to deploy technology in the local exchange network.

Southwestern Bell Corporation and the other BOCs are prohibited by the MFJ from designing and developing customer premises equipment (CPE). However, under a 1986 waiver, Southwestern Bell Corporation is permitted to design, develop, and market CPE overseas, so long as such products are not imported into the U.S.

A subsidiary of Southwestern Bell Corporation has been marketing CPE overseas since this waiver was granted. While Southwestern Bell Corporation stated its overseas business with virtually the same residential and business products offered in the U.S., over time new innovations were developed by Southwestern Bell Corporation and have been incorporated into the equipment. However, due to the limitation imposed by the manufacturing restriction, American consumers cannot receive the benefits of these new innovations.

Southwestern Bell Telecom markets CPE which is designed, developed, and fabricated by an unaffiliated manufacturer. Telecom received notice from one particular customer that one of these products was defective in that it produced a humming noise when in use.

Quite understandably, the customer was frustrated with Telecom when it was explained to him that we could do nothing more than pass along notice of this defect to the manufacturer, even though Telecom was aware of a possible solution that would cure the defect. The customer then sought a technological solution from an independent source who was able to identify the problem and recommend a possible solution. However, due to the ambiguity of the Court's interpretation of the manufacturing restriction, Telecom was not able to act as intermediary for the purpose of informing the manufacturer of the independent party's solution.

Another example concerns Southwestern Bell Corporation's paging subsidiary, Metromedia Paging Services. Metromedia provides paging services to a customer who recently requested the ability to receive detailed information on the volume of calls supplied to its pagers. Metromedia determined that such information could physically be provided but the paging units on the market at that time would not support this type of service.

Specifically, a paging unit would need to be developed which had a larger display panel and could handle a larger capacity of data than the units which were being manufactured at that time. Metromedia recognized the solution to the problem and had the technological resources to design and develop the required units. However, once again the Court's interpretation of the manufacturing restriction precluded Metromedia from acting on its internal expertise.

Another company, CXC, Inc., known for making a PBX called the Rose, offered BellSouth an equity position that would allow CXC to gain the capital it needed to expand and increase capacity. BellSouth was interested, but, again, the MFJ wouldn't allow them to take part.

CXC is doing quite well these days. But essentially it's no longer an American-owned company. A consortium of foreign companies has bought a substantial interest in it.

Protocol Engines, Inc., which develops products for increasing speed at which data is transmitted over telecommunications networks, decided in 1990 to discontinue efforts to design and develop products for the public telephone network because MFJ prohibits it from working closely with BOC and Bellcore network design engineers. Rather than developing products for the public telephone network, Protocol Engines now focuses entirely on developing such products for private corporate networks. This anecdote is evidence showing that "no manufacturing" provision in MFJ stifles development of our country's public network infrastructure.

Centigram Corporation develops equipment used in provision of audiotex services. Centigram recently sold a substantial portion of its stock to foreign entities (Telcom) Authority of Singapore, Transtech Ventures, Northern Telecom, and British Petroleum) after two Bell companies (Ameritech and BellSouth) attempted but failed to structure financing that would pass muster under the MFJ. Centigram's experience illustrates the fact that small U.S. telecommunications manufacturing companies are being forced by the MFJ to look overseas for capital to expand their operation.

Eagle Telephonics Corporation manufacturers telephone handsets. Although conventional wisdom is that it's inevitable that all telephone handset manufactures are moving offshore because of cheap foreign labor costs, Eagle is an example of a U.S. handset maker which, while attempting to perform all its manufacturing activities in the U.S., is being hurt by the MFJ's ban against obtaining

R&D financing from the BOCs. Since Eagle is one of only a handful of companies making telephone handsets in the U.S., it often must compete on quality rather than price, but incorporating new features into telephone handsets requires substantial and continual R&D efforts; the BOCs, who are among Eagle's largest distributors, would be a natural source for R&D funding, but BOCs cannot provide R&D funding due to the MFJ ban against BOC participation in the manufacturing process.

RESOLUTION REGARDING THE REMOVAL OF THE MANUFACTURING RESTRICTIONS ON LOCAL TELEPHONE COMPANIES

Whereas, America's international competitiveness and continued economic growth have become extremely dependent upon maximizing domestic research and design, development, manufacture, and marketing from all U.S. companies; and

Whereas, between 1983 and 1988, combined research and development investment by AT&T and the Bell Operating Companies grew at an average annual rate of 9.9 percent, while in Japan and Europe telecommunications research and development investment grew annually at 28 percent and 34 percent, respectively; and

Whereas, it is unacceptable that any foreign company, even those affiliated with state-owned telephone monopolies, can manufacture and sell telecommunications equipment in the United States, but that seven of our leading local telephone companies are prohibited by judicial restrictions from doing so; and

Whereas, the continued imposition of the restrictions of the Modified Final Judgement (MFJ) on the Bell Operating Companies (BOCs) denies to America the benefits of having several of its most knowledgeable and capable domestic telecommunications companies being able to perform domestic research and design, develop, and manufacture software and telecommunications equipment for residential, business and governmental telecommunications users; and

Whereas, removal of the manufactuing restrictions on these local telephone companies would help stimulate domestic investment in research, development, design and manufacture of new and innovative telecommunications technologies and facilitate access of said innovations to all local telephone companies; and

Whereas, domestic telecommunications markets and services, as well as, international telecommunications developments have drastically changed since the original imposition of the 1983 MFJ restrictions upon the BOCs; and

Whereas, adequate accounting and structural safeguards have been developed and are already in place in federal and state jurisdictions to protect against cross subsidization from telephone customers; and

Whereas, it is the responsibility of Congress, rather than the courts, to determine national telecommunications public policy including its effect on economic competitiveness, national security, and foreign trade which are essential elements of a sound national policy:

Therefore, be it resolved that the National Association of Counties calls upon the United States Congress to vigorously support legislation which would, with appropriate consumer and industry safeguards, allow all local telephone companies to perform research and design, development, and manufacture of software and telecommunications equipment; and

Be it further resolved that any actions by Congress regarding the removal of the manufacturing restrictions on local telephone companies, must reflect proper considerations of the local and state responsibilities for local and intrastate telecommunications services; and

Be it further resolved that the staff of the National Association of Counties transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the President of the Senate and to every member of the Congress of the United States.

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, March 18, 1991.

Hon. ERNEST F. HOLLINGS,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: NFIB welcomes the introduction of S. 173. While NFIB has not polled its 500,000 members on S. 173 yet and, therefore, has no official position on this legislation, we believe that it addresses a very important public policy issue that needs to be fully aired. The future success and competitiveness of small business, especially in the developing international marketplace, may well depend on the outcome of your deliberations.

The Bell Holding Companies (BHC) represent an under utilized technological resource. There is a need to closely examine whether it is still necessary to prohibit the BHC from engaging in the manufacture of telecommunications technology and equipment. There is a need to determine whether this prohibition is in the national interest or whether it is artificially holding back our advance on the information age.

Traditionally, NFIB and its members have been deeply concerned about the economic power of regulated companies, with guaranteed streams of income, competing with smaller, more exposed businesses in the markeplace. The ability of the BHC to cross-subsidize commercial ventures with ratepayer revenue has always been at the heart of this concern. S. 173 provides for adequate safeguards or firewalls and reduces our fear of unfair competition.

S. 173 needs to be fully analyzed and debated by the Senate. All sides and arguments need to be heard. To do less would benefit neither small business nor the national interest.

Sincerely,

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

THE TELECOMMUNICATIONS EQUIPMENT RESEARCH AND MANUFACTURING COMPETITION ACT OF 1991

SECTION-BY-SECTION SUMMARY

Section 1

Short title.

Section 2—Findings

Bell Telephone Company manufacturing will assist American industry's continued economic growth and international competitiveness.

Section 3—Amendments to the Communications Act of 1934

Regulation of Manufacturing by the Bell Telephone Companies

SEC. 227. (a) Notwithstanding the MFJ, Bell Telephone Companies, through an affiliated company, may manufacture and provide telecommunications equipment and may manufacture CPE, except that joint ventures between Bell Holding Companies are prohibited.

(b) Manufacturing and provision may be conducted only through a company that is separate from any Bell Telephone Company.

(c) The FCC must prescribe regulations to ensure that—

(1) the manufacturing affiliate must maintain books, records and accounts separate from its affiliated Bell Telephone Company which identify all financial transactions between the manufacturing affiliate and affiliated Bell Telephone Company. Even if the manufacturing affiliate is not publicly held, it must comply with Federal financial reporting requirements for publicly held companies, file statements with the FCC and make them available to the public;

(2) Bell Telephone Companies and their non-manufacturing affiliates are prohibited from performing sales, advertising, installation, production or maintenance operations for a manufacturing affiliate, except that—

(A) a Bell Telephone Company and its non-manufacturing affiliate may sell, advertise, install and maintain telecommunications equipment and CPE after acquiring such equipment from its manufacturing affiliate;

(B) institutional advertising not related to specific telecommunications equipment is permitted if each party pays its pro rata share;

(3) the manufacturing affiliate must conduct all manufacturing in the U.S. and all components must be manufactured in the U.S., except that foreign-made components may be used under certain limited circumstances. Prior to using foreign-made components, a BOC manufacturing affiliate first must make a good faith effort to obtain equivalent components from a manufacturer in the U.S. at reasonable prices, terms and conditions. Notwithstanding good faith efforts on the part of a BOC manufacturing affiliate, its cost of foreign-made components may not exceed forty percent of the revenue derived from its sale of telecommunications equipment and CPE in the U.S. in any calendar year (or adjusted percent in subsequent years). A BOC manufacturing affiliate may use intellectual property created outside the U.S. in its manufacture of telecommunications equipment and CPE in the U.S.;

(4) debt incurred by the manufacturing affiliate may not be issued by its affiliated Bell Telephone Company; the manufacturing affiliate is prohibited from incurring debt in a way that would permit a creditor, on default, to have recourse to the assets of the affiliated Bell Telephone Company's telecommunications business;

(5) the manufacturing affiliate is not required to operate separately from the other affiliates of its Bell Telephone Company;

(6) Bell Telephone Company affiliates that become affiliated with a manufacturing entity will be treated as a manufacturing affiliate of that Bell Telephone Company and must comply with the requirements of this section; and

(7) the manufacturing affiliate is required to make available to all common carriers providing telephone exchange service, for use in provision of such service, any telecommunications equipment including software integral to the functioning of telecommunications equipment it manufactures for use with the public telecommunications network. It must do so without discrimination or self-preference as to price, delivery, terms or conditions as long as each purchasing carrier—

(A) does not manufacture telecommunications equipment or have an affiliated telecommunications equipment manufacturing entity that does so, or

(B) agrees to make its telecommunications equipment including software integral to the functioning of telecommunications equipment available to the Bell Telephone Company and its affiliates.

(8) the manufacturing affiliate shall not discontinue or restrict sales to other local exchange telephone companies of any telecommunications equipment including software integral to the functioning of telecommunications equipment it manufactures for sale until arrangements are made by the Bell Telephone Company manufacturing affiliate to provide to the local exchange telephone companies specifications, plans, and tooling for such telecommunications equipment, upon financial and other terms satisfactory to the Bell Telephone Company manufacturing affiliate.

(d)(1) The FCC must prescribe regulations that require each Bell Telephone Company to maintain and file with the FCC information regarding interconnection with and use of its telephone exchange service facilities (such information refers to material changes or planned changes to protocols and requirements);

(2) Bell Telephone Companies are prohibited from disclosing such information to their affiliates unless that information is immediately so filed;

(3) When two or more carriers provide local service in the same area, they must tell each other about the deployment of telecommunications equipment;

(4) The FCC may prescribe additional regulations to ensure that manufacturers competing with a Bell Company's manufacturing affiliate have access to information required for competition that the Bell Company makes available to its manufacturing affiliate.

(e) The FCC must prescribe regulations requiring a Bell Company with a manufacturing affiliate to—

(1) provide other manufacturers with opportunities to sell communications equipment and CPE which is functionally equivalent to equipment manufactured by the Bell Telephone Company manufacturing affiliates that are comparable to the opportunities it provides its affiliates;

(2) not subsidize its manufacturing affiliate with regulated telecommunications services revenues; and

(3) only acquire equipment from its affiliate at open market prices.

(f) Bell Telephone Companies and their affiliates may engage in close collaboration with any manufacturer of telecommunications equipment and CPE during design and development of hardware and software relating to that equipment.

(g) The FCC may prescribe additional rules and regulations as may be necessary to carry out the provisions of this section.

(h) To administer and enforce this section, the FCC is granted the same authority it currently has with respect to any common carrier subject to this Act.

(i) The FCC's authority to carry out this section is effective on the date of enactment; regulations must be prescribed within 180 days after enactment; authority to manufacture does not take effect until the regulations in (c), (d) and (e) are in effect.

(j) All manufacturing activities authorized as of the date of enactment are grandfathered for all Bell Telephone Companies and their affiliates.

(k) The following are defined terms—

(1) affiliate; (2) Bell Telephone Company; (3) customer premises equipment; (4) manufacturing; (5) manufacturing affiliate; (6) Modification of Final Judgment; (7) telecommunications; (8) telecommunications equipment; (9) telecommunications service.

Section 4—Effective date

(a) The effective date of the legislation is 30 days after the FCC prescribes final regulations.

(b) Notwithstanding subsection (a) of this section, the authority of the FCC to prescribe regulations is effective upon enactment.

DEMOCRACY—THE VANGUARD OF FREEDOM

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. JONES of North Carolina. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy Broadcast Scriptwriting Contest. This year more than 138,000 students participated for 14 national scholarships. I was most delighted to learn that one of my constituents, Michael William Flanagan of Newport, NC, was one of these 14 winners, and it is an honor to present his entry for inclusion in the CONGRESSIONAL RECORD as follows:

DEMOCRACY—THE VANGUARD OF FREEDOM

DECEMBER 2, 1992.

DEAR SON: How's it going Buddy? I hope you're being good for your mom. She needs all the help she can get. While I'm gone, you're going to have to work real hard because you're the man of the house now, and I want you to do a real good job till I get back.

Now, your mamma told me you couldn't understand why I had to be gone and why I couldn't come home for Christmas. Well son, you may be a little too young to understand but I hope you will appreciate the reason that I'm gone later. You see, about twelve years ago I signed a piece of paper that contained an oath. I swore to protect the United States of America and the freedom created by its democracy by joining our United States Armed Forces. You can't understand the privilege you have to live in America. Other parts of the world live in hunger, war, and oppression. These people have to live with the fear that their very own government may simply come in and take their homes, their families, and even their lives.

Here, you can live without the worry of this. Our government is set up on the principles of liberty and freedom. It is set up to protect us and our way of life. It has been like this for over two hundred years. Our founding fathers set up such a model for the world to follow. We are considered the apex of freedom. This height could have only been reached through a single path, and that, son is democracy. Everyone who lives in America believes in this philosophy, and we hold it sacred in our hearts. We want the entire world to be able to live as free as we. And son, that's what I'm doing, helping these people live as we do.

After the invasion of this country six months ago, the people's lives have gone from a heaven to a hell. They can no longer walk the streets for a breath of fresh air without the fear of being shot, and this enrages me. I am here to try and recapture heaven for these citizens. They believe in the same principles as we do, and I want them to live that way again. We are trying to re-establish the democracy. When democracy is re-established, freedom will be restored with it. You see, democracy is the vanguard of freedom, son. One cannot and does not exist without the other. Where you have democracy, you will have freedom. In communist societies, freedoms are little if any, and it goes the same for socialistic societies.

We, as a democracy, must help preserve the democracies of the world. If we help protect and help other nations move towards democratic societies, the world will be a better place. But, if we don't, the anti-democratic societies will begin to take over, taking our homes, jobs, and our entire way of life. So I put my life on the line everyday to protect the democracy of the United States and of the world. With the protection now, when you are my age son, you may never have to worry about a situation like this. But, if you are unfortunately faced with the situation I am, I hope you face it bravely. It is our duty as Americans to protect the democracy of the United States and of the world because democracy is truly the vanguard of freedom.

Well son, I have some drills I have to run so I will end this letter. Help mom and be good, but most of all, think about what I have said in this letter and try to appreciate what we have here in the world of democracy and freedom. I love you!

Signed,

DAD.

SALVATORE DI NELLO RECEIVES 1991 MAN OF THE YEAR AWARD

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. ROE. Mr. Speaker, it is with the greatest pride and admiration that I rise today to salute a truly outstanding and successful businessman from my home State of New Jersey who has made an enormous contribution to his community on a continuing basis for over 30 years.

I am speaking of Mr. Salvatore Di Nello of Paterson, NJ. His numerous contributions to his profession and community, have honored Mr. Di Nello with the Federation of Italian Societies "1991 Man of the Year." To celebrate this special occasion, the Federation of Italian Societies, an affiliation of several Italian organizations: the Charles J. Alfano Association, the Cristoforo Society, the Mother Cabrini Society, the Nineteen Hearts Society, the San Giuseppe Santa Croce Camerina and the organization dearest to Mr. Di Nello and of which he is the president, the Pacentro Club, will honor him at their 21st annual dinner dance on April 5, 1991, at the Princess in Lodi, NJ. I know that this event will bring great pride to Salvatore and his wife Joan and their two children, Linda and Marco.

Mr. Speaker, for the record, I would like to insert a comprehensive biography of Mr. Salvatore Di Nello as compiled by the Federation of Italian Societies of Paterson, NJ:

Salvatore Di Nello hails from the ancient province of L'Aquila, in the historic Italian region of Abruzzi. He was born in Pacentro, a quaint little town at the foot of the mighty Maiella mountains, near the Gran Sasso d'Italia, in the year 1931.

As a boy growing up in a martial nation, Sal was restless and rebellious. At the age of eight, his strict father introduced him to the study music. He acquired a strong musical foundation which led a grateful adult Sal to high achievements. The Second Global Conflict disrupted the boy's education.

Sal came to America in 1947, settling in Paterson, New Jersey, with his family. He met and surmounted formidable obstacles in a society different in language and culture. His successes are evidence of his ability, and his perseverance, energy and ambition, a worthy example to all.

At 15, Sal was placed in the first grade. In two years he completed the elementary grades. At 17, contrary to his parents' wishes, he opted to join the real world and took a job as a machinist apprentice, instead of going on to high school.

In the face of all the difficulties, Sal never forgot music. In it he found comfort and hope. Before coming to America he excelled in the trumpet and, for his exceptional talent, he played for the Pacentro Symphonic Band throughout the province of L'Aquila. In America, in 1948, he appeared on the Ted Mack Amateur Hour with a superb rendition of the Carnevale de Venezia.

In 1950, at the time of the Korean conflict, Salvatore enlisted in the U.S. Air force, serving as staff sergeant.

At the age of 23 Sal's life took a decisive turn: he decided to go to college, even though he did not have a high school diploma. Accepted at Boise Junior College, in Idaho, on a part time basis, he distinguished himself as "Student of the Year" for having directed the first opera ever presented at that college. Shortly after, Sal earned a high school equivalency diploma, having all the while stalled the persistent requests by the college for his high school transcripts.

At San Jose State College, in California, where he had transferred, Sal was selected as student conductor of the band and orchestra, was permitted to teach classes as an assistant, and was selected as musical director of the annual musical production. He was also president of the Band and Orchestra.

These experiences influenced the young man's decision to enter the field of teaching rather than a professional musical career. In 1959 he received his bachelor of arts degree and his teaching certification. And from Montclair State College he received his master's degree in supervision and administration.

Mr. Di Nello began his teaching career with the Saddle Brook school system. He has served as band director and music supervisor. Under his directorship, the Saddle Brook High School Band acquired well deserved acclaim and performed in Canada, Virginia, Maryland, Florida and Massachusetts. Special attention received a cultural concert tour of Italy funded by the entire community and which saw the New Jersey band perform in Siena, Florence, and Rome. Eye witness News featured the event on Channel 7.

Mr. Di Nello served also as Soccer Coach leaving a legacy of skills and victories. He is a past president of the Saddle Brook Teachers Association; was listed in the Who's Who of Teachers in America; and has served in numerous professional organizations.

A resident of West Paterson, Mr. Di Nello has served as Commissioner of the Board of Health and as Commissioner of the Planning Board.

Always deeply proud of his Italian heritage, Mr. Di Nello is president of the Pacentro Club. As its president he was instrumental in opening the membership to women as well. He is also a member of the San Guiseppe Santa Croce Camerina Society and of the Federation of Italian Societies of Paterson.

Among some of the other awards bestowed upon Mr. Di Nello are: Teacher of the Year, Unico Man of the Year, and Coach of the Year.

Mr. Di Nello met and married Joan Ferraro, a native of Sante Croce Camerina, Regusa, Italy. She is a real estate broker, founder of the Gemini Century 21 in West Paterson. They are the proud parents of Linda, a "Magna Cum Laude" graduate of Fairleigh Dickinson University, a C.P.A., and a Ph.D. candidate in Accounting, married to Eric Gaupe, a young entrepreneur, owner of City Erectors Co. of Fairfield; and a son, Marco, a partner in Gemini Realty, married to Nancy Farber, parents of Marco, Jr. and Alyssa.

Mr. Di Nello is as successful at business as he was an educator. His ambition, vitality and tenacity, coupled with the valid partnership of his capable wife Joan, have proven an invaluable formula to progress. In 1971 they were the moving force behind the purchase of Farrell Manufacturing of Wayne, together with brother-in-law Mario and his wife Anne. This union, held together by indissoluble family ties and consensus, has made possible the purchase of two other similar companies. The abnegation of individual personality for the common good is the element that has permitted the achievement of success.

In sports, in music or in business Sal has always strived to go beyond the boundaries of mediocrity, with courage, vision and perseverance. The path was not always covered with roses, nor always free of obstacles.

At home Sal has always been a loving husband and father. Although he has built a successful career in education and business, he admittedly gets his greatest joy from his two grandchildren Marco and Alyssa. As they grow up he will be able to tell the story of how "I did it my way."

Mr. Speaker, I appreciate the opportunity to present a brief profile of an individual who has truly made a difference through his contributions to his profession, his community and his family, and who has made his State and our Nation a better place to live. Mr. Salvatore Di Nello recipient of the Federation of Italian Societies 1991 Man of the Year.

SIMON WIESENTHAL CENTER OF SOUTH FLORIDA PRESENTS ECHOES THAT REMAIN

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, on March 25, the Simon Wiesenthal Center of South Florida is presenting the premiere of Echoes That Remain, a film about Jewish life in Eastern Europe before World War II. The movie is a powerful study of Jewish life before the Holocaust, the film combines hundreds of rare photos and previously unseen film footage to help dramatize the folk stories that comprise the film's narrative.

Playing an important role in the film are a series of enlightening images from the photo biographer of Eastern Europe shtetl life, the late Roman Vishniac. The portrait artist, Burton Silverman, created a series of special oil paintings to illustrate one of the film's sequences.

Echoes That Remain was written by Rabbi Marvin Hier, dean of the Simon Wiesenthal Center and directed by filmmaker Arnold Schwartzman. The two worked together on Genocide which won the 1982 Oscar for best documentary, the first Holocaust film to win that honor. The production was narrated by two-time Academy Award nominee, Martin Landau, and British actress, Miriam Margolyes. Echoes That Remain features original music written and conducted by composer, Carl Davis, and performed by England's Royal Philharmonic Orchestra.

"It was the world from which so many of us came but so few have had the time to study, honor, or remember," said the film's coproducer, Richard Trank, who also serves as the Wiesenthal Center media director. "If Echoes That Remain accomplishes anything, I hope that it will help audiences to remember about that world," added Trank.

Echoes That Remain began a 40-city international tour in Los Angeles with the patronage of Israel's President Chaim Harzog. Some of the other cities included on its 40-city international tour are Toronto, New York, Philadelphia, Boston, Chicago, Las Vegas, and Palm Springs.

I would like to thank Rabbi Marvin Hier, Samuel Belzberg, Robert Novak, Robert Marlin, Harry Gampel, and Don Soffer for being a part of the South Florida Simon Wiesenthal Center. I would also like to thank and congratulate Robert Pascal Escanesy, Marcy Lefton Escanesy, George Barrie, and Dorothy Barrie on an outstanding cultural achievement.

OUTLAW CORPORAL PUNISHMENT

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. OWENS of New York. Mr. Speaker, today I am introducing legislation which would prohibit the use of corporal punishment or the infliction of bodily pain against students in all educational institutions which receive Federal educational funds. It is long past time that we outlawed this barbaric practice in the Nation's classrooms.

This legislation is patterned after similar State and local laws which have banned corporal punishment in that it does not prevent teachers and school personnel from using reasonable physical restraint to protect themselves or others from injury, to obtain a weapon or dangerous object from a child, or to protect property from serious damage. The bill's definition of corporal punishment specifically excludes actions taken under these circumstances. What would be prohibited is the use of the infliction of physical pain as a means of punishment or discipline.

THE BARBARITY OF CORPORAL PUNISHMENT

If you are an adult inmate in a Federal, State, or local correctional institution, you cannot be beaten or physically punished. It is against the law. If you are a patient at a public psychiatric hospital, you cannot be beaten or physically punished. It is against the law. If you are a member of the Armed Forces of the United States, you cannot be beaten or physically punished. If you are a teenager in a juvenile correctional institution, you cannot be beaten or physically punished. It is against the law.

Only if you are a child sitting in a classroom can you be beaten and physically punished. Incredibly, our schools today remain the only public institution in the United States in which battery and assault are legal, accepted forms of discipline.

This must end.

Every year an estimated 3.5 percent of American schoolchildren are subjected to corporal punishment. In some States, as much as 12.6 percent of the student population is corporally punished. These children are beaten, slapped, punched, whipped, paddled, thrown against walls, stuck with pins, locked in closets, forced to eat noxious substances and abused in countless other creatively sadistic ways.

Indeed, some of the horror stories about corporal punishment that regularly emerge from around the Nation sound as though they could have taken place in Kuwait under Iraqi occupation. Students being shocked with battery-operated cattle prods. Burned with tacking irons used to laminate name tags. Chained to the bumper of a car and dragged across a parking lot. Locked in coffin-shaped boxes for hours on end. But this is not happening in Kuwait; it is happening in America. And the victims are our children.

CORPORAL PUNISHMENT DOES NOT WORK

What is most shocking of all about these daily acts of cruelty in our schools is that they are completely and utterly senseless. Corporal punishment simply does not work. All of the research tells us that it does not promote better discipline, result in more orderly classrooms, or more obedient children. An abundance of other disciplinary methods and means of regulating student behavior which do not require physically harming children have been shown to be far more powerful and effective than corporal punishment in maintaining order in the classroom and changing the behavior of disruptive or uncooperative students.

CORPORAL PUNISHMENT: THE PHYSICAL EFFECTS

While corporal punishment is not an effective means of disciplining schoolchildren, it is most certainly an effective means of hurting them. That is, after all, the point. In most cases, fortunately, the physical injuries children experience are relatively minor—some redness and soreness of the skin—and do not require medical treatment. But the vulnerability of young children's bodies is such that the potential for causing more severe injuries is great, including hematomas, ruptured blood vessels, massive fat emboli, sciatic nerve damage, muscle damage, and brain hemorrhage. Every year we hear of students across the United States who are seriously injured and even permanently disabled as a result of corporal punishment. As Prof. John R. Cryan of the Association for Childhood Education International noted in a 1987 article:

> Adults plainly underestimate the amount of force they are capable of producing. Sometimes children are injured during even the mildest punishment when they jerk away and the blow lands off target, or when they fall against the sharp edge of some object. Eyes, ears and brains may be permanently damaged as a result of paddling. Whiplash injuries may result from shaking. Injuries from blows to the chest and abdomen are life threatening. Bones are easily fractured and even the slightest whack may produce a jolt to the brain through the bony spinal column and spinal cord, resulting in significant swelling or bleeding.

A more detailed inventory of the medical effects of corporal punishment and resulting injuries can be found in the book "Think Twice: The Medical Effects of Physical Punishment" by Taylor and Maurer. I commend that work to anyone who doubts the severity of the physical threat that corporal punishment poses to our children.

CORPORAL PUNISHMENT: THE EMOTIONAL AND PSYCHOLOGICAL EFFECTS

The pernicious emotional and psychological effects of corporal punishment on children can be as harmful as any physical effects. Researchers have found that corporal punishment can cause a loss of self-esteem; increased anxiety and fear; impairment of ego functioning; feeling of helplessness and humiliation; negative attitudes toward school; stifled relationships with others; increased aggression at school and at home; self-destructive behavior; sleep disturbances; and a limited attention span and hyperactivity in the classroom, leading to a deficient academic performance. Many of these effects, it should be noted, have been found not only in children who are themselves punished, but also in children who witness the punishment.

Corporal punishment also teaches schoolchildren that violence is the way to resolve problems, a lesson that no child should be taught. Perhaps not surprisingly, researchers have found a direct relationship between school corporal punishment and delinquent and criminal behavior later in life. The more a child is beaten, the more likely he or she is to grow up to become a lawbreaker.

CORPORAL PUNISHMENT IS NOT AN EQUAL OPPORTUNITY ABUSER

As it is practiced in our schools, corporal punishment is not an equal opportunity abuser; it utlizes all the precision and selectiveness of a schoolyard bully in choosing its victims. Numerous studies of the incidence of corporal punishent have found that those children who are the least powerful and the most vulnerable are those students who are most likely to be hit at school. They tend to be the youngest children; the incidence of corporal punishment is highest in grades 1 through 4 and drops dramatically by the later grades. The victims of corporal punishment are also disproportionately poor and minority. African-American students are twice as likely as white students to be hit at school. This inequity only grows as the child ages. In the later grades, the frequency with which white students are hit declines significantly; for African-American students, it does not change at all.

Children with disabilities are also disproportionately the victims of corporal punishment, often because of their disabilities. In his testimony before the Subcommittee on Select Education last year, Kevin Dwyer of the National Association of School Psychologists explained that:

> Their different behaviors are seen by the untrained as defiant behaviors. Children with attention problems, poor motor coordination or poor listening comprehension may appear to be defiantly not paying attention, or not writing neatly or not listening to the teacher. Some children with disabilities may not be cognitively, neurologically, or emotionally able to carry out the correct behavior required by the teacher to avoid corporal punishment.

Mr. Dwyer went on to relate the story of an epileptic student he knew whose seizures caused him to be paddled by his teacher for not paying attention in class.

Studies also indicate that corporal punishment is generally administered arbitrarily and is not used rarely and as a last resort, as some of its proponents claim. Children are beaten in our schools for such offenses as taking too long in the bathroom, talking back, forgetting gym uniforms, and incorrectly pronouncing words in a kindergarten phonics class. One young child, to the horror of his parents, was whipped 30 times by his teacher for crying on the first day of school.

THE GROWING MOVEMENT AGAINST CORPORAL PUNISHMENT

With the evidence of corporal punishment's ineffectiveness as a disciplinary method and its pernicious effects on the minds and bodies of children so resoundingly clear, professionals who work with children have been speaking out for its elimination from our classrooms. The American Academy of Pediatrics, the American Medical Association, the American Orthopsychiatric Association, the American Psychological Association, the American Public Health Association, the Child Welfare League, the Council for Exceptional Children, the National Association of School Psychologists, the National Association of Social Workers, the National Committee for the Prevention of Child Abuse, the National Mental Health Association, and the Society for Adolescent Medicine have all called for the banning of corporal punishment. Other organizations which oppose corporal punishment include: the National PTA, the American Bar Association, the American Civil Liberties Union, the Association of Junior Leagues, the NAACP, the Society of Friends, the Unitarian Universalist Assembly, and Americans for Democratic Action.

Corporal punishment is also outlawed in 20 States, including Alaska, California, Connecticut, the District of Columbia, Hawaii, Iowa, Maine, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Oregon, Puerto Rico, Rhode Island, Vermont, and Virginia. Most major cities in States which permit corporal punishment have also prohibited the practice, including Albuquerque, Atlanta, Baltimore, Chicago, Columbus, Dayton, Little Rock, Miami, New Orleans, Philadelphia, Seattle, Spokane, and St Louis.

WHY FEDERAL LEGISLATION IS NECESSARY

Unfortunately, despite this impressive movement against corporal punishment, many chil-

dren throughout the United States remain unprotected against physical abuse in the classroom. It is for the sake of these children that Federal legislation is necessary. The opportunity to grow and learn in a positive and supportive school environment, free from the fear of assault, should not be an accident of birth. The evidence against corporal punishment could not be more resounding. The use of violence as a teaching tool in America's classrooms must cease.

The text of my legislation follows:

H.R. —

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

SECTION 1. PROHIBITION AGAINST CORPORAL PUNISHMENT.

Subpart 4 of part C of the General Education Provisions Act is amended by adding at the end the following:

PROHIBITION AGAINST CORPORAL PUNISHMENT

"SEC. 438A. (a) No funds shall be made available under any applicable program to any educational agency, institution, organization, or other entity that has a policy which allows an individual to inflict corporal punishment or bodily pain upon a child as a form of punishment.

(b) The prohibition described in subsection (a) does not preclude an individual, within the scope of employment, from using and applying such amount of physical restraint as may be reasonable and necessary—

(1) to protect self, a child, or others from physical injury:

(2) to obtain possession of a weapon or other dangerous object upon the person or within the control of the child; or

(3) to protect property from serious damage.".

COALITION OF HISPANIC AMERICAN WOMEN HONORS ENTREPRENEURS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, women have generously contributed to the character of our Nation from the taming of the Western frontier to the frontiers of space. As we recognize National Women's History Month, it is important to remember the legacy of the heroines of the women's suffrage movement through the years. By securing the right to vote for women, the suffragettes made limitless the frontiers of opportunity in our society. This year, the Coalition of Hispanic American Women is using the occasion of National Women's History Month to focus on the unique contribution of women entrepreneurs.

The honorees at the Coalition of Hispanic American Women include four special women from the Miami area who are leaders in their professional fields.

Ms. Aida Briele, CPA, founded Aida E. Briele & Associates, an accounting firm in Miami. In addition to her professional achievements, Ms. Briele has offered her skills to nonprofit organizations as financial adviser to the Coalition of Hispanic American Women and Share Your Gift, a community AIDS patient support group.

Laura Ripoll Dennison is a founder and name partner of the law firm of Dennison & Dennison. Ms. Dennison is a community leader. She is vice president of Hialeah and Miami Springs Bar Association and is involved in the North Bay Chamber of Commerce.

Alma Guerra is the founder and vice president of Santa Clara Television Corp. and is also a producer of telenovelas, or Latin soap operas, in Miami. She was president of the Coalition of Hispanic American Women in 1984–86.

Margarita O'Donnell Weidener is founder of Weidener Surveying and Mapping. Ms. Weidener is a finalist in the Miami Herald's Awards for Small Business for her special contribution to a field which is largely male dominated. She is a candidate for the 1992 president of the American Congress of Surveying and Mapping.

Mr. Speaker, I am proud to have these Hispanic women professionals in my district. I commend them for further expanding the frontiers of professional women in society and for their outstanding contribution to south Florida.

I congratulate the board of directors of the Coalition of Hispanic American Women for their insight in highlighting the achievements of these extraordinary women. The board of directors consists of: Conchy T. Bretos, president; Miriam Singer, president-elect; Yvonne F. Soler, second vice president; Irela Diaz, treasurer; Olga Guilarte, recording secretary; Yillian Coppolechia, corresponding secretary; Olga Febles, Margarita Fernandez, Angie Fleites, Annette Hogan, Elba Pisano, Maria C. De La Roza, Madeleine Rodriguez, Emmy Schwiep.

TRIBUTE TO THURMAN PARSONS AND HARRY E. (BUD) SMITH

HON. BARBARA F. VUCANOVICH

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mrs. VUCANOVICH. Mr. Speaker, I rise today to pay tribute to the lifetime efforts of two men, Thurman Parsons and Harry E. (Bud) Smith, whose tireless work for children through the Kerak Shrine Circus and Shrine Hospitals personifies the spirit of charity and voluntarism that anchor our Nation.

Thurman Parsons is a lifetime Nevada resident and has served as a Shrine Mason for 42 years. For over 12 years he has contributed countless hours of his time to the Shrine Circus to raise funds for the Shrine Children's Hospitals around the country. Children are a huge part of Thurman's life. He has 3 children and 10 grandchildren, and in addition to his tremendous work with the Shrine Children's Hospitals, he is active in many youth groups in the Reno-Sparks area. He also somehow found time to coach Little League baseball and, together with his wife Carol, has spent many summers at the YWCA Girls' Camp in Nevada repairing buildings and serving as a volunteer chaperon. Thurman's personal motto of serving whenever and wherever needed, as well as his lifetime of doing just that, is something we all can learn from.

Bud Smith has served side by side with Thurman Parsons for over 12 years with the Shrine Circus and Shrine Hospitals. He has been a Shrine Mason for 21 years to date. Bud is a devoted family man who, on October 28, 1985, celebrated his 50th wedding anniversary. He has carried this same commitment to family over to his volunteer work with the Shrine Circus. Bud has worked ceaselessly in almost every capacity with the circus, from chief klown of the Kerak Shrine Klown Unit to Shrine Circus committee member, to ensure that children need not lack proper medical care. His efforts were rewarded in 1987, when he received the title of "Mr. Circus" in recognition of his countless years of volunteer service.

Mr. Speaker, Thurman Parsons and Bud Smith are the type of caring and committed individuals which our Nation constantly needs and benefits from. I strongly urge my colleagues in the U.S. House of Representatives to join me in honoring both these men for their countless years of selfless devotion to the Shriners' pursuit of health care for children.

BUSH'S SOAK-THE-MIDDLE-CLASS PLAN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. MILLER of California. Mr. Speaker, little noted in the budget sent to Congress by the President was a policy initiative that millions of Americans have largely overlooked.

It is an oversight that could cost middle income families billions of dollars in Government assistance and services—at the same time that the Bush administration continues a decade-long policy of heaping greater and greater benefits on the wealthiest of Americans.

As noted by Kevin Phillips, hardly a mouthpiece of liberalism for the Democratic Party, the Bush plan to means-test certain programs should be labeled "The Second Middle-Class Squeeze"—brought to you by the same politicians who presided over the old middle-class squeeze of the 1980's.

And, Phillips reminds us, this "soak the middle class" strategy is being promoted at the same time that "the White House is still proposing the real McCoy of favoritism to the richest 1 percent of Americans—capital gains tax reduction."

The Bush proposals will impose massive benefit losses on the middle class, who have suffered the worst loss of real income and enjoyed the most meager of tax reductions during the past decade. As Kevin Phillips notes, this plan raises again the issue of equity on tax and benefit policy and provides an important subject for political debate in the country which hopefully will be joined during the upcoming budget discussions.

BUSH'S DOMESTIC POLICY? IT'S SOAK THE MIDDLE CLASS

(By Kevin Phillips)

Forget all that malarkey about George Bush not having a domestic policy. During the last few weeks, with national attention preoccupied by the Persian Gulf, the White House has started laying out far-reaching fiscal policies—who's going to play and who's

going to pay—that could become a political hand grenade of the 1990s.

Obviously, it's not the "new paradigm," the conservatives' much-bally-hooed mix of enterprise zones and local empowerment ideas such as school vouchers. That's small potatoes next to the Administration's emerging blueprint to means-test—or roll back—middle-class eligibility for a whole range of federal program benefits, from school lunches to college loans.

With orchestrated means-testing, Middle America will lead the sacrifice in the 1990s deficit wars—allowing federal tax policies to retain their 1980s favoritism toward the "top 1%" of Americans. This could allow Democratic orators to start belaboring "The Second Middle-Class Squeeze"—brought to you by the same politicians who presided over the old middle-class squeeze of the 1980s.

The economics of middle-class means-testing have a certain logic—but the politics are incendiary. The principal architect, Budget Director Richard G. Darman, is a man of inherited wealth and no firsthand middle-class sensitivity. Yet, as a shrewd fiscal operator, Darman knows huge sums of federal budget money can be had for other purposes—beefing up programs for the poor or safeguarding existing tax breaks for the rich (or both)—by slashing middle- and upper-middle-class eligibility for federal benefits programs. Darman wants an income-eligibility line drawn somewhere between $200,000 and $125,000 a year, to cut off middle-class beneficiaries.

These ambitions do not appear in the Bush budget, which sets cutoffs for farm subsidies at $125,000 in non-farm income, triples Medicare premiums at $125,000, pegs $21,000 as the subsidized school-lunch limit and breaks college-aid eligibility at $40,000 a year. Darman's 1992 budget is simply an entering wedge, though, because the budget director said in recent congressional testimony that he favored "an important new emphasis for reform: increasing fairness in the distribution of benefits, reducing subsidies for those who do not need them." We can't keep federal benefits going to those sleek, well-fed $22,000-a-year families or those $45,000-a-year fat cats, can we?

It's an interesting gamble. By seeking to recast the fairness image to deny "the rich" their current farm, Medicare or college-aid benefits and thereby "concentrate" them on the poor, the Bush White House is out to counter its "fatcat" protection image gained in last year's fight over capital-gains tax reduction and in beating back the Democrats' proposed income surtax on millionaires. This time, the hope is to be seen as promoting rather than blocking fairness.

Maybe. But not if the Democrats are smart enough to explain what's really going on. Federal program means-testing is collateral to broader fairness for three reasons. First, because nobody can seriously tackle the truly rich—who got the real benefits of the 1980s—by playing around with the eligibility rules of federal benefit programs. This is a ploy, a GOP fiscal equivalent of Air Force planes dropping aluminum foil to fool enemy radars. The idea that Laurence Tisch or David Rockefeller will feel the hot breath of Darman's entitlements reform is patently absurd.

Second, because the White House is still proposing the Real McCoy of favoritism to the richest 1% of Americans—capital-gains rate reduction. And third, because the middle-class Americans quietly being targeted for lighter benefits and thinner wallets have already been squeezed for most of the 1980s, by soaring Social Security taxes, surging property levies, escalating health costs, surging tuition charges and mushrooming auto insurance rates. Pickpocketing these people instead of millionaires is a travesty.

A cynical analyst or a liberal congressman could suggest that Middle America and Upper-Middle America are being targeted so the top 1% of Americans can keep their 31% tax rate. During the 1980s, while the median family income was barely ahead of inflation, the Forbes 400 richest Americans managed to increase their combined net worth from $92 billion in 1982 to $270 billion in 1989. One would think this is the obvious place for 1990s pay-back economics.

This brings us to the politics involved and the possibility that Republicans could be courting another major backlash by blithely framing "fairness" considerations and then clipping the middle- and upper-middle class while protecting the genuinely rich. This was the opprobrium they faced after October's budget debate.

The conservative assumption in means-testing Mr. and Mrs. John Q. Public is: a) Middle America will not get too excited and b) lots of Democrats, academicians and poverty groups will cheer the idea of curbing middle-class eligibility and focusing outlays on the poor. It could work. Most middle-class voters won't pay much attention to a few overhauls in program eligibility, and some congressional Democrats are so low-income fixated they don't care much about the middle class.

What's more likely, though, is that Middle America and its political defenders will correctly identify means-testing as something bigger—as stage two of a painful "politics of unfairness" that began to squeeze the average family during the 1980s, while the rich rode a golden elevator. Federal policy was critical, because the "squeeze" involved combining relative peanuts in federal income-tax cuts for the middle class with significant new burdens: surging and regressive Social Security taxation, the extraordinary federal income-tax "bubbles" (through which the upper-middle class still pays a higher marginal tax rate than millionaires), rising excise taxes, user fees, stepped-up taxation of Social Security benefits and a shift of programs from Washington back to the states that forced up regressive state and local taxes. The result is one that Robin Hood's old enemy, the Sheriff of Nottingham, would envy. By the time the 1980s ended, the top 1% of Americans had 3 to 6 percentage points more of total family income than when the decade started, and the people in the middle saw their relative share decline.

Means-testing the middle class signals another round of this "soak-the-middle" spirit. But it also comes at a time when the larger pattern of "Sheriff of Nottingham" economics is becoming clear enough to mobilize congressional Democrats—as they proved in last October's bruising and, from their point of view, successful budget debate. Equally important, skittish Republican voters see the GOP bias, too. Some 20–30% of GOP voters believe their party favors the rich; one poll revealed 80% of Republicans favored the Democratic surtax on millionaires that Bush keeps working to defeat.

Politically, then, the GOP's October embarrassment may have only been a first act if the White House charges ahead on means-testing. The federal deficit may finally be driving a wedge into the GOP, forcing the White House to sacrifice rank-and-file middle-class economic interests to protect the interests of the top 1%. Last year, when Darman got Bush to break his no-new-taxes vow, the GOP discovered that it opened a Pandora's Box of "fairness" issues—and means-testing could be Darman's second Pandora's Box.

Middle America will doubtless have to make some sacrifices to deal with the nation's debt and shrinking resources. But fairness dictates—and more Democrats understand this—that the middle class should not be sandbagged without considerably larger sacrifices required of those at the top, who grew fat during the 1980s. So if the White House does opt for a thinly disguised "soak-the-middle" fiscal strategy, an important battle will be joined. Bush may yet yearn for the days when the media simply snickered about his not even having a domestic policy.

GEOGRAPHY AWARENESS WEEK 1991

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. GREEN of New York. Mr. Speaker, I am pleased to join once again my distinguished colleagues from California, Mr. PANETTA, and Michigan, Mr. KILDEE in introducing a resolution to declare December 1–7, 1991, and November 15–21, 1992, as Geography Awareness Week.

Over the past 3 three years we have sponsored the Geography Awareness Week resolution in order to bring attention to the crisis of geographic illiteracy in the United States. This crisis has been measured by the National Assessment of Educational Progress survey, which revealed that among 12th-graders in the United States, only 36 percent knew that Saudi Arabia is bounded by the Red Sea and the Persian Gulf. A 1988 Gallup poll revealed that 75 percent of those surveyed could not locate the Persian Gulf on a map. I should imagine that those specific numbers concerning the Persian Gulf would be quite different if a poll were conducted today. However, it should not have to take a war to familiarize Americans with our world. If we expect to maintain our position as a world leader and if we intend to address with sensitivity and understanding the political, economic, environmental, social, and military challenges that face us in the international arena, our citizens must develop a better understanding of the world in which we live.

With the energetic guidance of the National Guidance Society, schools across the country have been encouraged to mark this week with special student projects and events that reinforce the importance of a solid education in geography. I am gratified that the House has been able to play an active role in this endeavor and I hope that this resolution will encourage States, cities, and schools to continue their work in promoting geographic literacy.

ISRAEL'S SECURITY A PRIORITY

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DREIER of California. Mr. Speaker, Woodrow Wilson once noted that, "The belief that security can be obtained by throwing a small nation to the wolves is a fatal delusion." Many of us would agree that this statement aptly described the situation facing Kuwait during the past several months. We must remember, however, that a similar situation has been facing Israel for every single day of its 43-year existence.

The United States has been a long-time supporter of the nation of Israel. In addition to being a dependable ally in a tumultuous region, Israel's existence serves as a beacon of hope for millions of Jews in Ethiopia, Eastern Europe, and the Soviet Union. Israel remains the only democratic state in the region, and is today accepting tens of thousands of Jewish immigrants fleeing continuing repression in the U.S.S.R.

The gulf war will only strengthen the bonds between our two nations. The United States proved itself a determined and dependable ally in a time of need. And Israel demonstrated a level of restraint that impressed not only the West, but Arab leaders as well.

Unfortunately, the war took a toll on Israel. Military exercises were increased, gas masks purchased, regional commerce reduced, and damage from Scud missiles sustained. Dozens of Israelis were injured and killed and numerous homes damaged by Saddam Hussein's callous attacks against the civilian populations to Tel Aviv, Haifa, and other cities. Ironically, even the Palestinians, who Saddam claimed to be supporting, were victims of Iraq's campaign of terror. Fortunately, United States-supplied Patriot missiles—converted from air defense missiles to antitactical ballistic missiles by President Reagan—prevented further destruction.

We all recognize our perilous budget situation and the responsibility those of us in Congress have to solve this problem. The slumping economy and the cost of the war will certainly not make our task any easier. In spite of all of this, we have a moral responsibility to assist Israel during this difficult time. The administration has already promised, and in some cases delivered, large aid packages for Egypt and Turkey, and we should not forget the important and constructive contributions to the war made by Israel.

As a result, I strongly support the Desert Storm supplemental authorization bill and hope that my colleagues will join me in wishing our small but invaluable ally a speedy recovery from this unfortunate conflict.

INTRODUCTION OF VAN POOL LEGISLATION

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mrs. KENNELLY. Mr. Speaker, today I am introducing legislation designed to promote the use of mass transit and van pools.

My bill would restore Federal tax incentives for employer-sponsored van pools and mass transit subsidies. Prior to 1986, the Tax Code allowed employers to set up van pool programs for employees as a tax-free fringe benefit, as long as the program was available on a nondiscriminatory basis. That provision has now expired.

Therefore, for an employer to continue the program, it must determine the fair market value of the transportation, deduct any payments made by the employee, and report the difference as imputed income to the employee on his or her W–2 form. Not surprisingly, many employers have elected not to continue these subsidies due to the paperwork.

Current law allows employer-provided discounts of up to $15 per month tax free to the employee for mass transit costs. In many communities, however, this is an insufficient amount to encourage employees to use mass transit. In Hartford, CT for instance, the average monthly cost is $86. Yet, under current rules, if the employer provides a larger discount, the entire amount is taxable to the employee.

My bill would reinstate the provision that allowed the value of qualified van pool benefits to be excluded from the income of employees. In addition, the bill would raise the limits on mass transit subsidies to $100 per month in order to promote greater utilization of this benefit in communities with higher transit costs.

I would urge my colleagues support.

TRIBUTE TO THE 8TH AIR FORCE

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. FAZIO. Mr. Speaker, the recent victory in the Persian Gulf should remind us all of the debt and the gratitude that we owe to all of our Nation's veterans. With this in mind, I want to take a moment to recognize a special group of veterans who are quickly approaching an important milestone. In 1992, the "Mighty 8th Air Force," 650,000 members strong since World War II, will be celebrating their 50th anniversary. The brave men who make up the 8th Air Force have served with distinction and honor, and it is my privilege to recognize them on their 50th anniversary by submitting a brief history of the 8th Air Force written by Dr. Eric Hawkinson—a member of the 8th Air Force, the current chairman of the 8th Air Force Historical Society Unit Advisory Committee, and my constituent. I commend the article to my colleagues and congratulate the members of the 8th Air Force on this special occasion.

The article is attached:

WHEN DID WE QUIT—8th Air Force?

(By Eric Hawkinson)

We began as the 8th Army Air Force in 1942, but when did we quit? We didn't. The 8th Air Force lives today with headquarters at Barksdale Air Force Base, Shreveport, Louisiana. Well then, when did we wrap it up in England following World War II?

The mighty Eighth Army Air Force began on 19 January 1942 and was activated on 28 January 1942 at the Chatham Armory in Savannah, Georgia. Located at Hunter Field, Colonel Asa N. Duncan was the first commander. Pearl Harbor had just been bombed about a month and a half earlier.

Brigadier General Ira C. Eaker took the Eighth Air Force Bomber Command Headquarters to England the next month and located at High Wycombe, about 40 miles west of London and on the road to Oxford. In May 1942 Command of the 8th Air Force was assumed by Major General Carl A. "Tooey" Spaatz. He established the 8th Air Force Headquarters at Bushy Park (Teddington, Middlesex), 15 miles west southwest of the center of London on 25 June 1942.

Shortly after the birth of the 8th AAF at Savannah, one of our own, Joseph A. "Joe" Stenglein, 1st Lieutenant and pilot, in the 8th Bomber Command was on the way to the United Kingdom and in charge of 1,000 officers and men making the transition from Georgia into the United Kingdom as staff for the 8th Air Force. Joe knew the High Wycombe Abbey well as the main Headquarters building of the 8th AAF. There were times when socially he was over at Maidenhead in the home of a British governmental minister with Joe's friend, Pleasant J. McNeel. McNeel later, as did Joe, joined the staff of the 325th Recon Wing. Joe served at the *Widewing* headquarters in the London area and then became Commanding Officer of the organization which was to become the 25th Bomb Group at Watton, north of London.

General James H. Doolittle assumed command of the 8th AAF on 6 January 1944.

Before 1945 rolled around and the war in Europe was over (May 7, 1945) with the surrender of the Germans, approximately 350,000 officers and men had served in the 8th AAF during the three year or so period in which the Americans participated in the European Theater of Operations.

The British had suffered the war many more years, having had various degrees of involvement from 1939 on. Many of their men had gone overseas to distant lands, while the Americans had left the United States which had directly seen little war and were now seeing overseas duty in the British homeland. Some of the children took to the Yanks with their familiar comeon of "Any gum chum?" The older Britons complained that the Yanks were "Overpaid, over-fed, oversexed and over here". As the Americans fraternized with the British women, they also retaliated by saying to the Britons, "Britons are underpaid, undersexed and under Eisenhower".

Our brash warm beer drinking, cigar smoking and gum chewing G.I.s were basically a friendly bunch even as they communicated with the hungry Britons living with rationing, war weariness and a longing for their own troops away in the wars. The Britons eventually felt the Yanks to be less of a threat and invited them into their homes. Their daughters dated them and many married them, 50,000 to be nearly exact!

General James H. Doolittle left the U.K. Base for Okinawa with the 8th Air Force flag in July of 1945 with the intent of bringing

the 8th Air Force there for the final thrust on Japan. Various combat crews returned to the States following their prescribed number of missions for their tour of duty. The ground crews remained from the time of their arrival to the United Kingdom until it became possible for them to return home. The dropping of the atom bombs (August 6 and 9) on Japan brought the war (Japan accepted terms of surrender on September 2) in the Pacific to a close and the 8th AAF personnel did not have to transfer en mass to the Pacific Theater of Operations.

Major General William E. Kepner, relatively little known probably to many G.I.s was the 8th AAF commander 10 May 1945 and Major General Westside T. Larson assumed command on 21 June 1945. General James H Doolittle returned on 19 July 1945 to assume command.

Units were sent to the States for deactivation, officers and men were temporarily assigned to some units going home as an official means of moving them from the UK to the Zone of the Interior (Army talk for the United States), some stayed for purposes of closing bases or carrying out other assignments, such as housekeeping of base closures. Some units and individual officers and men were sent to the Continent for follow-up chores, such as bomb assessment surveys and photographic details, reproduction and interpretation.

Many 8th AAF officers and men were missing in action and never accounted for as to their whereabouts. The 8th AAF suffered 26,000 deaths out of the 350,000 officers and men. (The U.S. Navy suffered 37,000 deaths out of the 4.1 million in the WW II Navy.) Many bodies were exhumed and returned to the U.S. at the request of families and many families opted to allow their loved ones to remain in U.S. Military and other cemetaries in the United Kingdom and the Continent. A number of prisoners of war from the 8th AAF needed medical treatments both in the European Theater and then in the United States. A considerable number needed various kinds of rehabilitation. Many of the veterans of the ETO chose to remain in the service, some chose to remain in Europe, some with the women they had married and others were employed in that Theater.

Whereas probably the bulk of the living from the original 350,000 chose civilian life, many chose the military as a career. Some upon entering civilian life, opted to return to the military service.

The 8th Air Force just did not quit. When the Army Air Force became a separate service from the Army on 18 September 1947, the 8th Air Force continued and currently remains an effective strategic force. It did not quit. It just changed hands! An estimated 650,000 have served in it since WW II!

THE SHEPPARD AND ENOCH PRATT HOSPITAL CELEBRATES A CENTURY OF CARE

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mrs. BENTLEY. Mr. Speaker, my fellow colleagues, I rise today to recognize the Sheppard and Enoch Pratt Hospital on the occasion of a century of mental health care.

Founders Day, May 7, 1991, will mark the kickoff of the hospital's celebration of this momentous occasion. The story of the Sheppard and Enoch Pratt Hospital is a truly remarkable one. Chartered by the State of Maryland in May 1851, and founded by Baltimore Quaker Moses Sheppard, the Sheppard Asylum, as it was named at that time, accepted its first patient on December 6, 1891.

Upon accepting its first patient, the Sheppard Asylum ushered in a quiet revolution in the humane care for the mentally ill. Moses Sheppard held a deep concern for the misunderstanding and poor treatment of the mentally ill in the mid-1800's. The mentally ill were often the victims of inhuman treatment and simply warehoused without any dignity or comforts.

Moses Sheppard championed the cause of better treatment and care for the mentally ill. His dedication to this cause is clearly evident as he left his entire estate to build the Sheppard Asylum. It was his desire to bring into service all that medical science could offer to treat mental illness.

In September 1896, Enoch Pratt, a wealthy Baltimore merchant, died and made the trustees of the Sheppard Asylum his residuary legatee. A philanthropist, like Moses Sheppard, Enoch Pratt shared the humanitarian concerns of Moses Sheppard.

Enoch Pratt came to Baltimore in 1831 from Massachusetts and established a hardware firm. As his wealth accumulated, he developed various business interests and became the director of steamship companies, railroads, and banks. Aside from his business success, Enoch Pratt is also well known for the world renowned library which he founded and that bears his name, the Enoch Pratt Free Library. Enoch Pratt felt that Baltimore was in need of a free circulating library open to all citizens regardless of race, and in 1886, the library began its sevice to the public.

Unfortunately, we tend to judge individuals by their material or monetary wealth. However, the work of Moses Sheppard and Enoch Pratt is a testimony to their personal wealth of character and concern for their fellow man. Their work continues today thanks to their humanitarian efforts of a century ago.

Mr. Speaker, my fellow colleagues, I am proud to congratulate this fine Maryland institution on the occasion of its 100th anniversary. From its inception, the Sheppard and Enoch Pratt Hospital has been a leader in the care and treatment of the mentally ill and has been a place of healing and a beacon of hope for countless individuals. Our country is greatly indebted to the work of Moses Sheppard and Enoch Pratt. Their insight and concern for the mentally ill is still evident today and will undoubtedly prove evident for another century to come.

RECOGNITION OF THE ORANGEBURG COUNTY SOCIAL SECURITY OFFICE

HON. FLOYD D. SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. SPENCE. Mr. Speaker, for the 2d consecutive year, the Orangeburg, SC office of the Social Security Administration has been recognized for outstanding achievement in efficiency and attention to client needs. Mr. Charles Mathis, Orangeburg Social Security branch manager, proudly accepted the regional "Balance is Best" award. It is quite unusual for the same office to receive this award 2 years in a row and, thus, is a testament to the hard work and dedication of the Orangeburg staff. Budget constraints have necessitated staff consolidation. Still, the office employees continue to attend the citizens in a compassionate and knowledgeable manner while maintaining accuracy. The efforts of the Orangeburg Social Security office in behalf of taxpayers should be officially commended for a job well done. Their excellence is a pinnacle toward which we may all strive as we seek to serve the public.

The local community in Orangeburg has also noted the occasion of this tribute to their local Social Security staff. The Orangeburg Times and Democrat newspaper recently noted the presentation of the award and the text of their article follows:

ORANGEBURG SOCIAL SECURITY OFFICE RECEIVES REGIONAL AWARD FOR SERVICE

By Susan C. Larkin

The Orangeburg Social Security office has received a regional award for the second consecutive year, officials announced Thursday.

Orangeburg Mayor Martin Cheatham declared Thursday Social Security in Orangeburg Day at an office luncheon honoring staff members.

The "Balance is Best" award was presented by officials from the Social Security Administration Atlanta Regional Commissioner's office. The office was nominated by the South Carolina area director based on its performance for the past year, said Charles Mathis, branch manager.

According to the mayor's proclamation, the Orangeburg office "achieved the best balance in workload monitoring and updating individual records of any office in the State of South Carolina."

The Orangeburg branch serves Orangeburg, Calhoun and Bamberg counties and almost 25,000 beneficiaries who receive nearly $10 million a month, Mathis said.

The 16 staff members average about 100 walk-in customers a day, and 75 new customers a week, Mathis said. The office was commended for keeping records up-to-date, which includes all the name and address changes of clients, he said.

Computerization of the office helps one person do the work that used to require two, and utilizing appointments and telephone interviews have helped save time and get the job done quickly and correctly, Mathis said.

"We feel our service is good and every day we try to make it the best it can be," Mathis said.

While Mathis acknowledged his office is not perfect and does make mistakes, Operations Supervisor Gail Perozzi said they receive more complaints about the way the Social Security laws are written than they do about the way in which the office staff handles the clients.

NO GREATER SACRIFICE

HON. RICK SANTORUM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. SANTORUM. Mr. Speaker, no American has made any greater sacrifice as a result of the Persian Gulf conflict than Bernadine Sulkowski. Ms. Sulkowski was the fiancee of Sgt. Alan Craver, one of the members of the 14th Quartermaster Detachment who died in the Iraqi Scud missile attack on Dhahran, Saudi Arabia.

This tragedy which brought me into contact with the Craver and Sulkowski families has also made me aware of the dedication that marked Alan and Bernadine's relationship and the integrity with which they lived. They had been dating for 5 years and were planning to be married after Alan returned home from his service in the gulf.

Attending Sgt. Craver's memorial service as a Representative of the Congress was certainly one of the most difficult tasks I have had since taking office. But it was made easier by the grace with which Bernadine, the Cravers and the Sulkowskis have dealt with this unspeakable loss. Though they have greatly mourned Alan's passing, they have also shown a special courage that comes from their love for each other, their loyalty to this Nation, and their commitment to the values for which Alan lived and died. Their faithfulness in the face of such great sorrow has been an inspiration to me.

The service Bernadine has offered to this country is every bit as priceless as the service offered by those in uniform. On behalf of all Members of Congress, I would like to express this body's deepest sympathies to Bernadine Sulkowski. Bernadine, each and every one of us recognizes and appreciates what you have given to our country.

FOR RATION WATER ALLOCATION

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. GEJDENSON. Mr. Speaker, during consideration of H.R. 355, the Reclamation Emergency Drought Relief Act of 1991, I plan to offer an amendment to this important legislation.

My amendment is very simple. It will require that water districts pay the full unsubsidized cost for water provided under the authority of this legislation that is used for the irrigation of surplus crops.

This amendment does not prohibit any irrigator or water district from using their own funds to buy water in the free market, from whatever source or for whatever purpose.

It also does not affect water already provided to a water district under an existing contract.

My amendment simply requires that full cost be charged for water used in the irrigation of surplus crops that is provided by virtue of this drought relief measure or by future drought contingency plans developed by the Department of the Interior.

For example, this provision would apply to water that may be used for the irrigation of surplus crops that is provided through a special purchase by the Secretary of the Interior for drought relief, or a special sale by the Secretary to nonreclamation service areas, as provided under this bill.

For the past 4 years of this drought, considered to be the worst in 50 years, California's water distribution system has been able to supplement the lack of rainfall for agricultural uses with other sources. As a result, until this year, irrigators have seen little or no reduction in their supply of irrigation water.

This year, however, we have come to realize that water is a very limited resource. There is no longer an unlimited supply. As a result of this drought, we have come to understand that by providing water to one user we deprive another. By providing a farmer with federally subsidized water to grow monsoon-climate crops, like rice or cotton, we are depriving other users.

What this drought has taught us more than anything is that we must allocate water rationally in time of plenty and even more importantly during times of drought. We are now facing, and have been for the past 4 years, a terrible western drought. How can we justify providing federally subsidized water to irrigate surplus crops, while depriving perennial crop producers, who are already hurting from the freeze of December 1990, fish and wildlife, some species of which are already threatened, and municipal and industrial users who are already facing severe rationing?

The Western States are facing a terrible drought and we have a responsibility to help them. However, while helping to provide relief, that assistance must come in a rational way. We cannot subsidize the irrigation of unneeded surplus crops with supplemental water that we are providing because of a drought emergency. My amendment provides the guidance that is necessary to allocate this precious resource more rationally.

I urge my colleagues to join me in support of this amendment.

My amendment to this legislation would ensure that water provided by this drought measure will not be subsidized to irrigators of unneeded surplus crops.

CONGRATULATIONS TO MICHAEL SUTERA

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. TORRICELLI. Mr. Speaker, it is with great respect and admiration that I address my colleagues in the House today, for I rise to extend my heartiest congratulations and warmest best wishes to Michael Sutera on being chosen as Man of the Year by the Hackensack, NJ chapter of UNICO.

Michael Sutera is a lifetime resident of Hackensack, NJ. He is a product of the Hackensack school system. Michael is a prominent and outstanding citizen of the City of Hackensack. He is active in many community organizations including UNICO which he has been a member of since 1969. He is a member of the Knights of Columbus, Veterans of Foreign Wars, American Legion, Loyal order of Moose, B.P.O. Elks and the Hackensack Troast Athletic Club, Inc. He has served as president of the Italian-American Forum of Lodi where he serves as permanent financial officer and advisor.

Michael is also very active in many charitable civic, athletic and religious organizations. He is a member of St. Francis Roman Catholic Church in Hackensack as well as a member of the Holy Name Society. Michael has served on the Human Rights Committee, the Rent Stabilization Board, and is serving on the Zoning Board of Adjustment in Hackensack at present.

Michael served his country in the United States Army in 1942, including 2 years in Europe as a Sergeant Technician Fourth Grade. When the war ended, Michael served in Germany as acting First Sergeant of a company of 200 men. He received an honorable discharge in 1945.

Michael and his wife, Cira, are the parents of two, and the proud grandparents of four.

Mr. Speaker, I am proud to join in paying tribute to Michael Sutera. I am sure he will continue to provide invaluable service to his community and truly make a difference in society. I extend my best wishes to him on this most special occasion.

THE TIRE RECYCLING PROMOTION ACT AND THE BATTERY RECYCLING AND RESEARCH ACT

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. HOCHBRUECKNER. Mr. Speaker, today I am introducing two bills that would help to alleviate America's worsening solid waste problem. The Tire Recycling Promotion Act and the Battery Recycling and Research Act will create arenas for research and public awareness in regard to the importance of recycling methodology.

Lead is one of the most toxic constituents of solid waste. Each discarded car battery contains about 20 pounds of lead, and over 70 million lead batteries are scrapped each year containing an estimated 630,000 tons of lead. Ridding the waste stream of this toxic substance should be a top priority for Congress. The Battery Recycling and Research Act would require that all used lead-acid car batteries be recycled. Wholesale and retail battery sellers would have to accept used batteries from consumers. In addition, the Environmental Protection Agency (EPA) would be required to conduct a study on the potential for recycling household batteries.

On the tire front, 270 million used tires are scrapped each year nationwide. Most end up in unsightly and hazardous tire piles on the roadside or are landfilled. Some are incinerated with mixed solid waste. In each of these cases, they can create serious health and environmental problems. The Tire Recycling Pro-

motion Act would authorize the creation of a Commerce Department Office of Recycling Research and Information. This Office would work cooperatively with the EPA to support research and development of recycling technologies and markets for reuse of tires.

Mr. Speaker, I urge my colleagues to support these measures as they promise to help our Nation in its fight against a serious garbage crisis.

CODIFICATION OF TITLE 49, UNITED STATES CODE, "TRANSPORTATION"

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. BROOKS. Mr. Speaker, I am today introducing a bill to revise, codify, and enact without substantive change certain general and permanent laws, related to transportation, as subtitles II, IIII, and V—X of title 49, United States Code. This bill has been prepared by the Office of the Law Revision Counsel as a part of the program of the office to prepare and submit to the Committee on the Judiciary of the House of Representatives, for enactment into positive law, all titles of the United States Code.

This bill makes no change in the substance of existing law. It is the final phase in th codification of title 49 and, on its enactment, will complete the codification of that title.

Anyone interested in obtaining a copy of the bill and a copy of the draft committee report (containing reviser's notes and tables) to accompany the bill should contact Edward F. Willett, Jr., Law Revision Counsel, House of Representatives, H2–304, Ford House Office Building, Washington, DC 20515.

Persons wishing to comment on the bill should submit those comments to the committee no later than May 31, 1991.

TIME TO TRAVEL AGAIN

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. BEVILL. Mr. Speaker, I rise today on behalf of the U.S. travel and tourism industry to encourage Americans to start travelling again. The threat of terrorism during the Persian Gulf crisis caused many people to cancel their travel plans.

Now that the war is over, it is time to travel again. And, Americans can go with more confidence. The airlines have demonstrated that they have a very high level of security and it looks like they are offering some good deals on fares as well. In fact, all sectors of the industry are offering discounts and travel packages to get Americans travelling again.

I am optimistic that the tourism industry will bounce back this summer. After all, this is one of the biggest businesses in our Nation. And, it is our largest export, surpassing in sales both agricultural products and auto manufacturing. Six million jobs are at stake in this industry, so when people travel it certainly helps our economy.

Tourism is certainly very important to my home State of Alabama. And, we have a lot to offer vacationers. We have beautiful lakes, mountains, rivers and beaches, as well as other tourist attractions. When you start planning your next vacation, I hope you'll consider Alabama. It would be a good place to start.

NEW SUPPORT PRICE FOR DAIRY FARMERS

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. RIDGE. Mr. Speaker, I rise today to express my support for and join as an original cosponsor of legislation introduced by Congressman JIM WALSH, the dairy farmer emergency relief bill. In the last few months dairy farmers have come under tremendous financial strain due to the collapse in the price of milk, which has fallen sharply since January 1990. While the dairy support price program in the Food and Agriculture Resources Act of 1990 assures an adequate supply of milk and dairy products at reasonable prices, in the long run it does not provide the short term income relief that our beleaguered dairy farmers need. Without this relief, many dairy farmers will be forced out of business.

The dairy farmer emergency relief bill will provide the assistance that is needed. The bill temporarily adjusts the class I basic formula milk price to $13.09 per cwt., an increase of $2.99 over the current price support level. It also pools the funds generated by the increase in prices to ensure that Grade A producers in all the Federal milk marketing areas benefit equally.

The Dairy Prices Support Program, which was established by the Agriculture Act of 1949 is a fundamental component of public food policy. The program provides a degree of assurance to dairy farmers that the price they receive for milk reflects the price support level established by the Congress. It also assures consumers an adequate supply of pure and wholesome milk and diary products at reasonable prices. The bill introduced by Congressman WALSH will maintain this support at a fair market price.

Our Nation's dairy farmers desperately need this legislation if they are to continue to successfully operate their farms. And so today I join several of my colleagues to pledge my support for this legislation, and trust that this issue will receive the full support of the House of Representatives.

THE ALTERNATIVE FUELS INCENTIVE ACT

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. ANDREWS of Texas. Mr. Speaker, two of the greatest problems we must address in the very near future are energy self-sufficiency and protection of the environment. For many years I have advocated the need for increased use of alternative fuels in this country. They are clearly the best way to address these plaguing problems. It is time the Federal Government acknowledge their value and encourage their use.

To this end, I am introducing today the Alternative Fuels Incentive Act of 1991. This bill will provide the initial support needed to start a large-scale alternative vehicle fuel movement in the United States. Last year, I was glad to be joined by 74 of my colleagues among whom were members of both parties from many different regions of the country.

The Alternative Fuels Incentive Act of 1991 will provide tax incentives to encourage the use of clean-burning alternative fuels in vehicles. The switch to such fuels is absolutely essential to improve our national energy security and clean up our air.

Our country has gone without a comprehensive energy policy for too long. The recent war in the Persian Gulf has made the need for such a policy clearly evident ot everyone. Not only is our reliance on foreign oil a threat to our national security, but our domestic oil and gas industry is in shambles and consumers are continually subjected to wild fluctuations in prices.

We simply must encourage further development of our domestic energy resources for the long term. Domestic supplies of clean-burning alternative fuels such as natural gas, ethanol, and methanol are plentiful and have no negative impact on the Nation's trade balance. The Department of Energy estimates that our potential domestic supply of natural gas is 1,188 trillion cubic feet. At present rates of consumption that is a 68-year supply of gas. Methanol is derived from natural gas and coal. Ethanol is derived from corn which is produced in surplus by our farmers every year. I believe it is imperative that we capitalize on these important domestic resources.

In addition to being good energy policy, this legislation has numerous environmental benefits. While much of the environmental debate has focused on ways to reduce stationary source industrial pollution, it has somewhat ignored the fact that nearly half of the ozone pollution problem in many areas like the city of Houston can be attributed to vehicle emissions from the transportation sector. As the number of vehicles on the road increases, so does our air quality problem. This is the problem I have targeted in my bill.

Switching to clean-burning vehicle fuels can greatly reduce smog-forming emissions of reactive hydrocarbons and nitrogen oxides. For example, using natural gas instead of gasoline can reduce reactive hydrocarbon emissions by up to 85 percent and nitrogen oxide emissions by up to 65 percent. Alternative fuels are also an effective tool against acid rain and global warming because they reduce carbon dioxide emissions.

The Alternative Fuels Incentive Act of 1991 provides the needed push to start a large-scale clean-burning alternative fuels movement in this country—"clean burning" is defined as natural gas, liquefied petroleum gas, liquefied natural gas, electricity, or a fuel

which is at least 85 percent methanol, ethanol, other alcohol, or ether.

Specifically it would provide:

A 20 percent tax credit for equipment to convert a vehicle so that it may run a clean-burning fuel.

A 20 percent credit for refueling station equipment directly related to delivering a clean-burning fuel into the fuel tank of a vehicle—including tanks for liquid fuels and compressor stations for natural gas.

A 20 percent credit for the fuel system of a new vehicle produced to run only on a clean-burning fuel.

Credit equivalent payments to State and local agencies so that they may take advantage of the credit.

The initial effect of this legislation will be to encourage private and public fleet owners to convert their vehicles to run on an alternative fuel, and it would also encourage the development of a badly needed alternative fuels infrastructure in this country.

We have the technology to make alternative fuels a reality today. Only the initial cost of converting to a system of alternative fuels and natural inertia is holding us back. For example, the cost of converting a vehicle to run on natural gas can be over $1,000. The cost of installing a compressor station for the refueling of natural gas vehicles can run into the hundreds of thousands of dollars. These costs are significant hurdles to the development of an alternative fuels system.

Mr. Speaker, this proposal is an important component of a sound national energy strategy for America. Although people across the country are beginning to recognize the enormous benefits inherent in conversion to alternative fuels, the risks to our national security and our precious environment continue to mount. As Congress works in the coming months to develop a comprehensive energy program, I hope my colleagues will join me in making a serious commitment to the use of alternative fuels.

NATIONAL ALZHEIMER'S DISEASE MONTH

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. LOWERY of California. Mr. Speaker, I rise today with my colleague BULTER DERRICK from South Carolina to introduce a resolution designating the months of November 1991 and November 1992 as "National Alzheimer's Disease Month." I can report progress against this insidious illness in the 8 years since I first presented legislation to the Congress, but the tragedy of Alzheimer's continues to ravage the lives of millions of Americans and their families. Sadly, Alzheimer's has become the fourth leading cause of death in the United States.

In the past 2 years, we have learned that Alzheimer's disease may afflict more than 4 million Americans. This destructive neurological disorder is tragic not because it can cause an untimely death, but because it inflicts cruel mental deterioration and increases dependency on others. To date, we have found neither a reliable means of diagnosis nor an effective treatment. As the disease develops, patients progress from mild speech impairment and memory lapses to more pronounced confusion and loss of muscle coordination. Eventually, victims lose their personalities, suffer complete dementia, and die usually after taking a massive emotional toll on a family member who has acted as a care giver.

Alzheimer's is by no means a simple medical problem. The Alzheimer's Disease Association believes the disease costs the United States more than $90 billion a year in direct and indirect costs and lost productivity. Millions of families spend vast amounts of time and money trying to find proper care for their loved ones. As a recent Office of Technology Assessment report indicated, navigating the maze of health care providers, respite care centers, community agencies, legal and financial counseling, and other social services makes Alzheimer's a burden unlike any other. When one combines our general health care woes with Alzheimer's unique challenges, the outlook for America's aging population is truly frightening.

Still, the news is not all bad. Families and patients now have care alternatives and support groups they can turn to for help, and, we are at last close to developing an early diagnosis test which will identify certain proteins in the blood system. Research has yielded positive evidence that Alzheimer's is not an inevitable consequence of aging but may be associated with a deficiency in the amount of an enzyme which is noramlly found in the brain and nervous system. Other scientific inquiry has been focusing on possible genetic defects, atypical infectious agents, and accumulation of aluminum in the brain and irregularities in calcium regulation. The $100 million increase Congress provided for research last year together with private initiatives will build upon the promise of current work. In 1991, we can declare that an effective treatment is no longer a distant dream.

Mr. Speaker, I introduce this measure today to heighten national awareness, to praise all organizations which have advanced research, support networks, and care with dignity, and to let millions of victims and families know that we sense their pain and we join them in their fight. I appreciate the overwhelming support the House has shown for National Alzheimer's Disease Month in years past and hope my colleagues will once again raise their voices for all those who suffer from and battle this horrible affliction.

THANKS TO SBA ADMINISTRATOR SUSAN ENGELEITER FOR A JOB WELL DONE

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. IRELAND. Mr. Speaker, after 2 years as Administrator of the U.S. Small Business Administration [SBA], Susan Engeleiter is returning to her home State of Wisconsin to accept a job in the private sector. Those of us in Congress who have had the pleasure of working with Ms. Engeleiter will be sorry to see her go, but we wish her well in her pursuits.

Most of us know Susan from our dealings with her here on Capitol Hill. She was a most effective advocate for the interests of America's small business community. She made cogent arguments for reducing capital gains, backing those arguments up with studies performed by SBA clearly demonstrating that a majority of small firms receive financing from informal investors who would directly benefit from a restored capital gains differential.

Last October, Susan hosted a national roundtable in which the representatives of 19 key associations gathered to discuss the small business health insurance problem. Top-level representatives from the insurance industry, the medical industry, insurance regulators, and key research institutions took part in this forum. The group made several major recommendations that were endorsed by SBA's National Advisory Council. Administrator Engeleiter presented these recommendations to the White House and to key officials in the Administration.

Susan also was an effective small business advocate within the Administration, and a respected participant in the Bush administration's policy deliberations. She and other SBA representatives have participated in dozens of working groups and policy committees on topics ranging from product liability to international trade, and from health care to economic empowerment, to help ensure that the needs and concerns of small business were heard and understood.

As Administrator, Susan strengthened programs designed to meet the needs of minority and women-owned businesses. She also stepped up the agency's efforts to increase the number of small and medium-sized businesses that export. At her direction, SBA worked with the Department of Commerce to conduct matchmaker trade missions, which drew nearly 400 small businesses.

Susan took part in a trade mission to newly opened markets in Eastern Europe. She visited Poland and Hungary, where she helped business people and government officials better understand the value of small business to the advancement of a free enterprise economy.

And under Susan's capable direction, the SBA quickly and efficiently dispensed aid programs that were vital to the recovery of millions of people in the wake of Hurricane Hugo, the San Francisco Bay area earthquake and numerous other disasters. Susan personnaly visited many of the sites to ensure the effecitve delivery of assistance programs.

Administrator Engeleiter has increased awareness of small businesses' contributions—and their concerns—in Congress and across the country. It was always a pleasure dealing with Susan, and I am sure that I speak for many in the small business community and Congress when I express our thanks to her for a job well done.

THE NATIONAL INSTITUTES OF HEALTH REVITALIZATION AMENDMENTS OF 1991

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. WAXMAN. Mr. Speaker, I am pleased to introduce H.R. 1532, the National Institutes of Health Revitalization Amendments of 1991. The legislation is similar in many respects to legislation reported by the Energy and Commerce Committee during the last Congress. Unfortunately, final consideration of the legislation was not possible prior to adjournment.

The legislation assures the continued strength of the NIH by extending the authorization of appropriations for the National Cancer Institute, the National Heart, Lung and Blood Institute, the Medical Library Assistance Act, the National Center for Biotechnology Information and the National Research Service Awards Program.

Further, the legislation addresses several issues of critical importance to maintaining America's international preeminence in biomedical research. These include reversing politically inspired restrictions on research into cures and more effective treatments for Alzheimer's disease, juvenile diabetes, and Parkinson's disease which involve the use of fetal tissue.

The legislation would end the practice of excluding women from participation in clinical trials and require additional attention to research on diseases that affect women. In addition, the legislation establishes an Office of Women's Health Research charged with assuring that women are included in NIH-funded clinical trials.

The legislation provides a new authorization of appropriations to strengthen the important programs of the National Institute on Aging and to expand needed research into the causes and treatment of osteoporosis.

New authorities are provided to spur research into chronic fatigue syndrome, contraception and infertility, multiple sclerosis and medical rehabilitation.

The legislation strengthens NIH procedures for dealing with scientific misconduct, protecting whistleblowers and preventing conflicts of interest.

The legislation will help NIH retain and attract senior scientists by expanding the size of the Senior Biomedical Research Service.

Finally, the legislation provides strong Federal criminal penalties to protect research laboratories and scientists from violent attacks by animal rights extremists.

Mr. Speaker, consideration of these issues is critically important to assuring that the Nation's investment in health research continues to yield dividends.

Hearings on H.R. 1532 are scheduled for April 10.

COOL PAPA

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. CLAY. Mr. Speaker, it saddens me to announce that the St. Louis Community has lost Mr. James "Cool Papa" Bell, the legendary former baseball superstar of the Negro Leagues. Hailed by experts in the sporting community as one of the greatest to ever take the field, Bell succumbed to failing health at the age of 87 and died on March 7, 1991, in a St. Louis hospital.

He was a native of Starkville, MS, and began his celebrated career in St. Louis playing with the St. Louis Stars. After 9 years, he moved on to the Kansas City Monarchs, the Pittsburg Crawfords, the Chicago Giants, and the Homestead Grays. During winter months he played in the Dominican Republic and Mexico.

Though James "Cool Papa" Bell was acknowledged as a great batter and fielder, his true claim to fame was speed. His colleagues coined him "the fastest man on base paths." The legendary Satchell Paige was famous for telling the "light switch" story, claiming that Cool Papa was so fast he could turn out the lights in his bedroom and be across the room, in bed and under the covers before it got dark. In Paige's autobiography he compared Cool Papa to Jesse Owens saying that in a race Papa could have made Jesse Owens look like he was standing still.

Though the records of many Negro League players were not fully documented, Bell is recorded to have hit 21 home runs in 1 season and to have stolen 175 bases in the year 1933. It was said that he could circle the bases in a record 13 seconds.

Mr. Bell was one of the highest paid ballplayers in the Negro leagues, but his $90 monthly salary couldn't compare to the high salaries paid to white stars in the major leagues. The first black ballplayer—Jackie Robinson—was admitted to the major leagues one year after Cool Papa ended his 29 year career. Sportswriters contended Cool Papa was born a few years too early. Cool Papa always claimed "The doors were opened a few years too late."

Mr. Bell and his fellow Negro colleagues never received the exposure or the rewards they were entitled because white America insisted on a system of strict racial apartheid. It is also regrettable that many white baseball fans were denied the opportunity to see Cool Papa and his cohorts in action—truly some of the most talented players ever to grace the field.

Mr. Bell made St. Louis his home upon retiring from baseball in 1946, working for the next 27 years as a janitor and watchman at city hall. He resided on a street named after him by the board of aldermen—James "Cool Papa" Bell Avenue.

James "Cool Papa" Bell was a shining star in the legendary Negro Leagues. His legacy opened the doors for the Jackie Robinsons, the Willie Mays, the Hank Aarons, and the Reggie Jacksons. He was a link connecting the past with the present. Please join St. Louis in bidding him farewell.

ACCLAMATION FOR AMY DIANNE LAHNA

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. APPLEGATE. Mr. Speaker, I rise today to pay tribute to Amy Dianne Lahna, a junior at Ridgewood High School in West Lafayette, OH. I am proud to announce that Amy was awarded 10th place honors in the Voice of Democracy Broadcast Scriptwriting Contest. The contest theme this year was "Democracy—The Vanguard of Freedom." More than 138,000 students competed for the 14 national scholarships which were awarded to the top winners. I have the honor to present Ms. Lahna's script to you today:

As I approached the preparation for this speech, I thought to myself, "What do I know about democracy and freedom?" I am 16 years old. I wake up every morning to the sounds of a blaring M.C. Hammer on my stereo beside my nice warm bed. I pop into a hot shower and jump into my Guess jeans and a designer sweatshirt. My concept of freedom is no homework and the family car to cruise around town. What do I know about freedom?

For me, barbed wire fences are what keep the cows in the pastures of our picturesque, rolling hill farms, not a cold fence that confines and prevents people from going where they wish to go. For me, concrete walls are what flowers are planted around to bloom in the spring and bring beauty to the lawn in the summer, not a place where a guard stands duty to shoot those wanting to pass through to another land. For me, hunger means that my 5-minute pizza hasn't arrived yet, not having to stand in line for food rations. What do I know about freedom?

I do know that freedom has been handed down to me like a family heirloom. Our founding fathers of centuries past thought out, worked for and fought for the democratic society which allows you and me to enjoy these freedoms and luxuries * * * and I thank God for being born in America, * * * where a democracy permits us to make today's choices and enjoy the victorious rewards from those who came before us. I thank God for giving me the life that follows the great men and women who created the early government, the Constitution & Bill of Rights, and for our great-grandfathers, and grandfathers who fought in World War I, World War II, Korea, and for my own father who served proudly in Vietnam to protect and defend what our country stands for.

Indeed, democracy is the vanguard of freedom and those who have come before us have placed us on a huge track. Racing to place us in a position to excel. They have handed us the baton to carry on the race, bringing pride to ourselves and insuring that the democracy will continue on to our children and our children's children. They have given us the opportunity to ensure that the next generations will know that barbed wire fences are for keeping cattle—not people, and that stone walls should have flowers—not guards and that they can choose and decide to make a better place on earth for themselves and those around them.

What do I know of freedom and democracy? I know that my freedom from living in a democracy allows me to wake to that blaring radio, free of censorship—it affords me a nice home with nice clothes and plenty of food. It allows me to enjoy the beautiful countryside to study and travel and learn. I, like my friends around me, am waiting in the lane to be handed that baton—not to finish the race, but to add our miles to those who came before us. It is not going to be an easy race with the thoughts of Iraq and Iran staring us coldly in the face, but our forerunners have set the pace. We are the next generation of Senators, businessmen and women, clergy, laborers who will make decisions and run the race for those to follow. Because of our inheritance we do not have to invent a system—we have a solid system to build upon. Our track is the democratic system—our finish line is peace for all nations. As I see it, the challenge put before my generation is to pick up that baton, do what we can do to advance, and then pass it along to the next generation.

What do I know about democracy and freedom? I know not to take them for granted or to take them lightly. I thank God for my freedom and for my democratic country.

Mr. Speaker, it is my distinct honor and privilege to ask my colleagues to join with me in acclamation of Amy Dianne Lahna for her remarkable accomplishment and success in the Voice of Democracy competition.

MEDICARE TRUST FUND INTEGRITY ACT

HON. D. FRENCH SLAUGHTER, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. SLAUGHTER. Mr. Speaker, this morning I reintroduced the Medicare Trust Fund Integrity Act to address the poor financial condition and budgetary misuse of the Medicare trust funds.

Like Social Security, the Medicare trust funds have long been used to mask the true size of the Federal budget deficit. Fortunately, we were able to take Social Security off-budget last year. Let us now take an additional step toward real deficit reduction by removing the Medicare hospital insurance trust fund from deficit calculations.

According to the Medicare trustees, Medicare part A may be broke as early as 1999, and therefore unable to provide critical hospital benefits to millions of beneficiaries. Rather than wait for such a crisis, this bill would require the trustees and the General Accounting Office to study and recommend to Congress ways to avoid the looming Medicare bankruptcy.

Mr. Speaker, I urge my colleagues to join me in sponsoring this important legislation.

TRIBUTE TO CORYELL FAMILY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. TRAXLER. Mr. Speaker, I rise to honor Charles Coryell and his family for their many contributions to the Boys and Girls Club of Bay County, MI which is located in my district. On April 18, 1991 the Coryell family will receive the annual Helping Hand Award from the Boys and Girls Club. As further recognition of their generosity and support, the club's facility will be renamed the Coryell Building.

The Helping Hand Award is presented to persons who have enhanced the quality of life for community residents. The Coryell family has been involved with the Boys Club, as it was originally known, since its inception in 1957. The first club rooms were located at 714 Adams St., in space donated by the Bay Elks Club; and, the Bay City Police Department was instrumental in providing staff in those early days. The next move was made possible by a sizable donation from the Coryells to renovate two quonset huts that had been donated by the U.S. Navy. This provided the club with its first gymnasium and games room.

The Boys and Girls Club is now permanently located in a beautiful building at 300 West Lafayette. Thanks to the creative fundraising skills of Charles Coryell, Jr. In 1973, he chaired the first capital fund drive for a permanent home for the club. His personal gift, family gift, business gift, and those he secured through personal solicitations accounted for more than half of the total amount raised. Another 30 percent was pledged through the efforts of solicitors Chuck recruited and trained. Then, in 1984, he chaired a second campaign which funded an addition. In recognition of the family's generosity, the building was named for the late John A. Coryell, Sr.

The Boys and Girls Club is more than a place to hang out. There, the kids find caring people who listen to problems. The club provides career training programs, physical education, educational tutoring, citizenship and leadership skills, and delinquency prevention. Team sports are stressed—no one competes to make the team—everyone gets to play. The club has accepted the challenge of guiding its young members through an important stage in their lives when they are pressured by many social ills. The Coryell family has influenced the trend for the Boys and Girls Club—the modeling of our community leaders of tomorrow.

In bestowing the Helping Hand Award and renaming the facility, the Boys and Girls Club of Bay County is expressing its gratitude to the Coryell family for many years of unwavering advocacy and support. Chuck Coryell has served on the board of this fine club since 1961 and continues to champion their cause.

It is indeed a pleasure to pay tribute to Charles Coryell, Jr. and the Coryell family and to thank them for exemplifying the ultimate in giving of one's time and resources. Their compassion and concern have lightened the hearts of many people in our community.

LEGISLATION TO HELP U.S. INDUSTRY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. MINETA. Mr. Speaker, today I am introducting legislation to require the Secretary of Commerce to identify those industries in the United States that are necessary to support a robust manufacturing infrastructure and vital to the continued development of commercial industry in the United States.

This legislation will require the Secretary to develop a plan outlining the public and private efforts needed to ensure the growth and stability of economically critical industries.

Mr. Speaker, for years, the Federal Government has been successful in supporting the Nation's defense-related industries and promoting sales of military exports. It is time to follow a similar strategy for commercial industry.

Industries such as semiconductors, computers, high definition systems, and machine tools are some of the critical industries that will provide the bulk of employment opportunity and economic growth as the world turns from military conflict to economic competition.

Only our Nation's commercial employment opportunities and industries can ensure that Americans have a high standard of living, a safeguarded environment, housing for the homeless, improved health care, and a strong national defense.

Mr. Speaker, the first step toward a successful economic future is to identify those critical industries and evaluate their health so that government and industry will be able to work together to guarantee their future.

RECOGNITION OF WORLD HOME ECONOMICS DAY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DELLUMS. Mr. Speaker, today is World Home Economics Day, an occasion which provides an opportunity for all to celebrate the profession and offer our thanks to home economists for their dedication and service to families and individuals. It is important to us here and to the Nation at large to recognize the day named for the profession that has played an invaluable part in the continuing quest to improve quality of life for us all. Today, March 20, and throughout the week, there will be many special activities and programs to recognize the contributions of home economists.

Here in the United States, home economists serve as teachers in our elementary, secondary, and postsecondary schools. They are also professors and researchers at the university level and cooperative extension agents in both rural and urban areas. And home economists play an important role in the business and service industries working on such issues as product development, nutrition labeling and food safety as well as child and senior care. They also work in foreign lands, assisting with international development.

One national association, the American Home Economics Association, provides a voice for over 24,000 home economists from all of the diverse areas of home economics mentioned above. AHEA's public policy priorities include, but are not limited to, vocational education, nutrition labeling, food safety, high-

er education, adolescent, as well as international development and development education. The American Home Economics Association also has several special projects to address school age child care, the prevention of teen pregnancy and the recruitment and retention of minorities in the field of home economics.

At the international level, the interests and concerns of home economists are represented by the International Federation for Home Economics which has representatives from over 116 countries. The goal of this international association is to bring together institutions and individuals interested in home economics education and its continuing service to families of many cultures. The International Federation has several United Nations liaison officers and has also operated special programs such as training and technical assistance for women of 13 West and East African countries, an income generating project of women in 12 Latin American countries and family planning workshops in 25 countries in Asia, Africa, and Latin America.

In keeping with AHEA's mission to improve the quality of life for individuals and families, home economists strive to meet the variety of changes that have affected work and family needs. Home economics is a discipline that seeks to promote an educational approach which will prevent crises related to issues such as family stability, resource management and dependent care and to support the enrichment of family life.

Therefore, today, let us thank home economists who are making a difference in our lives. On this, World Home Economics Day, I ask you to join me in thanking the members of the profession dedicated to strengthening the family, our Nation, and the world through education and service.

THE YANKEE TRADER: AN IMPORTANT NEWSPAPER IN THE COMMUNITY

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. HOCHBRUECKNER. Mr. Speaker, it is my pleasure to aquaint you with a newspaper that plays an important role in my district, the Yankee Trader. This newspaper is currently celebrating 25 years of service to its community.

The Yankee Trader carries important information to its readers. Each week more than 400 volunteer programs use this newspaper, gratis, to announce their meetings and events.

The Yankee Trader is also involved more directly in community service; for example, it feeds the homeless during the holidays. However, this newspaper's most impressive work has been with the Special Olympics. The Yankee Trader operated three concession booths for both their fall and spring games, offered a scholarship program, designed the Special Olympics Journal, and printed ongoing news and notices of Special Olympics events and needs. More than 30 of the newspaper's employees and their families volunteered to staff these events. In recognition of such invaluable services, the Yankee Trader was selected as the most outstanding corporate sponsor for Special Olympics in New York State.

Mr. Speaker, I think it is important that we too voice our support for the Yankee Trader during its silver anniversary. Without the community services this newspaper provides, many groups and people would lose essential support. I'm proud that the Yankee Trader serves the people of my district.

TRIBUTE TO EDWARD A. MATTIOLI

HON. BILL PAXON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. PAXON. Mr. Speaker, I rise today to join with the family and friends of Edward A. Mattioli in paying long overdue tribute to this dedicated and tireless public servant on his retirement as Newstead Town attorney.

For 36 years, Ed Mattioli served his community as counsel with distinction, providing expert assistance to the Newstead Town Board in charting the course of progress in that wonderful township.

When Ed retired as town attorney last December, he left a legacy that is unsurpassed in local history; no one has ever served longer in this position.

In addition to his municipal service, Ed has also served as counsel to such institutions as the Akron Central School District, the Bank of Akron, and numerous area businesses.

Ed's legal dedication has not been limited to the public sector, and he has been active and successful in the private sector as part-owner of radio station WXRL and the Dande Farms Country Club.

As a private practitioner, Ed Mattioli's legal expertise continues to benefit many individuals and families throughout western New York, and he has a solid reputation for diligence, compassion and knowledge of the law.

Throughout his lifetime, Ed has been actively involved in many community, charitable and civil matters, ranging from assisting the Akron Volunteer Fire Company to working tirelessly on behalf of his parish church, St. Teresa's in Akron.

On a personal note, the Mattioli and Paxon Families have enjoyed decades of friendship; my father, Leon, and Ed practiced law together; Ed and Natalie Mattioli are my godparents in the Roman Catholic Church.

On Wednesday evening, March 20, 1991, the Akron and Newstead community will honor Ed Mattioli at a dinner at the Akron House, on Main Street in Akron.

Mr. Speaker and my colleagues in Congress, today we pay tribute to Edward A. Mattioli on the occasion of the dinner held to mark his retirement as town attorney. However, there is no doubt that his community, friends, and neighbors will continue to enjoy his good services for many, many years to come.

I congratulate Ed and Natalie, his wife of 43 years, and wish them all the best for continued success in all their future endeavors.

AMERICAN STUDENTS COMMITTED TO CHANGING THE WORLD

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. HALL of Ohio. Mr. Speaker, as chairman of the House Select Committee on Hunger, I am pleased today to recognize the effort of thousands of students who are involving themselves in the fight against hunger by participating in the "Seventh Annual Student Hunger Cleanup" on April 13, 1991. The cleanup is an annual spring event that combines community service and fundraising. It is one of the Nation's most successful student-community events and is invaluable in the struggle against hunger.

The hunger cleanup is a national work-a-thon in which students raise money by signing up sponsors for community improvement work which they perform. Last year's cleanup raised $200,000 through the work of 14,000 students who volunteered in 112 cities. The participants volunteer for such activities as painting and fixing up homeless shelters, working in soup kitchens, senior citizens homes and day care centers, and the general cleaning up of community facilities.

But more than fundraising, the hunger cleanup is an awareness raising event. The community, the contributors, and the volunteers themselves learn about what needs to be done to make a better life for the impoverished in the local area, and around the world. The participating students decide how the money they raise will be spent locally. They educate themselves about local needs, local poverty, and the local structures which need assistance. About 50 percent of the money will be used for this community development.

Another portion of the money is directed toward international grassroots development programs through the International Development Exchange. The countries selected for this year's efforts are Sierra Leone, Kenya, Guatemala, and the Philippines. All of the programs are oriented toward international development and sustainable agriculture.

The cleanup is an activity of the National Student Campaign Against Hunger and Homelessness. The organization was launched in 1985 by the Public Interest Research Groups in cooperation with USA for Africa. The campaign is the assistance and organizing body for students who want to build an activist network to fight hunger and poverty. This is an organization of college and high school students, educators, and other leaders working to fight hunger and homelessness in the United States and around the world. Last fall I had the opportunity to speak to the organization's annual conference in Philadelphia. I was extremely pleased to spend time with such an eager group of students. These are dedicated and concerned young people who are truly making a difference in the world around them. I'm proud to consider them my friends.

Hunger and homelessness are solvable problems. Young people are in a unique position to have an impact on our society. The hunger cleanup is a way for them to turn their social concerns into action while improving

communities all over our Nation, and benefiting the entire world.

A CONGRESSIONAL SALUTE TO THE PRIVATE INDUSTRY COUNCIL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to a remarkable organization. March 22, 1991, will mark the 10th anniversary of successful partnership between southern California cities through the Carson/Lomita/Torrance Private Industry Council.

The Private Industry Council is a private nonprofit group, operating in partnership with local governments to plan, establish policy, and maintain oversight for local job training programs funded under the Job Training Partnership Act [JTPA].

The JTPA continues to be an effective program for assisting school dropouts, unskilled adults, displaced homemakers, laid-off workers, and disadvantaged residents who face serious barriers to employment.

The city of Torrance established the Private Industry Council in 1980, and in 1983, reached out to the surrounding communities of Carson and Lomita to form a consortium in order to serve a greater population.

The council's impact can be seen through the over 14,000 consortium youth, adult, senior, and dislocated workers who have since enhanced their employability through the services and programs offered by the council. Also, the partnership forged between the private sector and government has led to expanded employment activities and has provided JTPA alumni with meaningful careers.

My wife Lee joins me in congratulating the Private Industry Council on a successful first decade, and in wishing it great success in the decades to come. Their members, staff, and participants, deserve special commendation for their considerable achievement and dedication.

TRIBUTE TO TROPHY LODGE'S HARRY OSTER

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. LENT. Mr. Speaker, I rise to recognize and pay special tribute to a constituent, Mr. Harry Oster of Elaine Drive in Oceanside, NY. Mr. Oster is being honored on March 24, 1991 by the Trophy Lodge and Chapter of B'nai B'rith of Oceanside at their annual youth services breakfast.

It is particularly appropriate that Harry Oster be selected for this award. He has worked tirelessly on behalf of Trophy Lodge's youth services programs and has served as chairman of the youth services breakfast for the past 15 years. In fact, in many ways, Trophy Lodge's youth services programs and the youth services breakfast itself have become synonymous with the name Harry Oster.

Mr. Oster has also served as president of Trophy Lodge and the Nassau-Suffolk B'nai B'rith. He remains an active member of the B'nai B'rith district 1 board of governors and is a strong supporter of America's friend and ally in the Middle East, the State of Israel. Clearly, Harry Oster embodies the civic spirit and sense of commitment that President Bush refers to as one of the "Thousand Points of Light."

Mr. Speaker, as a lifelong resident of the village of East Rockaway, a community adjacent to Oceanside, I am well aware of the outstanding work that Harry Oster has done over the years to improve the quality of life in and around the fourth Congressional District. I am pleased to call him a neighbor and proud to have the privilege of representing him in this House.

DAIMLER-BENZ CO. OF GERMANY MEETS PLEDGE OF ASSISTANCE

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. BALLENGER. Mr. Speaker, there has been considerable discussion in the aftermath of Operation Desert Storm about our allies fully meeting their pledges of assistance. Coming from a State where large numbers of German companies have established manufacturing facilities, I have followed this discussion with great interest. I recently had a chance to learn of an extraordinary program of support being undertaken in connection with Desert Storm by the Daimler-Benz Co. of Germany. Daimler-Benz's involvement was of great interest to me because they are the owner of the U.S.-based Freightliner Corp., which employs about 2,200 North Carolinians in my district.

As most of us know, a number of the troops in the Persian Gulf came from our bases in Germany, where they left behind wives and children. For these family members living in a foreign country with a language that they usually do not understand, life has not always been easy. Daimler-Benz who is a neighbor of the U.S. VII Corps in Stuttgart, learned of these difficulties and quickly moved to be of help. In a program costing several hundred thousand dollars, this German company has presented 35 minibuses to the Family Assistance Centers of the U.S. Army in Germany for use while the servicemen are still deployed in the gulf. The buses are to assist the dependents in Germany to move around much more easily not only on military bases themselves, but between the bases and the various locations within the neighboring German communities.

A further action of the Daimler-Benz Group of companies is the establishment of an emergency fund to be administered by the American Red Cross in Germany which will allow quick assistance to Desert Storm soldiers and their dependents in the area of social welfare.

Finally, to underscore the company's solidarity at this important time, Daimler-Benz has just established a prize for American high school students who have shown particular achievement in a subject relating to Germany. The recipients of this award of excellence will be invited to the united Germany for a few weeks.

We, in North Carolina, are most pleased with our close association with quality German companies, and I believe that the recent generous actions by Daimler-Benz are yet another good indication of the warm relationship and close cooperation between us and our friends in Germany.

RECOGNITION OF THE KAUA'I HIGH SCHOOL CHAMPIONSHIP MOCK TRIAL TEAM

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mrs. MINK. Mr. Speaker, I rise today to commend the achievements of the championship Kaua'i High School mock trial team. The young men and women of Kaua'i High School took first place in the Kaua'i District mock trial competition and will now go on to face other champions in the overall state-wide tournament.

In the 5 years that the State competition has been in existence, high schools from the island of Kaua'i have taken the overall championship three times. Waimea High School won the competition twice and Kapa'a High School was last year's winner.

This is a remarkable record for the Garden Island, having faced the powerful teams from Oahu and the Big Island. But in the true spirit of justice, Kaua'i's junior jurists let their arguments, not their size, win the day. Now the students of Kaua'i High School will have their turn before the bar.

Mr. Speaker, the mock trial competition is a good and productive way to introduce our country's fine legal system to the next generation. Among these students may be Hawaii's future lawyers, future judges, and perhaps even a young man or woman who will one day sit in Congress.

I extend my warmest wishes to all the participants in the Hawaii State mock trial competition and I congratulate the members of the Kaua'i District championship team:

Mimosa Jones, Kim Yamasaki, Canaan Blake, Michael Hrnicek, Garrett Maeda, Tricia Miike, Tyler Nekomoto, Jay Sakoda, Jody Sato, Iris Shimauchi, Erica Valoroso, Audrey Yamasaki, Elkie Giem, and their coaches: Mark O'Day, April Shigemoto, Ted Chihara, and Michael Ratcliffe.

ACCOUNT FRAUD AND DECEPTION PREVENTION ACT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. VENTO. Mr. Speaker, yesterday, I and 31 of our colleagues introduced H.R. 1493, the Account Fraud and Deception Prevention Act of 1991. This legislation is in direct re-

sponse to a fundraising scheme by one political organization that, to my knowledge, is unprecedented. However, if this new bait and hook gimmick is left unchecked it will become the modus operandi of every fly-by-night con artist to rip-off unsuspecting consumers.

I would like to explain to my colleagues this scam. Under the guise of giving potential donors a $25 check, the National Republican Senatorial Committee used the endorsement of the check as an authorization to hook a sizable donation by automatically withdrawing $12.50 each month from the unsuspecting consumer's banking account. The $25 bait is recovered through mandatory withdrawals for the first 2 months and after that the $12.50 will continue to be withdrawn automatically until the consumer notifies the bank or the political committee to stop the withdrawal.

This issue is not partisan. While a political organization may have been the first organization to use this trickery, my concern is that it will not be the last. Under this scam, the consumers receive a check for $25 that is clearly made out in their names. What is not as obvious is the small print on the back of the check that authorizes the automatic withdrawal of $12.50 per month.

The letter that accompanied the check followed the same type of script. The letter glossed over the true fundraising intent and focused instead on hi-tech voter identification programs, hi-tech voter registration programs, and hi-tech voter turn-out programs. This approach was hi-tech—it was a hi-tech consumer rip-off program.

The Account Fraud and Deception Prevention Act will close the loophole in the law that will let every con artist send out bogus checks to unsuspecting consumers. My bill will amend the Electronic Funds Transfer Act to ensure that the endorsement, deposit or cashing of any check is not sufficient authorization to act as a conduit for the automatic withdrawal from a consumer's account.

I urge my colleagues to support this measure.

IN MEMORY OF GEORGE ATTLETWEED

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. EDWARDS of California. Mr. Speaker, it saddens me today to bring news of the passing of George Attletweed, a widely respected advocate of the deaf community and a dedicated educator of both deaf and hearing students. He devoted his life to understanding and learning and will be deeply missed.

Mr. Attletweed was known for his leadership in many communities. He was active on a national level as an outspoken advocate for the acceptance of American sign language as a language in its own right, in California as both chairman and vice-chairman of the State Commission on Special Education, and in our community as an active parishioner at St. Joseph's Catholic Church and charter member of the Vista Lion's Club. He was truly a man of many accomplishments.

George Attletweed was said to have been able "to bring silence and sound together." Through his participation in the television program Silent Perspective and the Dial News news service, and in his role as professor of counseling at Ohlone College, he reached out to both the hearing and deaf by providing opportunity and understanding.

Our deepest sympathies go out to Mrs. Bernadette Attletweed and to their children Larry and Kathleen. We all share their loss.

THE JUSTICE DEPARTMENT'S RECENT CRIME SUMMIT A GREAT SUCCESS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. COUGHLIN. Mr. Speaker, I would like to take this opportunity to commend Attorney General Dick Thornburgh and the entire Justice Department for their continued dedication to fighting drugs and violent crime even at a time when our country's concerns were focused on our troops in the Persian Gulf. Recently the Justice Department held its 1991 Crime Summit here in Washington to explore trends in crime and drugs and how those trends will affect law enforcement agencies. Panels discussed innovative programs and incentives to help reduce violent crime. Speakers from the administration, Congress, the Supreme Court, State and local law enforcement, and the private sector discussed a variety of topics including: demand reduction and user accountability programs as they relate to reducing violent crime; Federal, State, and local initiatives in Philadelphia's Violent Traffickers Project; the National Drug Control Strategy; innovations in policing; recent developments relating to violent street gangs; the apprehension and prosecution of armed violent offenders; managing the expanding prison and jail population; and initiatives to assist in combating violent crime through Federal death penalty, habeas corpus, and exclusionary rule reforms.

In the first 2 years of President Bush's administration, the Justice Department has scored successfully on all fronts. Due to the Department of Justice's stepped up efforts, life for those who violate the law has become tougher. The Department of Justice has committed major resources to combatting drug trafficking, money laundering, asset forfeiture, street violence, white collar crime, organized crime, and terrorism. One third of the 1991 drug money goes to the Department of Justice. For 1991, 45 percent of Justice's budget is used to fight drug traffickers.

After reviewing the Justice Department's record and their recent accomplishments, I hope that those who argue otherwise on their success will realize that the Attorney General continues to be out in front in addressing the two major concerns of the American public: violent crimes and drugs.

COMMEMORATION OF THE MARCH 25, 1949 DEPORTATION FROM LATVIA

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. ACKERMAN. Mr. Speaker, I rise today to commemorate a dark and painful moment in the history of Soviet-occupied Latvia. On March 25, 1949, 42 years ago today, 42,076 residents of Latvia were deported to Siberia under Joseph Stalin's forced collectivation of farmlands. Few of these people ever returned to Latvia alive.

The terror and brutality of the Stalinist era were already well known to the people of Latvia, who had lost 15,000 of their citizens to Stalin's terror in June 1941, during Stalin's first deportation of Latvian citizens. The people of Latvia, so viciously taken from their country, were subjected to the most brutal and inhuman conditions in Stalin's now infamous work camps, and many thousands of Latvians were executed.

The world has been inspired by the changes in Eastern Europe and by the birth of democracy in countries long oppressed by the Soviet Union. Mikhail Gorbachev won last year's Nobel Peace Prize for bringing the Soviet Union out of the dark days of Stalin and allowing growing freedom and democracy. But recent events in Latvia and Lithuania have threatened the hopes of the people of the Baltic States who have longed for freedom and democracy for too long.

While the eyes of the world were focused on the gulf war, the Soviet Union returned to its old tactics and began a brutal crackdown against the people of Latvia and Lithuania. Once again the people of Latvia have been victims of Soviet aggression.

American troops fought gallantly in the Persian Gulf to ensure the sovereignty of nations and to prove that aggression will never be rewarded. It is essential that we take these important lessons to heart and help ensure the people of Latvia, and the other Baltic States, the sovereignty that they have sought for so long.

A TRIBUTE TO KAREN JENKINS AND THE REMEMBRANCE QUILT

HON. JOHN G. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DUNCAN. Mr. Speaker, one of my constituents, Karen Jenkins of Maryville, TN, has done more than her part in showing support for our troops who served in Operation Desert Shield/Desert Storm.

Ms. Jenkins wanted to make sure that our troops did not suffer the same scorn and lack of support as did those returning from Vietnam.

To build support for our troops, Ms. Jenkins completed a quilt with more than 30,000 signatures on it. Known as the Remembrance Quilt, this expression of love bears the signa-

tures and messages of Americans who didn't want the service men and women to feel the least bit forgotten.

The 30-square-foot Remembrance Quilt was presented in November to Maj. Gen. Carl Wallace of the Tennessee National Guard who sent it to Saudi Arabia for the troops to view. It warmed the hearts of the service men and women who saw it over there.

The Remembrance Quilt was returned and is being taken around this country. It has been signed by young and old, famous and unsung, but by Americans who care.

Among the signatures on the Remembrance Quilt are those of First Lady Barbara Bush, former Senator Howard Baker, Tennessee Governor Ned McWherter, country singer Dolly Parton, University of Tennessee football coach Johnny Majors, UT basketball coaches Pat Summitt and Wade Houston, actor David Keith, and Notre Dame football coach Lou Holtz. Many UT and Notre Dame athletes also signed the quilt, along with scores of school children, workers, housewives, and visitors to the Dollywood amusement park in east Tennessee.

I believe that the efforts of Karen Jenkins and people like her around the Nation played a vital role in uniting us all against a common enemy, Saddam Hussein. I commend the hard work, love, and dedication shown by Ms. Jenkins.

She said that she decided on making a quilt because of what it symbolizes: Warmth, home, and comfort. These are the things soldiers need in the midst of war to sustain their morale. They must be assured of support at home—to know that the home fires are burning brightly until they return.

Karen Jenkins deserves due recognition for the Remembrance Quilt. I can think of no greater expression of support than this.

TRIBUTE TO JOSEPH M. FERRAINA

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. PALLONE. Mr. Speaker, on Saturday, March 23, 1991, the Figli di Colombo—Sons of Columbus—of Long Branch, NJ, will honor one of its most distinguished members, Mr. Joseph M. Ferraina, on the occasion of its 24th anniversary dinner and dance. I am proud to add my tribute to this fine educator and very active member of our community.

Mr. Speaker, it would take up an entire page of the CONGRESSIONAL RECORD to simply set forth, in list form, the many associations and achievements of Mr. Ferraina. I would like to offer just a brief overview of some of his public accomplishments.

Since 1982, Joseph M. Ferraina has served with distinction as the principal of the Long Branch Middle School, having previously been an assistant principal. Prior to joining the administrative ranks in the Long Branch public schools, he was a Spanish teacher and an athletic coach.

The list of Mr. Ferraina's community and professional affiliations is nothing less than astounding. In addition to his membership in the Long Branch Figli di Colombo Club, he is affiliated with numerous other Long Branch-based organizations, including the Amerigo Vespucci Society, the Rotary Club, the Knights of Columbus Society, the Elks Club, the Columbus Day Parade Committee, the VFW Post, the Italian-American Memorial Association, the Spanish Fraternity, the NAACP, SAFE Homes, the chamber of commerce, the Municipal Alliance Committee, the Monmouth Medical Center Student Volunteer Program, the Youth Concerns Coalition Committee, the First Aid Squad and the Independence Fire Company. He is also actively involved with such organizations as the Drug and Alcohol Abuse Council, the Junior League of Monmouth County, the Tournament of Champions, the Monmouth County Parks System, and a host of other professional, academic, and philanthropic organizations at the local, county, and State levels.

Mr. Speaker, I believe that Joseph M. Ferraina represents all that we can ask for in a role model for today's youth. With his strong communications skills and fluency in three languages—English, Spanish, and Italian—his effective managerial skills, his commitment to individual growth and knowledge, and, most importantly, his tireless commitment to the betterment of his community, Mr. Ferraina is an exemplary educator and citizen.

THE SUM OF $96 MILLION FOR ALLIED HEALTH PROFESSIONS TRAINING, H.R. 1466, JUSTIFIED BY LACK OF FEDERAL PROGRAMS DURING THE PERIOD OF 1981–89

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. ROYBAL. Mr. Speaker, today I am very pleased to join with my colleague, Representative BRUCE, in his introduction of the Allied Health Professionals Promotion Act of 1991—H.R. 1466—a $96 million legislative commitment to Federal training and education for the allied health professions.

On March 4, 1991, the U.S. House of Representative's Select Committee on Aging, which I chair, held a hearing on "Long-Term Care Personnel: Incentives For Training and Career Development." Several findings concerning the allied health profession were elucidated at the committee hearing. First, no Federal funding programs were authorized to support allied health education during the period of 1981 to 1989. Public Law 100–607, the Health Professions Reauthorization Act of 1988, authorized $6 million, but only $737,000 was appropriated for fiscal year 1990. For fiscal year 1991, $1,659,000 was appropriated for grants and contracts. This amount will make it possible to only provide continuation support for seven grants and fund perhaps another 10 new projects.

Second, the current efforts to incorporate care of the aged into allied health curriculum are inadequate and personnel shortages are likely to persist and worsen unless acted upon. In was reported that the Institute on Medicine [IOM] report, "Allied Health Services: Avoiding Crises," found that the ratio of FTE physical therapists to registered nurses is 1:2 in rehabilitation hospitals compared with 1:43 in acute care hospitals.

Third, the shortage of appropriately trained faculty is a major barrier to curricular reform. The IOM study concluded that improved education in geriatric care would: First, aid in the retention of existing practitioners; second, illuminate the rewards of geriatric career for students and augment recruitment, and third, encourage more faculty to engage in geriatric service and clinical research relevant to long-term care. This study underscores the need to move forward with an initiative that addresses the allied health personnel shortage.

The Allied Health Professional Promotion Act of 1991 will: First, provide project grants to those allied fields determined by the Secretary to be in short supply; second, provide allied health student traineeships; third, provide advanced training of allied health personnel; and fourth, authorize the establishment within the Health Resources and Services Administration an Advisory Council on Allied Health. By the fiscal year 1994, total funding for this initiative will be $96 million.

Unless we are willing to tolerate access and quality problems for Americans of all ages, the current shortage of allied health personnel must be addressed now, and future shortages in several health professions must be addressed before the end of the 102d session of Congress.

RAHALL PAYS TRIBUTE TO THE JOHNSON FAMILY OF WEST VIRGINIA

HON. NICK J. RAHALL

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. RAHALL. Mr. Speaker, as communities through our Nation prepare to welcome home our victorious troops from the Persian Gulf, I wish to take a moment to commemorate the special sacrifices made by a family in my own district. Many families have more than one member serving in the gulf. More than one mother in this country had two sons in harm's way. However, the Johnson family of Huntington, WV is special indeed. The Johnsons have six loved ones who participated in Operation Desert Storm.

The Johnson family members who served with distinction in Desert Storm were: Pfc. Eric Johnson, U.S. Army, Pfc. Mitchell Johnson, U.S. Army, Pfc. Larry D. Wright, U.S. Army, S. Sgt. Carl T. Johnson, U.S. Marine Corps, Sgt. Brian K. Scott, U.S. Marine Corps, and D.M.S.–4 Joseph T. Johnson, U.S. Navy.

For one West Virginia family to give so much is truly commendable. When hearing of the dangers faced by our troops, the Johnsons had not one, but six loved ones over whom to worry, six young men for whom to pray. Thanks to the efforts of our outstanding military leadership, the Johnsons are now looking forward to welcoming home six proud veterans.

Though the extent of the Johnson family's contribution is unequaled in number, it is

matched in spirit by similar acts of patriotism made by thousands of other families throughout West Virginia. By honoring the Johnson family, I wish to also pay tribute to the families of the thousands of brave men and women who made Operation Desert Storm such a success. Families throughout the United States deserve and merit our respect just as our troops do, and their collective sacrifice, as they waited in loneliness and fear for the war to end, shall not go unnoticed.

TRIBUTE TO A 13-YEAR-OLD HERO

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DURBIN. Mr. Speaker, there are very few people who would put their lives on the line for a complete stranger. But Jacob A. Greving, a 13 year-old student from Quincy IL, did just that.

On July 7, 1990, Jacob saved an 8-year-old girl from drowning in the Mississippi River. Erin E. Mason was wading in the river off the south end of an island and stepped into deeper water where she was caught in a swift current. Unable to return to shore, Erin shouted for help. Jacob heard her calling for help from the nearby island and immediately swam to her. Erin grabbed hold of Jacob's neck as he attempted to swim back to shore, but the current pulled them further from shore. Eventually, two boaters saw them and pulled them aboard the boat about 1,200 feet from the island. Exhausted from the rescue, Jacob had to be carried to shore.

This act of courage and selflessness by Jacob Greving has not gone unnoticed. Many friends and neighbors in Quincy recognized his act of heroism as did the Carnegie Hero Fund Commission. Earlier this month Jacob was awarded the Carnegie Medal for risking his life to save the life of another. Jacob was one of 16 persons from 11 States who received the medal for performing a heroic deed.

Established April 15, 1904, by Andrew Carnegie, the Carnegie Hero Fund Commission was created to recognize outstanding acts of selfless heroism performed in the United States and Canada.

This remarkable act of valor by such a young person should serve as an example to us all. Because life is so precious, risking one's life to save another is an act of heroism and love which truly deserves our recognition.

ASSISTANT CHIEF OF POLICE JESSE A. BREWER RETIRES

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. DIXON. Mr. Speaker, I rise today to express my warmest congratulations to former Assistant Chief of Police Jesse A. Brewer who retired February 28th from the Los Angeles Police Department (LAPD), after 39 years of dedicated and distinguished service to the force.

Jess Brewer retired as the LAPD's second highest ranking officer and the highest ranking black officer in the history of the department. His ascension to that post might have seemed an unlikely prospect when Brewer left the Chicago Police Department, discouraged by its discriminatory hiring and promotion practices, in 1952. Indeed, Brewer's LAPD career began only after the department rejected his initial application on a technicality—an event Brewer attributes to racism. With the help of future Los Angeles Mayor Tom Bradley, then an LAPD sergeant, Brewer successfully reapplied to the force. Needless to say, we are all glad that he did.

A native of Dallas, Texas, Jess Brewer was born October 21, 1921. Brewer attended Alabama's Tuskegee Institute where he met his wife, the former Odessa Amond, who was also studying at Tuskegee. However, he was obliged to leave Tuskegee in June 1943, when he was called to military service. He would later complete his undergraduate education at Shaw University. Brewer underwent military training at the Officer Candidate School at Fort Benning, GA and was commissioned as a 2d Lieutenant upon his graduation. Serving a total of 33 years of active and reserve military service, Brewer retired in January 1976 with the rank of Colonel. His decorations include the Legion of Merit, Bronze Star, Purple Heart, Combat Infantry Badge and two campaign ribbons. In 1977, he earned a masters degree in public administration from the University of Southern California.

Brewer's many LAPD assignments reflect his broad experience in the department. These assignments have included patrol, vice, traffic, homicide and burglary investigation, and community relations. As a captain, Chief Brewer commanded the Van Nuys, Metropolitan and Training Divisions. At the rank of commander, Brewer held several other command assignments.

In 1981, Brewer was promoted to deputy chief and served as commanding officer for the area encompassing south-central Los Angeles from 1981–1987. In this capacity, he garnered praise for pioneering several law enforcement innovations. Significantly, Brewer implemented new officer deployments, placing more officers in minority neighborhoods, as the gang crisis intensified. Through these efforts, Brewer helped to forge a more positive and constructive relationship between the department and the primarily African-American residents of a south-central Los Angeles community plagued by drug- and gang-related violence.

Chief Brewer was promoted to the rank of assistant chief on November 19, 1987. As assistant chief, he directed the activities of the Office of Administrative Services where he was responsible for all support functions of the department. He was widely regarded as an ideal candidate to succeed Chief Darryl Gates as the LAPD's top officer.

Jess Brewer's vast knowledge and expertise with respect to law enforcement were such that he was selected as a technical adviser to the Emmy Award-winning television series, "Hill Street Blues"—a series widely praised for its realism and technical accuracy. Over the course of his career, Chief Brewer also served on the board of numerous prestigious public and private organizations, including the President's Commission on Organized Crime and the National Advisory Committee Task Force on Disorder and Terrorism. Most recently, he served as a Governor-appointed member of the Board of Directors of the California Museum of Science and Industry and as a commissioner of the Los Angeles Memorial Coliseum Commission.

Assistant Chief Brewer has received many honors throughout his law enforcement career. He was the 1988 recipient of the NAACP's Judge Thomas L. Griffith Legal Award and the Ricky Bell Humanitarian Award. Chief Brewer was an honoree at the 1990 National Association of the Black Military Officers' dinner and is a lifetime member of the NAACP.

Uniformly described as a gentleman and an articulate spokesperson for the department, and dubbed "the Prince" by his colleagues, Jess Brewer has performed his duties with tremendous dignity and distinction, and has served as an inspirational role model for hundreds of minority and other officers in the Los Angeles Police Department. Moreover, by his fine example and by his firm insistence, Brewer has been instrumental in making the Los Angeles Police Department a fairer and more hospitable place for minority police officers.

I ask you to join me, Mr. Speaker, in paying tribute to a fine officer, a true gentleman and a good friend on the occasion of his well-deserved retirement, and in wishing for Jess and his wife Odessa, their three sons, Jess II, Jonathan and Kenneth, and their grandchildren, good health and good times in the years to come.

TRIBUTE TO AL ERCOLANO

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1991

Mr. GREEN of New York. Mr. Speaker, I should like to share with my colleagues a tribute to an outstanding professional and wonderful human being, Al Ercolano. Friends, family, and colleagues are joining together this week to honor Al on his retirement as director of the Washington office of the College of American Pathologists.

Al Ercolano will continue to be involved with the College of Pathologists as vice president for special projects. He was director of the Washington office from May 1970 to December 1990. In that role, he advised and counseled the board of governors, government relations council, legislative committees and headquarters staff on regulatory and legislative issues affecting pathologists and their practice setting. He was also executive director of the American Nursing Home Association from 1961 through 1970.

Prior to his association with the College of American Pathologists, Al held various positions with Arkansas Blue Cross-Blue Shield. He joined that organization as hospital relations representative, was named professional relations manager—supervising work with hospitals and physicians—in November 1955, and

was promoted to relations manager in 1958. In that capacity, he was responsible for the management and supervision of all professional and public relations programs for the organization.

Those of us who had the pleasure of working with Al would agree with the comments made by one of his colleagues that Al Ercolano is a man who takes his work very seriously but never himself.

We wish Al and his wife, Elly, much happiness in their retirement. We know that their five children and ever increasing number of grandchildren will keep them busy.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, March 21, 1991, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 22

9:00 a.m.
Foreign Relations
Western Hemisphere and Peace Corps Affairs Subcommittee
To resume hearings to examine issues relating to a bilateral free trade agreement between the United States and Mexico.
SD-419

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Food and Nutrition Service, and the Human Nutrition Information Service.
SD-138

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Legislative Branch, focusing on the Capitol Police Board.
SD-116

Finance
International Trade Subcommittee
To hold hearings on the renewal of the United States-Japan Semiconductor Trade Agreement.
SD-215

MARCH 25

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Internal Revenue Service, Department of the Treasury.
SD-116

APRIL 9

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the National Oceanic and Atmospheric Administration and the National Institute of Standards and Technology of the Department of Commerce.
S-146, Capitol

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for foreign assistance, focusing on aid to Latin America.
SD-192

APRIL 10

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Highway Traffic Safety Administration.
SR-253

Environment and Public Works
Superfund, Ocean and Water Protection Subcommittee
To hold hearings to examine lender liability as related to Superfund.
SD-406

Rules and Administration
To resume hearings on S. 250, to establish national voter registration procedures for Federal elections.
SR-301

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Farmers Home Administration, the Federal Crop Insurance Corporation, and the Rural Electrification Administration.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for energy and water development programs.
SD-192

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the White House residence, and the Office of Personnel Management.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Inter-agency Council on the Homeless, and the Department of Housing and Urban Development.
SD-124

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for energy and water development programs.
SD-192

APRIL 11

9:00 a.m.
Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To resume hearings on proposed legislation authorizing funds for foreign assistance, focusing on the Board for International Broadcasting.
SD-419

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Research and Special Programs Administration of the Department of Transportation, and the National Transportation Safety Board.
SD-138

1:30 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 218, to require the Secretary of Commerce to make additional frequencies available for commercial assignment in order to promote the development and use of new telecommunications technologies.
SR-253

2:00 p.m.
Energy and Natural Resources
To hold hearings on S. 343, to provide for continued U.S. leadership in high performance computing.
SD-366

APRIL 12

9:30 a.m.
Select on Indian Affairs
To hold hearings on S. 168, to provide additional financial compensation to the Three Affiliated Tribes (Mandan, Hidatsa, and Arikara Tribes that reside on the Fort Berthold Indian Reservation) and the Standing Rock Sioux Tribe for the taking of reservation lands for the sites of the Garrison Dam and Reservoir and the Oahe Dam and Reservoir.
SR-485

10:00 a.m.
Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
To resume hearings on proposed legislation authorizing funds for foreign assistance, focusing on the U.S. Information Administration and the Voice of America.
SD-419

APRIL 16

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on the Department of Energy's superconducting super collider program.
SD-366

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Office of the U.S. Trade Representative, and the International Trade Administration of the Department of Commerce.
S-146, Capitol

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for foreign assistance, focusing on aid to Eastern Europe.
SD-138

APRIL 17

9:00 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the AMVETS, the American Ex-Prisoners of War, the Jewish War Veterans, and the Veterans of World War I.
345 Cannon Building

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Fish and Wildlife Service, Department of the Interior.
S-128, Capitol

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

Rules and Administration
Business meeting, to mark up S. 250, to establish national voter registration procedures for Federal elections.
SR-301

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Office of Management and Budget, and the Executive Office of the President.
SD-116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the U.S. Court of Veterans Affairs, and the Department of Veterans Affairs.
SD-138

APRIL 18

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the U.S. Information Agency and the Board for International Broadcasting.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Federal Highway Administration, Department of Transportation.
SD-138

APRIL 19

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Commodity Futures Trading Commission, the Food and Drug Administration, the Farm Credit Administration, and the Farm Credit System Assistance Board.
SD-138

APRIL 23

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings to examine the science education programs of various Federal agencies.
SD-138

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-1902

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Forest Service, Department of Agriculture.
S-128, Capitol

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice.
S-146, Capitol

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for foreign assistance, focusing on security in the post-cold war era.
SD-138

APRIL 24

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Office of Science and Technology Policy, and the National Science Foundation.
SD-124

Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for energy conservation programs of the Department of Energy.
SD-116

2:30 p.m.
Select on Indian Affairs
To hold oversight hearings on new school construction, repair, and improvement on Bureau of Indian Affairs' school facilities.
SR-485

APRIL 25

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-192

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Bureau of Mines and the Office of Surface Mining, Department of the Interior.
S-128, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the U.S. Coast Guard, Department of Transportation.
SD-138

Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Office of National Drug Control Policy, and the Financial Crimes Enforcement Network, Department of the Treasury.
SD-116

APRIL 26

10:00 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture.
SD–138

MAY 7

1:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the National Highway Traffic Safety Administration and the Office of Inspector General, Department of Transportation.
SD–138

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for foreign assistance, focusing on AID management issues and reform efforts.
SD–192

MAY 8

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the National Space Council, and the National Aeronautics and Space Administration.
SD–138

MAY 9

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Federal Aviation Administration, Department of Transportation.
SD–138

MAY 14

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for fossil energy and clean coal technology programs.
S–128, Capitol

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for foreign assistance, focusing on U.S. trade.
SD–138

MAY 15

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Smithsonian Institution and the National Gallery of Art.
SD–116

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Commission on National Service, and the Points of Light Foundation.
SD–138

MAY 16

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Minerals Management Service, Department of the Interior, and the Indian Health Service, Department of Health and Human Services.
SD–116

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the General Accounting Office.
SD–138

MAY 17

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Veterans Affairs, Housing and Urban Development, and independent agencies.
SD–138

MAY 21

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for activities of the Secretary of Energy.
S–128, Capitol

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for foreign assistance, focusing on international AIDS crisis.
SD–138

3:45 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for foreign assistance, focusing on the Peace Corps expansion and change.
SD–138

MAY 23

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for certain transportation programs.
SD–138

JUNE 4

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1991 for foreign assistance.
SD–138

JUNE 5

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for activities of the Secretary of the Interior, and Members of Congress.
S–128, Capitol

CANCELLATIONS

MARCH 21

9:30 a.m.
Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on proposed legislation to revise the Child Abuse Prevention and Treatment Act to authorize grants to States for improving child protective service systems.
SD–106

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the proposed Soldiers' and Sailors Civil Relief Act.
334 Cannon Building

APRIL 9

1:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for certain transportation programs.
SD–138