SENATE—*Tuesday, April 23, 1991*

(Legislative day of Tuesday, April 9, 1991)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

PRAYER

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

Let us pray:

I am the God of Abraham, and the God of Isaac, and the God of Jacob? God is not the God of the dead, but of the living.—Matthew 22:32.

Father we commend to Thee Senator PRYOR. We thank You for his increasingly good condition, and we pray for his rapid and complete recovery.

Gracious Father, we returned from recess under the cloud of the tragic loss of two respected Members of this body. The many tributes from the floor expressed the affection, the respect, the admiration which was felt by all the Members of the Senate for these two faithful public servants. We were acutely confronted with the transiency of life. We were faced with eternity and awakened to the reality of life beyond the grave.

God of life and light, grant that these shall not be passing thoughts which illuminated our way for a few days. Give us grace to live our lives in the light of eternity and truth and the life to come. Remembering the suddenness of these tragedies, help us never to presume upon existence as though we have a corner on life and we determine our ultimate future.

In the name of Him who is life eternal, we pray. Amen.

RESERVATION OF LEADERS' TIME

The PRESIDENT pro tempore. The Senate will be in order.

Under the standing order the two leaders are to be recognized.

Without objection, the time for the two leaders will be reserved until later in the day.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

In the Chair's capacity as a Senator from the State of West Virginia, the Chair notes the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MESA, AZ, HONORS THE APACHE

Mr. DECONCINI. Mr. President, during Operation Desert Storm, the Apache helicopter performed brilliantly—as we had expected it would. The exceptional achievements of these helicopters—the world's finest attack helicopter and a true national asset—have silenced its former critics. Throughout the Persian Gulf war, the Apache played a vital role, proving its worth to the U.S. Army and to the Nation.

Mr. President, last week, the city of Mesa, AZ, passed a resolution honoring the Apache and commending the employees of McDonnell Douglas Helicopter Co. for the outstanding work they did in building this outstanding machine. They, too, are heroes of Operation Desert Shield and Desert Storm, and I want to add my congratulations to these talented and dedicated individuals. I ask unanimous consent that the resolution passed by the city council of Mesa, AZ, honoring the AH-64 Apache be printed in the RECORD at this point.

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

RESOLUTION NO. 6317

Whereas the AH-64 Apache multimission combat helicopter, designed, assembled and flight tested by outstanding McDonnell Douglas Helicopter Company employees in Mesa, Arizona, and a talented team of Apache companies around the United States and the world, has proven itself to be an invaluable member of the United States Army; and

Whereas the Apache earned the right to launch the initial attack against Iraqi forces in Kuwait and Iraq during Operation Desert Storm; and

Whereas the AH-64 Apache performed with outstanding precision and reliability in support of coalition forces throughout the 42-day war in Iraq and Kuwait, operating at mission capable rates far in excess of United States Army standards in one of the world's most hostile desert environments; and

Whereas the Apache established itself during Operation Desert Storm as the world's foremost leading multi-role attack helicopter, capable of performing its missions day or night and in adverse weather; and

Whereas McDonnell Douglas Helicopter Company employees and their Apache teammates invested great energy and fervor to assure that vital spare parts and technical assistance were available to Apache pilots and crews during Operation Desert Shield and Storm: Now, therefore, be it

Resolved by the City Council of the City of Mesa, Maricopa County, Arizona, as follows:

SECTION 1. That the City Council, on behalf of the grateful citizens of Mesa, acknowledge and thank the employees of McDonnell Douglas Helicopter Company for their excellence in performance and commitment to maintaining a free nation through strong defense.

SEC. 2. That the City Council reaffirms its pride and support for the Mesa-based headquarters of McDonnell Douglas Helicopter Company, a company with a distinguished past and an even brighter future.

Passed and adopted by the City Council of the City of Mesa, Maricopa County, Arizona, this eighth day of April, 1991.

GREGG SCHWARTZ

Mr. PRESSLER. Mr. President, I would like to share with our colleagues an excellent article about an extraordinary South Dakotan, Gregg Schwartz. Gregg recently received the Dwaine Taylor Award for Voluntary Service for contributing over 2,500 hours of volunteer work in 1990. That is a very admirable accomplishment when you consider a 40-hour work week adds up to only 2,080 hours a year. Even more impressive is the fact that Gregg Schwartz is paralyzed and contributes his volunteer service from a wheelchair.

Gregg's example is truly challenging for all of us. Volunteers have been honored as points of light in our society. Gregg's light is blinding. His efforts are all the more noteworthy because we are witnessing a decline in the number of persons who make themselves available to do volunteer work. Gregg's example eliminates all the excuses I have ever heard for not volunteering.

I salute Gregg Schwartz. Thank you Gregg, for representing the best of South Dakota values and spirit.

Mr. President, I ask unanimous consent that the article on Mr. Schwartz be printed in the RECORD following my remarks.

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

[From the Sioux Falls Argus Leader, Feb. 25, 1991]

DISABLED VET NETS TOP VOLUNTEER AWARD

(By Lisa Gaumnitz)

Gregg Schwartz learned the importance of helping others during the two years he spent recovering from a car accident and spinal meningitis that paralyzed his right side.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

"I was in the hospital for 23 months. I know how lonely it can be on the weekends," said Schwartz, 35.

"Just because you're in a chair doesn't mean you can't do as much for other people."

Today the Sioux Falls veteran receives a national volunteer award in Washington, DC., from the Paralyzed Veterans of America.

The Dwaine Taylor Award for Voluntary Service recognizes the PVA member who puts in the most volunteer hours.

Last year, Schwartz spent more than 2,500 hours delivering medical records to departments at the Royal C. Johnson Veterans Memorial Hospital and visiting patients. He won the award twice before and left Saturday with his mother, Ruth, and attendant Susan Boe to collect the prize.

"The hours Gregg puts in—the devotion is certainly there," said Bob Reimers, who directs the VA's volunteers.

"When you stop and think an average working year is 2,080 hours, the hours Gregg is talking about, he's physically here. . . . You can imagine what this would be in staff time."

Schwartz's volunteer work allows staff members to attend to other patients, and his visits boost the patients' spirits, Reimers said.

Running records and visiting patients gives Schwartz a sense of satisfaction and helps him meet people.

"It's better than looking at four walls," he says. "I have to be moving."

Schwartz grew up on a farm east of Winner. A year after graduating from high school, he enrolled in the Navy and was stationed in California.

In December 1978, Schwartz was in a car accident that bruised his brain stem, paralyzing his left side. He was recovering when he contracted spinal meningitis, and his motor capabilities were further impaired.

He had two years in rehabilitation in the 1970s and today uses a motorized wheelchair to navigate the hospital's hallways.

He cuts in and out among people walking, calling many by name.

"I like working out here because most of the employees know me and they give me a lot of static—and I give it back," Schwartz said. "I wouldn't work here if they didn't. This is probably the only job I've ever loved besides farming."

He has volunteered at the hospital for about six years.

Lately, Schwartz has been trying to get himself in shape again after surgery on his right arm.

He hopes that soon he will be able to use that arm to drive a specially equipped van.

Schwartz also hopes his hip surgery will one day help him walk. He can move his legs but not as he should be able to.

"I have great expectations," he said.

A TRIBUTE TO MRS. C.E. SIMONS, JR.

Mr. THURMOND. Mr. President, I would like to take this opportunity to pay tribute to Mrs. Charles E. Simons, Jr. of Aiken, SC, who passed away recently. She was one of the loveliest people in my hometown of Aiken, and her delightful and caring presence will be greatly missed by her many friends and admirers.

Jean was a devoted wife and loving mother, and she and her husband reared four fine children. Her high ideals, lofty character, and warm personality endeared her to all. She made a great contribution not only to her family, but to the entire Aiken community.

My wife Nancy joins me in extending our deepest sympathy to the entire Simons family: her husband, Judge Charles E. Simons, Jr.; her three sons, Charles E. Simons III, Dr. Paul K. Simons, and Richard B. Simons; her daughter, Jean Simons Smith; her sister, Mrs. Eloise B. Fuller; her brother, Dr. Paul B. Knapp; and her five beautiful grandchildren.

Mr. President, I ask unanimous consent that certain articles regarding Mrs. Simons be printed in the RECORD at the close of these remarks.

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

MRS. C. E. SIMONS, JR., 72, FEDERAL JUDGE'S WIFE

AIKEN.—Mrs. Charles E. (Jean Knapp) Simons Jr., 72, of 910 Valley Greene Drive S.W., died Monday, March 4, 1991, at Aiken Regional Medical Centers after an extended illness.

The funeral will be at 3 p.m. Thursday at St. Johns United Methodist Church, with Rev. M. Eugene Mulliken and Dr. James M. King officiating. Burial will be in Aiken Memorial Park.

Mrs. Simons, a native of Fulton, N.Y., graduated from Simmons College, Boston, and did her graduate work at Syracuse University, Syracuse, N.Y. An Aiken resident since 1941, she was a member of St. Johns United Methodist Church, Green Gardeners Club of Aiken and the Aiken Chapel PEO Sorority.

Mrs. Simons was the wife of U.S. District Judge Charles E. Simons, Jr., for whom the Charles E. Simons Jr. Federal Courthouse is named. Judge Simons was nominated for the bench by President Lyndon B. Johnson at the recommendation of Sen. Strom Thurmond, R-S.C.

Mr. Thurmond expressed his grief at her death. "It is with deep regret that Mrs. Thurmond and I learned of the passing of Mrs. Charles E. Simons Jr.," Mr. Thurmond said. "Jean was a devoted wife and loving mother, and she and her husband reared four fine children. Her high ideals, lofty character and warm personality endeared her to her numerous friends. Jean lived an exemplary life that was well worth emulating by others. She made a great contribution not only to her family, but to the entire Aiken community, and will be greatly missed."

Survivors include her husband: three sons, Charles E. Simons III and Dr. Paul K. Simons, both of Aiken, and Richard B. Simons, Lexington and Aiken; a daughter, Jean Simons Smith, Lancaster, Pa.; a sister, Mrs. Eloise B. Fuller, Parish, N.Y., and Aiken; a brother, Dr. Paul B. Knapp, Syracuse, N.Y.; and five grandchildren.

Pallbearers will be Judge Bruce Littlejohn, Judge Julius B. Ness, Judge Sol Blatt Jr., William C. Lott, Rufus Gosnell, Robert A. Patterson, R. Phiniry Timmerman, Robert E. McNair and Mr. Thurmond.

Memorials may be made to the St. Johns United Methodist Church, 104 Newberry St., N.W., Aiken 29801.

Friends may call from 7 to 9 p.m. Wednesday at George Funeral Home, Park Avenue.

CONCURRENT RESOLUTION

Whereas, Mrs. Jean Knapp Simons of Aiken County died on March 4, 1991; and

Whereas, she was a native of Fulton, New York, graduated from Simmons College in Boston, did graduate work at Syracuse University, and moved to Aiken in 1941 to teach at Fermata School; and

Whereas, she was the wife of United States District Court Judge Charles Simons, Jr.; and

Whereas, she was a lovely person who was deeply admired in the community and will be missed tremendously; and

Whereas, we want Judge Simons and all the other members of Mrs. Simons' family and her many friends to know that we were deeply saddened to learn of Mrs. Simons' death and that they are uppermost in our thoughts and have our sympathy: Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring, That the members of the General Assembly of the State of South Carolina, by this resolution, express sorrow at the death of Mrs. Jean Knapp Simons of Aiken County and extend sympathy to her family and many friends: Be it further

Resolved, That a copy of this resolution be forwarded to the family of Mrs. Jean Knapp Simons, in care of her husband, the Honorable Charles Simons, Jr., at Aiken.

[From the Aiken Standard, Mar. 29, 1991]

MRS. CHARLES E. SIMONS, JR.

Jean Knapp Simons came to Aiken in 1941 to teach home economics at Fermata School, a fashionable boarding school for girls.

She was a native of Fulton, N.Y., where her father, Dr. Paul C. Knapp, was a prominent dentist. Jean Knapp earned a degree in home economics from Simmons College in Boston and did graduate work at Syracuse University.

Her teaching career at Fermata was shortlived. Near the end of her first year, she met—on a blind date—a young Aiken lawyer, Charles E. Simons Jr. They had dated for three weeks when the school year ended and she left for her home town.

She traveled with a friend who chose to drive up the Blue Ridge Parkway. Unfortunately, the car ran off the parkway and overturned, leaving her with a neck fracture.

She was moved to her parents' home in New York State, and there she was visited by Charlie Simons. She was lying in a cast when he arrived from Aiken, and told her, "I've come to take you out of cold storage."

His unusual proposal was accepted, and they were soon married.

Only a few months later, the Japanese attacked at Pearl Harbor, and her husband left his law practice to enter the Navy.

His young wife, meanwhile, returned to her parents' home with her infant son, Chuck, now an Aiken attorney himself. Twin sons—Dick (Richard B. Simons of Lexington) and Doc (Dr. Paul K. Simons of Aiken)—were born in 1944. A daughter, Jean Simons Smith, was born in 1950.

Mrs. Simons' remaining years were devoted largely to her family. Her husband was a member of a flourishing law firm. He served in the State House of Representatives for several terms and in 1964 was appointed a federal district judge.

After her father's retirement in 1958, her parents moved to Aiken and were active in community life until their death.

Mrs. Simons became ill several years ago and died March 4 at the Aiken Regional Medical Centers.

Her funeral was attended by many prominent South Carolinians, including U.S. Sen. Strom Thurmond—her husband's former law partner—and former Gov. Robert E. McNair. Speaking of Mrs. Simons, Sen. Thurmond said: "Jean lived an exemplary life that was well worth emulating . . . She made great contributions not only to her family, but to the entire Aiken community, and will be greatly missed."

A longtime family friend, William C. Lott, spoke of Mrs. Simons as "A lovely, talented lady. It was a privilege to know her and a pleasure to be around her. She will be greatly missed by a host of friends."

Mrs. Simons was widely known for her genuine warmth and love of mankind. We extend our deepest sympathy to the Simons family in their loss.

TRIBUTE TO SENATE PAGES FROM MINNESOTA

Mr. DURENBERGER. Mr. President, I rise today to recognize the contributions of two young people from Minnesota who are serving as Senate pages this spring. Quang Bang O of Spicer, MN, became a Senate page on Sunday, April 7, 1991. Quang will serve in the Senate page program until June 1.

A native of Vietnam, Quang is a junior at New London-Spicer High School. He ranks second in his class and is the president of the Student Council. As a sophomore, Quang was class president, and he was elected to the National Honor Society. Quang has participated in the Knowledge Bowl and Mock Trial, and he won regional competition of the State Citizen Bee. Quang also was awarded the bronze medal in the Congressional Awards Program. His cocurricular activities include participation in the band and varsity track team.

Quang, along with his parents and two brothers, emigrated to America from Vietnam in 1979 under the sponsorship of a Spicer family. He was 6 years old.

Another fine Minnesotan is Amy Hannah. Amy came to the Senate as a page from Fridley, MN, in January. She was doing such a fine job that her term was extended to June 1. Amy is here, now, under the aegis of Senator ROBERT DOLE.

A junior at Totino-Grace High School in Fridley, Amy ranks in the top third of her class. She is a peer counselor and a volunteer at a nursing home. Amy's cocurricular activities include basketball and softball. Last summer, Amy served as a counselor at Christian Life Camp on an Indian reservation in Mandarell, ND.

Amy's early exposures to Washington were in the fifth and seventh grades when she observed Senate pages at work. She decided then that she wanted to be here as a page, too. Amy plans to attend law school and pursue a political career.

Quang and Amy are fine representatives of Minnesota. I am proud of them, and thank them for all they do as U.S. Senate pages.

WEST WARWICK HIGH SCHOOL WINNERS OF BICENTENNIAL COMPETITION

Mr. PELL. Mr. President, I am delighted to announce that West Warwick High school is the Rhode Island State winner of the We the People * * * National Bicentennial Competition on the Constitution and Bill of Rights.

I would especially like to recognize Mr. Michael Trofi and his students Stacy Abjornson, Lisa Andruchow, Kerry Brown, Frederick Carter, Michelle Champagne, Gregory D'Andrea, Kelly Fields, David Garcia, Raymond Gervais, Teresa Giusti, Peter Gorman, Christa Gosselin, Lisa Heilman, Martin Kenny, Brian Kershaw, Kelly Lawing, Michele Monosh, Brooke Mulholland, Kim Parenteau, James Rita, Michael Simoncelli, Walter Stanton, and Nicole Tourangeau. These young scholars devoted a considerable amount of time in preparation, and should be congratulated for their fine effort in winning the competition.

This outstanding program, developed by the Center for Civic Education and cosponsored by the Commission on the Bicentennial of the United States Constitution, provides high school students with a course of instruction on the development of our Constitution and the basic principle of constitutional democracy. In both the instructional and competitive segments of the program, students work together cooperatively to deepen their understanding of the American constitutional system.

In addition, I would like to recognize Mr. Carlo Gamba, district coordinator and Mr. Henry Cote, State coordinator, for the excellent work they did in supervising and implementing this successful program in Rhode Island.

The class will now go on to compete at the national finals to be held here in Washington, DC.

Mr. President, the instructional materials developed by the Center for Civic Education are being utilized nationwide to the benefit of all who participate. All the students are winners because they gain valuable civil and intellectual skills enabling them to make informed and reasoned political decisions in today's society.

TRIBUTE TO REV. DR. VIRGIL A. WOOD

Mr. PELL. Mr. President, I come before the Senate today to pay tribute to a remarkable man, Rev. Dr. Virgil Alexander Wood. On April 26, 1991, the Men's Club of the Pond Street Baptist Church will hold a banquet honoring Dr. Wood for his 40 years in the ministry. I would like to take this opportunity to congratulate Dr. Wood on this milestone and wish him all the success and blessings he so richly deserves.

Dr. Wood was ordained as a Baptist minister in his late teens and during the next four decades he devoted his life to helping and serving others. He has been a strong and vocal activist for civil rights and affirmative action, and he has distinguished himself in his leadership in the church and his service to the community. As one who is deeply committed to education, I would also like to recognize Dr. Wood's role as an educator, as well as his personal educational achievements.

Dr. Wood is currently the pastor of the Pond Street Baptist Church in Providence RI. His past work experience includes service as the dean and director of the African-American Institute of Northeastern University in Boston; as pastoral and executive director of the Blue Hill Christian Center and Parish, a 10-year experimental inner city Parish and Community Center; and as the organizing founder and chairman emeritus of the Boston Opportunities Industrialization Center [OIC] where he assisted in founding and organizing 13 centers in 8 States to provide job training for disadvantaged and underskilled Americans of all races.

Dr. Wood's associations and affiliations show the depth of his dedication to positively affecting the quality of life and the opportunities for minorities and the underprivileged. His selfless involvement in a long list of noteworthy organizations includes service on the National Executive Board of the Southern Christian Leadership Conference, where he worked actively with Dr. Martin Luther King, Jr., in the civil rights movement; on the board of the National Conference of Black Churchmen; with the New England Association of Black Activists; as the founder and board member of S.O.A.R. [Society Organized Against Racism]; as a panelist and member of three White House Conferences under the Johnson (civil rights, 1965), Nixon (food and hunger, 1971), and Carter (American family, 1976) administrations; and as chairman of the Jubilee Inner City Development, Inc.

Rhode Island is lucky to have a man of Dr. Wood's caliber and I hope we will continue to benefit from his inspiration and guidance for many years to come.

THE POINTS OF LIGHT FOUNDATION—CELEBRATION OF SERVICE AND SERVICE AMBASSADOR AWARDS

Mr. KENNEDY. Mr. President, I commend the Points of Light Foundation for its efforts to encourage all Americans to participate in community service. The foundation is a private nonprofit organization whose board is com-

posed of 24 Americans from business, industry, the academic world, and voluntary service groups. The foundation's mission is to help make community service a greater part of the lives of every American, and thereby contribute to the ongoing struggle against illiteracy, poverty, homelessness, alcohol and drug abuse, delinquency, and the plight of the elderly.

On Monday, April 15, the foundation launched their 12-day celebration of service to honor Americans who have been trailblazers in community service, to enhance public awareness of the problems facing society and the need for personal involvement to alleviate them, and to identify worthwhile programs that can be used in all parts of the country to challenge others to become involved.

Each day during their celebration of service, the Points of Light Foundation will recognize one or two Americans as service ambassadors, people who have made a difference by participating in service programs. Today, I join with the Points of Light Foundation and Senators SIMON, RIEGLE, NUNN, and GRAHAM in commending the Sims family of Chicago, IL, Jan M. Dancer of Kalamazoo, MI, John and Susan Wieland of Atlanta, GA, and Tasha Joseph of Fort Lauderdale, FL. They are all exemplary Americans who have made significant contribuitons to their communities and their country.

It is a privilege to work with the foundation, and I ask unanimous consent that appropriate background information on its good works may be printed in the RECORD.

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

THE POINTS OF LIGHT FOUNDATION—BACKGROUND

The Points of Light Foundation is a private non-profit, non-partisan umbrella organization whose board is comprised of 24 Americans drawn from business, industry, academia and voluntary service groups. The Foundation's mission is to help make direct and consequential community service aimed at serious social problems central to the life of every American and to increase the opportunities people have for that kind of service thorugh their workplace, schools, churches and civic organizations. We also will serve as a catalyst in the creation of new voluntary service initiatives.

The Foundation and its board recognize the crucial role government programs must play in this struggle but believe these approaches cannot be the only ray of hope on the horizon. Illiteracy, poverty, homelessness, alcohol and drug abuse, delinquency and the plight of the elderly are problems that continue to defy government's best efforts. This void can only be filled by a redoubled effort from the private sector, by the profound and personal commitment of individuals to helping others.

Beginning Apr. 15, the Foundation is launching a 12-day Points of Light Celebration that is designed to honor those people who have bene trailblazers in the community service effort; to sharpen public awareness of the problems facing society and the need for personal involvement to help alleviate them; and to identify worthwhile programs that can be replicated in other parts of the country and challenge others to get involved. Literally thousands of disparate groups and individuals have already been mobilized as part of this effort.

In conjunction with the Celebration, the Foundation will unveil a nationwide advertising campaign, created *pro bono* by Saatchi & Saatchi and the Advertising Council, that will bring the message of service into the home of every American. The slogan, "Do Something Good, Feel Something Real," stresses the sense of personal accomplishment that volunteers get from their work. The campaign will seek the help and cooperation of the media, businesses, schools, unions, religious groups and individuals. In addition, a toll-free 800 number will act as a national center for providing key information for community service efforts.

The Foundation is assisting or has helped to establish numerous successful service programs. These include:

One-to-One, a mentoring program for disadvantaged youth.

StarServe, a school-based community service effort.

Into the Streets, a college-based community service program operated by the Campus Outreach Opportunity League.

Naming of individual Points of Light Representatives, Leadership Companies and Partnerships.

The Foundation's mandate is long-term. After the Celebration of Service is over, we will pursue our mission on several fronts. First, we will evaluate our advertising campaign and toll-free telephone service in an effort to improve the response; and second, we will continue and improve our efforts to serve as a broker and coordinator for new programs. There are no easy answers. We are engaged in a day-to-day struggle that requires day-to-day commitment and energy.

JOHN AND SUSAN WIELAND, POINTS OF LIGHT AMBASSADORS

Mr. NUNN. Mr. President, I am pleased to join my colleague, Senator KENNEDY, in recognizing John and Susan Wieland.

John and Susan Wieland are in the business of building fine homes for middle to senior managers and professionals, but they feel strongly that everybody needs a decent place to live. In 1988, during the peak of a booming business season, they diverted crews and supplied materials to build six homes for Habitat for Humanity in Atlanta. The Wielands recently completed their 11th home for Habitat. They believe in the Habitat concept of volunteers working side by side with future homeowners.

Through her work as a volunteer and board member for Habitat, Literacy Action, the Atlanta Children's Shelter, and the United Way, Susan has attacked the problems of homelessness and hunger from many angles.

By their example and their influence, the Wielands have helped to bring many other builders and people with special skills and expertise into the ranks of Habitat volunteers working to create affordable housing.

The Points of Light Foundation has picked an outstanding couple as two of their Americans as service ambassadors, and I am pleased that we can recognize John and Susan Wieland's contributions to our community today in the Senate.

THE POINTS OF LIGHT FOUNDATION—SERVICE AND SERVICE AMBASSADOR AWARDS

Mr. SIMON. Mr. President, I would like to commend the Simms family of Chicago for being named volunteer ambassadors by the Points of Light Foundation.

Alvin, Gwendolyn, and Brittany Sims have been involved in volunteer service for many years. Alvin Sims, who works at a social service agency, serves as a mentor for black youth and serves on the board of a day care center. Gwendolyn Sims, who works for the United Way, serves as a literacy tutor, and on the board of her daughter's elementary school. Brittany Sims serves food to the homeless at a shelter.

The Sims have made a true difference in improving the lives of the less fortunate, and I would like to commend this special family for their dedicated service.

JAN DANCER, POINTS OF LIGHT AMBASSADOR

Mr. RIEGLE. Mr. President, each time we hear of those people recognized by the Points of Light Foundation, we cannot help but be touched by the selfless dedication and compassion they embody. We are moved by them, and inspired by them to become more than we are. I am proud to recognize Jan Dancer of Kalamazoo, MI, for her lifelong work with abused and neglected children. Working with the mentally handicapped at age 12, she went on the cofound the Kalamazoo County Child Abuse and Neglect Council. She also served on the Pretty Lake Vacation Camp board of directors, a program benefiting thousands of children. She has recently been appointed to a 7-year term on the Kalamazoo County Foster Care Review Board. In this capacity, I am certain she will continue to work tirelessly on behalf of her community and in so doing, enrich the lives of us all.

CELEBRATION OF SERVICE

Mr. GRAHAM. Mr. President, I am pleased to join with my distinguished colleague, the chairman of the Labor and Human Resources Committee, in recognizing the efforts of the Points of Light Foundation to promote community service.

In particular, I am pleased to report to the Senate that Tasha Joseph of

Fort Lauderdale has been chosen a service ambassador for the foundation's 12-day Celebration of Service. Tasha has performed hundreds of hours of service to her community before she started her own innovative program. This program, "Embrace a Child" is being held at Hollendale High School. It addresses the psychological needs of abused children by providing them companionship, educational presentations, and field trip opportunities. Embrace a Child is being recognized for its success in helping such children develop a more positive outlook. It promotes a greater self-esteem and stresses the importance of education in each child's life.

I congratulate Tasha Joseph for her outstanding commitment to community service. She serves as a role model not only for the citizens of her community, but for all communities nationwide.

RETIREMENT OF EDNA RAVNHOLT

Mr. EXON. Mr. President, I rise today to honor a great public servant and friend. Next month Edna Ravnholt, my administrative director, will retire from the Senate and Federal service.

Edna has been with me from the very beginning of my service in Washington in January 1979. Each of us in the U.S. Senate know how difficult it is to establish an efficient office here when we begin our work. Yes, we are still flush with our victory and eager to begin work. However, there is so much to do such as finding a home, moving personal belongings, learning the rules and customs, obtaining committee assignments, hiring staff and, in general, attempting to hit the ground running.

I doubt if any incoming Senator had an easier transition than I had 13 years ago. Edna had extensive experience in the Senate with Senators Hubert and Muriel Humphrey and had also served under then Vice President Humphrey. She had extensive political experience in the Democratic Party and knew the ins and outs of Washington like the back of her hand.

In short, she was my best link to the world of Washington for a relative newcomer like me, even though I came here directly from 8 years in the Nebraska Governor's mansion. During those early days, thanks in large measure to Edna Ravnholt, I was able to never miss a beat.

My good fortune in this regard has remained so during my entire Senate tenure. In addition to our responsibilities to decide policy issues and authorize and appropriate Federal funds, Senators also must administer their own allocations of funds to operate our offices and provide services to constituents. Edna has administered the millions of dollars we have utilized and has been my trusted steward of every dime which has been provided me. Never once has any expenditure of mine been called into question because of her unimpeachable integrity, knowledge, and competence.

Edna actually manages five offices and most of the people who work in them. She is a leader and a mother confessor all in one. She has truly been the glue which has helped hold the Exon team together.

Staff members inevitably come and go. But through all of those changes, Edna Ravnholt has been a guiding influence, a steady hand and one of those true professionals which every great organization needs.

There is a political side to being a U.S. Senator as well. Again, Edna has helped me immensely through two campaigns, she never complains. Instead, she just rolls up her sleeves and does the tough work.

Mr. President, we serve the people here. It is a solemn and important responsibility, one envisioned and created by our Founding Fathers. Edna Ravnholt, through all her years of public service, has been the ultimate embodiment of the exemplary public servant. She believes in people. She takes their troubles to heart and really helps them. It's not bureaucracy or paper-shuffling to her, it's an opportunity and countless Americans have benefited from her efforts.

Finally, Mr. President, Edna Ravnholt is my dear friend. Being in public life, I have a unique opportunity to become acquainted with a large number of fine people. I have also been blessed with an outstanding group of staff members who have served so well during my terms as Governor and U.S. Senator. I would like to say that no one has served with more distinction and dedication than Edna. She is unselfish and has always looked out for my best interests and those of Nebraska and our Nation.

So, on behalf of a grateful Nebraska, U.S. Senate and country I say thank you and God speed. I wish Edna and her husband, Eiler, the best of God's blessings in the many years to come. She is a very special person and we will all miss her.

TRIBUTE TO JOHN AMOS

Mr. D'AMATO. Mr. President, I rise today to pay tribute to a great man, Mr. John Beverly Amos of Columbus, GA.

John Amos was known to many in the Senate as a man of honor and integrity. His good humor and commitment to the service of others earned him widespread recognition and respect. When he passed away in August 1990, we lost a valuable citizen and friend.

John and his wife Elena built the American Family Life Assurance Co. of Columbus from a $40,000 venture into a multibillion-dollar business. Their success overseas, in Japan, has been astounding. But what made John so special was not his financial achievement, but his personal style. No matter what his professional commitments, he always managed to find time for various charitable and service activities. He headed a number of philanthropic organizations, and gave generously of his time and resources to improve the lives of countless people all over the world.

John Amos was always very proud of the accomplishments of his beautiful wife. Elena Diaz-Verson Amos stood by his side for 45 years of marriage, and played an integral part in each of his successes. They were truly a team. And now Elena will carry on their tradition of excellence. This will not be a hard task for someone who is so experienced in the management of a successful international company. I know that she will continue to perform all of her duties with the grace and ability that are so much a part of her character.

Mr. President, it is my honor to pay tribute to Mr. John Beverly Amos. We will all miss him.

DELL RAPIDS SCHOOL WINS NATIONAL AWARD

Mr. PRESSLER. Mr. President, today I congratulate the STRIVE High Program of Dell Rapids, SD, which last week received a Job Training Partnership Act [JTPA] Presidential Award in a competition sponsored by the U.S. Department of Labor. Developed by the Madison Career Learning Center, STRIVE High gives a second chance for a high school diploma to students who have trouble learning in the traditional classroom. They also enjoy a low teacher-to-student ratio, which offers improved counseling and prompt feedback. Finally, the program provides students with vocational training or work experience which vastly improves their employability following graduation.

Its unique program structure gives STRIVE High a high success rate. Ninety-two percent of its students either received their high school diploma or reenrolled in STRIVE last fall.

The future is bright for the STRIVE High Program. To attract native Americans, the program recently applied for a grant entitled "the Morning Star Project." This project hopes to identify and re-enroll student dropouts from Indian reservations by integrating them into community involvement and support activities.

The great work of STRIVE High has not gone unnoticed in South Dakota. Several other rural school districts in my State currently are trying its formula.

Mr. President, once again I congratulate the Dell Rapids STRIVE High program for the success it has achieved in alternative education. The Presidential Award is well-deserved recognition for

the Dell Rapids community, educators and students who have pioneered a new and successful approach to secondary school education.

The PRESIDENT pro tempore. The Senator from Missouri is recognized for not to exceed 5 minutes.

Mr. BOND. I thank the Chair.

(The remarks of Mr. BOND, pertaining to the introduction of S. 883, are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDENT pro tempore. The Senator from Oregon [Mr. PACKWOOD] is recognized for not to exceed 5 minutes.

Mr. PACKWOOD. I thank the Chair.

(The remarks of Mr. PACKWOOD, pertaining to the introduction of S. 884 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDENT pro tempore. The Senator from Arizona [Mr. DECONCINI] is recognized for not to exceed 5 minutes.

THE RETIREMENT OF MORRIS K. UDALL

Mr. DECONCINI. Mr. President, I rise today to pay tribute to Congressman MORRIS K. UDALL who announced this past Friday that he will be resigning from Congress on May 4, 1991, after dedicating 30 years of his life to serving both Arizona and this great Nation.

From California to Massachusetts, Alabama to Wisconsin, all of the messages were similar: Sadness, deep respect, liberal hero, politically influential environmentalist, and above all, a witty, humorous gentleman who was truly the consummate politician, rising above partisan politics by building coalitions with Members from both sides of the aisle. In fact, it was his ability to use this humor that led him to write, "Humor becomes one of the most formidable tools [one] can wield in pursuit of legislative goals. A savvy pol can use humor to disarm his enemies, to rally his allies, to inform, rebut, educate, console, and convince." Without question, these beliefs enabled Mo to disarm even the most hostile foes and allowed MO UDALL, time and time again, to shepherd through Congress even the most controversial pieces of legislation.

I have known MO UDALL just about all my life. MO'S father, Levi Udall, and my father served on the Arizona Supreme Court together. Mo eventually came to work with his brother, Stewart, in my father's law office, after graduating from the University of Arizona College of Law.

As a high school student in Tucson, I remember supporting one of MO's first campaigns for county attorney, an office which I was proud to serve a few years later. Even then he was an impressive man—a top-notch litigator. Although he certainly was someone who commanded respect, more importantly he was someone who really deserved it.

MO UDALL was first elected to represent Arizona's Second Congressional District in 1961 in a special election to fill the seat that his brother Stewart vacated in order to serve as Secretary of the Interior for President Kennedy. MO has since been reelected and sent back to Washington 16 times by this constituents. He came to Washington at a time when Arizona was represented in Congress by influential politicians such as Barry Goldwater, Carl Hayden, and John Rhodes. Following in this tradition, MO was able to use his position as chairman of the House Interior and Insular Affairs Committee to protect and promote the interests of Arizona. Conservation and environmental legislation were his specialties. His love, admiration, and respect for the environment were so great he once said, "a nation that does not love and respect its land does not respect itself." What a profound credo.

With this credo, MO worked tirelessly to pass landmark legislation such as the 1977 strip mining bill, the 1980 Alaska Lands Act, setting aside 100 million acres in Alaska as protected wilderness, and most recently, the Arizona Wilderness Act which now protects more than 2.4 million acres of Arizona desert wilderness. MO's influence on water rights also went consistently unchallenged. He was able to help pass legislation creating the central Arizona project, the lifeblood of the future of central Arizona and southern Arizona, which will bring much needed Colorado River water to both Phoenix and Tucson.

Not all of MO's many legislative accomplishments, however, were environmentally related. As a young Member of Congress, MO directly challenged the archaic practices of the seniority system in Congress by making a symbolic run for Speaker of the House against John McCormick. Although he was soundly defeated, it brought to the forefront the stifling nature of the seniority system and later led to major reforms in the committee system. MO was also one of the first Members of Congress to disclose his personal finances, long before it was required, an action which later laid the basis for his leadership in civil service reform and revolutionary campaign finance laws in the early seventies.

When I came to the Senate I learned from MO to put in every year a complete financial statement far greater than is required by law. That was just one of several things that MO UDALL taught me.

I will remember MO UDALL for many reasons, but most of all, I will remember his decency and his commitment to providing his best effort to everything he undertook. MO UDALL was a fighter. He never allowed any of his personal hardships or his battle with Parkinson's disease to slow him down. Even as Parkinson's began to take its toll, the old UDALL charm and wit, for which he will be forever loved, never faded. I think all of us here in Congress and many of us around the country can say without hesitation that we are better for having witnessed and experienced this man's diligent work. He has nobly served his constituents, the State of Arizona, the U.S. Congress, and the people of this land. The entire Nation has benefited and will forever remember his visionary thinking. I am saddened with his departure. I will miss his friendship, his counsel, his advice, and his leadership.

I will be introducing legislation soon which hopefully will help educate future generations of environmentalists. This legislation, the Morris K. Udall Scholarship and Excellence in National Environmental Policy Act, is a tribute to the man who has made a permanent imprint on this Nation's heritage of natural resources and encouraged America's youth to become involved in its protection and enjoyment. This bill will establish a foundation comprised of representatives from the Department of Education, the Department of the Interior, and appointments by the President, Senate leaders, House leaders, and a representative from the University of Arizona. The foundation will award scholarships, fellowships, and grants from a $25 million endowment fund for study in fields related to the environment. In addition, the foundation will provide assistance to the Morris K. Udall Archives which will include funding to maintain the current site of the repository for his papers and assures their availability to the public.

Finally, this legislation will also establish a center for environmental conflict resolution as well as work to develop resources to properly train professionals in environmental and environmentally related fields.

In closing, I would like to cite a quotation that MO UDALL hung next to the desk in his office which I believe best repesents what this man was all about. The quote is from Will Rogers and reads, "We are here for just a spell and then pass on. So get a few laughs and do the best you can. Live your life so that whenever you lose, you are ahead." There is no doubt in my mind. MORRIS K. UDALL is way ahead.

I thank the Chair.

Mr. AKAKA addressed the Chair.

The PRESIDENT pro tempore. The Senator from Hawaii [Mr. AKAKA].

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 885 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is closed.

CONCURRENT RESOLUTION OF THE BUDGET FOR FISCAL YEARS 1992, 1993, 1994, 1995, AND 1996

The PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 29, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 29) setting forth the congressional budget for the United States Government for fiscal years 1992, 1993, 1994, 1995, and 1996.

The Senate proceeded to consider the concurrent resolution.

The PRESIDENT pro tempore. The Senator from Tennessee [Mr. SASSER], the manager, is recognized.

Mr. SASSER. Mr. President, prior to addressing the resolution itself this morning, I ask unanimous consent that the staff of the Committee on the Budget and its members be allowed to remain on the floor during consideration of Senate Concurrent Resolution 29, and I will send to the desk a list of those staff.

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

Mr. SASSER. I ask unanimous consent the list be printed in the RECORD.

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

STAFF OF THE COMMITTEE ON THE BUDGET

REGULAR FLOOR PRIVILEGES

Majority staff: Tim Ahern, Kip Banks, Agnes Bundy,* John Callahan,* Alan Cohen,* John Cestar, Bill Dauster,* Kathy Deignan, Randy Devalk, Matt Greenwald, Amy Kestnbaum, Charles Marr, Doug Olin,* James Pratt, Larry Stein,* Gordon Stoddard, Ingrid Taylor, John Wagster, Paul Weech, and David Williams.

Nondesignated: Allison Cormack, Lisa Guzzi, Anne Willis Hill, and Sue Nelson.

Minority staff: John Blazey, Jim Capretta, Lynne Daghlian, Charlie Flickner, William Hoagland,* Melissa Longoria, Carole McGuire, Anne Miller, Michelle Mrdeza, Adele Obermayer, Roy Phillips, Denise G. Ramonas, Cheri Reidy, Rel Ricardo, Austin Smythe,* and Peter Taylor.

*These individuals have privileges to be admitted without pass under a previous letter to the Sergeant at Arms.

FIFTEEN MINUTE FLOOR PRIVILEGES

Lisa Bartko, Diane Bath, Alice Benton, Kiki Caruson, Louise Echols, Andrea Gatta, Bert Gilliam, Jackie King, Cathy Mallison, Lisa-Marie McDonald, Angela Nicholas, Cris Ondrick, Betsy Paul, Beth Strader, and Cathy Mallison.

STAFF OF MEMBERS OF THE COMMITTEE ON THE BUDGET

REGULAR FLOOR PRIVILEGES

Staff member and Senator on whose behalf request is made

Barry Strumpf, Senator Hollings.
Laura Hudson, Senator Johnston.
Joan Huffer, Senator Riegle.
Chris McLean, Senator Exon.
Bruce King, Senator Lautenberg.
John Weinberger, Senator Simon.
Judy Love, Senator Sanford.
Brian Wheeler, Senator Wirth.
Janet Abrams, Senator Fowler.
Vi Boyer, Senator Conrad.
Joan Gillman, Senator Dodd.
J.D. Foster, Senator Symms.
Kris Kolesnik, Senator Grassley.
Marc Rose, Senator Kasten.
Hazen Marshall, Senator Nickles.
Mike Solon, Senator Gramm.
Julie Dammann, Senator Bond.
Laura Ann Mullins, Senator Lott.
Sharon Keane, Senator Brown.

Mr. SASSER. Mr. President, I also ask unanimous consent the presence and use of small electronic calculators be permitted on the floor of the Senate during the consideration of Senate Concurrent Resolution 29.

The PRESIDENT pro tempore. Hearing no objection, the request is granted.

Mr. SASSER. Mr. President, I yield myself, at this time, such time as I may consume.

The PRESIDING OFFICER [Mr. AKAKA]. The Senator from Tennessee [Mr. SASSER] is recognized for such time as he may require.

Mr. SASSER. Mr. President, the budget resolution for fiscal 1992 continues the principles and discipline that we agreed to in the bipartisan budget summit agreement completed just 5 months ago. Consequently, this resolution is an expression of fiscal responsibility. It conforms with the spending caps, discretionary spending, and the pay-as-you-go constraints, mandatory spending, agreed to in the summit. By any measure, it is a deficit reduction resolution. It carries forward our agreement to reduce the deficit by approximately $482 billion over the next 5 years.

During the debate on the resolution, we may hear a critique of what we did or did not achieve in last year's summit. I will admit that backward glances seem hard to resist. They are hard to resist for this Senator when it comes to fiscal decisionmaking. And, admittedly, no Senator got everything that he or she desired last year. But, what this budget summit agreement has that makes it preferable to over 100 private budget plans is that it passed this body. It passed the U.S. Senate. It passed the House of Representatives. It was signed by the President, and it has become law. That is the law which guided our hand on this particular resolution. It requires compliance with strict spending and revenue limits that are designed, first and foremost, to contain the Federal deficit.

I know there are going to be some who say the deficit is going up, not down this year. That is really the result of two unfortunate coincidences. One is the recession. Make no mistake about it, the recession is damaging to the Federal budget. It raises the deficit. It reduces Federal revenues just as it is wreaking havoc with State government and local government budgets all across the country.

Second, we are now at the high-water mark with regard to funding needs; specifically with the problems brought about by the collapses in the savings and loan industry. These two overlapping and unfortunate coincidences have elevated the deficit. But, having said that, the deficit is some $33 billion less this year, in fiscal year 1992, than what it would have been had we not passed the budget summit agreement.

So this resolution requires compliance with strict spending and revenue limits that are designed to contain the Federal deficit. There is no doubt that the deficit continues to cast a long shadow across this Nation's fiscal terrain. Yet I submit there is progress on the horizon if we continue to enforce and maintain last year's agreement. This budget resolution fulfills that requirement.

For the record, I think it is important to understand that we took serious action with respect to the deficit in this resolution, just as we took serious action last year in the summit agreement. Consider for a moment the most recent Congressional Budget Office projections on the on-budget deficit through 1995. The Congressional Budget Office indicates that the current deficit of $371 billion will follow a decisively downward trend line to $188 billion by 1995.

That is the deficit excluding the Social Security trust fund that has been used in past years to offset the deficit figures and incorporating the full measure of the savings and loan bailout spending. But even with those two items considered, taking the Social Security surplus out from under the calculation of the deficit so that it is not artificially lower by including the trust fund as an offsetting receipt, we still find that by 1995, the deficit has dropped to below 1 percent of gross national product.

That will be at the lowest level in 20 years.

Perhaps even more compelling are CBO's projections for the deficit had this budget agreement not been enacted. Using reasonably conservative economic assumptions, CBO demonstrates, that today's deficit would be $33 billion higher were it not for the agreement that was enacted last year.

Mr. President, had we done nothing last year, the deficit would jump by an additional $69 billion in fiscal year 1992; by $89 billion in fiscal year 1993; $131 billion in fiscal year 1994; and another $160 billion in fiscal year 1995.

Absent this budget agreement, we would still be running $350 billion deficits in 1995. With the agreement, the deficit will be half of what it would have been otherwise. No one is making

the case, and certainly I would not seek to make the case that we have eradicated the deficit. But we have the controls in place to contain the deficit to a measurable extent.

It should be understood that nearly two-thirds of the $482 billion in savings that are contemplated in the summit agreement are now fixed into law. We achieved these entitlement savings as part of the reconciliation bill last year. Combine these savings with the discretionary cuts we made below baseline last year and we have nearly $300 billion in bona fide deficit reduction.

Again, the resolution before us today keeps the deficit locked on to that declining course.

I think it is fair to say that we are operating this year under perhaps the most demanding fiscal restrictions that this Congress has ever imposed upon itself. But that fact is not an excuse for stagnant budget priorities. We have taken this resolution, and we have worked with it. I would characterize this resolution as a very positive disposition of our available domestic discretionary resources.

Simply stated, this resolution affirms the central importance of family and economic security principles in our Federal budget. It responds as much as it can within the fiscal constraints in which we are operating. It responds to the concern of Americans about economic security for their families and about the education and health of their children.

Under the spending caps we agreed to last year there is not a lot of room for major policy initiatives or radically divergent budgetary priorities. I think anyone who attempts to amend the discretionary totals in this resolution will discover the problem when the time comes to find the cuts necessary to make any adds. It is very easy to advocate any number of very worthwhile additions to spending in existing programs or in new programs. But it becomes very difficult then to find offsetting cuts in existing programs to justify these adds.

But within these constraints, we have attempted, Mr. President, to send a clear message. The centerpiece of the resolution is a $3.1 billion funding increase in fiscal 1992 for the Department of Education. If we are to give our children the foundation they need to meet our Nation's challenges, we clearly have to begin by doing a better job of educating the children of this country.

The resolution provides another $3.1 billion in targeted family assistance for Federal programs that have a documented history of success. We do this to find the most cost-efficient and effective way of spending scarce Federal dollars in aiding the families of this country.

So, we have provided another $1.3 billion targeted to family assistance for programs that have a record of success and a record of cost-efficient expenditure of Federal dollars. This includes the Women, Infants and Children Nutrition Program. It includes the Head Start Program. It includes child care grants, as well as a job training initiative.

This budget represents a commitment to make America's children healthier and better prepared to learn. It represents a commitment to offer an extra measure of support to families during this time of recession.

This resolution, I think, states the view of the majority of all Senators in this body; that it is time to move children and families to the top of the Federal budget agenda. The children of this Nation are our future and they are also the poorest segment of our Nation's population. Fully, 1 in 5 children in this country live in poverty; 1 in every 12 children faces a serious hunger problem. That is hard for us to believe, but the statistics tell us that it is true: 1 in 12 of our children face a serious hunger problem. And one-sixth of the children in this country do not complete school.

What makes this so distressing is that the situation is getting worse, not better. If we do not correct this situation, more than 25 percent, or 1 in 4 of the children in this country will slip below the poverty level by the year 2000.

Too often our answer at the Federal level has been to spend resources in a reactive way. We try to remedy the problems facing our children and facing families only after the problems occur. But at the heart of this resolution is a pledge to alleviate hardships before they take their toll on our Nation's families and children. The specific provisions in the resolution address the source of the hazards facing children and the economic security problems facing families.

They include a $350 million increase in funding for the highly successful Women, Infants, and Children Nutrition Program. Increased birth rates and the recession, coupled together, have made the need for this program greater than ever.

The studies show that for every dollar spent through the Women, Infants, and Children Nutrition Program, we save $3 in the first year of a child's life by reducing other health care costs. And that is just in the first year of the child's life. It does not take into consideration what happens to the child later as it continues to grow in years 2, 3, 4, and 5 when it has adequate nutrition and can develop physiologically the way that a child should.

We also provide in this budget resolution for a $500 million increase for Head Start which would provide for a significant increase in the number of eligible children served by this Preschool Nutrition, Medical, and Education Program.

No question about it, Head Start has been an enormous and spectacular success in giving young children, particularly children from deprived families, at least a leg up as they move into the organized school system.

The resolution also calls for a $450 million increase in education services for disabled children. It calls for a $1 billion increase in student aid programs, including an increase in the maximum amount of Pell grants to allow the neediest students to go to college without eliminating students from moderate-income families from this program—an effort to encourage and to help students go to college, to get a college education, to become more productive citizens of this country.

It also includes a $140 million increase in infant mortality programs, including outreach services to pregnant women in both rural and urban areas.

We hear a lot of talk about poverty in urban areas. Of course that is easier to see, but I would submit, Mr. President, that based on the experience in my native State of Tennessee and some areas of Appalachia, there is ample rural poverty, and rural poverty can be even more cruel than urban poverty.

This resolution also provides a $300 million increase in vocational and adult education programs. I view this as an essential investment in our Nation's ability to compete—it is a proposal to help ensure basic schools and workplace training for literally hundreds of thousands of young people and adults also who want to improve their skills, to improve their marketability in the job market in this country.

In sum, this resolution reconfirms education and it reconfirms our children as top Federal priorities in the decade of the 1990's. It is forward looking. It is proactive. It is a response to the insecurity wrought by the difficult economic times we find ourselves living through, and it makes investments in our families—investments that we believe will pay dividends for generations to come.

All of these proposals are on the discretionary spending side of the ledger. On the mandatory side of this resolution, it is also an economic and family security budget. It addresses those problems in strictly deficit neutral terms.

The rules of the new pay-as-you-go system require that any entitlement expansion be absolutely deficit neutral, and this resolution complies fully with that requirement. In the pursuit of flexibility for committees that may wish to alter entitlement policy in later years, we have included reserve language in the resolution, language that permits us to be disciplined without becoming hidebound.

In the most basic terms, reserve language provides that mechanism to

allow the new pay-as-you-go system to operate. When you strip it all away, in the final analysis, reserve language is simply enabling legislation that will permit the Senate to work its will on the substance of issues later if the Senate chooses to do so. Failure to include it in the budget resolution at this time will restrict the entire body in the very near future, if it wishes to address some problem that may appear in the future or if it wishes to institute some new initiatives.

I think it is worth noting, Mr. President, that the Finance Committee in a bipartisan, unanimous vote, approved a request for reserve funds for deficit-neutral legislation in three areas:

First, initiatives to improve health and nutrition of children, to provide for services to protect children, and to strengthen families.

Second, the Finance Committee asked for authority for economic recovery initiatives such as unemployment compensation, should the recession worsen or lengthen, or for other related programs to deal with the problems brought about by the uncertain economic times in which we find ourselves.

Third, the Finance Committee asked the Budget Committee to provide for continuing improvements in ongoing health care programs and phasing in health insurance coverage for literally tens of millions of Americans who find themselves with no health insurance coverage at all, plus needed efforts to contain health care costs. There is no question about it, health care costs are outrunning the means of the average American, as well as the Federal Government, to meet those health care costs.

The Federal Government is the largest purchaser of health care in this country, perhaps the largest in the world, with purchases of health care through Medicare, through the veterans medical care system, including the veterans hospitals, through the military medical system, and through assistance given top States through Medicaid. Clearly the Finance Committee needs the authority to move in the area of containing health care costs.

We have also incorporated reserve funds that would allow initiatives in two additional areas. One is expanding access to early childhood development services for low-income preschoolers, such as expanding the Head Start Program even further, or finding other means to finance it if the committee of appropriate jurisdiction wishes to do that, and if the full Senate wishes to endorse by a majority vote that committee's action; and finally providing for a Surface Transportation Act to address the deteriorating conditions of our Nation's highways and bridges. There is no mistake about it; we have a serious problem with a deteriorating infrastructure in this country. We not only read about it but we see it with our own eyes as we get in our automobiles and drive across the roads, highways, and bridges of our Nation. We see it in the form of potholes, deteriorating road surfaces, and bridges that may have become unsafe.

But I would submit, Mr. President, by including reserve fund language in the budget resolution we are simply preparing the way for the committees of appropriate jurisdiction of the Senate, and then for the entire Senate to move on these initiatives if they choose to do so once the substance has been worked out.

That is a point worth emphasizing. A reserve fund does not force specific action. All initiatives must be agreed upon in the normal process including finding a way to pay for them. Under the budget submit agreement put into place last year, a committee can no longer authorize a program, we can no longer approve a program on the floor of this Senate, and the President can no longer sign into law a program without finding a way to pay for it. Hereafter, if we want to create entitlement legislation expand entitlement legislation, we are going to have to find a way to pay for it first.

There will be no more of this business of spending and borrowing, or borrowing and spending. From this day forward we are saying with this pay-as-you-go initiative in this budget resolution—yes, you may expand an entitlement program; yes, you may create a new, mandatory program, but you have to find a way to pay for it first. If you do not pay for it, then it falls by virtue of a 60-vote point of order here on the floor of the U.S. Senate.

I want to dispel any confusion that may be had in this Chamber about how you pay for these expansions of mandatory programs or the creation of new mandatory programs. Some will claim that reserves are simply a license to tax. That is clearly not a sustainable allegation.

But I submit that even if that were true, that is infinitely more responsible than what we have seen over the past 11 or 12 years in this Chamber—creating programs with no thought in mind of how they will be paid for. You simply borrow the money and pass the cost of it on to future generations.

Raising the revenues to pay for a program is certainly more responsible and more courageous than the plan that was found in vogue in recent years of simply borrowing the money to pay for it. But when we talk about reserve funds we are not talking about a license to raise revenues to pay for it. For example, the Budget Committee passed an amendment offered by the junior Senator from Colorado that structures reserves in a way that allows us to address new initiatives within the context of spending cuts only, not taxes.

So the argument—that these reserves are simply new ways to tax the American people is untrue. Now if you want to expand a program, you are going to have to find a way to pay for it by cutting other mandatory spending.

So it is simply a distortion to try to characterize reserve fund language as a proposal to raise taxes. It is not. And to characterize it in that fashion is to I think break faith with the budget summit agreement that was solemnly entered into last year.

The question of pay-as-you-go was debated at great length during the deliberations on that budget summit agreement. It was agreed that what we were seeking to do was to put the stopper in the bottle of a borrow-and-spending psychology mentality that had prevailed in the past; that what we were seeking to do was to be responsible and say, if you are going to increase mandatory spending, then you are going to have to pay for it. That is all that we said. That was the responsible, old-fashioned way to govern.

There used to be a time in this country when, if you wanted to expend a program, or come up with a new initiative, you came up with a way to pay for it. That was absolutely elementary. But somehow in the decade of the 1980's that went out the window.

We spent a lot of time telling the American people we can give you everthing you want. We will pay for it. Do not worry about it. We will grow our way out of it. We will expand this economy and pay for it. That is the way we built up a debt today of over $3 trillion.

Mr. President, let me say that the primary proponents of this budget plan elicited strong bipartisan agreement in our Budget Committee. Nearly half of the minority Senators cast positive votes for Senator WIRTH'S homefront amendment. It was a $4.4 billion initiative that is the cornerstone of the discretionary portion of this resolution.

I am pleased to say that the Wirth amendment was adopted by an overwhelming bipartisan margin in our Budget Committee. Moreover, all members of the minority in the Budget Committee voted for the language included in the amendment offered by the distinguished junior Senator from Colorado [Mr. BROWN] to structure the reserve funds under the new pay-as-you-go system so that initiatives made possible by them are not offset with taxes.

So in every regard, Mr. President, this resolution upholds the priniciples of the budget summit agreement of last year, and it upholds the discipline that was the fundamental underlying reason for the budget summit agreement last year—the discipline to control spending. This budget resolution does that.

In conclusion, Mr. President, I submit that we have a worthy budget resolution that we are presenting here to

our colleagues today. It is really the fruits of a bipartisan summit agreement that was entered into last year through negotiations initiated by the President joined in by the Congress. And that summit agreement is the underlying fundamental framework of this resolution that we bring to our colleagues today.

It has spending caps on both defense spending and domestic discretionary spending. Those caps have not been breached. We are adhering to the discipline that was fundamental to the budget summit agreement.

We have sought within the framework of these caps to move the funds around in the domestic discretionary spending framework in such a way as to emphasize education for our young people, to emphasize some of the family and security needs of our people but always being mindful of the underlying fiscal discipline that we must adhere to and that we agreed to last year.

On the mandatory or entitlement side, once again we adhere to the agreement and adhere to the discipline. We say that, if there is going to be an increase in entitlements or mandatories, it must be on a pay-as-you-go basis. If you want to do it, you have to pay for it.

So it is a fiscally disciplined budget resolution. Within rigorous limits of fiscal responsibility, it will focus what resources we have in this very trying fiscal time on family and economic security issues that matter so much to all of us, that matters so much to all Americans.

Mr. President, I ask unanimous consent at this point in my statement that a chart indicating the savings that will occur under the 5-year budget summit agreement be included in the RECORD together with a second chart indicating the Congressional Budget Office baseline totals with respect to deficits for 1991 through 1995 indicating the savings under our budget resolution we have today, and what the deficit would be without the budget resolution.

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

BUDGET AGREEMENT SAVINGS

[In billions of dollars]

	1991	1992	1993	1994	1995	5-yrs
Presummit baseline	404	435	392	402	348	NA
Policy savings	−33	−69	−89	−131	−160	−482
Current CBO baseline	371	366	303	271	188	NA

NA=not applicable.

CBO BASELINE TOTALS

[In billions of dollars]

	1991	1992	1993	1994	1995	1996
On-budget:						
Revenues	793	850	910	966	1,026	1,080
Outlays[1]	1,164	1,217	1,213	1,237	1,214	1,285
Deficits	371	366	303	271	188	205
Percent of GNP	6.4	5.9	4.6	3.9	2.6	2.6
Alternative deficits:						
On-budget excluding deposit insurance	268	269	256	246	235	248
Consolidated	309	294	221	169	69	66
Percent of GNP	5.5	4.9	3.5	2.5	.9	.9

[1] CBO's estimates have been revised to include Social Security administrative expenses.

Mr. SASSER. Mr. President, I see the distinguished ranking member, Senator DOMENICI, rising to speak at this time.

I yield the floor.

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

Mr. DOMENICI. Mr. President, I yield myself as much time as I need this morning.

Let me thank the chairman for his remarks and for his hard work in the days past in getting us where we are. Obviously, we are on a tight timeframe to go to conference with the House and get a conference report on the budget resolution. I am sure we will work together to see that we get that done.

Mr. President, let me also, for my colleagues, in particular, apologize for my voice. I have a bad cold, and I am sure some of my friends in the Senate will suggest that maybe I will talk less. I want to inform them that I am not so disposed, in spite of my voice, because I think we are in a very, very important period in the history of budgeting.

It is an interesting time. Without talking specifically about the budget for a moment, let me give you a version of why we are here and what happened on the way from the summit meetings to this day.

First, as the Senator from New Mexico sees it, last year the President of the United States, with the concurrence of the leadership of both Houses, said that we have a bad fiscal crisis. We all got together to see if we could agree on a budget for a number of years. We were trying to make a real step forward to fix this ever-increasing deficit and get our fiscal house either in order or under control.

Well, I am not going to recap all of the history of what happened when this group of U.S. Congress men and women went out of Andrews Air Force Base and met forever, and then came back here and narrowed the number of negotiators down even more and then finally produced an agreement between the congressional leaders and those in attendance, and the executive branch, the President of the United States.

A lot of things happened. But essentially, for the future, most of the media attention was focused on cigarette taxes, the 5-cent gasoline tax, other kinds of revenue items, and on some reductions in mandatory spending, which we used to call "entitlements," but now we use the word "mandatories." That included Medicare, part B, some changes in the copayment between the taxpayers of America and the seniors citizens. So those issues got all of the attention.

We struggled through that, and by the time it got through the House, we had some new issues on fairness, in terms of the tax structure, to tax the wealthy and not the middle class.

But while all of that was occurring—and we finally got our way through that one way or another—it seems to this Senator that one of the most significant agreements regarding the fiscal policy of the United States and the procedures and processes, both in the executive branch and the Congress, was entered into.

I am absolutely amazed, as I had the opportunity to speak before groups in my own State and elsewhere, to share a little bit of what we did while all of that notoriety was taking place—maybe one might even say "under the cover" of that notoriety. A 5-year binding agreement was reached between the President of the United States and the Congress, which this Senator thinks will dramatically change our tendencies here in the Congress and, yes, even the tendencies of the executive branch, to spend and spend and spend and believe you never have to pay for it. And it will dramatically change the implementation of the philosophy

which may be still around, of spend and tax and tax and spend.

So that everybody will understand the parameters, it is obvious that it would be unconstitutional to enter into a 5-year agreement that bound the Congress literally in dollar numbers for 5 years. One year we have already done, and four we are going to do, starting with year No. 2 in the budget resolution before us today.

So let us start with an understanding of what we did do that everyone thinks is constitutional. Let us put it this way. You can do almost anything that you could do before this agreement—as stated by our distinguished former Republican leader, Senator Baker, who once said, "If you have 51 votes, you can do anything." Well, essentially, if you really want to change this agreement, other than, interestingly enough, to reduce the deficit more than was agreed upon in this executive-congressional agreement, so long as it does not include taxes—you can do that with 51 votes.

But if you are going to, in any way, raise the deficit or raise the spending in the three new categories that we have established in law—defense spending, domestic discretionary spending, and foreign assistance spending—you need a supermajority. And such is the agreement.

So there is nothing any more binding. If you want to break all this business, you have to really have something good, something powerful, because you need supermajorities to do it. So the overall framework is supermajorities and sending laws to the President to change all this, which he can veto and, obviously, in that stance, a minority supporting the veto will keep it in place.

Having said that, Mr. President, this Senator from New Mexico has come to the conclusion that the most important thing we can do up here is to take policy steps that enhance and increase the opportunity for the American economic system to grow and prosper in a sustained manner.

There is nothing that proves to the American people that sustained growth is good. We all know that. We all understand that—our economists have all told us—an increase in the size of the pie that is getting distributed through various activities in the American system is good. But nothing convinces the American people and Members of Congress that you ought to have sustained growth better than to have a recession.

When you have a recession, everybody understands that recession is the opposite of growth. Therefore, you sure would like to have growth, because you do not like the recession.

So, from my standpoint, what is wrong with this budget resolution has nothing whatsoever to do with the caps agreed upon by the budget summiteers, encapsulated in a reconciliation bill that went to the President, was signed, and is now either law or has changed our procedures, one or the other. There is nothing at all wrong with that. And this budget resolution, as I will explain, in this Senator's opinion, takes that summit agreement and says "carry it out," and does not do much more than that.

The budget resolution does not address the issue of reducing the Social Security taxes or the trust fund with that supermajority of 60, that I alluded to a while ago. And as a matter of fact, an amendment will be offered sometime today that takes advantage of the fact that that is the one major loophole in the budget summit agreement.

And I will not burden the Senate or anyone interested in what I am talking about here this morning with how it happened, other than before the budget summit, if you wanted to reduce FICA taxes substantially, or spend some of the Social Security trust fund for something other than what it was intended, you had to have a supermajority.

Let me repeat that. For those who were wondering why we did not take Social Security off budget, for about 2½ years there was a clamor to take it off budget, the notion being it would be protected if it is off budget.

Interestingly enough, the result of the budget summit and the inclusion of some words in that summit agreement regarding this trust fund and the firewall protecting it is to take it off budget. But with 50 votes, a simple majority, you can raid that trust fund—raid that trust fund.

The biggest objection of the Senator from New Mexico to this budget resolution is that it permits that. And as a matter of fact, the way it is drafted, it says implicitly you can cut the taxes to reduce the trust fund solvency with 50 votes, but for the remainder of the year, you cannot spend the trust fund on something else.

(Mr. ROBB assumed the chair.)

Mr. DOMENICI. Mr. President, I believe we should have put in this resolution that you need 60 votes to change the trust fund's solvency in either respect. Why do I say that? Because I started my comments by saying the most significant thing we can do with the budget resolution is to analyze it first to see what it does to economic prosperity. What does it do to our future economic growth? What does it do to our potential to remain competitive?

And, Mr. President, I am unequivocally convinced that to dramatically reduce the Social Security trust fund will indeed put the United States of America in a position where about 25 to 30 percent of the economic positives coming forth from that budget summit are wiped out. Which means America will be in the debt market for more money on the borrowing side, even while we have a 5-year relatively good fix on our fiscal policies and have put it in order.

I believe that is bad policy because I think it means interest rates will not come down as fast or for as long as they should. That means money will be more expensive to the Federal Government, and ultimately more expensive capital will be more expensive to American business, large and small, and to those who want to invest to cause America to grow.

So we have a rare opportunity sometime today, hopefully, to make this budget resolution what it ought to be, an encapsulation and mandate that we carry out the terms and covenants and conditions of the budget summit, and that we not dramatically change it by reducing the revenue take side of the ledger for the Social Security trust fund. As an article in the Washington Post indicated today, for those who want to cut the tax, they ought to be coming before the Senate saying what taxes they would raise to take the place of the lost revenue so we could have the budget summit's deficits lines running as they really should and as they were intended.

That is the thing that is most wrong with the budget resolution before us. And I want to say to my friend from Tennessee, if the Moynihan amendment—which I assume he will offer today, and which takes advantage of the 50-vote simple majority provisions of the reconciliation bill to reduce the size of the trust fund so that he can use up that extra amount in reduced taxes—if it fails, and I hope it does, then the Senator from New Mexico will support this resolution. We can go to conference. And I will urge my friends on the Republican side to support it. I think, especially considering the options we had, we could have tried to spend more than the budget summit indicated. The only thing that would have happened if we did that, we would require supermajorities here on the floor.

There is nothing to keep Senators from, if they want to, spending more money. So if they do not like the strictures of the budget summit on the spending side, they can offer an amendment here on the floor to increase it.

The interesting thing, as I said in my opening remarks, is that the President and the Congress made a historic agreement that says if you want to do that for the next 4 years, you have to get a supermajority to support you.

I am pleased the Budget Committee, at least, did not do that. If you want to cut defense more than the budget summit agreed to, you can come right here to the floor to cut it more. And I assume an amendment will be offered to do that. Such amendments were offered in the markup in the Budget Committee, I say to the Presiding Officer: 10

percent cut, 8 percent cut, 6 percent cut, down to 1 percent. All failed.

Everyone assumes the $177 billion we cut off defense in the reduction agreed to in the summit is a sufficient cut, all things considered. But we can try to cut it more.

The interesting thing about the budget summit is, however—and I think it is a very, very good way to handle fiscal policy for now and for the remainder of this agreed period encapsulated in legislation—if you reduce defense more and you do not spend it for something else, it reduces the deficit. That is the way the agreement reads. That is what we, in collaboration with the President, agreed would be the policy for the ensuing few years.

If you want to reduce defense, domestic discretionary programs, and foreign assistance, again, I repeat, nothing keeps anyone from doing that. For those who deplore the size of the deficit or do not like the budget summit agreement, they can come to the floor; they can alter that. And in that regard, they only need a simple majority.

But the interesting thing is that the savings go to the deficit and are not spent elsewhere. To spend them elsewhere requires a supermajority. That is more than 51, or a majority of the Senators present.

That is the nature of this interesting multiyear agreement that I started off telling the Senate about. While there was all of the commotion about the cigarette taxes and the gasoline gax, a most intriguing and interesting agreement was entered into, and it falls to the Budget Committee to seriously consider each year whether they want to continue to be bound by that agreement.

Clearly, for those who say there is no role for this resolution, there is nothing to do, I have just given a few off the top of my head. For those who want to spend more, you come down and offer it. It will be voted on. And clearly, if you get a sufficient vote, you have altered the summit agreement and permitted the appropriators to spend more.

Let me tell the Senate one more thing that is most interesting about the summit agreement that is encapsulated in the reserve provisions of this budget resolution. About 2 or 3 months before the budget summit reached its conclusion, a distinguished Member of the House, Chairman ROSTENKOWSKI, presented an editorial piece following a speech somewhere in his home State of Illinois where he called for some rather dramatic changes in the Federal budgeting practices.

In that, he included a statement that for mandatory or entitlement programs, new Medicaid add-ons, Medicare changes that increased spending, pension programs you might want to change, student loan programs that you might want to change, agricultural programs that are annual subsidies that are covered under a multiyear law—all of those are called mandatories—he included a statement that if you are going to increase any of those in the future you ought to pay for them, which became known as pay-as-you-go.

Again, while all of the excitement of the summit was focused on taxes and entitlements, this provision of pay-as-you-go was encapsulated in the agreement and is now covered in this budget resolution.

It says, essentially, for those who in the past have done things like the following: You want to increase the Medicaid Program, so what you do is change the law in a reconciliation bill to increase spending, not this coming year, but 2 years from now, by a huge amount, maybe $300 million or $400 million; and maybe 4 years from now, one-half billion dollars. I do not know, but for the year you are looking at it, little or no new money is spent. But it is dramatically spent in the outyears. The pay-as-you-go provisions, in my opinion, are dramatic changes in the direction of positive fiscal policy for it would say you must pay for that kind of program and you will estimate it over 5 years, not one, and you pay for it in either of two ways. You pay for it either by new revenues or by cutting programs. And if you do not pay for it, Congress has given the Office of Management and Budget the authority to cut across the board entitlement programs, except Social Security, to pay for the increased programs.

Frankly, the Senator from New Mexico worked on these issues for years and never believed we would have a budget resolution before us that carried that kind of enforcement power, but it does. So now it means that the numbers we have in this budget resolution, multiyear in nature, are enforceable against entitlement changes unless they are paid for. And if they slip something by and it is not paid for, the Office of Management and Budget makes you pay for it by cutting programs across the board.

Frankly, so no one will miss the strength of the agreement that is encapsulated in this budget resolution and being carried forward here on the discretionary programs, we have not only set a dollar number in law for the year that we have on the floor and for the following year, for discretionary appropriations, let me just give you the number: $210 billion in outlays is what can be spent and no more. One might say, how good is that? We have a tendency to overspend or, in the waning moments, to do supplementals that would increase the amount, and we would go over the target. What happens now?

A most interesting agreement was arrived at in the summit and is now in the laws of this land. The Office of Management and Budget is given the authority, when you have finished the appropriation process, to see if Congress broke the target and immediately has the authority to cut all the accounts by the amount necessary to pay for the overage. All of them are cut equally—no line-item veto, no taking entire programs out, but across the spectrum of those kinds of programs—the overage is spread by reductions to reach the target. Such is the case for the entire period of this agreement.

This budget resolution will be the enforcement mechanism for that on the floor. We have provided for increases in entitlement programs in the areas that the chairman has alluded to, but, interestingly enough, an amendment offered in the committee by the junior Senator from Colorado said that all you can do there is pay for new programs by reducing or cutting old programs. You cannot do it by new taxes. New taxes would be out of order. If you did it by cutting programs to pay for new ones, you only need a simple majority to pass those. Very interesting. We will see how it plays out. Obviously, much of this has never been tried, but it is, at least as I see it, a very, very exciting process for the future.

Mr. President, again I repeat, in the opinion of this Senator, the most important fiscal policy issue confronting the Congress this year is, do you want to reduce the Social Security tax and raid the trust fund by billions of dollars, put the fund in jeopardy, the payments in jeopardy, and cause interest rates to go up—as most economists say they will and the Congressional Budget Office says it will, thus costing the recovery dollars that need to be invested to get out of this recession and to cause us to grow? That capital will cost more, thus making our future sustained economic growth less apt to happen.

Aside from that, let me suggest that there are a couple of myths around. We never have been able to get rid of them. They are with us again. Let me see if I can, in a couple of minutes, try to give you my assessment of the myths.

First of all, it is assumed—and it does not really matter how many times we try to say to the contrary—but it is assumed by those who write about our budget process that the budget resolution—when it talks about how much we will spend for education, how much we will spend or not spend for the drug interdiction program and everything that goes with it, or how much we will spend for the EPA to enforce the environmental protection laws or, yes, how much we will spend for the Women Infants and Children Nutrition Program—it is assumed that the budget resolution actually is binding with reference to the dollar numbers that we expect to spend next year. Such has never been the case from the first day a budget resolution came to the floor

of the Senate 14 or 15 years ago. Those numbers have never been binding. They are wishes. I call them the wish list, because it is absolutely, unequivocally true that the prioritizing of all the domestic programs and all of the weapons programs and systems and other things within defense and all of the programs within foreign assistance—they are all prioritized—that is, the amount that we are going to spend, whether there is going to be a reduction or an increase, is determined purely, plainly, simply by the appropriation process, not the budget resolution. Literally, that is the way the law was drafted. It was a compromise many, many years ago when it was drawn so that the appropriators would make the decision on where to spend the money.

I am not suggesting that one is better than the other or we ought to do something differently. But let me repeat, just using some dollar numbers. The budget summit agreement said, next year, Mr. President, for all of the domestic programs that are appropriated—I have just named some: education programs, title I, VA's hospital maintenance program, National Institutes of Health, all of those programs and many more, maybe 200 or 300 or so programs—the agreement says we can spend $210 billion for those programs.

Let me make sure that I do not overstate the case because it does not bother the Senator from New Mexico if we want to take some advisory votes. It just kind of disturbs me when the public is led to believe budget resolutions are more than that.

Let me try to put it this way. It does not matter, Mr. President, what any Senator comes to the floor and offers as an amendment to the distribution of that $210 billion: Let us take it out of drug prevention and put in education, and we are having a pro-education vote.

Now let me say for sure what the effect is. It does not matter how we vote on those advisory wish list items. I do not say this with anything other than great respect to the chairman, but his long litany and very, very eloquently stated remarks about what this budget resolution will spend more money on is precisely what I have just said, a wish list and nothing more. I guarantee the Senate that we will not know what is going to be spent on those programs until all of the subcommittees of appropriation have reported their bills and they are voted on, gone to conference, and the President signs the bill. You can then look and see if we increased education in the amount suggested in this budget resolution—and I do not want to predict we will not, although my true intuition is we will not—because, in order to do that, we have to dramatically cut other programs. For, you see, Mr. President, the real impact of the economic budget resolution, that summit agreement that brought us to a resolution for a number of years, is an experiment in determining the priorities of spending with caps that cannot be violated. The test is going to be: Do we want to keep funding every program we have? If we do, we cannot increase any very much.

The President, for instance, whether one agrees with him or not, to his credit increased many programs that this Congress agrees should be increased and that the American people want increased. To his credit, he reduced programs in his line-item budget. He reduced programs by terminating them, $4.4 billion worth. He said, to increase some I have to reduce or cut others. So he terminated 4.4 billion dollars worth of programs.

There is no way in a budget resolution you can terminate programs. So we have not. So, if we have increased in our wish list, advisory allocation of that $210 billion—if we have done that—we have cut something else and we cannot have it both ways.

It is all right with the Senator from New Mexico if we want to send an advisory budget that increases some, but everybody ought to know it decreases others. When we adopt this one, using the rhetoric of increases, which we all want, I feel we ought to accompany it with the rhetoric of what we did not do as the President did.

For instance, we have dramatically reduced law enforcement and drug interdiction and all of that, that goes with the war on drugs by about $2 billion. We really have not because I can predict with almost the same amount of certainty I did 5 minutes ago that we would not increase education as much as is in this budget resolution, we will not reduce that total war on drugs program by that much because we just could not do it. Two billion dollars would dramatically change the FBI and all of those entities that are in the war and probably the assistance to our cities and probably the other programs that go with it.

The veterans function was reduced in dollar numbers by a very large amount, about $700 million. I can almost assure my colleagues that is nothing more than a paper reduction in order to pay for an increase in education. It is not going to happen.

What is going to happen? What is going to happen is the appropriations are going to take the $210 billion, not the small numbers we have in here, and they are going to look at what their appropriations committees should get, and they are going to decide what goes up, what goes down, what gets dramatic increases and what does not.

While we are on that, the chairman, again, in fairness, did a very good job explaining what this advisory budget does for children's issues. But I do not think it would be fair to not give the President credit for dramatically increasing children's programs in his budget. He did. I will just give some Members in a while as to what he did. But, remember, the President literally, in the executive budget, must put the dollar number in, justify it, and live within that $210 billion cap. Thus he must say what he has cut, what he has eliminated. So he is subject to criticism no matter how it comes out because the increase will never be as much as people want. But, he had to decrease things to even get there.

In any event, the President increased programs such as WIC, other child nutrition programs, infant mortality, Medicaid that is directed more at young people, Head Start, math and science for young people, all of those. He increased those $7.5 billion over the previous year.

As a matter of fact, let me make my third prediction in this series. By the time we are finished with appropriations, these programs will not be increased as much as the President asked for, much less by the amount in the advisory budget that is before us, touted by some as "the budget," implying it is the final say. We ought to start talking about the appropriations instead of the budget because that is the way the individual items are responded to in the laws of the land.

It does not make the budget process any less or any weaker or any stronger. In the years when it was assumed to have had a lot of power without the help of the targets trying to enforce them, the same rule applied. As a matter of fact some in the budget process thought we ought to break the discretionary appropriations into three departments: Defense, domestic and foreign aid, and make those binding in the budget process because, believe me, Mr. President, for most of the history of the budget process even those large targets were not binding.

In other words, we could spend defense money on discretionary accounts in that appropriations process. As a matter of fact, I will give a rule, just one I remember. I believe we spent over $40 billion of domestic-budgeted moneys for domestic discretionary programs over a period of 7 or 8 years by just meeting the big target but moving the money around below it. That is the way it was. That is the way it is; accept it.

We have now for the next 4 years agreed that for the next 2 years there are three binding caps and we cannot move the money around between them. We left open the following two to be agreed upon with only one big cap over the top of it all.

I think that is very interesting. I think it is exciting. I think it is very important that the budget resolution be understood for what it is. It is a macro document that sets some advisory numbers and overall says how much we can spend in discretionary programs. And this year says—and I

am very pleased this is the case—this is what we can spend in mandatories. If we are going to spend more with new programs or new add-ons, we have to pay for them.

If we break the targets we get a mini sequester by the OMB. That is a mini across-the-board cut. Frankly, let me state for the Senate, it came out the other day that we had exceeded the discretionary cap by a very, very tiny amount, $7 million. That $7 million is against a great big cap of $200 billion or more. It is almost negligible, .0 something or other percent. Some said why do we not just find a way to declare that to be, maybe in the lawyers' parlance, de minimis.

Guess what happened? The chairman of the Appropriations Committee, who was part of the agreement; the OMB director, part of the agreement; some who were very active in this whole negotiation, talked about it. Guess what the conclusion was? No, enforce it, even if it is only a tiny, tiny amount, a tiny, tiny percent across the board. Make sure everyone understands it is for real, it will happen and do it even for this tiny, tiny $7 million.

So there is going to be an across-the-board cut, negligible as it is and far less than 1 percent. I do not know what it is in numbers right now but .0 something or other across the board to take care of that $7 million. That is how significant the agreement that this budget resolution will enforce was when we put it in place and how important, in this Senator's opinion, it is that the budget process be used for the next 2 years to say we should do no less for the American people and for the American economy in the future than to enforce that agreement.

If we were to do more, then we should reduce the deficit more, and there is ample room to do it if we want to. If you want to cut more, offer to cut more. If you want to tax more, offer to tax more. I for one do not believe we are undertaxed. Maybe some will come to the floor today and tomorrow and say we are undertaxed. Or, they will imply it, because there is constantly a clamor that we could solve all America's problems if we could just spend more money.

Frankly, I think this budget process is going to force us to do some choosing. The choosing will not be done in a way that everybody likes, but eventually in the 4 years we are going to have to squeeze out the less important programs in favor of spending more money on those that are more effective, more efficient and more needed today.

If we want more on the entitlement side, we are clearly going to have to pay for it by reducing programs or stepping right up to the trough and say we are going to assess more taxes in one way or another on the American people.

Mr. President, having said that, let me make one further comment. This budget resolution, in the best way that it can, reflects all of the health care costs of this Nation, most of which are found in the entitlement or mandatory side and most of which are in Medicare and Medicaid. I know there are a lot of people who are talking about changing the health delivery system because it currently is leaving a lot of people without access.

One need not have much expertise on fiscal policy or budgeting to come to a couple of conclusions about health care costs. First, since health care costs are currently over 11 percent of the gross national product, and increasing in most cases and for most immediate past years with no relief in sight about 2.5 times inflation, such that by the turn of the century, not a long time from now if you leave them alone and let them increase by their own momentum, they will be 17 percent of the gross national product by the turn of the century.

No industrial country comes close, no industrial country that produces goods and services and builds its standard of living around economic growth and goods and services, no country intends or contemplates such an enormous portion of all of its productivity going to health care. Therefore, the first proposition, unless we get the costs under control, we cannot add, by way of new access, substantial number of Americans. It is a fiscal impossibility. Anybody who has a plan to do that either has a plan that will not work in a couple of years—it will fall apart—or they have indeed expected something of the system that it has not been heretofore.

So this budget says if you want to increase any of those health care programs, you have to pay for them by reducing other programs or putting some new taxes on. It is obvious to this Senator that we really need to do something about reducing the superinflated annual increases in costs of the health care programs, alongside of, simultaneous with, or before passing new programs that will add some more coverage of one sort or another. We ought to get more access to the system especially by the poor who do not have coverage and many of the working poor who do not have coverage, but we just cannot wish away the realities that I just described which are encapsulated in this budget resolution.

Since I spoke of Social Security and its trust fund, interestingly enough, I'll mention Medicare has a trust fund. It is now estimated that it will be bankrupt in about 13 years. In other words, the balances will be at zero and going in the red and, interestingly enough, Mr. President, by about 2003, 2004, just a few years after the turn of the century, the health care for senior citizens under the current programs will exceed the cost of the Social Security Program itself. So we will be paying more for health care, which obviously covers a smaller number of people annually, than for the pension program that covers them all. It is very interesting and somewhat significant in that it points out the dilemma in a very real way.

Obviously, this afternoon, we are hopeful, at least speaking for the Republican Senators, that Senator MOYNIHAN and those associated with him on the Social Security trust fund reduction will be here sometime early in the afternoon so we might be able to dispose of that issue sometime today.

I am hopeful, and I say this to Republican Senators, if you have amendments, I hope you will get them to us because even though we have a couple of days, maybe we can stretch it into 3, I am sure the Senate would appreciate it if we finish early rather than late. I am sure the chairman and I would join in wishing that we could dispose of this resolution rather quickly.

Everyone has already said that the budget process streamlines this activity on the floor. I have tried very hard to tell Senators what they could do if they think the budget resolution is not right. There is plenty of freedom. It is difficult to exercise that freedom because ideas that want to be incorporated in it are not so easy. Nevertheless, Senators can try them and we hope they try them as soon as possible so we can get on with getting this budget resolution completed.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator is recognized accordingly.

Mr. SASSER. Mr. President, I listened with great interest to the distinguished ranking member of the Budget Committee, Senator DOMENICI. He is a man who is very knowledgeable on the subject of the Federal budget and very knowledgeable on the subject of the budget process. Senator DOMENICI has had a great deal of experience in this field and is highly respected by his colleagues on both sides of the aisle.

I agree with the statement made by the distinguished Senator that this budget resolution with regard to domestic discretionary spending is advisory in nature. There is no question about that. But if my colleagues will examine the budget resolutions in prior years, these resolutions that are advisory in nature have a way of becoming policy when they emerge from the Appropriations Committee and emerge from the full Senate following the enactment of the various appropriations bills.

Why is this so? There are a number of reasons. One is that the Budget Com-

mittee expresses the will of the Senate. Presently, almost 21 percent of the membership of the Senate is on the Senate Budget Committee. That represents a cross-section of opinion in the Senate. And when there is substantial agreement that crosses partisan lines in the Budget Committee, we can be fairly well assured that the bipartisan agreement is going to find some expression in the final appropriations bills.

What we had in our Budget Committee this past week was an overwhelming adoption of the so-called Wirth amendment. As I recall, the vote was 15 to 6 and the Wirth amendment received strong bipartisan support. It was an amendment whose thrust put increased emphasis on education of young people, increased emphasis on initiatives to deal with the problems of children, and also increased emphasis on problems of the families.

So while the distinguished ranking member is correct in his assessment that these expressions in the budget resolution with regard to domestic discretionary spending are advisory in nature, they do have a way of being a precursor of what will finally emerge from the Senate as a whole. And they should, because most pollsters will tell you if they can get a sample of 2 or 3 percent, they are well satisfied with the results that will extrapolate from that very small sample.

In the Budget Committee we have a sample using pollsters' terms of gargantuan size. We have a sample that represents 21 percent of the whole population of the U.S. Senate. So when you get an overwhelming majority crossing party lines voting for certain initiatives in the budget resolution, it is a pretty safe bet to say that in the final analysis when all of the 100 cooks emerge from the kitchen the cake is going to be baked pretty much according to the recipe that emerged from the Budget Committee by an overwhelming margin.

I might say with respect to the President's budget, the distinguished ranking member is quite correct; the administration did, in certain areas, increase expenditures for Head Start, and for a few other worthwhile programs. But it was the sense I think of our Budget Committee that these increases simply were not enough to deal with problems that we are facing in a recessionary economy, with a population in which we have an ever increasing number of children, and children of tender years, who are living in poverty.

There were increases also in the President's budget in areas that have little to recommend them when you are assigning priorities between child and family security issues and the issues that the President emphasized, such as $460 million or $534 million for a superconducting super collider, a 120-percent increase over 1991, a substantial increase for the construction of Federal penitentiaries. Although these are expenditures that we might applaud in other times, given the very severe fiscal times in which we live at the present time, I feel—and I think perhaps the majority of our colleagues also feel—these areas do not represent quite the priority as do some of the areas that we sought to address in our budget resolution that we present today.

With regard to the issue of Social Security, which my friend from New Mexico addressed——

Mr. DOMENICI. I wonder if the chairman would yield for a question.

Mr. SASSER. I would be pleased to yield to the distinguished Senator.

Mr. DOMENICI. I have to leave the floor. I wonder if I might take less than a minute to thank some people, and I would yield to the Senator. Then I think Senator SARBANES will follow the Senator from Tennessee.

Mr. SASSER. Certainly. I ask that I yield to the Senator from New Mexico without losing my right to the floor.

Mr. DOMENICI. I ask that my statement not interrupt the statement of the Senator from Tennessee.

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

Mr. DOMENICI. Mr. President, I want to thank some people who have been very helpful to the Social Security issue and have helped the Senator from New Mexico on the 60-vote firewall and also preparation for the vote today.

First, I want to thank the AARP, the association that represents more senior citizens than any organization in America, perhaps anywhere in the world. They have been very helpful, totally support the position that we should have a 60-vote firewall and that we should not raid the trust fund; the President of the United States has been strong in his support starting back with the joint session when he said do not mess with Social Security, to letters of support which I am sure we will have again today with reference to the specific issue; Senator BENTSEN, chairman of the committee of jurisdiction which would have to write the laws, for a splendid editorial today in opposition to the Moynihan amendment, and many others.

I say that because in speaking about it I did not want it to be as if I was doing this singularly, that there have been huge areas of support. I think the issue is now much better understood, and I thank those entities and people for that and others who will be helpful as we march down this trail.

I thank the Senator. I yield the floor.

Mr. SASSER. Mr. President, I note that the distinguished chairman of the Joint Economic Committee was on the floor just a moment ago, and I suspect that he wishes to begin his discussion of the economic state of the Nation. So I would suggest the absence of a quorum momentarily.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. 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. SASSER. Mr. President, I note that the distinguished chairman of the Joint Economic Committee is present. Pursuant to the Budget Act, the distinguished chairman is called upon to deliver to his colleagues the view of the Joint Economic Committee as to the economic status of the Nation. I can think of no Member of this body better qualified, perhaps no individual anywhere better qualified to deliver an exposition as to where we find ourselves at the present time with regard to our budget, with regard to the economic status of the Nation. At this time I yield to the distinguished Senator from Maryland whatever time he might require.

The PRESIDING OFFICER. The Senator from Maryland [Mr. SARBANES] is recognized for such time as he may consume.

Mr. SARBANES. Mr. President, I thank the chairman of the Budget Committee for this opportunity to speak.

Under the Humphrey-Hawkins legislation, when the budget resolution is before the body, the Joint Economic Committee is charged with speaking to the broader economic circumstances in which we find ourselves. I want to try to do that for just a few minutes this morning.

What I want to do, Mr. President, is use some charts in order to try to accomplish some of this economic review.

First of all, I will sketch out some fairly broad parameters of the condition of our economy and where we find ourselves. Second, I will address in a more focused fashion the current economic situation, specifically the recession in which we find ourselves. I want to raise the question of whether we should be proceeding on the premise that the recession will be short and shallow. Since I am going to conclude that there is substantial risk that it may in fact be long and deep rather than short and shallow, I am going to then close by some observations of things I think need to be done particularly with respect to the unemployment insurance system. I will also, in the closing, have some remarks directed to the budget resolution, but this presentation is primarily an effort to address the budget resolution in a broader economic context.

The first point, Mr. President, is simply to underscore that in many re-

spects we have a national economy in considerable difficulty.

There are a number of trend lines which unfortunately have developed over the last decade or so that if looked at from a longer run perspective raise serious questions about the health of our economy. The first chart shows the total debt outstanding as a share of the GNP. This is presented as a percentage of GNP which is a relevant consideration because if your GNP is way up, even though you have a somewhat larger debt, you may be in a healthier state of affairs. if your debt as a percentage of your GNP is rising, it is hard to see that as anything other than a weakening.

It is a little bit like saying to someone, would you rather have $2,000 worth of debt and a $10,000 income or $3,000 worth of debt and a $50,000 income. Most people I think would pick the latter even though they have more debt, $3,000 instead of $2,000, but they have much more income, $50,000 instead of $10,000.

So if your income is going up at a faster rate than your debt, even though your debt is more than it was, you are strengthening your position, not weakening it.

Unfortunately, total debt, not just the Federal debt related to the budget, but total debt, private and public, in the economy has been rising sharply.

It is not just Government debt that has gone up. Individual and corporate debt in this country are at unprecedented levels. The net of all of that is shown in this line. This is 1952 here at the beginning of the chart and, as you can see, we have had this escalation in debt and particularly a very rapid escalation over roughly the last decade. So we find the total debt outstanding as a share of GNP is now up significantly.

The debt of the Federal Government as a share of GNP, which is a problem we all wrestle with here in the Congress, was the focus of the budget agreement. It is still the focus of this budget resolution, and has also risen as a share of GNP.

We came out of World War II with a very large debt in relationship to GNP. The chart does not go back to World War II but begins here in 1952.

As you can see, this ratio declined into the mid-1970's. It then started to rise a bit and then of course it rose, as we all know, markedly in the 1980's. Essentially what happened was a significant continuing increase in spending; even though domestic spending was being constrained, defense spending was not. The total spending therefore rose significantly.

We also had the tax changes that constrained the revenue base. The consequence of those two things was to have an increase in the debt of the Federal Government as a share of the GNP, which is reflected in this line here.

That is the deficit and debt problem here of the Federal Government.

Mr SASSER. Mr. President, will the Senator yield for a question?

Mr. SARBANES. Yes, I yield.

Mr. SASSER. Look at the distinguished Senator's chart here. It reveals some very startling information. If I am reading it correctly, working the debt of the Federal Government down as a share of gross national product, or more accurately stated, the Federal debt as a share of gross national product, what we are seeing here in this chart, if I am reading it correctly, is in 1952 Federal debt as a share of GNP stood at roughly 60 percent largely as a result of coming out of the debt of World War II. Is that an accurate statement?

Mr. SARBANES. That is correct. This figure prior to World War II was quite low and then it went up in World War II because we ran heavy debt in order to finance the war.

Mr. SASSER. Then again referring to the distinguished chairman's chart, we worked the debt; the debt was 60 percent of GNP roughly in 1952; by 1980 it appears to have declined somewhere in the neighborhood of about 35 percent of gross national product. Is that a fair assessment?

Mr. SARBANES. That is correct.

Mr. SASSER. Then the Federal debt as percent of gross national product appears to literally skyrocket from 35 percent of gross national product in 1980 up to 70 percent by 1990 gross national product.

Mr. SARBANES. That is correct.

Mr. SASSER. So we have raised the Federal debt from 1980 from roughly 35 percent of gross national product in 10 years, by 1990, up to the point that represents about 70 percent of gross national product.

Mr. SARBANES. As a percentage of GNP the Federal debt has about doubled over the last decade. That is correct.

Mr. SASSER. That appears to be unprecedented in the peacetime history of the United States. Is that an accurate analysis? I ask the chairman of the Joint Economic Committee.

Mr. SARBANES. I agree with that observation.

Mr. SASSER. I thank the chairman.

Mr. SARBANES. I want to be clear about one point. The fact that the debt as a percentage of GNP was declining in this period does not mean that the debt as an absolute figure was necessarily declining. But here is what happens. Your debt may rise a bit year to year, but if your GNP is going up much faster, then the burden of the debt is being lessened. In fact, in some instances you incurred the debt in order to expand the GNP. You may incur the debt to make certain investments in the infrastructure, in educational, and so forth, but then it pays back important returns.

So the debt figure as an absolute amount would not be less here than it was back there, but the debt in relationship to the growth of our GNP was much less. So we were in a stronger position. Unfortunately what has happened in the last decade is this rapid runup I indicated.

Mr. SASSER. Will the Senator yield for an analogy?

Mr. SARBANES. Certainly.

Mr. SASSER. I say to my friend from Maryland this is very analogous to a situation I had now almost 30 years ago when I was a senior in law school. One of our old professors told us at that time: "Young gentleman, when you get out into the practice of law, buy a house more expensive than you think you can possibly afford because within a few years your income is going to grow to the point you cannot only afford that house, but you will find perhaps later on you will even want to move into a larger house."

So when you contrast the young lawyer's income with the Federal Government's gross national product, as the young lawyer's income grew over a period of years, just as the Federal Government's gross national product grew over a period of years, the debt relatively speaking grew smaller.

I take it that is what the chairman is pointing out to us here today. As our gross national product grows, even though the debt may be larger in a strict numerical sense, relative to the gross national product and our ability in prior years to manage it because of greater wealth, we are now finding that has reversed itself and the gross national product is going up beyond our ability to manage it because the economy is not growing as fast as the GNP.

Mr. SARBANES. That is correct. In this runup during the 1980's there was both an increase in spending through the defense budget and the constraining of revenues. In all fairness, I also need to make the point we had a very deep recession in 1981–82. Actually the worst since the Great Depression.

That recession ran until the end of 1982. It was the worst since the 1930's; unemployment reached a monthly high of 10.8 percent.

The other point I want to reemphasize is not only has the debt of the Federal Government gone up, but total debt has gone up as a share of GNP. You will notice that total debt back in 1952 was quite low, even though the Federal debt was quite high. That is because individuals and corporations were carrying very little debt.

Individuals came out of the war with a lot of savings accumulated. So this runup shows you what happened not only in the public sector, but also in the private sector. It is important to keep that in mind, because the debt in the American economy now stands at a postwar record level as a share of GNP. These high debt levels weaken the bal-

ance sheets of households and corporations, and make them more vulnerable to economic setbacks.

Mr. President, there was one other development or deterioration in the economy that we need to underscore here to lay the broader stage. That is the deterioration in the U.S. trade position.

I regard this as an extraordinarily serious matter because, in some respects, a debt held internally is a different problem than a debt held externally. A debt held internally involves shifting resources from taxpayers to bondholders. But if they are all Americans, it at least is taking place within our own country. It is a distribution problem in terms of who gets benefits, but it does not have the same impact on America's standing internationally in terms of national power.

Here is what happened, and these are among the most distressing figures I think in our whole economic picture. This line here is the U.S. current account which measures how much we export minus how much we import in goods and services plus foreign aid and other international payments.

As we see, it had run roughly positive, or close to balance through 1980. In fact, this line, going back to World War I, had essentially run in balance if not in surplus. It began to deteriorate in the early 1980's.

As you can see, the current account has remained below balance throughout this decade. The consequence of running this deficit figure is that it impacts on our net asset position; in other words, whether we have more claims on others or others have more claims on us. Our net asset position had been positive ever since World War I.

The United States was what is called a creditor nation ever since World War I. In other words, others owed us more than we owed them. We had more claims on others than they had on us.

We started running these trade deficits for a number of reasons, which I have spoken about before on the floor of the Senate. That meant, in effect, that we actually ended up borrowing from abroad in order to sustain them. We became, as it were, "dependent on the kindness of strangers," as Blanche Dubois said in the Tennessee Williams play.

Our net asset position started deteriorating, and each year our trade balance was negative, this net asset line continued to go down because we were in effect losing, not gaining. This current account line has improved a bit. Our trade deficit is now at about $100 billion instead of $150 billion, with $40 billion of the $100 billion being with one Nation—Japan.

But as long as this trade deficit line stays below balance, this net asset line will go deeper. Suppose you were to cut our current account deficit from $100 billion to $50 billion, which would be an incredible performance, if you did it in a couple of years' time. It would be a major turnaround in our trade situation. You still would be adding that amount of trade deficit to this deteriorated net asset position.

So that we find ourselves now no longer a creditor nation; we find ourselves a debtor nation, and increasingly getting into deeper debt. That means that others have claims on our economy significantly in excess of the claims we have on their economy. It means that in the future we are going to have to produce more than we consume in order to have a margin to pay on these claims.

We have claims abroad, but what they will bring in is less than what we will have to pay out to service the claims others have upon us. So that is, in a sense, a picture of the economy in the total picture.

One other development which is of concern as it affects our working people is that the real compensation per hour has been declining in the last couple of years. As you can see, the chart begins in 1970. We had a runup in real compensation through the late 1970's although it temporarily came down during the recession of the mid-1970's. Real compensation is now back down to here, less than it was in the late 1970's.

This includes both wages and fringe benefits, and is really the most comprehensive measure of compensation. This is per hour. Some people have tried to offset that by working longer hours, and in some instances, families have gone from one wage earner to two wage earners in order to try to offset this development.

In other words, a family can increase its income—even though their real compensation per hour is decreasing—by either working longer hours or by having another family member go into the labor force and take a job. But this is, I think, a very important measure of, in effect, how working people are making out in the economy.

Of course, what we see is that we have this 4-year drop in real compensation per hour.

Mr. SASSER. Mr. President, will the chairman yield for a question?

Mr. SARBANES. Certainly.

Mr. SASSER. Mr. President, I was interested to observe in perhaps the New York Times, just a few days ago, that the average compensation for American industrial workers today is now below that of the average compensation for industrial workers in a number of countries—principally workers in West Germany, and in other areas.

Would the chairman agree with that analysis, and would this indicate that the American workers vis-a-vis workers in other highly industrialized countries around the world are actually losing ground with regard to their compensation, which, I assume, would translate into losing ground with regard to the quality of life, if they can provide for themselves and their families.

(Mr. KERRY assumed the chair.)

Mr. SARBANES. The old assumption that we were the best paid in the world no longer holds. In fact, there are other countries now that have exceeded us, not by great margins, but they have exceeded us. There are others that are close to us. We are now much more in an international competitive environment.

And what this in effect says is these other countries that are competing effectively—the Germans for instance—are running large trade surpluses; we are running large trade deficits, as I indicated earlier, and yet they in effect are competing, but they are not doing it on a low-wage base.

We face two problems. We face competition from low-wage countries, which we have traditionally faced and know about, but we also now face this competition from what are increasingly high-wage countries.

Mr. SASSER. If I could interrupt the chairman just there to get his view or observation on this question. Historically, American automobile manufacturers have indicated that one reason they have difficulty competing with automobiles manufactured abroad is that they are forced to pay what they have said in times past is an unrealistically high wage vis-a-vis automobiles manufactured in other countries.

I was interested in the remark that automobile workers in Germany now make a higher wage than automobile workers do here in the United States. Yet the chairman observes that the Germans enjoy a positive trade balance. The German economy appears to be doing very well even though their workers are higher paid than those in the United States and higher paid, particularly, than those in the United States automobile industry. Could the chairman share with us any observations he might have as to the reason that the Germans are doing better than we even though they pay their workers more?

Mr. SARBANES. There was a period—it has been somewhat corrected now but it still exists—where you had an overvalued U.S. dollar as a currency. That is very nice if you are a tourist because it means when you go abroad your dollar will buy a lot. It is very tough on you if you are a producer competing in the export market. One of the consequences of that was in effect it gave an advantage to countries whose currency was weaker in comparison with the dollar, but actually it gave them an advantage in competing in trade matters.

Second, I heard earlier the health care issue mentioned on the floor. One of the things is that other nations han-

dle their health care costs in a way that they are part of the broader social costs rather than being directly related to the producer. We do not do that in this country. It has been estimated that the cost of health care, which is part of the job package, is—I do not have the latest figure; I think it is $800 on the cost of the car related to health care alone. The way they do it in Germany, those health care costs do not get fed into being part of the costs of the automobile. So there is an important difference there. That is simply because they do their system differently. We really have to start looking at what the other countries are going to do if we are going to engage in this competition with them.

Mr. SASSER. I might observe on the question of health care costs vis-a-vis automobiles, the chairman's figure may be somewhat large with regard to per automobile, but it is a very substantial figure, to the point now that American automobile manufacturers are assigning as a new reason they are having difficulty competing, the health care costs that they are obliged to furnish their workers as part of their labor contract, to the point now that we have seen in Senate Budget Committee hearings prominent representatives of the American automobile industry appearing before us and testifying that we need to move in the direction of some type of universal health care in this country and take the onus off the automobile manufacturers of paying for the health care of their employees because this makes it extraordinarily difficult, they say, for them to compete with imported automobiles.

Mr. SARBANES. It is not just true of the automobile manufacturers; it is true of all our producers. If they are in a system where our health care costs are directly attributable to the product from the producer and the people we are competing with internationally do their health care in a different way so that the cost is not directly included in the product, then they gain a competitive advantage out of it.

I might also note that most of the health care systems abroad are more comprehensive and extensive than our health care system. We have 37 million working people with no health care insurance. That is not the case in Germany, for example, where they are all covered by a health care program. So they are covering their people with a health care program and yet they have worked out a way of financing it so the cost is not directly reflected in the product, which then gives them a competitive advantage when we compete internationally.

Mr. SASSER. If I might follow on to what the chairman has just indicated, the automobile manufacturers are telling us that there are very high health care costs that are not just for their workers, but that they also must cover the cost of those who access the hospitals who cannot pay. The hospitals will pass the cost of those who cannot pay on to those who are insured, thereby raising insurance premiums that the automobile manufacturers have to pay. So the automobile manufacturers are telling us that they are having to put on the price of their automobile the health care costs not only of their employees but also the health care costs of others who come into the health care system who cannot pay, and hospitals and other health care providers spread that cost over those who are insured. So I think that point would further reinforce the chairman's view that perhaps a better way to deal with the health care cost would be not to put it on the price of the particular product itself but to spread it some way throughout the whole economy.

Mr. SARBANES. Under our system today the responsible employer who seeks to provide health care for his people ends up carrying part of the bill for the health care of the people who work for the irresponsible employer who does not provide them health care. In effect, an employer ends up being disadvantaged by doing the right thing, not only the right thing in human terms but the right thing in terms of developing a stable healthy and productive work force.

Before I turn to the current economic situation, I want to make reference to one other broad trend. Tax changes over the last 10 years have now resulted in a greater inequity in the distribution of income. That is reflected in this chart which shows changes in Federal taxes and in pretax income. As you can see, the top fifth, while they paid a lot more taxes, have had a tremendous increase in their income. Defenders of the economic policies of the last decade have frequently pointed to the fact that the share of Federal taxes borne by the rich has increased. That is true. Their share of Federal taxes has increased, but their share of income has increased even more. For illustration purposes, the logical outcome of all of this is that one person could pay all the taxes if one person had all of the income. So the fact that the very wealthy pay a larger share of taxes is only part of the story. The rest of the story is that they have a much larger share of the income and therefore their position has significantly been enhanced over the course of the last decade. There has been a shift in the distribution of income toward the people at the top, what Robert Reich calls the "Fortunate Fifth," the top 20 percent of families in America whose income has been rising steadily over the past two decades.

Mr. President, I now want to talk about the current recession in which we find ourselves and about the short-term economic projection. We are being told that the current recession is going to be short and shallow. But I think there is reason to question that, sufficient reason that we should be preparing to take policy steps. It is asserted that this is a different recession than past recessions, that it will not last as long. But if you start looking at the figures very carefully and analyzing them, I do not think that is sustained by the facts.

A review of the available data indicates that, in many important respects, this is developing into a more serious recession than generally perceived.

Dating the end of the last business cycle expansion as August of last year, we have 7 months of recession data to examine. In terms of lost jobs, lost ouput and lost income, this recession has tracked the average of the initial 7 months of other postwar recessions. Let me repeat that. If you track the 7 months that we have experienced of this recession and compare it with the first 7 months of other postwar recessions, the average of those, they essentially track one another.

Let me just try to demonstrate that with a few charts here.

Over the last 7 months, businesses have reported a decline of 1.2 percent in payroll employment. In other words, that is this line here, a 1.2-percent decline in payroll employment, private, nonfarm employment. This is the same decline that occurred during the first 7 months of the average postwar recession, which is this other line here. It did not track it exactly in its movement over the 7 months but we are in the same place right now.

In the last 7 months, we have lost 1.3 million payroll jobs, compared to 1.2 million jobs lost in the first 7 months of the 1981–82 recession, when he had that very deep recession.

The job loss over this 7-month period has actually exceeded slightly what occurred in the first 7 months of that recession. That does not necessarily mean it will go on, but I am just trying to take and analyze this short and shallow prognostication which is what characterizes the blue chip forecast, and I will come to that in a minute.

Second, this recession has also been every bit as serious as those of the past in terms of the number of workers laid off from their jobs. The fraction of the labor force who have lost their jobs and are still looking for work has risen from 2.8 percent in August to 3.8 percent today. That is a 1 point increase. And that is this line here. And this is also what it was for the average of the last four recessions.

So these are jobs losers as a percent of labor force.

One of the most widely watched indicators of the recession is, of course, the unemployment rate. People point to the unemployment rate and they say well, it went from 5.6 to 6.8 percent. And then they contrast it with higher

unemployment rates that we have experienced in previous recessions, when the unemployment rate went up to 7 and 8 percent and in one recession even above 10 percent.

The rise in our unemployment rate of 1.2 percentage points from 5.6 to 6.8 percent since August compares with the average rise in unemployment in the first 7 months of a recession during the postwar period of 1.5 percentage points. In other words, it is not very far apart.

One of the things that has to be borne in mind is that the change in the unemployment rate is a misleading guide to the severity of the recession because it reflects growth in the labor force as well as job losses. The labor force has grown slowly in recent years. In large part, is because of a demographic change in our population. We do not have the same number of young people entering the labor market. As a result, the ranks of the unemployed are not being swelled as much by new entrants into the labor force as in previous recessions. If the labor force over this year had expanded as fast as it did in previous postwar recessions, the unemployment rate today would be 7.6 percent, not 6.8 percent.

So we have this lower unemployment rate figure, but we have to understand that one of the reasons for it is we have had less of an expansion with respect to the labor force taking place during this period.

In fact, these job losses as a percent of the labor force show, in terms of people losing their jobs, this recession has paralleled, in fact it has now exceeded, the average of the last four recessions. So if you are talking about people losing their jobs, we have every bit as serious a situation, if not more so.

The consensus, as I indicated, amongst the forecasters calls for the recession to end soon. But there is some reason to question this on the basis of past predictions. And I want to call Members' attention to this chart.

This chart shows the actual and projected unemployment rate during 1981–82 recession. The actual line is this red line. The unemployment began down here at 7.2 percent in the fall of 1981, and went as high as 10.7 percent in the past last quarter of 1982.

Now, the green lines are the predictions that the consensus forecasters kept making along the course of that recession. These predictions reflect a bias in favor of a short and shallow recession. They tend to forecast a smoother path for the economy than actually occurs, and that is demonstrated right here. At each juncture you see this is what they were predicting for the economy. Yet when you look at what actually happened to the economy you see unemployment worsened significantly beyond all forecasts. The forecasts kept talking about imminent improvement. The unemployment rate kept going upwards, contrary to the predictions at various points during the recession by the consensus of 50 economic forecasters.

So that makes one concerned, obviously, about our current recession, particularly when we start getting into some of these additional figures that are coming in.

Just this morning the new orders for durable goods figure was announced. And you can see it fell 6.2 percent in March. That is the third consecutive monthly decline. They are now at their lowest level since August 1987.

While orders for defense goods fell by more than the 6.2 percent, orders for nondefense items, nonetheless, dropped 5.4 percent. That is a figure just out this morning.

Available data on employment, industrial production, and housing suggest that a sizable decline will be registered when the preliminary report on first quarter GNP is issued on Friday. Non-farm employment fell at a 2.3-percent annual rate in the first quarter after a 1.6-percent rate of decline in the fourth quarter. Industrial production also fell faster in the last quarter, 9.3 percent versus 7 percent the quarter before. Housing starts dropped in the first quarter 12.3 percent below the fourth quarter level. That level was down 7.8 percent from the third quarter level.

All of this is to suggest that because of the economic situation in which we find ourselves, the recession may linger for some time yet.

The PRESIDING OFFICER. The Senator is reminded by the Chair that the hour of 12:30 has arrived. Under the previous order, the Senate was to recess until the hour of 2:15.

Mr. SARBANES. I say to the chairman, if I can have about 10 more minutes I can complete the presentation. Will that be agreeable to the chairman?

Mr. SASSER. It would be agreeable with me. Frankly, I would prefer if at all possible to have the distinguished Senator from Maryland come back after the conferences and complete his presentation today which has been very, very interesting and I think highly informative. But if that is going to work an undue hardship on the chairman of the Joint Economic Committee, we can proceed now.

Mr. SARBANES. I say to the chairman, unfortunately, I am supposed to Chair a hearing this afternoon. If it would be possible just to go for a few more minutes, I think I can complete it. I will speed it along.

Mr. SASSER. Certainly.

The PRESIDING OFFICER. Is there a unanimous-consent request?

Mr. SASSER. Mr. President, I ask unanimous consent that the distinguished Senator from Maryland, be allowed an additional 10 minutes to conclude his presentation.

The PRESIDING OFFICER. Is there objection? Hearing none, the Senator from Maryland is recognized for an additional 10 minutes.

Mr. SARBANES. I thank the chairman very much. Mr. President, I now want to turn from this discussion of where we find ourselves in terms of the recession, what dangers, in fact, may be ahead of us, to discuss the unemployment insurance system, which I think is our first bastion against the downturn, both in human terms and in terms of countercyclical policy.

Unfortunately, what has happened is that the unemployment insurance system no longer adequately addresses its responsibilities. I think the chairman of the Budget Committee has worked hard to craft a resolution which, first of all, in my judgment, does a substantially better job than the President's budget in dealing with the human costs of the current recession. It adds significant funding to programs which address the health and nutritional and educational needs of families subjected to distress because of the recession. It also makes room for funding for measures designed to help bring the recession to a close. Of course, the specifics of that is deferred to the relevant authorizing and appropriating committees.

Earlier this morning I testified before the Senate Finance Committee at a hearing with respect to the unemployment insurance compensation system. It is my view that is where the focus of our attention ought to be in combating the recession. That is a program particularly designed to counteract the effects of recession. Funds are spent without bureaucratic delay. The funds are automatically spent in the areas of greatest distress, by definition. If we think about it, if we really want to talk about targeting a program, the unemployment insurance system does it because it goes to the unemployed, so they are automatically spent in the locations of greatest distress.

The system is not performing its stabilization role as well during this recession as it has done during the past. It is replacing the lost income of workers who have become unemployed only about a half to two-thirds as well as in past recessions. That is shown by this chart. These are past recessions and this is the current one. As we can see, the regular program is replacing less of the lost income than in the past and the extended benefits program has hardly kicked in in this recession. So the replacement income ratio for workers is much lower than it has been in the past. Moreover, the replacement ratio will decline further because workers are exhausting their benefits.

One of the reasons for this is the unemployment trigger for the extended

benefits has been made so difficult that many States, even with high unemployment levels, have not been able to trigger in extended benefits. That means, of course, that workers exhaust their 26 weeks of regular benefits and then are out of unemployment insurance. In fact, the unemployment insurance system has an extended benefits trust fund. According to the Office of Management and Budget, this fund began fiscal 1991 with $7.2 billion. In the course of the fiscal year, it will receive another $700 million in taxes, $600 million in accrued interest, and during this recession year, the fund will pay out only $140 million for benefits, one-fifth of the taxes taken in. The extended benefits trust fund, not the regular, but the extended benefits trust fund is actually building up surpluses in a recession year. In fact, it ought to be paying out money in order to soften the impact of the recession, both in terms of sustaining purchasing power and in terms of protecting the individual workers who have lost their jobs.

Part of the difficulty is that the trigger for the extended benefits has now been made so difficult. States like Texas and Oklahoma, at the time they had the oil downturn, which they are now moving out of, had high unemployment rates but they did not trigger extended benefits. Louisiana's rates went high enough that they triggered on the benefits but then triggered them off at an unemployment rate greater than 10 percent.

The system is obviously not working well in this recession. Less of the worker's income is being replaced. Fewer workers are eligible for unemployment insurance—and I am going to show my colleagues a chart in a moment which graphically demonstrates that. Then if they are eligible and if they do draw it, as this column indicates, compared with the other columns for earlier recessions, their benefits run out at an earlier time.

In previous recessions, we had regular benefits for 26 weeks, extended benefits for 13 weeks, and the Congress would add a supplemental benefit program for another 13 weeks. The fact is, that the workers are, in effect, not being covered, as reflected in this chart which shows job losers and unemployment insurance recipients. The dark line is the job losers; the red line is the unemployment recipients. As we can see, unemployment recipients roughly track the job losers until the recipients late seventies. Then through the eighties, we get a large gap with job losers significantly exceeding unemployment insurance recipients. So people losing their jobs, for one reason or the other, do not qualify to draw unemployment insurance. So the coverage is much less. As I testified this morning before the Finance Committee, I feel very strongly that this needs to be dealt with.

We dealt briefly with one problem associated with unemployment insurance when we dealt with the administrative funding for the program which came up when we were doing the supplemental appropriations bill.

Claims were going up but the money to process the claims was not being made available. Therefore you had long lines and a breakdown in that system.

So, Mr. President, I strongly recommend addressing this unemployment insurance problem as a way to deal with the recession situation in which we find ourselves. The administrative costs were in fact treated in the supplemental appropriation bill as an emergency, and I think there is a very good argument that we need to put into place on an emergency basis an expansion of the unemployment compensation system in order to address this recession. If the recession does not get worse, the strengthened system will not be used. If there are not more unemployed, we will not use the system, but we ought to have it in place if in fact the short and shallow predictions are not borne out so that the unemployment insurance system responds to the situation. Many businesses have been paying taxes into the trust fund for the very purpose of having them used at a time of higher unemployment, and they now find, with rising unemployment, that these taxes are simply being held in the trust fund and not allocated out for these very important purposes.

I must say that I think the No. 1 priority, as we face this recession, an area in which we could act, in which I hope the administration will join with us, recognizing the emergency nature of it, which would move it outside the parameters of the budget resolution, is to reform the unemployment insurance system to provide adequate income support and countercyclical stimulus in order to address the prospective recessionary situation we may face. If we strengthen the unemployment insurance system and the economy moves upward, we will not have to use the system. But if the economy moves downward, then the system will be in place for us to draw upon. I hope we will be able to address this issue in the coming weeks.

Mr. President, I commend the chairman of the Budget Committee for the very effective work he has done with the budget resolution, and I appreciate very much this allocation of time for this statement.

Mr. SASSER. Mr. President, I thank the distinguished chairman of the Joint Economic Committee for the very learned and informing presentation he has presented to the Senate this morning. It has been not only educational, I might say, but interesting, and for that we owe the distinguished Senator our gratitude.

Mr. President, the hour of 12:30 having arrived and the fact it is now almost a quarter of 1, I would suggest that we return to the previous order.

RECESS

The PRESIDING OFFICER. Under the previous order as amended by the unanimous-consent request, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:43 p.m., the Senate recessed until 2:16 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, I yield myself 15 minutes from the minority's time on the budget resolution.

The PRESIDING OFFICER. The Senator may proceed.

Mr. SYMMS. Mr. President, what I am going to say here to my colleagues in my remarks that I shall shortly give is that the gloom and doomers can talk about how bad things were in the eighties. Things were not perfect. I am first to agree that the Congress and the administration during the 1980's never jointly got the handle on Government spending. But many things happened during the 1980's that were very good for this economy.

We had an expanded period of economic growth; we restored America's credibility; we just fought and won a very successful military intervention in the Middle East. We would not have been able to do in 1980 what we were able to do in 1991.

Americans are proud of themselves again. And I think when the history books are written they will show that those years of the Reagan-Bush Presidencies during the 1990's restored America's credibility, regained the opportunity for middle- and low-income Americans to make headway economically, and yes we did not quite control spending. I am first to say that my budget proposals were not accepted during the 1980's but we made great headway.

Mr. President, as I go on with my remarks, I want to first say it is always a pleasure to hear my friend, Senator SARBANES, particularly, if I know I am going to get to speak next. I enjoy being with him on the Joint Economic Committee. One of the reasons I enjoy that opportunity of working with him so much—I do have a great respect for him—is because it is very easy to draw the clearest possible distinction of how we believe the world turns. I do not believe it is unfair to say simply that my friends support extending Federal programs and increasing the size of government generally to address the Nation's ills both real and perceived.

In general, the members of the majority party, particularly on the Joint Economic Committee, have the classic vision that big government is a positive thing. I think the people are entitled to have that point of view. But I would say that my friends on that side of the aisle in general view big government as good, not big government for the sake of big government, of course, but big government is their idea of how to solve problems.

Whether you want to solve problems big or small, they always look to government as the way to do it. I do not think it is unfair and inaccurate to say that the majority party, Senator SARBANES and his colleagues, support higher taxes to pay for it; at least some of this additional spending. Higher taxes in general but particularly higher taxes on other middle and upper income taxpayers, because after all, as Willie Sutton said, when asked why he robbed banks, "I robbed the banks because that is where the money is." Mr. President, that is why the Democrats always want to raise taxes on the middle and higher income people, because that is where the money is.

It is the classic tradeoff in tax policy—tax equity versus economic efficiency and economic growth. When I say "versus," that is exactly what I mean, in opposition to. My friend chooses tax equity as he defines it. Fortunately, economic growth is more easily defined. Whenever anyone proposes ever-higher taxes, he is offering his prescription for redistributing income today in exchange for less prosperity tomorrow.

That is what we are talking about, redistribution of wealth and income, and it serves as a distincentive for working, saving, investing, and working for economic growth. As President Kennedy said, all boats rise with the tide. This country needs a good shot in the arm with policies that restore economic policies. That happened in the eighties, in part, and that is why we got so much economic growth then.

Listening to my friend give his vision of where we are and where we are going, and where we need to be reminded me of something I read recently by Dr. Ed Yardeni, an economist with Prudential Securities. He wrote:

> The high priests of the temple of doom are convinced there must be a price to pay for the excesses of the previous decade.

Of course, the excesses they refer to are the sustained Federal budget deficits and the growth in private debt.

He went on to write:

> The doom and gloom crowd based there dire predictions on faith. "Trust us," they say, "the problems are so big and so obvious that only a heathen could doubt that ruin is inevitable." So we should turn the matter over to them to devise new and better Federal programs to solve all of our problems.

Mr. President, I do not agree with that. I do not agree with the gloom and doomers that the answer and the solution to this problem today is to turn it all over to these folks that would have the Government solve every problem that comes down the road.

We have just completed a decade of extraordinary growth. Job creation is the only truly effective antipoverty program, and tens of millions of jobs were created. Median family income is up. The real income of the poorest fifth of our Nation's households is up.

Can we do better? That is the question we ask. Absolutely, we could do better.

One thing we could do is hold the lid on spending. Because what the Government spends is what makes the impact on our private economy. If we would hold the lid on spending, then we can see even more economic growth and a better opportunity for the poor in this country. If we slow spending, we take the pressure off our tax revenues, and our economy will pull out of recession and continue through the nineties with sustained, noninflationary growth.

I know many colleagues would argue for bigger government and higher taxes. One of my colleagues on the Budget Committee had the courage of his convictions during deliberations on the budget resolution. While I disagreed with his position, I have the greatest respect for him in suggesting that we cut defense more and increase taxes on the wealthy to pay for more deficit reduction.

Mr. President, nevertheless, I believe these positions are absolutely 100 percent wrong. The history of the past decade, both at home and abroad, proves without question that economic freedom is the sole provider of prosperity, opportunity for economic growth, and international competitiveness.

That statement is so important, I believe it is worth repeating. Ths history of the past decade, both at home and abroad, proves, Mr. President, without question that economic freedom is the sole provider of prosperity, opportunity, economic growth, and that is what makes us internationally competitive.

Economic freedom, Mr. President, means a worker will not have his or her wages decimated by payroll taxes and income taxes. The worker will not have the Federal Government telling him or her how much insurance they have to carry or how much parental leave his employer must offer. He will not have the Federal regulators and the U.S. Congress destroying the job opportunities by hammering his employer with new regulations, new requirements, and heavier paperwork burdens.

Economic freedom, Mr. President, means that someone applying for a job can have the confidence that he or she will not be denied the job on the basis of race, sex, creed, age, or any other character of his or her person not pertaining to the ability to perform. It means merit is encouraged because reward will follow merit.

That is what economic freedom is about. Economic freedom means that employers can choose the best employees for the job, without worrying about whether they will violate some explicit or implied job quota.

Economic freedom, Mr. President, means investors can provide businesses with capital, without having any return thereon whittled away through layer upon layer of more new taxes.

Economic freedom means businesses can escape the never ending cycle of having to pay ever higher taxes, so the Federal Government can hire more regulators, hire more rule writers, who can then harass the businesses, who then must hire lawyers to defend themselves against the Federal regulators. And then when they get to court, they find out they are not only paying the Federal lawyers, they are paying their own lawyers to defend themselves, because they paid too many taxes to pay too many regulators to harass them to interfere with production. It means entrepreneurs can start new businesses and can afford to raise the capital needed to succeed. It means they can enjoy the fruits of their labor, and that financial reward may follow from the risks they take without the Federal Government taking more than its share.

Economic freedom means our citizens have enough left in their pockets to save for a better life for themselves and their children, after the Federal Government, after the State government, after the local governments have each taken their cut. How could we ask our people to provide more for themselves when the Government is always taking more? That is a good question, Mr. President.

Economic freedom means that Government cannot take your private property through regulation or rule without just compensation.

I hope later this year, Mr. President, to have the Congress speak to that end, in specifics, to where we will protect the rights of private property in this country. It is interesting that in polls taken in the Soviet Union today, the one overwhelming driving factor that the Soviet people ask for, in every poll taken of the public citizens of that nation, is that they want the right to own private property—over 85 percent of them.

Mr. President, I say that this Congress needs to take a lesson from that. It is private property and incentives and economic freedom that have been the mainspring in human progress in this Nation and in the free world for these past many hundreds of years.

These are not the principles of big government. These are not the principles of higher taxes. These are the principles, Mr. President, of a free soci-

ety, of less government, of less intrusive government, and of lower taxes. They are the principles that lead to prosperity for a nation, not only this Nation but any nation in the world. Not just for a chosen few, for those who have already made it. The principles of economic freedom will lead to prosperity for anyone willing to take the responsibility for him or herself.

These people of the Eastern bloc know this to be true. They know it instinctively. They know it because they have seen what a truly intrusive government, taken to its illogical conclusion, will do to an economy.

Look what happened behind the Bamboo and Iron Curtains; economic growth has been minimal, and it is abysmal. People live in very poor living standards.

In fact, Mr. President, the supporters of the Humphrey-Hawkins amendment to the 1946 Employment Act also knew this to be true. One of the three main goals of the Humphrey-Hawkins Act was that Federal spending should be cut to 20 percent of the GNP, or less. Mr. President, I still think that is a worthy goal, and that should be our target. At least it is a worthy starting place for us.

How are we doing today, Mr. President? In 1989, we hit 22.9 percent. And just to show what a success last year's budget deal was for controlling spending, we are projected to hit 24.2 percent in 1991.

The authors of the Humphrey-Hawkins legislation when I was in the other body were railed by the people who believed in free enterprise and the free economy, for the intrusiveness that their policies of their planned economy would have on the United States of America, and they said it should not exceed 20 percent.

We are way out of bounds here. Big government is running lose and rampant and we in Congress are not doing enough about it. I still think it is fair to say that if friends of big Government in Congress had their way—they had their way last year and the number soared—if they have their way again this year, the number will continue to soar.

As Government grows and begins to accommodate more intrusion in our lives, it will dominate a larger and larger share of our economic prosperity, of our lives, of our productivity, and those things will tend to collapse. Entrepreneurial initiative will cease; job growth outside of Government will reverse; our young will watch their opportunities fade away; and our elderly will watch their benefits shrink because the Nation could no longer afford to pay them.

Exactly what will happen if we reverse the trend of big Government? Why will this occur? As Government expands, Government increasingly dominates our economy, economic freedom that I earlier spoke about wanes. It is as simple as that. Economic freedom is essential for growth and prosperity and economic freedom is destroyed by big Government.

Are we in a recession today? Almost certainly. Why are we in a recession? There are many contributing causes—from the credit crunch to Saddam Hussein, to many other factors that have happened. But it is no coincidence, I think, that our economy finally is grinding to a halt just as the size of the Federal Government has increased dramatically. No matter how big and how powerful an engine, there is only so much deadweight it can carry. I am afraid we have reached the point where we are overtaxing and overregulating—I mean that in both sense of the word—for the economy's ability to expand.

With the regulations we face in this country, if all the fiscal policies were good and correct and all the monetary policies run good and correct, we could still have a recession because of regulatory reform. We will have a regulatory recession where we intervene in the lives of people so much we burden them down, we bury them in paperwork, we bury them in Government regulations, we bury them in the bureaucratic welfare state, and we seem to want to refuse to try to reform the bureaucratic welfare state. There is only one way to do it and that is reduce Government spending.

We can have a recovery if we do the right thing in Congress. I think recovery could be at hand. But it does mean that until we get spending down, we will not have as strong a recovery as this economy could otherwise generate, and it will stifle growth.

My colleagues on the other side of the aisle like to talk about fairness. This is supposedly their issue. To here be told by the majority party, you would think the Republicans are not and have never been in favor of fairness. Nothing could be further from the truth. Republicans have always been in favor of fairness. But there is nothing fair about a Tax Code that penalizes initiative and success. And there is nothing fair about a government grown so huge that it stifles new jobs, better paying jobs, and new opportunities.

Someone once said you cannot acquire virtue by becoming a better prostitute. That was a wise man that said that or a wise person. Well, you cannot create a more fair society by destroying its ability to grow. A handout is not fairness—and opportunity leads to fairness. Economic growth through economic freedom is the only sure path to fairness.

My friend on the Joint Economic Committee from the majority side—Senator SARBANES, and others—are masters at using the numbers. And another friend of mine, Senator DOMENICI, the ranking member of the Budget Committee, noted at the beginning of the budget hearings some weeks ago that if you torture the numbers long enough, you can get statistics to confess to just about anything. After hearing some of the numbers this morning, I would have to say someone must have taken lessons from the KGB on how to torture those numbers so they can get the statistics to come out to tell the story the way they want it.

But I do think there are a couple of numbers that we should take heed of:

Over the 90 months of the expansion, our economy created 21 million new jobs.

Over the course of the expansion, the median family income grew by 12 percent.

That is an effective antipoverty program.

For those who think we cannot compete, I say that is a lot of baloney.

Mr. President, the manufacturing share of our GNP increased over the decade of the eighties. Manufacturing productivity growth averaged 4.5 percent all during the expansion.

Our exports have grown strong and steady in the past few years and manufacturing's share of total exports has actually grown.

The disagreement between those who believe in economic freedom, on the one hand, and those who believe in big government, on the other, is an old argument. But the basic truths we point out to may be more refined now than they once were, but they are not new arguments. This same old argument we have repeated over and over again.

Sometimes we Republicans are accused of offering up the same tired old failed policies of the past. Frankly, the same thing can be said about the policies of my Democratic colleagues. Perhaps it is not the policies that are old and tired; maybe it is the politicians and the pundits.

But many of the policies on both sides are old. After all, this debate has been going on in one form or another for a long time.

It can be said that many of the policies on both sides have failed. But there is one very important difference: The policies of big government have been tried and been proven to be failures. The policies of those who believe in economic freedom only get half tried, Mr. President. We have rarely given the economic opportunity a chance. But when they are tried, even in part, we nearly always succeed. The only real failures have been here in the Congress when we failed to get a handle on spending.

So, Mr. President, what I have said here this afternoon is this: We did a lot of things right during the eighties. We did not get it all done. Unfortunately, the Congress failed to freeze the expenditures of the Federal Government in any kind of a growth pattern. We failed to hold back Government spending even to a percentage of the eco-

nomic growth in our economy. So we have allowed a bigger and bigger government to grow, which is becoming more and more intrusive into the lives of our people, and it is a disincentive on production, disincentive on savings; it is a disincentive on work. If we would just restore to the basic, fundamental principles that made America the great country it is and freeze the budget—I plan to vote for Senator GRASSLEY's amendment this afternoon. We have already frozen the defense budget. In my opinion, we should freeze the rest of the budget.

I also invite all colleagues to take a half hour of their time to read the Domenici-Gramm report of what really happened to the poor and middle-income people during the decade of the eighties, that people like to bash so much. I think you will be pleasantly surprised to find out that economic growth is the only way to fight poverty.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, perhaps, in conjunction with the distinguished ranking member here, we could bring some order to the debate. We have a number of colleagues who are seeking time. It is my understanding that the distinguished Senator from Montana wishes 5 minutes.

Mr. BAUCUS. That is correct.

Mr. SASSER. The distinguished Senator from Delaware wishes 10 minutes; the distinguished Senator from Florida wishes 10 minutes; and then the distinguished Senator from Iowa [Mr. GRASSLEY] who has been over here since about 11:45 this morning is seeking 10 minutes.

So, I would be agreeable to breaking that up in any way. I feel an obligation to the distinguished Senator from Iowa. It is my understanding he is seeking recognition for the purposes of debate and not for introducing an amendment. Is that correct, I ask my friend from Iowa?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. Will the Senator yield?

Mr. SASSER. I yield to the distinguished ranking member of the Budget Committee.

Mr. DOMENICI. I understand on our side that Senator GRASSLEY, Senator ROTH, and the Senator from Florida all want to speak but do not seek the floor to offer a budget resolution amendment. I understand that we intend to permit the Moynihan amendment to the budget resolution to come up this afternoon and I am not trying to impede that. But these Senators have matters that are unrelated to that, as I understand it.

Mr. ROTH. That is correct.

Mr. DOMENICI. In fact, Senator ROTH will respond to Senator SARBANES who spoke at length this morning on the Joint Economic Committee assessment.

So if the Senator wants to get an agreement for the remainder of the non-Moynihan matters, I think you can do it with those four Senators, and then we can have the Moynihan amendment follow that.

Mr. SASSER. I thank the distinguished ranking member. It would be my suggestion we begin with 10 minutes for the distinguished Senator from Iowa, to be followed by 5 minutes for the distinguished Senator from Montana.

Mr. BAUCUS. Mr. President, if the Senator would yield, the matter I wish to speak on is totally unrelated to this budget debate here today. It has to do with an entirely different matter. I wonder if I could proceed for 5 minutes on the other matter, and that will not interrupt the flow of the debate.

Mr. SASSER. I would like to accommodate my friend from Montana, but I am advised that Senator MACK also wants to speak on an unrelated matter. I would ask my friend from Iowa, would the Senator wish to defer to these two Senators who wish to speak on unrelated matters, 5 minutes for Senator MACK and 5 minutes for the Senator from Montana?

Mr. GRASSLEY. I will defer to them.

Mr. SASSER. I defer to the distinguished Senator from Montana for 5 minutes, and 5 minutes to the distinguished Senator from Florida. Furthermore, I ask unanimous consent the Senators proceed as if in morning business without time being charged against the bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. I wonder, while we are here, if we could not incorporate the other two Senators in the agreement. Could we have Senator GRASSLEY and Senator ROTH, neither of whom who are talking on Senator MOYNIHAN'S matter, proceed?

Mr. SASSER. That is an excellent suggestion.

Following Senator MACK, Senator GRASSLEY will speak for 10 minutes, followed by Senator ROTH for 10 minutes, and their debate would be considered and charged against the bill.

I ask unanimous consent that following the distinguished Senator from Florida and the distinguished Senator from Montana, that Senator GRASSLEY be recognized for a time not to exceed 10 minutes, to be followed by the distinguished Senator from Delaware to be recognized for a time not to exceed 10 minutes, and that the time they consume be charged against the bill itself.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, it is understood in that consent that none of those Senators have amendments that would be offered.

The PRESIDING OFFICER. That is the understanding.

Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I thank very much the chairman of the Budget Committee, the Senator from Tennessee, as well as the ranking member of the committee, the Senator from New Mexico, as well as the Senator from Iowa [Mr. GRASSLEY] and the Senator from Florida [Mr. MACK], for their generosity in helping to arrange this agenda.

ENVIRONMENTAL ISSUES IN THE NAFTA

Mr. BAUCUS. Mr. President, there has been considerable debate in the last few weeks on the proposed free trade agreement between the United States, Canada, and Mexico—to be known as the North American Free-Trade Agreement or NAFTA. The debate will come to a head in the next few weeks when the Congress votes on whether or not to extend to the administration fast-track negotiating authority to begin the negotiations.

A free-trade agreement with a developing country, like Mexico, raises serious concerns not faced in previous free trade negotiations. Many issues, including wage disparities, environmental concerns, and workers' rights, must be addressed before the NAFTA is concluded.

In order to promote a full discussion of these issues, I recently chaired a roundtable discussion of the NAFTA between the administration, unions, environmentalists, business, and former trade negotiators. I believe this discussion was productive and mapped some possible solutions to these issues.

Before the Senate votes on the President's request for fast-track negotiating authority, I plan to address each of these issues on the Senate floor. But today I wish to focus on one of the most critical: The impact of free trade on the environment.

THE NEXUS BETWEEN TRADE AND THE ENVIRONMENT

I chair both the International Trade Subcommittee of the Senate Finance Committee and the Environmental Protection Subcommittee of the Environment and Public Works Committee. From those posts, I have witnessed a growing convergence between trade and environmental issues.

We have long realized that environmental protection had important economic impacts, but we are only beginning to realize that those impacts don't stop at our borders. Unfortunately, the trade agencies of the U.S. Government have not fully appreciated this reality. The administration has been at best reluctant and at worst hostile to the idea of considering environmental issues in trade negotiations.

To me, including environmental issues in trade negotiations is only the

latest stage in a natural progression. As the economies of the world grow more and more interdependent, the scope of trade negotiations must expand. Originally, trade negotiations focused only on tariffs. But gradually we came to realize that nontariff barriers—like quotas and import licenses—were just as important. Over time, the list of nontariff barriers grew longer. Later, we came to realize that other issues, such as subsidies and pricing, also needed to be addressed to ensure a level playing field. Now, we have begun to address still other issues in trade negotiations, such as antitrust policy and protection of intellectual property. Covering these new issues has helped to promote a more level international playing field.

Now, it is time to add environmental protection to that growing list of issues to be addressed in trade negotiations. If one nation chooses not to impose adequate environmental protection requirements on businesses operating within its borders, it artificially lowers the cost of doing business in that nation at the cost of the environment. In addition to threatening the environment, this also confers a competitive advantage to those businesses vis-a-vis their counterparts in nations that do protect the environment. This can translate into trade gains and attract additional investment to the countries that do not adequately protect the environment.

In light of these trade impacts, environmental issues can no longer be neatly separated from trade issues. Certainly, environmental and trade issues are still distinct in most cases. But they can no longer be kept in convenient, separate compartments.

THE ENVIRONMENT AND FREE TRADE WITH MEXICO

This concern is brought into sharp focus by the prospect of a free trade agreement with Mexico. As is the case with most developing countries, Mexico does not impose strict environmental protection requirements. Most of us have heard the horror stories of raw sewage deing dumped into the Rio Grande River and toxic waste flowing across the border in an open ditch.

Understandably, major United States environmental groups are concerned that a free trade agreement with Mexico could spur pollution as it spurs growth. They also fear that lax environmental standards could convince some United States businesses to move south to avoid United States environmental regulations.

To his great credit, President Salinas has moved to address these environmental concerns. Recently, the Salinas administration shut down a polluting refinery near Mexico City. President Salinas also made the following statement on his recent trip to the United States:

We are committed to a clean environment. * * * That is why any new jobs, any new employment that will be created in Mexico, will have to abide by very stringent laws for the protection of the environment—not only firm and stringent laws, but firm and stringent enforcement of those laws."

These steps—particularly his statement—are very encouraging. However, I believe we must institutionalize President Salinas' commitment before we conclude the NAFTA.

ADDRESSING ENVIRONMENTAL CONCERNS

In the roundtable discussion I referred to, I believe that we were approaching consensus on four environmental principles that should be applied in the NAFTA negotiations:

First, each nation should have the unqualified right to enact environmental protection laws as stringent as it sees fit. We cannot allow environmental regulations to become disguised trade barriers—as has been the case in the European Community. But nations should be free to enact sound, scientifically based environmental protection laws without fear of trade protests from other nations.

Second, vigorous border inspections should be provided for in the agreement. The United States has long taken great care to ensure the safety of the United States food supply. Unfortunately, USDA made some commitments to Canada in the context of the United States-Canada free-trade negotiations which undermine the safety of our food supply. Such commitments should not have been made and cannot be repeated in the NAFTA. We must ensure that food products contaminated with pesticides banned in the United States are not imported into the United States. Similarly, we must provide for careful inspection of live animal imports to ensure that we are not importing dangerous livestock diseases.

Third, before a NAFTA is concluded, we must ensure that all new business in Mexico is subject to sound and strictly enforced environmental protection regulations. Mexico must formally commit to the standard that President Salinas has articulated. That commitment can take place in a treaty, a parallel bilateral agreement, or in some other appropriate forum. But the commitment must be made. The commitment need not actually be part of the trade agrement, but it must be in place before the trade agreement is approved. We must use the leverage of the trade agreement to improve environmental protection in Mexico.

Finally, if the environmental commitments are not fulfilled, the United States must have recourse under the trade agreement. In Mexico, the problem has not generally been getting environmental protection statutes enacted. Rather, it has been getting the statutes enforced. There are several approaches to enforcement. The United States could reserve the right to withdraw trade benefits under the NAFTA if Mexico does not enforce its environmental statutes. Environmental enforcement could also be policed by a bilateral or trilateral agency.

If the administration observes these principles, I believe Congress will be much more likely to endorse the NAFTA.

CONCLUSION

For reasons that I have outlined in earlier statements, I will support the President's request for fast-track negotiating authority.

Extending the fast track is nothing more than the minimum step that we must take to allow trade negotiations to go forward. And if the United States expects to be a major player in the world economy, we must be involved in international trade negotiations. We cannot afford to bury our heads in the sand.

But some of my colleagues don't see the issue the same way. They believe that the environmental issues warrant rejecting the fast track. In order to address their concerns, I urge the administration to employ the four principles I have just listed in drafting its action plan for the NAFTA negotiations. The debate on extending the fast track will be much easier to win if the administration expresses real sensitivity to these environmental concerns.

In the longer term, Congress will not approve a NAFTA if the agreement is seen as a threat to the environment.

I ask unanimous consent that a letter from the Sierra Club to Ambassador Hills on this topic be printed in the RECORD.

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

SIERRA CLUB,
Washington, DC, April 19, 1991.

Ambassador CARLA HILLS,
U.S. Trade Negotiator, Washington, DC.

DEAR AMBASSADOR HILLS: I want to thank you for sending on the very helpful material on the text of parts of the U.S.-Canadian Trade Agreement. I also want to thank you for the time you have taken to listen to our concerns.

In light of what we have learned, I think it might be helpful if we re-stated and summarized what we would like to see happen with respect to environmental concerns in the context of negotiations with Mexico over a trade agreement. There are three fundamental points which we would want addressed.

One. Non-Impairment of U.S. Environmental Laws. We feel that it is essential that the Congress and the American people be assured that nothing will be contained in the agreement brought back for approval that will in any way impair or override the application of U.S. environmental laws within the U.S. through a so-called "harmonization process" or otherwise. And this must apply to U.S. laws existing now or in the future. The agreement should clearly provide that federal environmental laws continue in full force and effect and are not reachable for challenge through this agreement.

Two. An Environmental Protocol Linked to the Agreement. We would seek assurances that as part of the process of negotiating the agreement that a specialist group will be appointed to negotiate a satisfactory environmental protection protocol which will be included in the final agreement as an integral part of it. That protocol should address the means of preventing further deterioration in the environmental conditions in either country as a result of the development prompted by the agreement, particularly that deterioration which can cause trans-boundary affects (i.e., moving into the other country or into international commons). We are attaching an addendum setting forth our thoughts about what kind of protocol we would find to be satisfactory, though EPA may well have additional ideas toward this end.

Three. Implementation Hammer. A mechanism is needed to assure that the environmental protocol is actually implemented, and to provide incentives for remedial action if it is not. Toward that end, we suggest that monitors be installed along the border to measure physical conditions so as to determine whether pollution levels are improving or getting worse. If they in fact worsen over a fair period of measurement, then that determination should trigger action. The action might be imposition of a tariff on the exports of the offending country into the other country at the rate of 15 percent. The proceeds should be put in a fund to help the victim country counteract the pollution. If both countries contribute to the worsening conditions, then such tariffs should be imposed on both. When conditions no longer exceed the baseline of pollution, the tariffs should be removed.

We will be pleased to elaborate on these ideas and set forth further the reasons that support them. However, we thought it would help to give you the basic outline without further delay. We look forward to further discussion with you.

Sincerely,

MICHAEL MCCLOSKEY,
Chairman.

ADDENDUM

SPECIFICATION OF THE CONTENT OF A SATISFACTORY ENVIRONMENTAL PROTOCOL

I. FUNDING

The protocol should provide a source of funding for programs to prevent and remedy the additional environmental stress arising out of the agreement. The funds should be used for enforcement work and for a model community environmental improvement program (see #II below).

II. MODEL BORDER COMMUNITY ENVIRONMENTAL IMPROVEMENT PROGRAM

A. Within the border zone (100 kilometers on either side), the strictest environmental standards of either country should be applied (e.g., best available pollution control methods and pollution prevention techniques). There could be a phase-in period for older plants.

B. Heavy investments should be made in community environmental health improvement programs, such as sewage treatment systems, potable water supplies, hazardous materials response, combating toxic threats to health, etc.

C. Oversight of these efforts should be provided through bi-national teams, which would include non-governmental members.

III. DEMOCRATIC PROCEDURES

A. Disclosure: all proposed policies and efforts under the protocol should be disclosed in a timely way to the public; moreover, risks to community health from within plants should be disclosed.

B. Environmental Assessment: major, new plants which might be built in the border zone should be subject to environmental assessments (not yet a requirement in the U.S.).

C. Participation: the public should be afforded an opportunity for review, comment, and hearings on proposals, and also an opportunity to serve on advisory boards with respect to programs in II above.

D. Dispute Resolution: an explicit process should be provided for resolving disputes arising under the protocol (and this should cover not only disputes between governments but with non-governmental groups).

IV. RECIPROCAL STANDARDS

Whenever U.S. corporations locate in Mexico, or Mexican corporations locate in the U.S., they should be required to comply with the strictest environmental standards applying in either country. This provision should apply to large, new plants and not be limited to the border zone. Moreover, each country should allow nationals of the other to have access to their court systems to enforce compliance with these standards. Such access should also be provided to secure enforcement of the trigger mechanisms set forth in paragraph III of the main letter.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. First, let me express my appreciation to the chairman of the Budget Committee and ranking member for providing me with this time. I realize what I have to say is out of context with the balance of the debate that is going to take place today, but it is an issue I have been working on for some time.

(The remarks of Mr. MACK pertaining to the introduction of S. 891 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEARS 1992, 1993, 1994, 1995, AND 1996

The Senate continued with the consideration of the concurrent resolution.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. I thank very much the chairman of the committee, Senator SASSER, for working to give this time to me. I want to debate this budget resolution.

As we begin debate today, and this is the first concurrent budget resolution for fiscal year 1992, there is a clear and present danger that I want to draw my colleagues' attention to, as well as the attention of our public. That danger presents itself in the form of a two-headed monster: One head is looking backwards; the other head is looking forward. One head is the rapid accumulation of debt in the past decade; the other is the future prospects for much more deficit growth over the 5 years of the October agreement.

The imminent danger is that not only is this new deficit growth locked in by the new agreement that was reached last October, but it is guaranteed to grow even larger because we have removed nearly all of the sequestration straitjacket from the monster, and we are now letting that monster roam free.

While it seems that we have been preoccupied since October with staying within the enforcement rules of the new Budget Act, the two-headed deficit debt monster has grown and grown, has escaped, and is now on the loose.

Normal reaction would be, when a monster is on the loose, to declare him Public Enemy No. 1, hunt him down, and get him under control. But for some reason, because we have been so preoccupied by the new rules and enforcement mechanisms in last year's October budget compromise, we failed to see a string of deficits bloating before our very eyes.

Mr. President, this afternoon or tomorrow, depending upon when the Moynihan amendment is disposed of, I will offer an amendment which will freeze budget authority for fiscal year 1991 at fiscal 1991 levels. This BA freeze will apply equally to defense, international affairs, and domestic discretionary spending. This freeze is for 1 year only.

There are two reasons why I will offer this amendment. It is because the deficit and the debt are totally out of control, and because instead of corralling it, we are ignoring it. I am not saying anybody intentionally ignores it, but it is being ignored.

The first head of the two-headed monster is the growth of the national debt. It is now over $3 trillion. Just 10 years ago, it was less than $1 trillion. The interest payments on that debt are now 25 percent of the budget, and rising rapidly. Next year, gross interest payments will be the largest spending item in the entire Federal budget. That is higher even that the defense numbers when it was at its all-time peak. In other words, the interest payments are higher than the defense numbers when the defense numbers were at their all time peak since World War II. While the defense budget is heading down after two decades of increases, interest payments on the debt are escalating upwards for as far as the eye can see.

The reason the debt will continue to spiral is because the October budget agreement has locked in that spiral. The pattern of deficits for the next 5 years has grown inordinately in the 6 months since the October summit agreement.

Just in that short period of time, the 5-year deficit, the second head of the two headed monster, has ballooned by some $300 billion. In 1991 alone, the deficit has already grown by $51 billion.

If I can refer the attention of my colleagues to this chart, I would like to show how we have had this growth in these deficits since October.

The top line is the new CBO baseline deficit pattern. This line below it is the CBO baseline in December after we passed the October agreement. And the area in between the two baselines is the deficit growth that has occurred in only 6 months.

In 1991 alone, we can see that the difference is $51 billion. Over the next 5 years, the total of the deficit growth is going to be $291 billion. In my view, Mr. President, this is the clearest imaginable reason why my freeze amendment, even though it would have minimum impact, is necessary. The October budget agreement allows for this deficit growth with no substantial corrective mechanism.

My colleague must know this, Mr. President, and so must the general public. The way the Budget Act was before the October agreement, much of the deficit growth would have been reduced either through sequester or through the shotgun-behind-the-door threat. But not now, because we threw the baby out with the bath water in the process of that agreement.

Many of my colleagues are disillusioned with the summit process which produced this budget agreement. I share their frustration. Yet I do not wish to make this amendment that I offer today or tomorrow a referendum on the summit process. It is merely a referendum on a willingness of this body to make some change when unpredictable circumstances demand that some changes be made. It is a yes or no on the deficit in light of a $300 billion growth in the 5-year deficit since the ink dried on that fall agreement.

In that respect, and because there was no way that the negotiators could foresee the $300 billion deficit growth, what we need is a small measure of deficit reduction as you go.

This freeze does not violate the October agreement. Nothing in that agreement precludes further spending reduction or further deficit reduction. And common sense dictates that we ought to be doing some further spending reductions, under this scenario.

On the contrary, the agreement allows for further restraint, such as this freeze amendment, in the event the kind of deficit growth, such as has occurred since October, cannot be predicted. This amendment I will offer will reduce the 1992 deficit by only $8 billion. Considering that the deficit baseline for 1992 has already grown by some $30 billion since October an $8 billion reduction is only a small downpayment. Even if my amendment would pass, the deficit will still grow by $51 billion in 1991, by $21 billion in 1992, and by about $200 billion in the outyears since the October agreement.

If anything, Mr. President, I should be criticized, if I am going to be criticized at all, for not going farther than my amendment allows. In ordinary times, perhaps I would do that, but considering the frailty of the economy, we want to be able to say we accomplished deficit reduction as you go, but not lowering anyone's budget and by spreading the restraint equally and fairly. And, in doing so, we did not turn our backs on the deficit and the spiraling debt.

If we do not do something now to correct this problem, what we in this institution all greatly fear more than anything, may actually and eventually come to pass. And that is people around this country will suddenly know beyond a shadow of a doubt that this body has no clothes.

The PRESIDING OFFICER (Mr. DIXON). The Senator from Delaware is recognized under the previous order.

Mr. ROTH. Mr. President, as we begin consideration of the budget resolution, I rise to make some comments about our Nation's economy and respond to some of the comments made by the chairman of the Joint Economic Committee, the distinguished senior Senator from Maryland. As the ranking Senate Republican on the Joint Economic Committee, I feel it is important to present a balanced picture of the state of our Nation's economy and where we are headed.

I read with great interest the lead story in the New York Times this past Sunday, and I wish to share it with my colleagues. The headline story in Times read: "Boom in Manufactured Exports Provides Hope for the United States Economy." The headline read "boom," Mr. President, not "doom" or "gloom," as some would have you believe. Let there be no doubt our economy can be, and should be, doing better. But let us not ignore our strengths either.

The Times article reported that the United States has "become one of the world's low-cost manufacturers—lower in many industries than Canada, Europe, and Japan." The article went on to report that exports of electrical machinery have increased 133 percent since 1986, exports of aircrafts, 100 percent; computers and office machines, 70 percent; and small manufactured goods, 146 percent. The Times reporter wrote:

> American factories now ship steel to Seoul, transistors to Tokyo, cars to Cologne, and bicycle parts to Bologna. Exports ranging from beer and boards to carpets and computer chips have surged 76 percent since 1986. At home, domestically made machine tools, electronics gear and cars—some turned out in factories with foreign owners—are muscling aside imports.

The longest peacetime economic expansion in United States history ended last year due to a variety of factors including Iraq's invasion of Kuwait, which forced oil prices sharply higher. But this recession will probably be moderate in both length and severity, according to economic experts both in and out of government. The President's Council of Economic Advisers, the Congressional Budget Office, and the private sector blue chip forecast all indicate recovery this year. Consumer confidence, which dropped sharply at the start of the Iraqi invasion, rose sharply recently in response to the war's end.

The recession should be evaluated in the context of the economic progress made since the high inflation and high unemployment of the late 1970's. Fortunately, the momentum of the expansion from the 1980's has made the economy resilient in the face of the recent oil shock and war in the Persian Gulf.

The foundation of this expansion was laid in the new policy direction adopted in 1981 and implemented in 1982. An across-the-board income tax cut reduced income tax rates for all, while monetary restraint and stability crushed inflation and thereby reduced interest rates. With the adoption of these new policies, an economic rebound began in late 1982 and continued through 1990. Between 1982 and the third quarter of 1990, real GNP grew by 31 percent. Economic growth and low inflation replaced the stagflation characteristic of the late 1970's.

This economic expansion created 21 million new jobs generating new occupational and business opportunities. The number of new U.S. jobs created during the expansion exceeded that of all the other advanced industrial nations combined. Manufacturing productivity increased as inflation decreased.

According to a panel of the National Bureau of Economic Research, the current recession began last summer. Payroll employment has been declining for several months now. Real GNP declined 2 percent in the fourth quarter of 1990.

But the case for a rebound soon is a compelling one—strengthened by the absence of high inflation and interest rates at the end of the upswing and by the lack of excessive inventory accumulation. Oil prices retreated sharply from their recent highs despite the onset of war. And our quick military victory will almost certainly stabilize oil prices and prevent large disruptions in oil supplies.

According to economic statistics, business inventories are relatively low compared with sales, therefore reductions in orders are less likely than in previous recessions. Real exports are expected to remain strong as a result of the exchange rate's decline and a healthy growth in foreign demand, according to CBO. And the index of leading indicators was up recently for the first time in 6 months, providing encouragement that the recession is ending and economic growth is around the corner.

Despite these positive signs, one cannot ignore some indicators which could affect the timing of the recovery. Unemployment has been increasing, yet is far below the high levels of the previous recession. The credit crunch, whether due more to excessive regulation or an unwillingness to lend in recession, or some combination of the two, is a restraint on the economy. In addition, weakness in parts of the financial sector could delay the resumption of economic growth.

Mr. President, the existence of recession raises the issue of an appropriate policy response. Record levels of Federal deficit spending make fiscal stimulus through even higher deficits irresponsible. Probably the most constructive course for congressional action would be to avoid serious mistakes such as counterproductive tax increases. Taxes as a percent of GNP are already at historically high levels.

One of the most critical needs we face is increasing national savings. Accordingly, I have cosponsored with the distinguished chairman of the Finance Committee, Senator Bentsen, a bill to restore greater incentives to increase personal savings through individual retirement accounts, because I believe, as most all economists do, that saving is a key to higher productivity, economic growth, and enhanced living standards.

As pointed out in the Republican section of the Joint Economic Committee annual report, adequate private savings are necessary to fund investment in plant and equipment to enhance worker productivity. Productivity growth, in turn, increases real income for workers and families. As such, adequate savings is the prerequisite in a chain of events leading to renewed prosperity. The U.S. tax laws need to be revised with these critical relationships in mind.

The Federal Government can promote economic growth by ensuring that Federal tax policies promote additional savings to provide capital available for productive investment. Tax policy which discourages savings and investment shrinks the amount of investment funds available, and raises interest rates for the funds which are available. Increased domestic savings would reduce our dependence on foreign capital to finance Government debt and industrial innovation.

Mr. President, the state of our economy is looking better than several months ago. Oil prices are down from their high levels several months ago, consumer confidence is increasing, real exports are rising, and inflation is under control. Some risks remain, to be sure. But we are a resilient nation, with a resilient economy.

Instead of gloom and doom, Mr. President, let us focus on what will provide the best environment for job creation and a healthy economy. Increased savings and investment, stable prices, low-tax rates and interest rates, and reduced Government spending will all create an environment for a healthier economy. That should be the focus of our work, and I hope my colleagues join me in those efforts.

Mr. President, I ask unanimous consent that this article on the boom in manufactured exports 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]

BOOM IN MANUFACTURED EXPORTS PROVIDES HOPE FOR U.S. ECONOMY

(By Sylvia Nasar)

In a quiet revolution, the United States, long derided as an industrial has-been, has become one of the world's low-cost manufacturers—lower in many industries than Canada, Europe and Japan.

American factories now ship steel to Seoul, transistors to Tokyo, cars to Cologne and bicycle parts to Bologna. Exports ranging from beer and boards to carpets and computer chips have surged by 76 percent since 1986. At home, domestically made machine tools, electronics gear and cars—some turned out in factories with foreign owners—are muscling aside imports.

As a result, foreign trade is likely to power the economy for years to come. "Export-led growth may be the only feasible strategy for the United States," said C. Fred Bergsten, director of the Institute for International Economics in Washington. Indeed, the shrinking trade deficit, now at a seven-year low, is offsetting some of spending lost in the recession.

GROWTH MAY CONTINUE

Though exports have lately leveled off as growth overseas has slowed, forecasters at DRI/McGraw-Hill expect exports to grow 50 percent faster than imports during the rest of the 1990's.

What is behind the resurgence of American cost-competitiveness? Partly, of course, it is the dollar, high-flying in the mid-80's, returned to earth. Despite the dollar's recent bounce, its value is still a third below its 1985 level.

More enduring are the sweeping and painful changes undertaken by American managers and workers, which have revived flagging factory productivity. These changes have ended some of the worse excesses of the 70's, including pay increases that helped to price many United States products out of overseas markets while encouraging lower-priced imports.

For decades, American companies acted as though higher costs could always be passed on. The new attitude is captured by companies like the Cross & Trecker Corporation, a maker of machine tools based in Bloomfield Hills, Mich., which intends to cut the cost of its products by 5 percent a year.

How durable are the American gains? Certainly, an unexpected return to an overvalued dollar would wipe them out. So would slipping back into the sloppy habits of the past.

And low costs by themselves cannot guarantee global competitiveness in a world of increasingly well-heeled, choosy customers who, more often than not, care as much about quality, style, service and technical razzle-dazzle as they do about price. Buyers—domestic and foreign—are not likely to abandon superbly engineered German machine tools or reliable Japanese cars for cheaper but shoddier alternatives.

BEYOND BURGERS AND JUNK BONDS

Those who still think of the United States as a good place to make burgers, "junk bonds" and Boeing aircraft, and little else, ignore a vast terrain friendly to the manufacture of old-fashioned goods like nails and light bulbs.

Illinois Tool Works Inc., based in Glenview, Ill., recently scrapped its plans to build another nail factory in Germany. And Osram Inc., a subsidiary of Seimens A.G., the German electronics giant, recently poured $3 million into a plant in Maybrook, N.Y., that produces light bulbs and auto headlamps.

These decisions partly reflect the favorable American manufacturing climate. In Illinois Tool's case, it costs the company about 20 percent more to make a nail in Germany than in the United States and twice as much to add capacity in Germany. Not only are bricks and mortar more expensive there, but companies are required to take on more commitments, in benefits and job guarantees, for their workers.

"We can produce nails here with less overhead and fewer social costs," said W. James Farrell, an executive vice president of Illinois Tool.

In Osram's case, most customers are in the United States, but the company expects to ship about a fifth of its products to European and Asian auto makers. "From an efficiency standpoint, we stack up very well to our German counterparts, sometimes to their surprise," said Paul Caramagna, Osram's vice president.

COSTS LOWER IN U.S.

Though none should be taken literally, broad statistical yardsticks tell the same story. Estimates by Peter Hooper and Karen Larin, economists at the Federal Reserve in Washington, suggest that unit costs in the United States are 60 percent of those in Germany and 80 percent of those in Japan. DRI/McGraw-Hill, using different data and methods, estimates that American factory costs are about 10 percent below those of Europe and Japan.

And the United States is almost certainly among the lowest-cost producers of basic commodities. Take the raw material for those ubiquitous plastic detergent bottles with hourglass shapes. It costs 25 percent less to produce high-density polyethylene pellets in the United States than in Europe, and 15 percent less than in Japan, according to Chem Systems, a consulting firm in Tarrytown, N.Y. Back in 1985, when the dollar peaked, costs in the United States were no lower than in Europe and Japan.

The United States can make steel more cheaply than Germany or Japan, although Britain can make it more cheaply yet. Indeed, USS-Posco Industries now makes money shipping 5 percent to 10 percent of the cold-rolled steel from its plant in Pittsburg, Calif., to the Pacific Rim. The average cost of producing a ton of steel in the United States is now about $535, as against $542 in Germany and $614 in Japan; according to the WEFA Group, an economics consulting firm in Bala-Cynwyd, Pa.

PANELING TAILORED TO JAPANESE

Another successful export to the Pacific—specifically to Japan—is boards, by the boatload. The Louisiana-Pacific Corporation, based in Portland, Ore., exports so much wood to Japan these days that it is making, in addition to its standard 4-by-8-foot paneling, a 3-by-6-foot version that the Japanese

prefer. "Our costs are very competitive with Canada and Scandinavia," said Barry Lacter, the company's vice president for public relations.

The United States also seems to have regained ground in industries that many people had written off. American textile mills, it turns out, are very competitive in products for industry and the home. Judging by exports last year, Greeks like to sleep between American designer sheets and Saudis prefer to walk on American wall-to-wall shag carpets in their homes.

The new cost competitiveness varies from product to product, but what is striking is the huge across-the-board swing since the mid-80's. Indeed, the United States is even more competitive in manufacturing costs than it was in the late 70's, when its trade in factory goods was balanced and exports were booming.

LOW DOLLAR WORKED WONDERS

Consider how the dollar helped to create the shift. The dollar's value against other currencies is back where it was in the late 70's and early 80's. Even after a recent surge against the German mark and the Japanese yen, the dollar is worth about what it was last spring and about 30 percent less than in February 1985.

The lower dollar has done wonders for American industry, particularly machine tools. Exports last year jumped 23 percent while imports sank 5 percent. "The primary reason for that significant swing is manufacturing costs," said Norman J. Ryker, chief executive of Cross & Trecker. The company has recently expanded its sales force in Germany and Japan to sell its top export, the Sheffield machine, which is used to measure machined parts precisely.

At the same time, Cross & Trecker, which used to import some smaller tools from Japan, has not done so in six months. "It costs too much," Mr. Ryker said.

American factory productivity—which has remained the highest in the world—has been jack-rabbiting along in the 80's. Rising at an average rate of 3.6 percent a year, output per hour in American factories has been advanced faster than in the 60's and nearly three times as fast as in the 70's.

Efficiency gains in the American auto industry rose about 4 percent a year in the 1980's, thanks partly to the Japanese companies that build cars in United States plants known as transplants. "The transplants are close in efficiency to the best plants in Japan, and many Ford plants are as efficient as the transplants," said James P. Womack, an automotive expert at the Massachusetts Institute of Technology. These days, Detroit is sending American-made models around the world.

Not all of the productivity gains resulted from shutting inefficient plants or slashing payrolls. Some reflect efforts to do things right the first time, an effort that almost by definition bolsters output per worker.

Take Motorola Inc., the nation's largest maker of computer chips, which has raised its productivity in part by reducing costly defects. After an intense five-year campaign, Motorola now measures defects in its popular microcontrollers—chips that show up in everything from cameras to cars—not in percentage points, but in parts per million.

"Our goal for mistakes is 3.4 parts per million—not just in the products themselves, but in sales and service." said Kenneth C. Phillips, a company spokesman.

More than half of Motorola's sales in 1990 were overseas. That is one reason, no doubt, that the United States recorded a trade surplus in semiconductors last year, after years of deficits.

Finally, United States manufacturing workers are no longer the world's fat cats in terms of pay and benefits. At current exchange rates, according to the Bureau of Labor Statistics, Americans earn $14.31 an hour in pay and benefits. German workers, in comparison, earn $17.58. In Japan, where pay has more than doubled in dollar terms since 1979, workers now earn the equivalent of $12.63 an hour.

Thus, part of the price of greater American competitiveness has been paid by American factory workers. Their purchasing power has been squeezed as blue-collar pay rose at a slower pace in the United States than almost anywhere else.

Mr. ROTH. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware yields the floor. Who seeks recognition?

Mr. SASSER. Mr. President, I would suggest the absence of a quorum and ask that the time be charged equally against both sides.

The PRESIDING OFFICER. The distinguished senior Senator from Tennessee suggests the absence of a quorum and suggests that the time be charged equally to both sides. Is there objection.

Mr. DOMENICI. The Senator from New Mexico agrees.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. SASSER. Mr. President, at this time I ask unanimous consent that when the distinguished Senator from New York [Mr. MOYNIHAN] offers his amendment relating to the Social Security trust fund, that there be no time limit on the amendment during today's debate, and that no amendment to the amendment be in order; further, that when Senator DOMENICI offers his firewall amendment, if he offers it, there be no second-degree amendments in order; further, that if Senator BROWN offers an amendment on actuarial soundness, that there be no second-degree amendments in order thereto, and that the sequence of the first three amendments be as follows: First, Senator MOYNIHAN; second, Senator DOMENICI; third, Senator BROWN; that if Senator MOYNIHAN'S amendment is agreed to that it be considered original text.

The PRESIDING OFFICER. Senators have heard the unanimous-consent request of the distinguished senior Senator from Tennessee. Is there objection?

Mr. DOMENICI. Reserving the right to object, and I do not intend to object.

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

Mr. DOMENICI. I want to make sure there are no misunderstandings. Any of these amendments, if offered, are subject to motion to table; is that correct? We have not eliminated the right of a Senator to move to table?

Mr. SASSER. It is my understanding we have not eliminated the right of a Senator to move to table on any of the three amendments.

Mr. DOMENICI. And with reference to seeking yea-and-nay votes on the amendments, we have not in any way altered senatorial rights in that regard?

Mr. SASSER. We have not. Senators are free to move to table, and should the tabling motion fail, they are free to seek the yeas and nays on the amendment at that time.

The PRESIDING OFFICER. Does the distinguished senior Senator from New Mexico have any further questions?

Mr. DOMENICI. I wanted to ask Senator MOYNIHAN, if he would not mind, a question. As I understand it, for a number of reasons not the least of which, as I understand it, might be the ease in preparation of the amendment because of the complexity of numbers, the Senator is offering his Social Security trust fund amendment, and in doing that he has prepared a full substitute of the rest of the budget resolution as reported by the Budget Committee, including his desired amendment? Is that correct?

Mr. MOYNIHAN. That is correct.

Mr. DOMENICI. Could I ask, is there anything else changed in the full substitute from that which was reported to the floor by the committee, other than the trust fund as amended by the Senator's amendment?

Mr. MOYNIHAN. I think the answer is no, there is not. There is a sense-of-the-Senate language change. I was thinking of numbers. To my knowledge, there is no change.

Mr. DOMENICI. I did not hear the Senator's previous comment.

Mr. MOYNIHAN. Sense-of-the-Senate language is changed and the numbers of course have changed.

Mr. DOMENICI. Then I might have another question. Which sense-of-the-Senate language is changed? This is a very large amendment and I apologize to the Senate for not knowing more about it but I first found out about the substitute a little while ago. I am not worried about it. I just want to make sure we understand.

Mr. MOYNIHAN. Senator BROWN'S language, having to do with actuarial balance.

Mr. DOMENICI. Is that totally eliminated? Left out, that part?

Mr. MOYNIHAN. I can read it to the Senator if he would like. Mr. President?

The PRESIDING OFFICER. The distinguished Senator from New York State.

Mr. MOYNIHAN. The language simply reads: "The levels in this resolution"—why do I not say:

Section 8, Accounting Treatment of Social Security Revenues.

(A) Sense of the Congress:

It is the sense of the Congress that the levels of this resolution are consistent with the enactment by Congress of legislation to, (a), provide a fair tax cut to 132 million workers by returning the Social Security Trust Funds to a pay-as-you-go financing and restore the Social Security System to long-range actuarial balance.

That is the additional language.

Mr. DOMENICI. I take it then that the Senator had all of the language with reference to the effect of the amendment, but with reference to the Brown amendment, he made a conclusion that his amendment is actuarially sound, rather than the contention of the previous sense of the Senate that, if it was not, it would require 60 votes. Is that correct?

Mr. MOYNIHAN. That is correct.

Mr. DOMENICI. I had one further question.

The PRESIDING OFFICER. The Chair will inquire of the distinguished senior Senator of New Mexico, is this still part of the process of the Senator's contemplation of the unanimous-consent request of the distinguished senior Senator from Tennessee?

Mr. DOMENICI. Might I just say to the President, it is. Something has come up on our side and I do not want to have to claim later I did not understand something so I need to inquire on our side.

Mr. President, I suggest the absence of a quorum, but let me say I have no intention of not agreeing to this. Let me just clarify something and I will return.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. SASSER. Mr. President, as I understand it, the pending business is the unanimous-consent request that I propounded a short time ago; is that correct?

The PRESIDING OFFICER. The Senator from Tennessee is correct.

Mr. SASSER. With regard to that unanimous-consent request, Mr. President, I wanted to specifically note that it carried a provision that there be no motion to table the Moynihan amendment today. In other words, no motion to table the Moynihan amendment would be in order today.

Mr. DOMENICI. Mr. President, reserving the right to object, and I will not object. I just want to make sure that everyone on our side understands. Not only do I concur with the last statement made by the chairman that there be no motion to table today, but I think it is fair to say that we intend, after a reasonable amount of time today, to be back on this resolution tomorrow, and we are going to try, after some additional debate on the Moynihan amendment, to arrive at a time certain for disposition, either by a motion to table or an up-or-down vote.

Our plan is to set a time when everybody will know this is going to be voted on. After this evening, we will use some additional time tomorrow, evenly divided or thereabouts, to debate this issue and then have a vote.

Could the Chair read the language with reference to the Brown reservation? What did we say about the rights of Senator BROWN from Colorado to offer an amendment?

The PRESIDING OFFICER. The language of the unanimous consent is that "if Senator BROWN offers an amendment on actuarial soundness, there be no second-degree amendments in order."

Mr. DOMENICI. An amendment, right?

The PRESIDING OFFICER. "And that the sequence of the first three amendments be as follows:"

Mr. DOMENICI. I thank the chair. The Senator from New Mexico has no objection.

The PRESIDING OFFICER. Is there further objection? Without objection, it is so ordered.

Mr. SASSER. Mr. President, the Senator from New York will seek recognition.

Mr. MOYNIHAN. Mr. President, the Senator does seek recognition. I ask that I might have time on the bill.

Mr. SASSER. Mr. President, I yield such time as Senator MOYNIHAN may consume on the bill.

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

Mr. MOYNIHAN. Mr. President, shortly now, I will offer an amendment to the budget resolution for myself, Mr. KASTEN, and Mr. HOLLINGS, that has as its purpose the return of the Social Security trust fund to a pay-as-you-go basis.

This is the basis on which the Social Security system was established in 1935, and on which it operated until the Social Security Amendments of 1977, when we shifted to a partially funded system. We anticipated that a long period of balanced budgets would enable us to use the trust fund surplus to buy down the privately held public debt and thereby increase national savings.

That was the predicate on which that decision was made in 1977. Now, some 14 years later, we see that it is no longer a valid assumption.

In the National Economic Commission Report on March 1, 1989, the minority—in this case the Democratic members—stated that if we could not use the surpluses to increase national savings it would be a matter of integrity, a matter of probity, a matter of fair and honest dealing with the trust fund, to return the system to a pay-as-you-go basis; the alternative being that we would enter an indefinite period, in which trust fund moneys would be used as if they were general revenues, which they are not.

These, sir, are trust funds. They are paid into a trust fund jointly by employees and employers for the purpose of paying benefits under the system, and for no other purpose.

That trust has been and is being systematically violated. It is our purpose to restore integrity to that system.

In the process, over a 6-year period, we will save workers now paying into the system up to $2,300.

As an incidental condition of this measure, we would stimulate the economy. We are in the midst of an economic recession that promises to be longer and deeper than we had expected. This matter was dealt with earlier today by the distinguished chairman of the Joint Economic Committee, the Senator from Maryland [Mr. SARBANES]. Estimates have been made that as a consequence of our Social Security tax cut we would see upward of another million jobs created.

In the process, we would see the payroll costs of American businesses decreased in the same amount as the payroll taxes of American workers. We would see a generally lowered tax on labor.

You recall the term for the Social Security contribution, Mr. President, is Federal Insurance Contribution Act. These are technically taxes but specifically levies raised for purposes of paying benefits out of a trust fund.

So the first point I would make to the Senate is that what is most important here is this issue of the integrity with which we deal with these trust funds. The surplus is large. It is already growing at more than $1 billion a week. In simply the 5-year span of this resolution, that surplus will grow to $2.5 billion a week.

Over the whole 5 years, we will see an enormous unprecedented sum diverted from the trust to general revenues in a way, sir, that could never have been contemplated by the generation and the individuals that gave us the Social Security Act of 1935.

It was my great honor in later years to know Frances Perkins, Secretary of Labor, under President Roosevelt's administration, who had the most vivid sense of the decisions made in 1935. Rather than decide to simply collect Social Security contributions and put them in an anonymous account, President Roosevelt decided that individuals were to be given their own Social Security numbers and were to have their contributions and their employer contributions posted regularly to their account. Individual's contributions were

to be recorded as their money, their pension, and their insurance against disability, death, and the loss of the family earner.

The idea that we would ever do otherwise was unthinkable and indeed, Mr. President, we have a record of this. In the summer of 1941, a distinguished Columbia University professor, Luther Gulick was here in Washington working in Government affairs. He knew President Roosevelt. He had known him during the 1920's when the President was then Governor. And he called on President Roosevelt and said he thought the time had come to dispense with individual accounts and to handle Social Security contributions in a more general way. He thought it would be more efficient and economically sound to do that.

And Luther Gulick, as was his practice when speaker to a President, recorded Franklin Roosevelt's response. I would like to read it. He said "I guess you are right on the economics, Luther," he said. "But those taxes were never a problem of economics. We put those payroll contributions there so as to give the contributors a legal, moral, and political right to collect their pension and unemployment benefits." And then, Mr. President and you could hear him say it—Franklin D. Roosevelt said: "With those taxes in there no damn politician can ever scrap my Social Security Program."

I have more than once quoted and cited on this floor in his company an exchange I once had with our late beloved colleague, Senator JOHN HEINZ of Pennsylvania. It was on the morning television program, the "Today Show," a year and a quarter ago, and I had cited an editorial in the Rochester Democrat Chronicle in which it was alleged—stated properly in my view—that what was going on in Washington was thievery. And Senator HEINZ was asked, "Senator, would you agree with that characterization that what is going on is thievery?" And in that wonderful way he had he rose up, and in a sort of mock umbrage, said "Certainly not certainly not. Not thievery; it is embezzlement."

You can take your choice of words. The ethical implication is the same.

The amounts of money are large, but in the context of our present deficits they are as nothing compared to the principle which is at issue. We do not propose to do this suddenly in one moment, 1 fiscal year. We take the system down over a 6-year period.

The subject has been raised as to whether this would in any way jeopardize the long-term actuarial balance of the fund. Mr. President, I have been chairman now for some years of the Subcommittee on Social Security and Family Policy of the Committee on Finance. I have served on that committee for 15 years. I stand here to say that it is the absolute clear and repeated judgment of the actuaries who have nurtured and looked after this fund for what is now some 56 years, that we not only protect the funds in what we are doing but, because we provide for rate increases in the middle third of the next century, we actually restore an actuarial balance that does not now exist.

It has been the judgment of the actuaries for some time now that as a measure of prudence there ought to be about a year's surplus, so that all claims may be met, even when a downturn of some kind might make for a shortfall between what flows in and what flows out.

The trust fund is not an actual physical fact. It is not a chest of gold coins that can be reached into at any given time. It is a Government obligation, but one which is well to have on the books so everyone knows it.

As I say, a few years ago, the actuary, when asked by an advisory committee to the Social Security Commission, estimated that a reserve somewhere between 55 and 110 percent of annual outgo would be more than sufficient to provide for a downturn. If I can turn to this exhibit, Mr. President. The Office of the Actuary, in a memorandum of June 13, 1990 to the Advisory Council Technical Panel on Social Security said—and this is the most recent judgment of the actuary in the current administration—"The analysis we performed indicates that assets of from 55 to 110 percent of annual expenditures would generally be sufficient to cover the effects of a period of adverse economic conditions for about 5 to 10 years." Sufficient to cover not a 1-year recession which has been our average in the postwar period, but to cover a 5- to 10-year recession, something comparable to the Depression of the 1930's. A reserve of 100 percent of annual expenditures "represents a reasonable target ratio for contingency purposes."

Mr. President, let me show you what this amendment will do. This amendment will take a reserve, which is already almost at a 100-percent level—about 96 percent at the end of this year—and take it up steadily to 150 percent; the highest ratio we have ever known in the period when the system has been mature.

So to be quite explicit, for the next 19 years, we will have lower rates than at the present, and in 24 years, we will return to the present rates. That will be fine for a period. But then there will have to be further increases.

These increases, Mr. President, will come whether we adopt this amendment or not. When, in the second, third, and fourth decade of the next century, revenues at present levels begin not to meet outlays, the money will have to be found. There will be a reserve but the reserve is simply an obligation for the Federal Government to pay that obligation. The Government will have to get the money. It will get it by raising the contribution rate or by borrowing, or a combination of both. That is something the next generation of Americans will have to deal with and will.

The ratio of persons retired to persons employed will narrow a bit—nothing like the narrowing that has taken place over the last 50 years. It began in 1940. There were 30 persons in the work force for every one person retired. And it is coming down, as a mature system will do, should do, and is doing.

But the trust funds are secure and it serves no purpose to suggest to anyone that changing the present arrangement will in any way jeopardize future benefits. It does not. To the contrary, our argument, our case really rises and falls on what I am about to say.

(Mr. ROCKEFELLER assumed the chair.)

Mr. MOYNIHAN. Our case says that the integrity of the trust funds depends upon a long, unbroken record of using pension fund contributions for pensions and not for other purposes. If you want to put these funds in jeopardy in the long run, establish today the idea that they can be used for other things besides benefits. Establish the principle that the funds can be diverted to nonpension purposes with impunity, and in vast sums. This very week we will spend more than $1 billion in trust fund moneys for the general purposes of government, everything from battleships to paper clips, as it has been put, but not for pensions.

Once you establish that principle, once you break that trust, once you record in statute that we will use trust funds for nontrust fund purposes, what is left of the integrity of the system? What is to prevent future reductions in benefits in order to use the moneys for other things? What is to prevent the elimination of whole programs in order to use the money for other things?

I marvel that we do not already have an outraged public; 132 million people pay into this system every year, and it is a fact that their payments are being diverted to purposes other than what it says on their paycheck: "Federal Insurance Contribution Act." If this were done by a private company or a union pension fund for any such arrangement, the penalties under civil and criminal law, would be swift and vengeful. Ask any attorney, what is the greatest and most solemn obligation you undertake as a member of the bar? They will say: as a trustee. We are the trustees of these funds.

The Members of this body, if it comes to that, may very well regret the day they vote to use trust funds for purposes other than that for which they were formed. The day will come when, on the political campaigns of this decade and the next, the incumbent will have to answer the question: Senator, did you vote to use trust funds for pur-

poses other than that for which they were contributed and formed? Senator, yes or no? Senator, did you vote to take moneys from the trust fund and spend them on foreign aid? On housing? On agricultural subsidies? On pay increases? On the savings and loans? Senator, this S&L, by gross mismanagement, lost $1 billion. Somebody got the $1 billion. It did not disappear. The bank lost it. It went to other pockets. Senator, did you vote to take Social Security trust funds and pay off that billion dollars? Is that not the kind of behavior that we sent that President of the S&L to jail for? And you are asking us to send you back to the Senate so you can do it again? Did you vote to use trust funds to bail out those outrageous S&L failures? Senator, if you cannot be trusted with a trust fund, what can you be trusted with?

This is difficult for me to say. But I have been, as chairman of this subcommittee, for some years now saying this moment of truth would arrive. It almost arrived last October when a majority of this body, 54 Members, voted to return to pay as you go, so we would not be misusing, misappropriating the trust funds. We were in a situation where a special rule required a special majority, 60 votes. We had a majority but not 60. The very able and deeply responsible chairman of the Committee on the Budget arose immediately after the vote on that occasion and said that it was clear the Senate should be able to work its will in this matter by the normal majority vote and that he would see to that, and he has done. We are here today under the budget resolution, which, by a simple majority, can bring this about.

I know there are persons of the greatest personal integrity and sense of personal and social responsibility who are saying to themselves: If we just keep this surplus, then one day down the road, when there will be a different administration, we can use this surplus for a new program of social insurance.

That is a decent purpose. I knew Frances Perkins and how much she had hoped to see what became Medicare enacted. I know and loved Wilbur Cohen, who worked on the original committee, as did Bob Myers. These were men and women of great public service who were willing to happily involve themselves for half a century with one purpose. They formed a National Academy of Social Insurance, and I am happy to be a member.

I remember in the last year of his life, Wilbur was making the rounds of the Senate hallways with new ideas for health for children, the general gaps in our health care system, of which no one knows more than the distinguished Senator from West Virginia, who is the Presiding Officer at this moment. I think we will get to that. We will get to those issues. But not if we debauch the principle of social insurance by embezzling the moneys, to use the term Senator HEINZ used, for other purposes.

People will not trust us any more. You say you are taking this money and you are putting it in trust. But you did not. You broke the trust. You spent it on other purposes, not in the small amounts, but in massive amounts.

I will give you a sense, Mr. President, of the amount of cash-flow that is involved. The cash surplus now in place would buy the New York Stock Exchange. I do not mean the building, Mr. President. I mean every share of every company, traded, every bond traded on the New York Stock Exchange.

Mr. DOMENICI. Will the Senator from New York yield for a question?

Mr. MOYNIHAN. I am happy to yield to my friend from New Mexico for a question.

Mr. DOMENICI. On that last note of the Senator's, I suggest I do not have a substantive question but rather, about an hour ago we were entering into a unanimous-consent agreement, and the Senator from New Mexico was inquiring of the Senator from New York about an amendment in the nature of a substitute that we had been presented with that had not yet been sent to the desk. We took so long because one provision of it in section 8, as you given it to us, had to be cleared.

I wonder if there is any reason why we cannot have the amendment tendered to the desk, the amendment that we were discussing? We have an agreement regarding the amendment that we were discussing, and I do not know why the Senate cannot start considering that amendment. I do not know whether somebody is changing the amendment. I hope not. We went through some of these contentious things before.

Mr. MOYNIHAN. No. The Senator and I have dealt with each other as friends on this floor and in committees for 15 years. Neither of us have ever had the slightest occasion to question the good faith of the other. Do not question mine. I assure you there has been no change made nor would any be made without complete consultation with you. Our purpose was simply to get the discussion going and the time will come when the chairman of the committee wishes the amendment to be laid down. The amendment is available to everyone, as has been to you.

Mr. DOMENICI. I am unaware of this. Who are we waiting for? I talked to the chairman of the Budget Committee and he is waiting for you. Are you waiting for him?

Mr. MOYNIHAN. I am waiting to finish.

Mr. DOMENICI. We were talking about when we would have the amendment so we would all be referring to an amendment offered. The Senator from Tennessee, the chairman, did not seem to indicate to me that he was the operative force, since it is your amendment. I just repeat, are we going to get the amendment soon that we talked about an hour ago?

Mr. MOYNIHAN. Soon.

Mr. DOMENICI. Soon. I thank the Senator from New York. I yield.

Mr. MOYNIHAN. Mr. President, this gives me the opportunity to review the argument I have been making. I will not speak past a point where I see another Senator has risen and is seeking recognition to speak for or against the measure.

My purpose, once again, Mr. President, is to say that if you care about the integrity of the trust funds, you care about this vote. I cannot imagine there is any Member of this body, who can look forward with anticipation to the day when a question is put to him or to her saying, "Senator, did you vote to use trust funds for reasons different from their purpose? Did you vote to break a trust? Would I be wrong, Senator, in assuming that you voted to take moneys from the trust fund to bailout the S&L?" "Did you keep your faith to not break a trust?" If you broke a trust and the majority of the institution joins you, is that a trustworthy institution?

It is a fact that a majority of nonretired adults are not completely confident about their pension benefits. I happen to think one of the reasons, Mr. President, is that the Social Security system never gets in touch with anybody to tell them what their contributions have been and what their benefits will be.

We changed that in the last Congress. We will phase this change in gradually, as these things have to be done gradually. The Social Security Administration will start regularly sending to individuals an annual account, like a bank statement, that tells them what they put in last year, what their employer put in, or, if they are self-employed, what their contribution record, is. The annual account will also show individuals what their expected benefit will be. I think when these account statements become a regular annual feature of the system, levels of confidence and information will rise.

I can speak for my own self. I joined the Social Security system in 1943. Until a few months ago, when I asked the Social Security Administration for one of these statements I never heard from them. I did not know if they knew my address or if they got the contributions correctly entered. I had no idea what my benefits would be. I had a vague idea but nothing specific to me and my family.

It is an important event, and when it comes about, I think it will greatly increase awareness of, and confidence in the Social Security system. But not, Mr. President, if by that time—it will be about 10 years, a little longer before it is a regular event for all Members of the system—not if in the meantime we

have established it as the practice of the Congress and the desire of the administration to take these moneys and use them for other things.

In very unhappy circumstances in the 1980's, the Treasury ran out of borrowing authority and actually used Social Security contributions to pay bills as if from general revenue. It happened not once but three times.

I can say, sir, that the Secretary of the Treasury involved was mortified. I want to be very clear that he was in a situation which suddenly arose that when the debt ceiling had been reached he had the awful choice of using trust fund moneys or defaulting, and he made the prudent choice but did not inform Congress and was very regretful he had not done it. We want to see that never happens again, excepting it is now out in the open happening every day. What mortified the Treasury when it happened in the early 1980's has become routine.

Well, you can grow accustomed to such practices, Mr. President, but do not be surprised that the American people do not grow accustomed along with you. Do not be surprised that they rise up one day and say you have broken a trust.

Trust is the glue that holds Government together, the trust we see on this Senate floor, the trust I spoke of a moment ago with my friend from New Mexico. In the 15 years we have worked together, never once has a question arisen between us of what one of us undertook to do and whether or not it was done. A word given, commitment, a promise.

We act here in the context of the oaths we take to uphold and defend the Constitution of the United States against all enemies foreign and domestic. I cannot think anything an enemy of our country and our Constitution would ever do more sinister, more insidious, than to have it established that the trust funds of the Social Security system could be used for purposes other than the legitimate payment of benefits.

I could speak longer, sir, but it would suggest perhaps that the case was more complex. In my view the case is elementally simple. These are trust funds. We hold them in trust. They should be used for benefits and no other thing.

Will there be revenue lost as a result? Yes, there will be. Of course, there will be. But is there no limit beyond our imagination to think that we might make it up? There would have been time when the difference between the surpluses and a balanced budget, the consequent deficit would have seemed enormous, but that is long past. Our deficits range in the $300 to $400 billion level as far as the eye can see. We have not been prudent in the handling of our fiscal affairs. We have not been prudent, sir. We tripled the national debt in the 1980's.

Well, do we want to compound a record of imprudence with a record of misfeasance? Anyone can be imprudent. It is a larger, more profoundly serious question: Will you break a trust? I do not think that we would want to do this.

I wish I could erase from the record my suggestion that we will, all of us, one day be faced with constituents saying, "Did you misspend trust funds?" I do not think that is necessary to move the minds of the Members of the Senate. I think it is enough to have each of us know the day will come when we will simply ask ourselves, did we break this trust? Need we have done it? Was it a matter of convenience, fear of some other difficulty that might arise? Just a convenience? You have the money. Spend it. It is a complicated subject. They will never understand it.

One of the facts about this debate is this, sir: It assumes that the American people do not understand this system, or will not take the trouble to learn.

I would never bet on the American people not taking the trouble to learn what they need to know about their Government. I would never bet on their inability to understand an issue. I would never assume that they can be frightened out of their wits so that they cannot think straight. I would not do that. There are those who have made that mistake in the past. Let us not make it here.

Let us vote our conscience. If we do no more than vote our conscience—not our political interests, our electoral interests, our prospects of remaining in public life or other capacities even, just let us vote our conscience—I think if we do, sir, we will see just as there was a majority for restoring and maintaining the integrity of the trust funds, there will be so again this April.

Mr. President, I see other Senators present, and I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I say to my good friend from New York, I want to reestablish our 15 years of working together and understanding and having a relationship of trust by assuring the Senator that when we talked about the Moynihan amendment about 1 hour and 15 minutes ago——

Mr. MOYNIHAN. Moynihan-Kasten-Hollings.

Mr. DOMENICI. Moynihan-Kasten-Hollings—that the Senator from New York was reading from an amendment—and I am sure the Senator knows that with an amendment like his, what you do is you change on the revenue side and the outlay side the estimates for each of the 5 years succeeding, that is, 1992 through 1996. And when I was reading from that amendment, which the good Senator from New York indicates is still going to be the case when the amendment is introduced, the amendment we have a unanimous-consent agreement about, we have revenues in:

1992 at $292,100,000,000;
1993 at $315,200,000,000;
1994 at $332,200,000,000;
1995 at $351,400,000,000; and
1996 at $362,400,000,000.

We have outlays in:

1992 at $251,500,000,000;
1993 at $266,100,000,000;
1994 at $279,500,000,000;
1995 at $292,600,000,000; and
1996 at $306,500,000,000.

Now, as I understand, that was what was handed to us when we were discussing the issue.

Mr. President, I only want to speak for a few moments tonight, but I really want to make sure that everybody understands that when my good friend, and our good friend, from New York speaks about embezzlement, thievery, and abuse of a trust fund, it disturbs the Senator from New Mexico greatly.

And it should disturb everyone in this body, and I might say it should disturb the Senator from New York even more than most because I am going to read to the Senate from the Senator from New York, under his own hand, not 10 years ago when the Social Security fund was bankrupt because we were on a pay-as-you-go program—we will talk about that in a minute—when this trust fund that we are talking about here today was set in place and began accumulating money. We were in deficit every year in the unified budget. The budget of the United States was spending more than it was taking in.

Let me say I believe that it is in the best interest of this body for someone to unequivocally say on July 6, 1988, that the accumulation of this trust fund in exactly the same manner that exists today—for someone to say that is the greatest fiscal policy we have ever seen. As a matter of fact, it would be terrible—I will use the exact words of the distinguished Senator from New York shortly—it would be terrible if we thought that we should not accumulate the trust funds as forced savings so that America would get out of the capital markets with her debt, and what a salvation for America for the decade of the nineties if we would continue to do that.

Let me suggest an old saying—if it is good for the goose, it is good for the gander. Let me suggest that if it is pilfering, if it is embezzlement, and if it is thievery, it was thievery and embezzlement on July 6, 1988, and it was espoused unequivocally and with great enthusiasm by none other than Senator MOYNIHAN from New York.

Let me read what he said about it, July 8, 1988. The American deficit was very large then and growing larger, as a matter of fact, Mr. President. We did not even have the 5-year agreement to reduce the budget by $500 billion that we have now. We did not even have

that. It was worse. We were in worse fiscal shape as a nation. So if it is called embezzlement today, and if the question is, "Did you spend our money for battleships and paper clips?" then is it appropriate to ask, "Was that not the case on July 6, 1988?" I believe it is.

I only make this point because I believe that is a false issue. What really happened here is that certain people on the blue ribbon commission, and not very many of them, but in particular one from the State of New York, espouse changing what the blue ribbon commission concluded. I have great regard for him and he is entitled to do exactly what he wants but what he ought to say is that he changed his mind.

The Senator from New York has now changed his mind. He said on July 6, 1988—and I quote now verbatim: "The great object of fiscal policy in the next decade must be to increase savings by rolling back debt. The revenue stream of Social Security taxes that makes this possible is in place. The temptation will be to act as if we suddenly came into a lot of new money and had no more worries"—exactly what we are proposing today—too much money in the trust fund, too many taxes being collected, and something ought to be done about it.

Continuing with the quote, "This has to be resisted and to be resisted has to be understood. The half dozen of us who put the current arrangements in place in 12 days of negotiations in January 1983 knew we were creating a revenue stream that has now appeared. We knew we were moving from a pay-as-you-go Social Security insurance system to a partially funded system. We knew the money would be needed as a form of forced national savings. To miss this opportunity especially in the aftermath of the eighties * * *." The end of the quote says as follows: "We truly put the Nation at risk."

Frankly, I make that point, and if there are more Senators around tomorrow I will make it again, because I believe we have a situation where some who thought the blue ribbon commission's recommendations were right as stated on July 6, 1988, by the distinguished Senator from New York, a member of the commission, and they have changed their minds.

With regard to the argument that we should return to pay-as-you-go financing because it is so good for the senior citizens of the United States and the Social Security Trust Fund, let me suggest that nothing is better than history if one will only look at it and be reminded of its relevancy and its truisms. The truth is, Mr. President, in the seventies, and theretofore, we had pay-as-you-go. And I must suggest that pay-as-you-go at that time put Social Security in bankruptcy—the same charge that is being made today, the same absence of a literal trust fund. If somebody can invent a literal trust fund to invest Social Security funds, whether it be Wall Street's entire stock market or whatever, let them offer that and let it be debated.

But the truth of the matter is that Social Security trust funds have always been treated the same: The excesses and surpluses under pay-as-you-go were invested in Treasury bills. That has been the way it was from the beginning. In any event, the pay-as-you-go system caused bankruptcy in the Social Security system.

As a matter of fact, in the period of time this Senator has been here, we have borrowed from the Medicare trust fund to cover Social Security and both were in trust funds exactly as they are today, exactly the same. But Congress thought enough of the absence of a stream of money to pay for Social Security that they actually borrowed it from Medicare.

Having said that, I do no want anyone to think that the Senator from New Mexico is the only one that thinks pay-as-you-go did not work before for Social Security for the millions of seniors in our country, and that it will not work today, and that the amendment which we hope will be offered will not work today. I do not want anyone to think I am the only one. Let me suggest there are some very, very important institutions and people that do not think it will work today.

AARP, and I quote "opposes reducing Social Security payroll taxes and returning the system to pay-as-you-go financing."

Let me continue. According to a memorandum sent to Members of Congress by AARP, "The reserves in the OASDI trust funds are not now at a level sufficient to protect the system and its beneficiaries from short-term cyclical economic conditions."

Tomorrow we will talk more about the President's position, suffice it to say that he said it all some time ago when he said do not mess with Social Security. But we will read a letter that he wrote to both the majority and the minority leaders where he goes into much more detail about Social Security's current status and urges that we leave it alone, not reduce the take, that is, the FICA taxes.

So, Mr. President, pay-as-you-go did not work before. There are a number of people who do not think it will work now, whatever pretense one uses to offer it. The General Accounting Office, using their best actuarial capabilities, indicates that pay-as-you-go will not work and is dangerous, and indicates that the proposals that are now referred to as the Moynihan proposals will create a problem in the future for the beneficiaries.

I am sure the current occupant of the chair, having worked on the Pepper Commission, is aware of the Advisory Council of Social Security, a very prominent entity. They too, Mr. President, say now is not the time to reduce the taxes that produce the stream of revenues that is coming into the Social Security Trust Fund.

This advisory council says no to FICA taxes and yes to leaving things alone. So the seniors and the current payors, the current people in their forties and fifties who are paying into that fund, will have their pensions when their retirements come.

My last comment tonight is for those who are insistent that this is a tax cut bill. I know my wonderful friend from Idaho is here because he truly believes this is a tax cut bill. I submit to you that it is a tax cut bill waiting around for a tax increase bill.

I can almost guarantee you that if we adopt anything as significant as this $195 billion in tax reductions in 5 years, under the amendment which the Senator from New York handed to me some time ago, it is only a matter of time—and the time will be very short—until somehow, some way, the Congress of the United States will raise the taxes on the American people $195 billion or more.

As a matter of fact, I am reluctant to say that I even heard from a relatively good source that someone over in the U.S. House who has a lot to do with tax bills—maybe someone as high as the chairman of the Ways and Means Committee—he is suggesting if we do this, we will have to look around for $195 billion rather quickly, and the best place to look for it is to tax American business, American corporations, because who will have the political courage to tax the American people? So we will tax the American corporations and say they owe it. And then all of us who are running around saying, "We want more competition, we want our companies to be more competitive," will wonder how come they went backward instead of forward.

So this is a tax cut bill, but temporary in nature, waiting around for the tax increase that is behind the post somewhere.

I believe that while there are three lead Senators, the real proponent of this amendment, Senator MOYNIHAN, in our Spanish country would be referred to as "el jefe," the real leader of this effort. You know, even where we have community ditches, we have el jefe of the ditches. He kind of corrals everyone to do their work. So the real head of this, Senator MOYNIHAN, has in his own way acknowledged that this would have to be followed by a tax increase.

In fact, this morning the Washington Post suggests that this approach of cutting the tax receipts to the Federal Government for the Social Security trust fund is inappropriate, unless somebody is prepared to raise taxes somewhere else to offset it. And why

does that not occur simultaneously? Obviously, that is too much to ask.

But it is not too much to predict, and it is not too much—to borrow from my friend from New York—for the American people to understand the tax cut of today has a chance of leaving the seniors without their pensions, and has an equally good chance of imposing a similar amount of tax on the people of this country, to no avail for the seniors of this country.

We have some time tomorrow to discuss the actuarial business before us, and some of the contentions made about Senators when they voted for budgets in the past.

I assume everybody that voted before July 6, 1988, for any kind of deficit spending, under a unified budget that included Social Security, is guilty of embezzlement. No, not at all. Anybody that did that before July 6, 1988, did it because it was good for the country. But anybody that did that after 1988, it is bad for the country.

In fact, it reaches the rhetorical permissiveness that it can be called thievery, but it was not before July 6, 1988.

Mr. President, I think my friend from New York is concerned because he got 54 votes one time on something like this, and he is wondering whether he can do that again. However, that time we were operating under a Budget Act which required 60 votes to reduce Social Security taxes.

I close by suggesting that the American people will understand this very well. When Social Security was on budget, you could not cut the FICA tax or spend some of the Social Security Trust Fund for something other than Social Security. Senators were saying let us not take that fund and abuse it, when it was on budget.

This amendment would require 60 votes, because the budget protected the solvency of the fund with a supermajority requirement.

Since then something has changed. Not the facts. Not what is going to happen. But somehow or another, only a simple majority is needed to set in motion this counterforce to take the Social Security fund back down to pay-as-you-go, and certain insolvency, in short order.

We are approaching the turn of the century, and it will not be long thereafter that Social Security will be bankrupt, if you go on a pay-as-you-go program. I am convinced of that, because I do not think we are going to have the kind of growth that people now think we will have in projecting Social Security balances.

I am very hopeful that Senators who voted last time for a reduction in Social Security taxes now understand it may be for real—not yet, but it may be—and we will not find even a simple majority favoring raiding the Social Security trust fund now.

I yield the floor.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I ask unanimous consent that the senior Senator from New York be authorized to yield time off the resolution to be charged against me during consideration of his amendment today.

The distinguished Senator from New Mexico has indicated our friend from New York is the el jefe of this amendment, and by allowing him the authority and conferring upon him the responsibility of yielding time with regard to his amendment today, that I think further enhances his stature here as the el jefe of the Moynihan amendment.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I thank my dear friend.

Mr. President, in the interest of alternating positions, I believe the Senator from Idaho would be the next speaker, and then Senator GRAHAM. I yield such time as he requires.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. I thank the Senator from New York for the time. I will be as brief as possible.

Mr. President, I think every issue that faces us in the Senate, in the Congress, and in life, for that matter, is always compared to what? I introduced a bill last year, and my distinguished colleague from New York is familiar with it, and we discussed it. If I could have my druthers, I would rather take this 2-percent surplus going into the Social Security trust fund and simply set up and define contributions to Social Security accounts that go with each worker.

By the time a young 25-year-old worker reaches retirement, he or she would have approximately $200,000 accompanying them, in addition to their defined benefits that they would have from Social Security, and that would be money invested in a private sector.

And I would say again to my distinguished friend from New York, if I had my druthers I would rather have any solution to this than his solution. I want to say again what I said earlier this morning, that the mainspring of human progress has been economic freedom, freedom for people to work, to save, to invest, to own, and to be entrepreneurial and to enjoy the work, the benefits of their own labor. That is what has driven progress throughout human history. I would say again, it is what the Federal Government spends that counts.

I have had the opportunity on many different occasions to meet with my friend, Milton Freidman. He always says, "Steve, it is what the Government spends that counts."

We are now up to 24.2 percent of the GNP that the Federal Government is spending. The authors of the Humphrey-Hawkins legislation were targeting that the Federal spending should never exceed 20 percent of the GNP, and the conservatives, of which I was one in the other body when this was being pushed, were vowing that this was too much spending.

Now, this great budget that we are now working under is up to 24.2 percent. That is what is more important than any other factor here in the budget. I would like to address this issue of the Moynihan amendment.

I want to say to my dear friend from New Mexico, Senator DOMENICI, that to follow him on the floor is always difficult because if I did not have a real strong opinion about what is happening with this trust fund—and I listened to the eloquent remarks; the logical, thought-out remarks of my friend from New Mexico—I think I would be persuaded to think he is right. And he may well be right.

But in my opinion, Mr. President, what Senator MOYNIHAN, the heavy, and Senator KASTEN are trying to do, and others—Senator HOLLINGS and others—they are simply trying to have a fair and simple up-and-down vote on the payroll tax cut; 50 votes. If they can get 50 votes for a payroll tax cut down the road, I think, the economy would be well served; well served, Mr. President, if we could get 50 votes just to reduce the payroll tax.

My colleagues, I am sure, are going to debate the pros and cons of the Moynihan amendment with great precision and great eloquence, as my friend from New Mexico has already done.

So rather than repeat all their words, I just want to address one issue that appears to this Senator to be misunderstood by both sides of the issue, and that is the argument about these trust funds.

Frankly, Mr. President, the trust fund issue, in my opinion—in my opinion—is a red herring. The truth of the matter is, there is nothing in the trust fund. It is IOUT's, that is what it is: IOUT's; I owe you taxes. That is all it is.

The Social Security Administration is not doing anything with that money but putting down excess paper balances in a big cigar box. And our dear friend, Barry Goldwater, who used to stand over here, used to say to his friend, Senator MOYNIHAN, "PAT, open up. Show me where the cigar box is, where all the money is." Remember that, during the debate? He said, "Where is the cigar box with all the money?"

Social Security history; do they buy stock in the American corporations? No. Do they buy gold? No. Do they buy silver? No. Did they buy real estate? No. They have IOUT's: I owe you taxes. That is all it is. They put it there. The Government spends the money for

something else, some non-Social Security factor.

We had the same problem; the distinguished Senator from New York and I worked on the very same issue with respect to the highway bill. There is no difference. The Senator from New York has reminded this Senator on many occasions, when I slipped in the committee and said, "We need to start working down this balance." He said, "Remember, STEVE; there is nothing in that balance. There is an empty box there. The money has been spent."

But what it is, Mr. President, is they use the paper balances to buy Treasury notes for the trust funds, and Treasury notes have the power of the U.S. Government behind them to tax. And the promise to tax is what makes them valuable. The only reason people buy the Treasury notes is they know the Treasury can collect the money with taxes and be legislated by Congress to back them up. There is no asset, in any economic sense, in the trust funds.

Frankly, this might seem very disconcerting to many people. But if the Social Security Trust Fund could go out and buy up all the property in RTC, then at least they would have something which might not be worth what they paid for it, but they would have an asset.

Mr. MOYNIHAN. Have some buildings.

Mr. SYMMS. Have some buildings. There would be something there in the future. There is nothing in the trust fund but future promises to tax. What is relevant is not if or even when the trust fund is expected to go broke. They are expected to go broke sometime in the next century, under current law. I do not see anyone getting too worked up about that.

I will tell you why it is, Mr. President. Because, frankly, most of us who are here will not be here in the next century in the Congress. Maybe Senator THURMOND, but most of the rest of us probably will not be here.

What is relevant is the fact that at some point in the not too distant future, Social Security benefits will exceed revenues. This is true under the current law, and it is true under any of the payroll tax cuts as I understand them. It just changes when it might happen.

So what will we do when we try to cash in those bonds in the trust fund? Are we going to go out and cut benefits? We may have to. But that is one alternative. Or will we increase taxes? You can almost certainly bet that if the need comes, Congress will raise taxes to make the Social Security chain letter continue to work. They have really no other real alternative. Will we roll over some of those by selling more Treasury bonds? Probably. That will probably be part of the alternatives. Probably we will have to sell some more bonds, and then roll those over.

The point is, arguments over the trust fund, in my view, Mr. President, are vacuous. There is no more sense in having a 150-percent reserve than there is a 125-percent reserve, or a 100-percent reserve. There is nothing in the reserve but future promises to tax.

As long as there is enough of a reserve to allow the system to continue without short-term emergencies, so if we have a slowdown, an economic slowdown, there has to be enough capability to keep sending those checks out, and the good name of the U.S. Government and the power to tax behind it, the system will work.

So let us get on with the real issues here, Mr. President—the Moynihan amendment and the payroll tax cut—and stop scaring senior citizens with empty, senseless statements just in order to try to score a few points in the debate.

In my opinion—I will go back and repeat what I said at the outset—if I had my druthers, I would much prefer that we took this surplus and started these defined contribution accounts for all working Americans today. That would be money that would be invested in the private sector. Or if it were invested in Treasury bonds, real dollars would be put in and it would not be spent without having first received the cash from the working Americans. It would not be spent in the same fashion of IOUT's, I owe you taxes, paper that will be in the Social Security Trust Fund.

It would be invested in stock; it would be invested in bonds; it would be invested in real estate; it would be invested in many, many savings processes. And those young Americans then would have had the savings, and we would then find ourselves with the huge pool of capital to loan to entrepreneurs to finance the future of new technologies and better ways to do things.

But that is probably too dramatic and radical an idea to pose here today. The second best choice, I say, is cut the payroll tax; give the money back to the American workers and the small businesses that are paying it; and let them spend it to work, to save, to invest, to produce, to get the economy moving. And this country will be well served. And keep the Social Security Trust Fund afloat under a pay-as-you-go basis.

I say again in closing what I have said three times, I think, today on the floor here: It is what we spend that matters, and we are spending too much money. And I will give another talk on this budget, from my perspective, of how upside down I think priorities of this whole budget process are; how we are spending the money in many, many ways that will not provide the security for the country that we may need. And we are pouring money into regulators who go out and harass and regulate our people. And we are pouring money in for litigation and lawsuits against the producers of this country that interfere with America's capacity to compete and to grow and to thrive.

Mr. President, this is an opportunity for Senators to cast a vote to take away some of that money from Government, and give it back to the people who, after all, are the important part of this whole equation.

Mr. President, I thank my friend from New York.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my friend and associate in so many matters in this body, the Senator from Idaho, for his able remarks and for his support of this measure. And the more we hear of Milton Freidman the better; nobody is the worse for having heard it. Anyone who sits at the feet of Milton Freidman can speak on this floor anytime.

AMENDMENT NO. 74

(Purpose: To allow for a Social Security tax cut)

Mr. MOYNIHAN. Mr. President, I was asked earlier would I send to the desk the amendment offered by myself for Senator KASTEN and Senator HOLLINGS. I do so now.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself, Mr. KASTEN, and Mr. HOLLINGS, purposes an amendment numbered 74.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, the distinguished Senator from Florida has been seeking recognition for some time now. It was my understanding that, prior to leaving the floor, the distinguished ranking member, Senator DOMENICI, was agreeable to yielding time to the distinguished Senator from Florida.

Does the distinguished Senator from Colorado wish to yield time to the Senator from Florida?

Mr. BROWN. I thank the Senator. We yield 20 minutes to the Senator from Florida [Mr. GRAHAM].

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. I thank the Chair.

(The remarks of Mr. GRAHAM pertaining to the introduction of S. 906 are located in today's RECORD under "State-

ments on Introduced Bills and Joint Resolutions.")

Mr. SASSER. Mr. President, I advise our colleagues who may be watching and waiting that there will be no rollcall votes tonight on the budget resolution.

Does any Senator desire to speak? Mr. President, I see the distinguished Senator from Colorado on his feet. I assume such time as he will consume will be charged against the minority's time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from Colorado.

Mr. BROWN. Mr. President, we will be deliberating in the coming day a vital matter to the future of our senior citizens and that will be the soundness and the future of the Social Security trust funds, particularly the old age and survivor funds.

It seems to me as we look through the potential of adjusting the tax rates that pay into that fund, we ought to pay close attention to the major question all seniors in this Nation have on their minds. That question is, quite simply, will there be money there for me when my comes to receive benefits? It is a fair question.

We are dealing with people who paid into that fund all of their lives. We are dealing with people who have received scheduled benefits that they have earned. It is reasonable for them to ask if the funds will be there and available as promised. Will all those years of paying in on their part result in them receiving fair treatment, or will their hopes and their plans be dashed because this Senate and this Congress has failed to protect their interest?

In that question, I think it is important to take a look at a report, and I know reading actuary reports may not be the most exciting reading but believe you me, the American seniors are going to be concerned about what the actuaries say. The report that is out in 1990 is very specific. The chief actuary for the Social Security Administration has these comments to say. That chief actuary says that the fund is not in close actuary balance.

We know they go down to a 95-percent test. That is, if it has 95 percent of the funds it needs over the next 75 years, they say that is close enough; that we have met the test. But let me remind the men and women who are listening that we not only fail that test, but we were below that 95-percent level. The chief actuary says the fund is not sound right now; that there is not money there to guarantee that those who paid in all their lives will have their money in the long run.

We are talking about making adjustments to that fund. It seems to me that we need to keep in mind as we look at this question that any changes in that fund have to result in it being actuarially sound. We are going to offer an amendment, should the Moynihan proposal be agreed to, that would let the Senate make it clear that their intention is that any change has to be actuarially sound.

I believe the good Senator from New York has indicated in his remarks today that his intention is not to leave that fund unsound. His intention is to offer for our consideration an amendment later on in the process that while it may change the tax rates that apply, that ultimately it would be designed to meet that 75-year actuary soundness test.

I want to make sure in our deliberations on the budget that we state clearly it is our intent to meet that test. We will be offering some language that will perfect some of the words of the good Senator from New York, but every Member of this body, I hope, will want to go on record that they are going to respect the integrity of that fund, and they are willing to speak out and clearly indicate their determination to do so.

I see the good Senator from New York has risen. I will be happy to yield to the Senator.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I thank my friend from Colorado for his accurate statement. The current rate of 6.2 percent provides a large surplus up until about the year 2020, and then that revenue quickly will not be sufficient.

At that point, no matter what we do tomorrow when we vote, we will have to put in place higher rates after the year 2020. The amendment at the desk does just that. This has been understood. We will have to do so over a 30-year period, from the year 2020 to the year 2050. We will have to raise rates to 6.8, 7.5, 7.8, 7.9, 8.1 and that does meet the criterion for close actuary balance.

This reflects the demographic changes that we anticipate will begin in about 30 years from now and will take place over the next 30 years. These are always best estimates of birth rates and immigration rates, and any actuary will tell you it is a demanding task and necessarily an imprecise one, but we know a lot more about this than we did 55 years ago, and never in those years have benefits been a day late or dollar short. But the Senator is correct, in the third decade of the next century, there will have to be a gradual increase.

Mr. BROWN. I thank the distinguished Senator from New York.

Mr. President, I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I believe the distinguished chairman observes there are no further Senators seeking the floor at this point and I would like to simply thank him and thank my friend, mayordomo——

Mr. DOMENICI. Friend of the jefe.

Mr. MOYNIHAN. For their courtesy through this day. We have had a good debate. I think we have—I hope—expanded everyone's understanding, those who have been on the floor and those who have been able to listen.

I would like to thank the Senator from Florida [Mr. GRAHAM] for calling attention to the arrangements in Canada where there is a partially funded system that was begun in the 1960's whereby the partial surplus is used for, is lent to the provinces for bond issues for public works. It is certainly a matter which deserves attention, but pending that time, I think our best move is to get ourselves back to the point where we are using Social Security contributions to pay Social Security benefits, not to bail out the S&L's. That was perhaps too rhetorical an ending.

I do want to say I thank all for their courtesy, and I yield the floor.

Mr. DOMENICI. Mr. President, I want to tell my friend from New York that we are going to be sure that we spell these beautiful Spanish names right in the RECORD.

Mr. MOYNIHAN. El domo, El jefe.

Mr. DOMENICI. I want you to know I already told the chairman that we have saved the mayordomo for him and you alluded to me, so we are going to change that and the chairman is the mayordomo. That means the boss. He is the boss of the ditch maintenance crew, but it is much more sophisticated in Spanish New Mexico, but essentially that is sort of it. We will see that it is spelled correctly.

Let me just thank a couple of people. I understand the Senator is going to offer his amendment.

Mr. MOYNIHAN. I have offered it.

Mr. DOMENICI. He did it?

Mr. MOYNIHAN. Yes.

Mr. DOMENICI. What I saw of it, it is different than the previous amendment. I will review it over the evening with my staff, but from what I was able to ascertain, essentially the numbers have been changed in the section that alludes to the tax receipts for the trust fund and the expenditures and outlays. If I read it right, the Senator has decided that he is going to reduce the taxes even more than he had contemplated doing before. If that is the case, it is a two-pronged argument: He can argue one way, we will argue another as to what it does. If that is the case, then I am not going to concern myself with the fact that it is different from the one that we were referring to before.

I want to thank the Senator from Florida [Mr. GRAHAM] for his arguments in favor, as I understand it, or either tabling or denying the efficacy of the Moynihan amendment while at the same time suggesting something very constructive. I merely alluded to it. If you want to talk about literally investing the trust fund, we ought to think about that separate and apart from what we are talking about here.

Essentially, it would not be very much to invest in anything if we do what we are going to do because we would be on a more or less pay-as-you-go program.

Having said that, I also want to thank Senator BENTSEN for very hard work today even though he did not get to speak and I did not put his very excellent editorial in the Washington Post in the RECORD, but I will tomorrow. I thank him for that.

As I understand it, Mr. President, as we leave by agreement provided in the statute, we are going to take some more hours off the resolution?

Mr. SASSER. That is correct, Mr. President, by agreement between myself and the distinguished ranking member. When we adjourn this evening, we will take an additional 5 hours off of the time remaining on the resolution. And also, Mr. President, when we adjourn this evening, it is my understanding we will return at 9 o'clock tomorrow morning but will not take up the budget resolution until 9:35. Whereupon, by agreement, at 12:30, there will be a vote on the Moynihan-Kasten-Hollings amendment in some form, whether it be to table or a vote up or down on the amendment itself.

Mr. DOMENICI. Mr. President, I agree with everything the Senator said.

Could I just clarify, because we have permission under the law to take time off without unanimous consent, the option, because the majority leader has indicated such, would be for us to stay here for an additional 5 hours.

Mr. SASSER. That is correct.

Mr. DOMENICI. I told a couple of my Senators I wanted to do that. They were a bit reluctant because they do not like some things—ANWR and scoring is a big issue to my friend from Alaska. I told him I had the option until about 11:30 to use the 5 hours or agree to this. Is it not correct that the majority leader wants that?

Mr. SASSER. That is correct. The majority leader has indicated we either take the 5 hours off the bill by agreement or we stay here this evening until in excess of 11 p.m. The majority leader is quite anxious to try to resolve the budget resolution to Thursday afternoon is my understanding.

So it would simply be a question of either agreeing to take the 5 hours off or the distinguished ranking member and I staying here until after 11 to discuss the resolution.

The distinguished ranking member, I might say, Mr. President, has been working hard all day while at the same time seeking to recover from a cold. Frankly, I think it would be cruel and unusual punishment for the Senator from New Mexico to remain on the floor until 11 or 11:30, and then have to return to the floor early tomorrow. So for that and other good reasons, we have agreed to take 5 hours off the bill.

Mr. DOMENICI. The 12:30 time will, eventually, before we close up, be made a part of the consent tomorrow, that we will vote at 12:30?

Mr. SASSER. That is my understanding, and that will be handled by the floor staff and, I assume, by the majority leader or his designee.

If the distinguished ranking member would give me his attention for just one second, that having been said, Mr. President, I would yield back 2½ hours of the majority's time at this time, and I would ask the distinguished ranking member to do likewise.

Mr. DOMENICI. Mr. President, I am delighted to do that. I am just wondering if there is any significant difference between the two sides at this point in time remaining.

The PRESIDING OFFICER. At the moment there is a 10-minute differential.

Mr. DOMENICI. I have no disagreement. I yield 2½ hours off the minority side in the same manner described by the chairman.

Mr. SASSER. I thank the distinguished ranking member.

Mr. President, I ask unanimous consent that the vote on or in relation to the Moynihan amendment No. 74 occur at 12:30, Wednesday, April 24, without intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. That permits a tabling motion, does it not?

Mr. SASSER. Yes.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

Mr. SASSER. Mr. President, there being no further business to come before the Senate with relation to the budget resolution at this time, I would 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. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. SASSER. Mr. President, I further ask unanimous consent that there be a period for morning business at this time with Senators allowed to speak therein.

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

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,229th day that Terry Anderson has been held captive in Lebanon.

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.)

REPORT ON CONTINUED BLOCKING OF PANAMANIAN ASSETS—MESSAGE FROM THE PRESIDENT—PM 42

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Development:

To the Congress of the United States:

1. I hereby report to the Congress on developments since the last Presidential report on October 27, 1990, concerning the continued blocking of Panamanian government assets. This report is submitted pursuant to section 207(d) of the International Emergency Economic Powers Act, 50 U.S.C. 1706(d).

2. On April 5, 1990, I issued Executive Order No. 12710, terminated the national emergency declared on April 8, 1988, with respect to Panama. While this order terminating the sanctions imposed pursuant to that declaration, the blocking of Panamanian government assets in the United States was continued in order to permit completion of the orderly unblocking and transfer of funds that I directed on December 20, 1989, and to foster the resolution of claims of U.S. creditors involving Panama, pursuant to 50 U.S.C. 1706(a). The termination of the national emergency did not affect the continuation of compliance audits and enforcement actions with respect to activities taking place during the sanctions period, pursuant to 50 U.S.C. 1622(a).

3. Since my last report, the Office of Foreign Assets Control of the Department of the Treasury ("FAC") has released to the control of the Government of Panama approximately $180,000 of the $130.7 million that was blocked. The amount released represents blocked tangible property on which creditors' liens have been allowed to be executed.

Of the approximately $132.76 million remaining blocked at this time (which includes approximately $2.2 million in interest credited to the accounts since my last report), some $131.7 million is

held in escrow by the Federal Reserve Bank of New York at the request of the Government of Panama to fund a portion of Panama's arrearage to international financial institutions. Additionally, approximately $1.1 million is held in commercial bank accounts for which the Government of Panama has not requested unblocking. A small residual in blocked reserve accounts established under section 565.509 of the Panamanian Transactions Regulations, 31 CFR 565.509, remains on the books of U.S. firms pending the final reconciliation of accounting records involving claims and counterclaims between the firms and the Government of Panama.

4. I will continue to report periodically to the Congress on the exercise of authorities to prohibit transactions involving property in which the Government of Panama has an interest, pursuant to 50 U.S.C. 1706(d).

GEORGE BUSH.

THE WHITE HOUSE, *April 23, 1991.*

REPORT ON LAPSE OF THE EXPORT ADMINISTRATION ACT—MESSAGE FROM THE PRESIDENT—PM 43

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

1. On September 30, 1990, in Executive Order No. 12730, I declared a national emergency under the International Emergency Economic Powers Act ("IEEPA") (50 U.S.C. 1701, *et seq.*) to deal with the threat to the national security and foreign policy of the United States caused by the lapse of the Export Administration Act of 1979, as amended (50 U.S.C. 2401, *et seq.*) and the system of controls maintained under that Act. In that order, I continued in effect, to the extent permitted by law, the provisions of the Export Administration Act of 1979, as amended, the Export Administration Regulations (15 C.F.R. 768, *et seq.*), and the delegations of authority set forth in Executive Order No. 12002 of July 7, 1977, Executive Order No. 12214 of May 2, 1980, and Executive Order No. 12131 of May 4, 1979, as amended by Executive Order No. 12551 of February 21, 1986.

2. I issued Executive Order No. 12730 pursuant to the authority vested in me as President by the Constitution and laws of the United States, including IEEPA, the National Emergencies Act (50 U.S.C. 1601, *et seq.*), and section 301 of title 3 of the United States Code. At that time, I also submitted a report to the Congress pursuant to section 204(b) of IEEPA (50 U.S.C. 1703(b)). Section 204 of IEEPA requires followup reports, with respect to actions or changes, to be submitted every 6 months. This report is submitted in compliance with that requirement.

3. Since the issuance of Executive Order No. 12730, the Department of Commerce has continued to administer the system of export controls, including antiboycott provisions, contained in the Export Administration Regulations. In administering these controls, the Department has acted under a policy of conforming actions under Executive Order No. 12730 to those required under the Export Administration Act, insofar as appropriate.

4. Since I issued Executive Order No. 12730, there have been several significant developments in the area of export controls:

The spread of weapons of mass destruction continues to constitute a threat to the national security and foreign policy interests of the United States. Accordingly, in Executive Order No. 12735 of November 16, 1990, and the Enhanced Proliferation Control Initiative of December 13, 1990, we announced major steps to strengthen export controls over goods, technology, and other forms of assistance that can contribute to the spread of chemical and biological weapons and missile systems. On March 7, 1991, the Department of Commerce issued two new regulations and a proposed rule to implement these steps. The new regulations control the export of 50 chemicals as well as dual-use equipment and technical data that can be used to make chemical and biological weapons. (56 F.R. 10756 and 10760, March 13, 1991.) The proposed rule would expand controls to cover exports when the exporter knows or is informed by the Department of Commerce that an export will be used for missile technology or chemical or biological weapons, or is destined for a project engaged in such activities. The rule also proposes to restrict U.S. citizen participation in such activities and the export of chemical plants and plant designs. (56 F.R. 10765, March 13, 1991.)

Concerned Government agencies continue negotiations with our Coordinating Committee (COCOM) partners on the development of a Core List of truly strategic items that will remain subject to multilateral national security controls.

Enforcement efforts have continued unabated. In a major enforcement action, on February 22, 1991, the Department of Commerce temporarily denied the export privileges of a Dutch company, Delft Instruments N.V., and certain related companies, in connection with an investigation of illegal reexport of U.S.-origin night vision equipment to Iraq.

On January 21, 1991, the Department of Commerce submitted a report to the Congress, extending for the period of January 21, 1991, through January 20, 1992, export controls maintained for foreign policy purposes under the Export Administration Regulations. Several changes were announced, including a change in controls toward the People's Democratic Republic (PDR) of Yemen. The PDR of Yemen has merged with the Yemen Arab Republic, and the new country was not included by the Secretary of State among designated terrorist-supporting states. Accordingly, controls maintained for reasons of antiterrorism have not been extended. In addition, foreign policy controls on exports to Namibia were removed on March 21, 1990, when it achieved independence from South Africa.

The unrestricted access of foreign parties to U.S. goods, technology, and technical data and the existence of certain boycott practices of foreign nations, in light of the expiration of the Export Administration Act of 1979, continue to constitute an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. I shall continue to exercise the powers at my disposal to retain the export control system, including the antiboycott provisions, and will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

GEORGE BUSH.

THE WHITE HOUSE, *April 23, 1991.*

ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES—MESSAGE FROM THE PRESIDENT—PM 44

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 Labor and Human Resources:

To the Congress of the United States:

In accordance with the provisions of the National Foundation on the Arts and Humanities Act of 1965, as amended (20 U.S.C. 959(b)), I am pleased to transmit herewith the 25th Annual Report of the National Endowment for the Humanities for fiscal year 1990.

GEORGE BUSH.

THE WHITE HOUSE, *April 23, 1991.*

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 4:45 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 218. Joint resolution to designate the week beginning April 21, 1991, and the week beginning April 19, 1992, each as "National Organ and Tissue Donor Awareness Week."

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. BYRD).

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, April 23, 1991, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 64. Joint resolution to authorize the President to proclaim the last Friday of April 1991, as "National Arbor Day."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 292. A bill to expand the boundaries of Sanguaro National Monument (Rept. No. 102-44).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 363. A bill to authorize the addition of 15 acres to Morristown National Historical Park (Rept. No. 102-45).

S. 545. A bill to authorize the additional use of land in Merced County, California (Rept. No. 102-46).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Report to accompany (S. Exec. Res. 104) relating to the return to the President of certain treaty amendments (Exec. Rept. No. 102-3).

Ex. EE, 96-1. Convention on Standards of Training Certification and Watchkeeping for Seafarers (Exec. Rept. 102-4).

Treaty Doc. 101-7. Annex III to Marpol (Exec. Rept. 102-5).

Treaty Doc. 102-2. Protocols Relating to the Safety of Life at Sea and Load Line Conventions (Exec. Rept. 102-6).

TEXTS OF RESOLUTIONS OF ADVICE AND CONSENT TO RATIFICATION

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, with Annex, 1978 (The Convention), done at London, July 7, 1978.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Annex III (Regulations for the Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Forms or in Freight Containers, Portable Tanks or Road and Rail Tank Wagons), an optional annex to the 1973 International Convention for the Prevention of Pollution from Ships, as modified and incorporated by the 1978 protocol relating thereto (MARPOL 73/78).

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Protocol of 1988 Relating to the International Convention for the Safety of Life at Sea, 1974, with Annex, and the Protocol of 1988 Relating to the International Convention on Load Lines, 1966, with Annexes; both Protocols done at London November 11, 1988, and signed by the United States April 6, 1989.

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. DASCHLE (for himself, Mr. PACKWOOD, Mr. BAUCUS, Mr. GRASSLEY, Mr. DURENBERGER, Mr. DANFORTH, Mr. BURNS, and Mr. HARKIN):

S. 879. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of certain amounts received by a cooperative telephone company indirectly from its members; to the Committee on Finance.

By Mr. INOUYE:

S. 880. A bill to amend title XVIII of the Social Security Act to provide for improved reimbursement of clinical social workers services covered under medicare; to the Committee on Finance.

S. 881. A bill to amend title VII of the Public Health Service Act to provide educational support for individuals pursuing graduate degrees in social work, and for other purposes; to the Committee on Finance.

By Mr. SARBANES:

S. 882. A bill to amend subpart 4 of part A of title IV of the Higher Education Act of 1965 to mandate a 4-year grant cycle and to require adequate notice of the success or failure of grant applications; to the Committee on Labor and Human Resources.

By Mr. BOND:

S. 883. A bill to authorize funds for the construction of highways and to authorize activities under chapters 1 and 2 of title 23, United States Code; to the Committee on Environment and Public Works.

BY Mr. PACKWOOD (for himself and Mr. BOND):

S. 884. A bill to require the President to impose economic sanctions against countries that fail to eliminate large-scale driftnet fishing; to the Committee on Commerce, Science, and Transportation.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 885. A bill to amend the Food, Agriculture, Conservation, and Trade Act of 1990 to prohibit the Secretary of Agriculture from prescribing or collecting fees to cover the cost of providing certain agricultural quarantine and inspection services at a site within the State of Hawaii or the Commonwealth of Puerto Rico, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROCKEFELLER:

S. 886. A bill to amend the Federal Non-nuclear Energy Research and Development Act of 1974 for the establishment of an electric energy storage and utilization research, development and demonstration program and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JEFFORDS (for himself, Mr. SYMMS, Mr. DASCHLE, Mr. BUMPERS, Mr. CRAIG, and Mr. LEAHY):

S. 887. A bill to amend the Internal Revenue Code of 1986 to provide a special valuation of sensitive environmental areas for estate tax purposes, and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. LUGAR, and Mr. GLENN):

S. 888. A bill to authorize funding for the carrying out of functions of the United States in connection with the Great Lakes Fishery Commission; to the Committee on Foreign Relations.

By Mr. PELL (by request):

S. 889. A bill to amend the African Development Fund Act to authorize consent to and authorize appropriations for the United States contribution to the sixth replenishment of the resources of the African Development Fund, and for other purposes: to the Committee on Foreign Relations.

By Mr. KENNEDY (for himself, Mr. COCHRAN, Mr. METZENBAUM, Mr. DODD, Mr. SIMON, Mr. ADAMS, Mr. WELLSTONE, and Mr. DURENBERGER):

S. 890. A bill to reauthorize the Star Schools Program Assistance Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MACK (for himself, Mr. BREAUX, Mr. D'AMATO, Mr. STEVENS, Mr. BURNS, Mr. INOUYE, and Mr. KERRY):

S. 891. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit for qualified cancer screening tests; to the Committee on Finance.

By Mr. METZENBAUM:

S. 892. A bill to amend title 15, United States Code, to authorize the Consumer Product Safety Commission to regulate the risk of injury associated with firearms.

By Mr. HATCH (for himself and Mr. DECONCINI):

S. 893. A bill to amend title 18, United States Code, to impose criminal sanctions for violation of software copyright; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. DECONCINI, Ms. MIKULSKI, Mr. BRADLEY, Mr. JEFFORDS and Mr. DASCHLE):

S. 894. A bill to amend the Lanham Trademark Act regarding gray market goods; to the Committee on the Judiciary.

By Mr. PRESSLER:

S. 895. A bill to amend the Internal Revenue Code of 1986 to allow a deduction from gross income for home care and adult day and respite care expenses of individual taxpayers with respect to a dependent of the taxpayer who suffer from Alzheimer's disease or related organic brain disorders; to the Committee on Finance.

By Mr. HEFLIN:

S. 896. A bill for the relief of Charlotte S. Neal; to the Committee on Armed Services.

By Mr. DASCHLE (for himself and Mr. INOUYE):

S. 897. A bill to amend the Indian Health Care Improvement Act, the Public Health Service Act, and the Social Security Act to provide for the establishment of nursing school clinics to provide primary health care services in medically underserved rural areas and to Native Americans, and for other purposes; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. BURDICK, Mr. GORE, Mr. ADAMS, Mr. DURENBERGER, Mr. KENNEDY, Mr. AKAKA, Mr. BRYAN, Mr. CRANSTON, Mr. INOUYE, Mr. JEFFORDS, Mr. KOHL, Mr. LEVIN, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. REID and Mr. SARBANES):

S. 898. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to improve the safety of exported pesticides, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LUGAR (for himself, Mr. COCHRAN, and Mr. GRASSLEY):

S. 899. A bill to amend the Older Americans Act of 1965 to recognize, support, and promote the use of volunteers to assist older Americans, to encourage older Americans to

volunteer in local communities, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CONRAD (for himself, Mr. DASCHLE, Mr. BURDICK, Mr. DIXON, Mr. HARKIN, Mr. HEFLIN, Mr. KERREY, Mr. LEVIN, and Mr. SYMMS):

S. 900. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers who realize capital gain on the transfer of farm property to satisfy an indebtedness, and for other purposes; to the Committee on Finance.

By Mr. STEVENS (for himself and Mr. PRYOR):

S. 901. A bill to amend title 39, United States Code, to establish a Stamp Selection Committee; to the Committee on Governmental Affairs.

By Mr. BRADLEY (for himself, Mr. DURENBERGER, and Mr. CHAFEE):

S. 902. A bill to amend title XIX of the Social Security Act to reduce infant mortality through improvement of coverage of services to pregnant women and infants under the medicaid program; to the Committee on Finance.

By Mr. BRADLEY (for himself and Mr. CHAFEE):

S. 903. A bill to create a Children's Security Trust fund that may be deposited and utilized to expand certain Federal programs that provide assistance to children, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BRADLEY (for himself, Mr. DODD, and Mr. DURENBERGER):

S. 904. A bill to provide for the establishment of a Children's Vaccine Initiative, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BRADLEY (for himself, Mr. CHAFEE, and Mr. DURENBERGER):

S. 905. A bill to amend title XIX of the Social Security Act to improve the childhood immunization rate by providing for coverage of additional vaccines under the medicaid program and for enhanced Federal payment to States for vaccines administered to children under such program, and for other purposes; to the Committee on Finance.

By Mr. GRAHAM:

S. 906. A bill to amend title II of the Social Security Act to authorize the limited investment of the Federal Old-Age and Survivors Insurance Trust Fund in State and local government obligations, and for other purposes; to the Committee on Finance.

By Mr. CONRAD (for himself and Mr. BURDICK):

S. 907. A bill to amend section 7 of the Mineral Leasing Act governing Federal coal lease royalty rates; to the Committee on Energy and Natural Resources.

By Mr. SPECTER:

S. 908. A bill to provide that the United States District Court for the Eastern District of Pennsylvania shall also sit in Lancaster, Pennsylvania; to the Committee on the Judiciary.

By Mr. LEAHY (for himself, Mr. BROWN, Mr. DECONCINI, Mr. HATCH, Mr. SIMON, Mr. GRASSLEY, and Mr. SPECTER):

S. 909. A bill to amend chapter 9 of title 17, United States Code, regarding protection extended to semiconductor chip products of foreign entities; to the Committee on the Judiciary.

By Mrs. KASSEBAUM (for herself, Mr. BURNS, Mr. CHAFEE, Mr. COCHRAN, Mr. D'AMATO, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. GARN, Mr. HATCH, Mr. JEFFORDS, Mr. MACK, Mr. SPECTER, Mr. THURMOND, Mr. WARNER, Mr. AKAKA, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GRAHAM, Mr. HEFLIN, Mr. HOLLINGS, Mr. INOUYE, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. NUNN, Mr. PELL, Mr. ROCKEFELLER, Mr. SANFORD, Mr. SARBANES, and Mr. SIMON):

S.J. Res. 127. Joint resolution to designate the month of May 1991, as "National Huntington's Disease Awareness Month"; 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. RIEGLE:

S. Res. 109. A resolution exercising the right of the Senate to change the rules of the Senate with respect to the "fast track" procedures for trade implementation bills; to the Committee on Finance.

By Mr. MITCHELL (for himself and Mr. DOLE):

S. Res. 110. A resolution to establish a Senate World Climate Convention Observer Group; considered and agreed to.

By Mr. SASSER (for Mr. MITCHELL (for himself and Mr. DOLE)):

S. Res. 111. A resolution to direct the Senate Legal Counsel to represent a former employee in the case of United States v. Byron T. Brown, et al. (D. Ariz.) and to authorize testimony and production of documents; considered and agreed to.

By Mr. RIEGLE:

S. Con. Res. 30. A concurrent resolution exercising the right of both Houses of Congress to change the rules of such Houses with respect to the "fast track" procedures for trade implementation bills; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE (for himself, Mr. PACKWOOD, Mr. BAUCUS, Mr. GRASSLEY, Mr. DURENBERGER, Mr. DANFORTH, Mr. BURNS, and Mr. HARKIN):

S. 879. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of certain amounts received by a cooperative telephone company indirectly from its members; to the Committee on Finance.

TAX TREATMENT OF TELEPHONE COOPERATIVES

Mr. DASCHLE. Mr. President, I rise to introduce legislation that reaffirms the intent of the U.S. Congress, originally expressed in 1916, to grant tax exempt status to telephone cooperatives. This exemption is now set forth in section 501(c)(12) of the Internal Revenue Code. Joining me today are a number of my colleagues on the Finance Committee, including Senators PACKWOOD, BAUCUS, GRASSLEY, DURENBERGER, and DANFORTH.

Congress has always understood that tax exemption is necessary to ensure that reliable, universal telephone service is available in rural America at a cost that is affordable to the rural consumer. Telephone cooperatives are nonprofit entities that provide this service where it might otherwise not exist due to the high cost of reaching remote, sparsely populated areas.

The facilities of a telephone cooperative are used to provide both local and long-distance communications services. Perhaps the most important of these for rural users is long distance. Without these services, both local and long distance, people in rural areas could not communicate with the world, much less with their own neighbors. While telephone cooperatives comprise only a small fraction of the U.S. telephone industry—about 1 percent—their services are vitally important to those who must rely upon them.

Under Internal Revenue Code, section 501(c)(12), a telephone cooperatives qualifies for tax exemption only if at least 85 percent of its gross income consists of amounts collected from members for the sole purpose of meeting losses and expenses. Thus, the bulk of the revenues must be related to providing services needed by members of the cooperative, that is, rural consumers. No more than 15 percent of the cooperative's gross income may come from nonmember sources, such as property rentals or interest earned on funds on deposit in a bank. For purposes of the 85-percent test, certain categories of income are deemed neither member nor nonmember income and are excluded from the calculation. The reason for the 85-percent test is to ensure that cooperatives do not abuse their tax-exempt status.

A technical advice memorandum or TAM recently released by the Internal Revenue Service has threatened to change the way telephone cooperatives characterize certain expenses for purposes of the 85-percent test. If the rationale set forth in the TAM is applied to all telephone cooperatives, the majority will lose their tax-exempt status.

Specifically, the IRS now appears to take the position that all fees received by telephone cooperatives from long-distance companies for use of the local lines must be excluded from the 85-percent test and that fees received for billing and collection services performed by cooperatives on behalf of long-distance companies constitute nonmember income to the cooperative.

The legislation we are introducing today would clarify that access revenues paid by long-distance companies to telephone cooperatives are to be counted as member revenues, so long as they are related to long-distance calls paid for by members of the cooperative. In addition, the legislation would indicate that billing and collection fees are to be excluded entirely from the 85-percent test calculation.

Mr. President, it is no secret that mere distance is the single most important obstacle to rural development. In the telecommunications industry today, we have the ability to bridge distances better than ever before. Technology in this area has advanced at an incredible pace. But, maintaining and upgrading the rural telecommunications infrastructure is an exceedingly expensive proposition, and we must do all we can to encourage this development.

Ensuring that telephone cooperatives may retain their legitimate tax-exempt status is one vital step we can take. I believe that providing access to customers for long-distance calls and billing and collecting for those calls on behalf of the cooperative's members and the long-distance companies are indisputably part of the exempt function of providing telephone service, especially to rural communities. The nature and function of telephone cooperatives have not materially changed since 1916 and neither should the formula upon which they rely to obtain tax-exempt status.

At this time, 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. 879

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

SECTION 1. TREATMENT OF CERTAIN AMOUNTS RECEIVED BY A COOPERATIVE TELEPHONE COMPANY INDIRECTLY FROM ITS MEMBERS.

(a) IN GENERAL.—Paragraph (12) of section 501(c) of the Internal Revenue Code of 1986 (relating to list of exempt organizations) is amended by adding at the end thereof the following new subparagraph:

"(E) In the case of a mutual or cooperative telephone company (hereafter in this subparagraph referred to as the 'cooperative'), income received or accrued directly or indirectly from a nonmember telephone company for the performance of communication services by the cooperative which are directly or indirectly paid for by members of the cooperative shall be treated for purposes of subparagraph (A) as collected from members of the cooperative for the sole purpose of meeting the losses and expresses of the cooperative."

(b) CERTAIN BILLING AND COLLECTION SERVICE FEES NOT TAKEN INTO ACCOUNT.—Subparagraph (B) of section 501(c)(12) of such Code is amended by striking "or" at the end of clause (iii), by striking the period at the end of clause (iv) and inserting ",or", and by adding at the end thereof the following new clause:

"(v) from billing and collection services performed for a nonmember telephone company."

(c) CONFORMING AMENDMENT.—Clause (i) of section 501(c)(12)(B) of such Code is amended by inserting before the comma ", other than income described in subparagraph (E)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning before, on, or after the date of the enactment of this Act.

(e) NO INFERENCE AS TO UNRELATED BUSINESS INCOME TREATMENT OF BILLING AND COLLECTION SERVICE FEES.—Nothing in the amendments made by this section shall be construed to indicate the proper treatment of billing and collection service fees under part III of subchapter F of chapter 1 of the Internal Revenue Code of 1986 (relating to taxation of business income of certain exempt organizations).

• Mr. PACKWOOD. Mr. President, I am pleased to join my distinguished colleague, Senator TOM DASCHLE, in cosponsoring his bill which clarifies that billing, collection, and access charge revenues are considered telephone cooperative member income. This bill reverses an Internal Revenue Service ruling that threatens the tax-exempt status and continued viability of telephone cooperatives. In my State of Oregon, telephone cooperatives are the sole means of telephone service for sparsely populated communities. Telephone service is the lifeline for residents of rural areas. Without the tax-exemption, telephone cooperatives could not survive. I urge my colleagues to support this legislation which will preserve the tax-exempt status of America's telephone cooperatives.•

By Mr. INOUYE:

S. 880. A bill to amend title XVIII of the Social Security Act to provide for improved reimbursement of clinical social worker services covered under medicare; to the Committee on Finance.

REIMBURSEMENT OF CLINICAL SOCIAL WORKER SERVICES

• Mr. INOUYE. Mr. President, I rise to introduce legislation to amend title XVIII of the Social Security Act to provide for improved reimbursement of clinical social worker services covered under Medicare.

The clinical social workers of our Nation are valued members of the health care provider team. They have a long established record of serving the mental health needs of our Nation, especially the less fortunate segments of our society who are in need. These services are provided in a very cost effective manner.

Modification of the current reimbursement methodology would clarify the current reimbursement process and allow reimbursement of clinical social workers based on a similar methodology used to reimburse other health care professionals. Current reimbursement methodology for clinical social workers creates a greater differential in charges than that which exists in the marketplace. I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the full text of this legislation be printed in the RECORD.

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

S. 880

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

SECTION 1. IMPROVED REIMBURSEMENT OF CLINICAL SOCIAL WORKER SERVICES UNDER MEDICARE.

(a) IN GENERAL.—Section 1833(a)(1)(F)(ii) of the Social Security Act (42 U.S.C. 13951(a)(1)(F)(ii)) is amended to read as follows: "(ii) the amount determined by a fee schedule established by the Secretary,".

(b) DEFINITION OF SOCIAL WORKER SERVICES EXPANDED.—Section 1861(hh)(2) of such Act (42 U.S.C. 1395x(hh)(2)) is amended by striking "means services performed" and inserting "means services and such services and supplies furnished as an incident to his services performed".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall become effective with respect to payments made for clinical social worker services furnished on or after January 1, 1992.•

By Mr. INOUYE:

S. 881. A bill to amend title VII of the Public Health Service Act to provide educational support for individuals pursuing graduate degrees in social work, and for other purposes; to the Committee on Finance.

SOCIAL WORK SUPPORT ACT

• Mr. INOUYE. Mr. President, I am introducing legislation to amend title VII of the Public Health Service Act to provide clinical social workers with the opportunity to apply for scholarships under the Health Careers Opportunity Program.

Professional social workers play an integral role in the delivery of health care. They are employed in virtually every type of health and mental health care setting. Clinical social workers have established a long tradition of providing mental health care to the deprived segments of our society who are in need.

Despite the importance and history of this profession in the delivery of health care services, few opportunities through Federal programs exist for the training of social workers. This legislation recognizes the importance of clinical social workers to the health care team, and provides eligibility for the social work students for support under the Health Careers Opportunity Program in title VII. This legislation is essential to ensure the future pool of qualified social workers, as valued members of the health care team. I urge my colleagues to support this important piece of legislation.

Mr. President, I ask unanimous consent that the full text of my bill be printed in the RECORD.

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

S. 881

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 "Social Work Support Act of 1991".

SEC. 2. PROVISIONS WITH RESPECT TO PROGRAMS IN SOCIAL WORK.

(a) DEFINITIONS.—Section 701 of the Public Health Service Act (42 U.S.C. 292a) is amended—

(1) in paragraph (4), by adding at the end thereof the following new sentence: "The term 'graduate program in social work' means an accredited graduate program in a public or nonprofit private institution in a State that provides training leading to a graduate degree in social work or an equivalent degree."; and

(2) in paragraph (5), by striking out "or a graduate program in clinical psychology" and inserting in lieu thereof "a graduate program in clinical psychology, or a graduate program in social work".

(b) NATIONAL ADVISORY COUNCIL ON HEALTH PROFESSIONS EDUCATION.—Section 702(a) of such Act (42 U.S.C. 292b(a)) is amended—

(1) in the first sentence, by striking out "twenty-one" and inserting in lieu thereof "22"; and

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking out "thirteen" and inserting in lieu thereof "fourteen"; and

(B) in subparagraph (A), by inserting before the semicolon the following: "and graduate programs in social work".

(c) DISCRIMINATION ON THE BASIS OF SEX.—Section 704 of such Act (42 U.S.C. 292d) is amended—

(1) in the first sentence, by striking out "or graduate program in clinical psychology," and inserting in lieu thereof "graduate program in clinical psychology, or a graduate program in social work,"; and

(2) in the second sentence, by striking out "graduate program" and inserting in lieu thereof "graduate programs".

(d) HEALTH PROFESSIONS DATA.—Section 708(a) of such Act (42 U.S.C. 292h(a)) is amended by inserting "social workers," after "clinical psychologists,".

(e) APPROVAL OF APPLICATIONS FOR TEACHING FACILITY GRANTS.—Section 721 of such Act (42 U.S.C. 293a) is amended—

(1) in subsection (c)(3), by striking out "or public health" each place that such occurs in subparagraphs (A) and (B) and inserting in lieu thereof "public health, or a school which offers a graduate degree in social work";

(2) in subsection (d)(1)(A), by striking out "or osteopathy" and inserting in lieu thereof "osteopathy, or social work";

(3) in subsection (f)—

(A) by striking out "or pharmacy" in the first sentence of paragraph (1) and inserting in lieu thereof "pharmacy, or school offering a graduate program in social work"; and

(B) by striking out "or pharmacy" in paragraph (3)(A) and inserting in lieu thereof "pharmacy, or school offering a graduate program in social work".

(f) FEDERAL LOAN ASSISTANCE.—Section 729(a) of such Act (42 U.S.C. 294b(a)) is amended by striking out "or clinical psychology" each place that such occurs and inserting in lieu thereof ", clinical psychology or social work".

(g) DEFINITIONS APPLICABLE TO FEDERAL LOAN ASSISTANCE PROGRAM.—Section 737(1) of such Act (42 U.S.C. 294j(1)) is amended by striking out "or clinical psychology" and inserting in lieu thereof ", clinical psychology or social work".

(h) STUDENT LOAN AGREEMENTS.—Section 740 of such Act (42 U.S.C. 294m) is amended—

(1) in subsection (a), by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, or graduate program in social work";

(2) in subsection (b)(4), by striking out "or doctor of veterinary medicine or an equivalent degree" and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, or a graduate degree in social work"; and

(3) in subsection (d)—

(A) by striking out "or veterinary medicine" in paragraph (1) and inserting in lieu thereof "veterinary medicine, or graduate program in social work"; and

(B) by striking out "or veterinary medicine" in paragraph (3) and inserting in lieu thereof "veterinary medicine, or graduate program in social work".

(i) STUDENT LOAN PROVISIONS.—Section 741 of such Act (42 U.S.C. 294n) is amended—

(1) in subsection (b)(1), by striking out "or doctor of veterinary medicine or an equivalent degree" and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, or a graduate degree in social work";

(2) in subsection (c), by inserting "or graduate program in social work" after "veterinary medicine" in the matter preceding paragraph (1);

(3) in subsection (f)(1)—

(A) by striking out "or doctor of podiatric medicine or an equivalent degree" in subparagraph (A) and inserting in lieu thereof "doctor of podiatric medicine or an equivalent degree, or a graduate degree in social work"; and

(B) by striking out "or podiatry" in subparagraph (B) and inserting in lieu thereof "podiatry, or a graduate degree in social work";

(4) in subsection (1)—

(A) by striking out "or podiatry" in the matter preceding paragraph (1) and inserting in lieu thereof "podiatry, or a graduate degree in social work"; and

(B) by striking out "or podiatric medicine" in paragraph (4) and inserting in lieu thereof "podiatric medicine, or a graduate degree in social work".

(j) SCHOLARSHIPS FOR FIRST-YEAR STUDENTS OF EXCEPTIONAL FINANCIAL NEED.—Section 758(a) of such Act (42 U.S.C. 294z(a)) is amended by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, or graduate program in social work".

(k) GRANTS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS.—Section 760(a)(2) of such Act is amended by inserting "or social work" before the period.

(1) LOAN REPAYMENT PROGRAM.—Section 761(c) of such Act is amended by inserting "or social work" before the period.

(m) OTHER EDUCATIONAL ASSISTANCE FOR INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS.—Section 787 of such Act (42 U.S.C. 295g-7) is amended—

(1) in subsection (a)(1), by striking out "clinical psychology" and inserting in lieu thereof "clinical psychology or social work";

(2) in subsection (a)(2)(A), by inserting ", including education and training of social work students" before the comma at the end; and

(3) in subsection (b)(1), by striking out "clinical psychology" and inserting in lieu thereof "clinical psychology or social work".

(n) RETENTION PROGRAMS.—Section 787A of such Act (42 U.S.C. 295g-7a) is amended by striking out "or public health" and inserting in lieu thereof "public health or graduate program in social work".

(o) SPECIAL PROJECTS.—Section 788 of such Act (42 U.S.C. 295g-8) is amended—

(1) in subsection (a)—

(A) by inserting "or a graduate degree in social work" after "osteopathy" in paragraph (1); and

(B) by inserting "or a graduate degree in social work" after "osteopathy" in paragraph (2); and

(2) in subsection (b), by striking out "and clinical psychology" and inserting in lieu thereof ", clinical psychology or social work";

(3) in subsection (c)—

(A) by striking out "and public health" in paragraph (1) and inserting in lieu thereof ", public health and schools offering graduate programs in social work"; and

(B) by striking out "and public health" in paragraph (2)(D) and inserting in lieu thereof ", public health and schools offering graduate programs in social work"; and

(4) in subsection (d), by inserting "and schools offering graduate programs in social work" after "osteopathic medicine".

(p) TRAINING WITH RESPECT TO AIDS.—Section 788B(a)(1) of such Act (42 U.S.C. 295g-8b(a)(1)) is amended by striking out "and public health" and inserting in lieu thereof ", public health and schools offering graduate programs in social work.•

By Mr. SARBANES:

S. 882. A bill to amend subpart 4 of part A of title IV of the Higher Education Act of 1965 to mandate a 4-year grant cycle and to require adequate notice of the success or failure of grant applications; to the Committee on Labor and Human Resources.

LONGER GRANT CYCLE FOR SPECIAL PROGRAMS FOR STUDENTS FROM DISADVANTAGED BACKGROUNDS

• Mr. SARBANES. Mr. President, I rise today to introduce legislation to lengthen the grant cycle for special programs for students from disadvantaged backgrounds, more commonly known as the TRIO programs, and to ensure that those applying for discretionary grants under the TRIO programs receive adequate notification of the success or failure of their applications.

TRIO programs, which serve first generation college students where neither parent has completed a bachelor's degree and students from families whose income does not exceed 150 percent of the poverty level, have been at the forefront of efforts to ensure educational opportunity in our Nation. In fiscal year 1990, there were over 1,400 TRIO projects operating across the country serving more than half a million students. Approximately 41 percent of TRIO beneficiaries are black, 35 percent are white, and 24 percent are Hispanic or of other races or ethnicity.

The history of TRIO extends to the mid-1960's when the Upward Bound Program was funded by the Office of Economic Opportunity in 1964 and the Talent Search Program was authorized in 1965 with the enactment of the Higher Education Act. Since that time, new programs have been added to the original set of programs, eligibility criteria have been defined more strictly, authorized funding levels have grown, and authorized activities have been identi-

fied more precisely as well as extended over a wider range.

TRIO currently consists of six programs included in title IV of the Higher Education Act, educational opportunity centers, Upward Bound, Student Support Services, Talent Search, the Ronald McNair Postbaccalaureate Achievement Program, and a training program for TRIO staff. The purpose of the TRIO programs is to identify qualified disadvantaged students, prepare them for postsecondary education, provide special services for those individuals currently pursuing postsecondary education, and train persons who are providing services under these programs. Institutions eligible to receive TRIO grants include colleges and universities, public and private agencies and organizations, and secondary schools.

Studies done on the effectiveness of TRIO have shown that TRIO programs work, and work extremely well. A study of the Upward Bound Program by the Research Triangle Institute found that 91 percent of Upward Bound graduates went on to postsecondary education in contrast to 72 percent of nonparticipants, 74 percent of participants entered 4 year colleges compared to 43 percent of nonparticipants, and 20 percent of Upward Bound students graduated from 4-year institutions while only 5 percent of nonparticipants graduated.

Mr. President, every society of any consequence attaches enormous importance to educating the next generation. In my view, TRIO programs, which have been so effective in supporting the goal of equal educational opportunity for low-income and minority students with regard to postsecondary education, deserve our unqualified support. The legislation I am introducing today would address two problems confronting those who are working on the frontlines in TRIO programs, the length of the TRIO grant cycle and need for early notification procedures for grant applicants.

TRIO grants are awarded currently for no longer than 3 years at which time reapplication must be made in order to continue TRIO projects. This poses several problems. Three years may not provide sufficient time to attain program stability, and a perception of instability in turn may act as a disincentive to the employment and retention of quality staff. Further, under a 3-year grant cycle, TRIO projects are unable to follow even one contingent of students through a complete academic cycle in the course of a grant period. Another serious problem faced by TRIO staff is the current practice of notifying many institutions and agencies only a month in advance of whether their expiring grants will be continued or terminated and, in the case of new applications, notifying applicants of the acceptance or rejection of their applications only a month before the project supported by the grant is to begin.

To address these problems, I am introducing legislation to mandate that TRIO grants be awarded for a minimum of 4 years and that the Secretary of Education develop and institute appropriate procedures to ensure that grant applicants receive adequate notification of the success or failure of their applications. The extended grant cycle would promote greater program stability and allow TRIO projects to follow at least one cycle of students through the completion of a bachelor's degree. Institution of early notification procedures would allow grantees sufficient time to hire staff so that they may begin providing services as soon as the grant begin and would allow TRIO projects which are not extended adequate time to provide transitional services to students enrolled currently or, when appropriate, to prepare appeals.

Mr. President, I have had an opportunity to observe firsthand the benefits available through the TRIO programs to the nearly 10,000 students in Maryland who are currently served by TRIO. All three of my children have served as tutors in TRIO projects conducted by the Gilman School in Baltimore, and I think we ought not to lose sight of the fact that tutors, as well as program participants, gain added dimensions through association with TRIO programs.

I have also had the privilege of working closely with members of the Maryland Executive Council of Educational Opportunities who have done such a splendid job of advancing educational opportunities throughout the State. Largely through their efforts, there are 29 TRIO projects underway in Maryland at the following institutions: University of Maryland-Baltimore County, University of Maryland-Eastern Shore, University of Maryland-College Park, Morgan State University, Coppin State College, Frostburg State University, Sojourner-Douglas College, Bowie State College, Prince Georges Community College, Catonsville Community College, Community College of Baltimore, Chesapeake College, Howard Community College, Gilman School, and Delta Sigma Theta, Inc.

Mr. President, it is through education that we give people in our Nation an opportunity to move upward, to participate fully in American life, and to make their maximum contribution to our society. We are a nation that holds out to its citizens the chance to move from very limited circumstances as a youth all the way to the top if they possess the ability. But this can only happen through education and the TRIO programs afford disadvantaged youth the kinds of opportunities necessary to obtain this education. The legislation I have introduced is a modest attempt to improve the circumstances under which such opportunities are made available through TRIO programs. I salute those individuals who are working on the frontlines through their association with TRIO projects and urge all of my colleagues to join me in this attempt to make the delivery of TRIO services more efficient and effective.●

By Mr. BOND:

S. 883. A bill to authorize funds for the construction of highways and to authorize activities under chapters 1 and 2 of title 23, United States Code; to the Committee on Environment and Public Works.

FEDERAL-AID HIGHWAY ACT

Mr. BOND. Mr. President, I rise today to talk about highway robbery—that's the term I use to describe what has been going on with the highway trust fund. Each year for the past 5 years, the 50 States have sent the Federal Government almost $21 billion in Federal gas tax receipts and other highway user fees, In contrast, an annual average of only $12 billion has been released from the fund during the same time period. As a result, a surplus has accumulated and as we all know, it has been used to help mask the true size of the budget deficit.

The result of this spending shortfall has been a widespread deterioration in our extensive network of highways, primary and secondary roads and bridges. The Federal Highway Administration estimates that we will need $34 billion annually for the next 10 years to address both current and future highway needs. This decline has had far reaching and significant effects and lost opportunities for economic growth. An inferior highway system clearly hurts our ability to compete in an international economy.

Our highway program has met its original intent—the construction of an efficient and far-reaching interstate system—and now must be revamped to reflect modern-day priorities. To help meet those new priorities, I believe that States must be given both greater funding and flexibility to decide where and how to spend their highway funds.

The Department of Transportation recently sent a proposal to Congress which increases the amount that can be released from the trust fund and overhauls the current highway program to reflect our current and future highway needs. While I applaud the administration's effort, it does not go far enough. As a result, I am introducing legislation today which would establish higher obligation ceilings in order to better accommodate the enormous backlog of highway and bridge projects. I ask that a chart comparing the two sets of obligation ceilings be included in the RECORD.

Using the basic framework of the DOT proposal, my bill would make sev-

eral major changes in the current highway program:

It gives States greater spending flexibility by allowing them to transfer up to 15 percent of their annual apportionment among the national highway program, the urban and rural program and the bridge program, according to their determination of priorities and needs.

It gives States greater flexibility to decide how to repair low-volume traffic bridges so that they do not have to be rebuilt to withstand rush hour conditions if they are only used by a few vehicles a day.

It establishes a more reasonable Federal/State match ratio for the urban and rural program of 70/30; the DOT bill sets a ration of 60/40 for the program.

My legislation would allocate highway funds based on use and need because these factors more accurately reflect our current highway and bridge priorities. For example, like the DOT bill, funds for the National Highway Program would be allocated to States based primarily on the amount of gasoline purchased in the State. And funding for the urban and rural program would be based on the percentage of the State's contribution to the trust fund.

My legislation is the product of close cooperation with highway organizations, State and local officials, and business and community leaders. It attempts to allocate funds more fairly to States and equally important, it gives States more authority to decide how to spend their money.

Mr. President, I ask unanimous consent that the text of the bill, a table showing the highway trust fund obligation ceilings in my bill as proposed to the Department of Transportation 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. 883

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal-Aid Highway Act of 1991".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

The following sums are authorized to be appropriated out of the Highway Account of the Highway Trust Fund:

(1) NATIONAL HIGHWAY PROGRAM.—For the National Highway Program $10,312,500,000 for the fiscal year 1992, $11,000,000,000 for the fiscal year 1993, $12,250,000,000 for the fiscal year 1994, $14,187,500,000 for the fiscal year 1995, and $16,187,500,000 for the fiscal year 1996.

(2) URBAN AND RURAL PROGRAM.—For the Urban and Rural Program $4,125,000,000 for the fiscal year 1992, $4,400,000,000 for the fiscal year 1993, $4,900,000,000 for the fiscal year 1994, $5,675,000,000 for the fiscal year 1995, and $6,475,000,000 for the fiscal year 1996.

(3) BRIDGE PROGRAM.—For the Bridge Program, $2,062,500,000 for the fiscal year 1992, $2,200,000,000 for the fiscal year 1993, $2,450,000,000 for the fiscal year 1994, $2,837,500,000 for the fiscal year 1995, and $3,237,500,000 for the fiscal year 1996.

(4) RIGHT-OF-WAY REVOLVING FUND.—For the Right-of-Way Revolving Fund such sums as may be necessary for the fiscal years 1993, 1994, 1995 and 1996. These sums shall be available only to such extent and in such amounts as are provided in appropriation Acts.

SEC. 3. UNOBLIGATED BALANCES.

Unobligated balances of funds apportioned or allocated to a State under title 23, United States Code, before October 1, 1991, shall be available for obligation in that State under the law, regulations, policies and procedures relating to the obligation and expenditure of those funds in effect on September 30, 1991, except that—

(1) unobligated balances of primary and Interstate 4R funds may be transferred to the National Highway Program;

(2) other unobligated balances may be transferred to the apportioned bridge program or to the Urban and Rural Program, except that unobligated balances which were earmarked for attributable urbanized areas must be spent in those urbanized areas;

(3) transferred funds are subject to the law, regulations, policies, and procedures relating to the category to which transferred;

(4) transfers will be allowed on a one-time-per-year basis; and

(5) this section does not apply to unobligated balances of Interstate construction or Interstate substitution funds.

SEC. 4. AMENDMENT TO TITLE 23.

(a) CONFORMING AMENDMENT.—The table of sections for chapter 1 of title 23, United States Code, is amended to read as follows:

"CHAPTER 1—FEDERAL-AID HIGHWAYS

"Sec.
"101. Definitions and declaration of policy.
"102. National Highway Program.
"103. Interstate system.
"104. Urban and Rural Program.
"105. Toll roads, bridges, and tunnels.
"106. Bridge program.
"107. Scenic byways.

(b) AMENDMENT TO CHAPTER 1.—Sections 102 through 158 of title 23, United States Code, are amended to read as follows:

"§ 102. National highway program

"(a) NATIONAL HIGHWAY SYSTEM DEFINED.—The National Highway System shall be established to provide an interconnected system of principal arterial routes which will serve major population centers, ports, airports and international border crossings; meet national defense requirements; and serve interstate and interregional travel. The National Highway System shall consist of—

"(1) highways on the Interstate System described in section 103;

"(2) other urban and rural principal arterials designated under subsection (e), including the toll facilities of such arterials;

"(3) highways on the Strategic Highway Network designated under subsection (b); and

"(4) major Strategic Highway Network Connectors designated under subsection (c).

The National Highway System mileage shall not exceed 150,000 miles, except that the Secretary may make necessary adjustments in the mileage of the designated system not to exceed 10 percent.

"(b) STRATEGIC HIGHWAY NETWORK DEFINED.—The Strategic Highway Network is a network of highways that constitutes an important factor in United States strategic defense policy. It provides defense access, continuity, and emergency capabilities for the movement of personnel, materiels, and equipment in both peacetime and wartime. The network includes interstate and noninterstate highways as designated jointly by the Secretary and the Secretary of Defense in consultation with the States.

"(c) MAJOR STRATEGIC HIGHWAY NETWORK CONNECTORS DEFINED.—Major Strategic Highway Network Connectors are highways, designated jointly by the Secretary and the Secretary of Defense in consultation with the States, to provide access from major military installations to the Strategic Highway Network.

"(d) ACTIVITIES ELIGIBLE FOR FUNDING.—Activities eligible for funding include—

"(1) construction;

"(2) operational improvements;

"(3) highway safety improvements;

"(4) modifications to existing facilities necessary to accommodate other modes, except that modifications may not adversely impact the highway use of the facility;

"(5) transportation planning; and

"(6) highway research and development;

"(e) DESIGNATION OF THE NATIONAL HIGHWAY SYSTEM.—Designation of the National Highway System, other than the Interstate System, the Strategic Highway Network and Strategic Highway Network Connectors, shall be by the State in cooperation with local officials, with the approval of the Secretary. In urbanized areas, local officials shall act through the designated metropolitan planning organizations. The National Highway System shall be based on a functional reclassification of roads and streets in each State which should be designated by September 30, 1992, and shall be designated not later than September 30, 1993, in accordance with guidelines issued by the Secretary which provide for an equitable allocation of mileage among the States. The Secretary shall have the authority to approve in whole or in part the National Highway System. The Secretary may add segments to the National Highway System as may be necessary to meet National Highway Program objectives, subject to subsection (a). For the fiscal year 1992 and, if necessary, fiscal year 1993, States may use National Highway Program funds on the preliminarily designated National Highway System. The preliminarily designated National Highway System shall consist of principal arterials designated by the State and approved by the Secretary as of September 30, 1991.

"(f) BELTWAYS AND BYPASSES.—National Highway System beltways and bypasses, involving either new construction or major reconstruction serving urbanized areas of over 200,000 population, must be designed, and sufficient right-of-way acquired at the time of initial construction or major reconstruction, to provide for their ultimate development as multilane divided highways with separate roadways for through traffic. Access to the separate, through roadways is limited to interchanges with National Highway System routes or any other limited access facility. For the purposes of this subsection—

"(1) the term 'beltway' means a multilane, access controlled, principal arterial highway that provides a continuous loop around a major urbanized area or portion thereof; and

"(2) the term 'bypass' means a multilane, access controlled, arterial highway that permits traffic to avoid an urbanized area by providing a continuous alternative route connected at each end to a National Highway System route.

"§ 103. Interstate system

"The Interstate System is a system located—

"(1) to connect by routes, as direct as practicable, principal metropolitan areas, cities, and industrial centers;

"(2) to serve the national defense; and

"(3) to the greatest extent possible, to connect at suitable border points with routes of continental importance in Canada and Mexico.

"§ 104. Urban and rural program

"(a) ESTABLISHMENT.—The Secretary shall establish an Urban and Rural Program to provide a category of funds that minimizes Federal requirements, and to provide flexibility in the use of available funds for either highway or transit projects.

"(b) ELIGIBLE HIGHWAYS.—Highway projects may be funded on public roads other than roads on the National Highway System, roads functionally classified as local, or roads functionally classified as rural minor collector, except that not to exceed 5 percent of a State's annual urban and rural program apportionment may be expended for highway safety improvements or eliminating rail-highway crossing hazards on public roads functionally classified as local or as rural minor collector.

"(c) ELIGIBLE PROJECTS.—Eligible projects include construction; operational improvements; highway safety improvements, highway research and development, transportation planning, capital transit projects like the construction, reconstruction, and improvement of fixed rail facilities, including purchase of rolling stock for fixed rail; the purchase of buses and support facilities, capital projects to improve access and coordination between intercity and rural bus service, startup costs for traffic management and control projects, bicycle and pedestrian projects, projects to develop and improve scenic byways, and projects to enhance rural and urban accessibility and mobility.

"(d) REQUIREMENTS.—

"(1) BRIDGE INSPECTION AND INVENTORY SYSTEM.—The States must have an ongoing bridge inspection and inventory system.

"(2) DISTRIBUTION OF FUNDS.—The States shall develop a method to distribute apportionments within the State under this section fairly and equitable to rural areas, urban areas, and urbanized areas of over 200,000 population.

"§ 105. Toll roads, bridges, and tunnels

"(a) FEDERAL FUNDS.—

"(1) FREEDOM FROM TOLLS.—Except as otherwise provided in this title, Federal funds to carry out this title may not be obligated on toll facilities or to convert free facilities to toll facilities.

"(2) FEDERAL SHARE PAYABLE.—Except as provided in subsections (b) and (e) the Federal share payable for any project under this section shall not exceed (A) 35 percent of the cost of the project, or (B) a Federal share payable of less than 35 percent if required by the Secretary.

"(b) BRIDGES, TUNNELS, AND APPROACHES.—The Secretary may permit Federal participation, on the same basis and in the same manner as in the construction of free highways under this title, in the construction of any toll bridge, toll tunnel, or approach thereto, upon compliance with the conditions contained in this subsection. The bridge, tunnel, or approach thereto, must be publicly owned and operated. Federal funds may participate in the approaches to a toll bridge or toll tunnel whether the bridge or tunnel is to be or has been constructed, or acquired by the State or other public authority. The State transportation or highway department or departments must be a party or parties to an agreement with the Secretary whereby it or they undertake performance of the following obligations:

"(1) all tolls received from the operation of the bridge or tunnels, less the actual cost of operation and maintenance, shall be applied to the repayment to the State or other public authority of all of the costs of construction or acquisition of the bridge or tunnel, except that part which was contributed by the United States;

"(2) no tolls shall be charged for the use of the bridge or tunnel after the State or other public authority shall have been repaid; and

"(3) after the date of final repayment, the bridge or tunnel shall be maintained or operated as a free bridge or free tunnel, except in the case of a bridge which connects the United States with any foreign country, except that—

"(A) tolls or charges do not exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management; and

"(B) the entity or governmental instrumentality responsible for the operation of the portion of the bridge within the jurisdiction of the foreign country is charging tolls for the use of the bridge.

"(c) NATIONAL HIGHWAY PROGRAM AND BRIDGE PROGRAM FUNDS.—National Highway Program and Bridge Program funds may be obligated (1) for the reconstruction, resurfacing, restoring, and rehabilitating of National Highway System toll highways, toll bridges and toll tunnels and their approaches; (2) for the initial construction of new National Highway System toll highways, toll bridges, and toll tunnels and their approaches as if they were free facilities; (3) to reconstruct a free National Highway System highway other than Interstate that does not have full access control to convert the facility to a toll facility, and to add lanes to the converted facility and to change the converted facility's character to full access control; and (4) to reconstruct or replace a free National Highway System bridge or tunnel and their approaches to convert the facility to a toll facility, except that—

"(A) free National Highway System highways, bridges, and tunnels and their approaches, constructed with the aid of Federal funds may also be reconstructed or replaced and converted to toll facilities pursuant to paragraphs (3) and (4) with or without the aid of Federal funds; and

"(B) the National Highway System toll highways, toll bridges, toll tunnels and their approaches may be constructed parallel and adjacent to existing free federally funded non-Interstate highways, bridges, or tunnels pursuant to paragraph (2) with or without the aid of Federal funds, and upon their construction tolls may be imposed on the combined facility if that combined facility has full access control, except that tolls may not be imposed on existing free Interstate highways.

"(d) URBAN AND RURAL PROGRAM.—Urban and Rural Program funds may be obligated to construct new toll highways, bridges, and tunnels; improve existing toll highways, bridges and tunnels; improve and convert free bridges to toll facilities; and to improve and convert free non-Interstate highways and tunnels to toll facilities to add lanes to the converted facility and to change the converted facility's character to full access control. Toll highways, toll bridges, toll tunnels, and their approaches may be constructed parallel and adjacent to existing free federally funded non-Interstate highways, bridges, or tunnels with or without the aid of Federal funds, and upon their construction, tolls may be imposed on the combined facility if that combined facility has full access control, except that tolls may not be imposed on existing free Interstate highways.

"(e) PRELIMINARY STUDIES.—Preliminary studies by a State or public or private toll entity to determine the feasibility of a toll facility described in subsections (b), (c), and (d) shall be eligible for Federal participation. Notwithstanding subsection (a)(2), the Federal share payable under this subsection shall not exceed the amount authorized by section 203 for similar projects not operated as toll facilities.

"(f) OWNERSHIP.—A facility constructed under subsections (c) and (d), shall either be publicly owned and operated or the State or its instrumentality shall contract with a private firm to design, finance, construct, and operate that facility, except that—

"(1) the State shall be responsible for all requirements under this title; and

"(2) there may be private participation in the State matching share for a project.

"(g) AGREEMENT WITH THE STATE.—For facilities constructed or converted under subsections (c) and (d) or for free facilities proposed to be tolled that have been constructed or improved with Federal funds, the State transportation or highway department must be party or parties to an agreement with the Secretary whereby it or they undertake performance of the following obligations:

"(1) All tolls received from the operation of the highway, bridge, or tunnel, less the actual cost of operation, maintenance, and economical management, shall be applied to the repayment, including debt service and reasonable return on investment, to the party financing the facility of the costs of the highway, bridge, or tunnel, except that part which was contributed by the United States.

"(2) No tolls shall be charged for the use of the highway, bridge, or tunnel after repayment.

"(3) After the date of final repayment, the highway, bridge, or tunnel shall be maintained or operated as a free highway, bridge, or tunnel, except in the case of a bridge which connects the United States with any foreign country, except that—

"(A) the tolls or charges do not exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management; and

"(B) the entity or governmental instrumentality responsible for the operation of the portion of the bridge within the jurisdiction of the foreign country is charging tolls for the use of the bridge.

"(h) OPTION OF CONTINUING TOLLS.—Notwithstanding subsection (g), tolls may be continued on facilities constructed or converted under subsections (c) and (d) after the recovery of costs if tolls received from the facility less the actual cost of operation and maintenance are used for a purpose eligible under this title.

"(i) INITIAL CONSTRUCTION DEFINED.—For purposes of this section, the term 'initial construction' shall mean the construction of a highway, bridge, or tunnel at any time before it is open to traffic and shall not include any improvement to a toll highway, bridge, or tunnel after it is open to traffic.

"§ 106. Bridge program

"(a) PURPOSE.—Congress finds and declares it to be in the vital interest of the Nation that a bridge replacement and rehabilitation program be established to enable the States

and Federal agencies to replace and rehabilitate highway bridges over waterways, other topographical barriers, other highways, or railroads when the States or Federal agencies and the Secretary find (1) that a bridge is important; (2) that it is unsafe because of structural deficiencies, physical deterioration, or functional obsolescence; (3) that it poses a safety hazard to highway users; (4) that its replacement or rehabilitation would minimize disruptions, delays, and costs to users; or (5) that its replacement or rehabilitation would provide more efficient routes for emergency services.

"(b) INVENTORY; CLASSIFICATION; PRIORITY; COST.—The Secretary, in consultation with the States: (1) shall inventory all those highway bridges on any public road which are bridges over waterways, other topographical barriers, other highways, and railroads; (2) classify them according to serviceability, safety, and essentiality for public use, (3) based on the classification, assign each a priority for replacement or rehabilitation and (4) determine the cost of replacing each such bridge with a comparable facility or of rehabilitating such bridge.

"(c) APPROVAL OF FEDERAL PARTICIPATION.—Whenever any State or States make application to the Secretary for assistance in replacing or rehabilitating a bridge which the criteria established under subsection (b) show to be eligible, the Secretary may approve Federal participation in replacing the bridge with a facility designed to meet current standards or in rehabilitating the bridge. In approving projects under this section, the Secretary shall give consideration to those projects which will remove from service those bridges most in danger of failure. For bridges on the National Highway System, the Secretary may approve Federal participation where the determination as to need, type of improvement and timing have been established through a bridge management system approved by the Secretary. On other public roads the Secretary may approve Federal participation if a bridge is eligible under the criteria in subsection (b) and the agency with jurisdiction over the bridge has a bridge inspection and inventory program that meets the requirements of the National Bridge Inspection Standards (NBIS).

"(d) ELIGIBLE ACTIVITIES.—

"(1) BRIDGE MANAGEMENT SYSTEM.—Apportioned bridge program funds may be used to develop a bridge management system.

"(2) HIGH PRIORITY DEFICIENCIES.—Bridge program funds may be used to correct normally ineligible safety related bridge deficiencies that have been identified as high priority by the Secretary. A State shall submit a strategy, work plan and timetable for approval by the Secretary before bridge funds can be used to correct deficiencies. Removal of deficiencies identified as high priority by the Secretary is mandatory for any bridge improved under the bridge replacement and rehabilitation program.

"(3) REPLACEMENT AND REHABILITATION.—Bridge program funds may be used for replacement and rehabilitation.

"(e) MAJOR BRIDGE DISCRETIONARY PROGRAM.—

"(1) ALLOCATION.—Amounts available for the Major Bridge Discretionary Program shall be allocated to States at the discretion of the Secretary:

"(A) For projects for bridges on the National Highway System with a replacement or rehabilitation cost of $10,000,000 or more.

"(B) For projects for bridges on public roads, except those functionally classified as local or as rural minor collector and those on the National Highway System, with a replacement or rehabilitation cost of $5,000,000 or more.

"(2) TOLL BRIDGE ASSESSMENT.—Applications for funding under the Major Bridge Discretionary Program must include a comprehensive assessment of (A) the feasibility of constructing a toll bridge, and (B) the option of using combinations of funds other than Bridge Program funds.

"(f) USE OF APPORTIONED BRIDGE FUNDS.—Not less than 10 percent nor more than 35 percent of the amount apportioned to a State in a fiscal year under section 202(b)(3) shall be expended for projects to replace or rehabilitate bridges on public roads functionally classified as local or as rural minor collector. The State may give special consideration to low volume traffic bridges qualifying for replacement or repair under this program.

"(g) SELECTION OF DISCRETIONARY PROJECTS.—In selecting projects for the Major Bridge Discretionary Program the Secretary shall consider (1) the bridge rating factor which includes, but is not limited to, serviceability, safety, essentiality for public use, traffic volume, and cost; (2) whether the bridge is closed to traffic or has severe load limits; (3) the need for equitable nationwide distribution of funds; (4) the need to continue or complete projects already begun with discretionary funds; and (5) other factors that the Secretary deems appropriate.

"(h) OBLIGATION AND ADMINISTRATION OF BRIDGE PROJECTS.—Bridge projects on the National Highway System shall be obligated and administered under National Highway Program procedures. Bridge projects on public roads not on the National Highway System shall be obligated and administered under Urban and Rural Program procedures.

"(i) FAIR ALLOCATION.—Sums apportioned to a State under this section shall be made available for obligation throughout the State on a fair and equitable basis.

"§ 107. Scenic byways

"(a) PURPOSE.—The purpose of this section is to encourage States to initiate or expand efforts for planning and program development for scenic byways.

"(b) DISTRIBUTION OF FUNDS.—In fiscal years 1992, 1993, and 1994, the Secretary may allocate up to $5,000,000 in each fiscal year from the set asides provided in section 202(b)(2)(B) to States requesting funds to carry out the purpose of this section. The Secretary shall establish criteria to be used in allocating the funds to States.".

SEC. 5. ADMINISTRATION OF FUNDS.

(a) CONFORMING AMENDMENTS.—(1) The table of sections for chapter 2 of title 23, United States Code, is amended to read as follows:

"CHAPTER 2—ADMINISTRATION OF FUNDS

"Sec.
"201. Availability of funds.
"202. Apportionment.
"203. Federal share payable.".

(2) The table of contents for title 23, United States Code, is amended by striking out

"2. Other Highways"

and inserting in lieu thereof the following:

"2. Administration of Funds".

(b) AMENDMENT TO CHAPTER 2.—Chapter 2 of title 23, United States Code, is amended to read as follows:

"CHAPTER 2—ADMINISTRATION OF FUNDS

"§ 201. Availability of funds

"(a) DATE AVAILABLE FOR OBLIGATION.—Except as otherwise specifically provided, authorizations to carry out chapters 1, 2, and 3 of this title and the Federal-Aid Highway Act of 1991 from the Highway Account of the Highway Trust Fund shall be available for obligation on October 1 of the fiscal year for which they are authorized. The Secretary shall apportion, allocate, set aside, or obligate those authorizations.

"(b) PERIODS OF AVAILABILITY OF FUNDS.—

"(1) NATIONAL HIGHWAY PROGRAM, URBANIZED AREA PLANNING, APPORTIONED BRIDGE AND STATEWIDE TRANSPORTATION PLANNING AND RESEARCH PROGRAM FUNDS.—

"(A) PERIOD OF AVAILABILITY.—Funds apportioned for the National Highway Program, the Bridge Program and the Urbanized Area Planning Program and funds earmarked for the Statewide Transportation Planning and Research Program in a State shall remain available for obligation in that State for a period of 3 years after the close of the fiscal year for which the funds are authorized.

"(B) REAPPORTIONMENT.—Funds, not obligated within the period of availability of subparagraph (A) shall be reapportioned among those States which have obligated their funds on the basis of the original apportionment.

"(2) BRIDGE DISCRETIONARY FUND.—

"(A) PERIOD OF AVAILABILITY.—Funds allocated to a State from the Major Bridge Discretionary Program and from the High Cost Projects Fund shall be available in that State until the close of the fiscal year in which they are allocated.

"(B) REALLOCATION.—Funds not obligated within the period of availability of subparagraph (A) shall be released to the Secretary and shall be available for reallocation.

"§ 202. Apportionment

"(a) ADMINISTRATIVE DEDUCTION.—On October 1 of each fiscal year, or as soon thereafter as is practicable, the Secretary shall deduct not to exceed 3¾ percent of the sums authorized to be appropriated for expenditure for the National Highway Program, the Interstate Construction Program, the Urban and Rural Program, the Interstate Substitution Program, and the Bridge Program for payment of the administrative expenses of the Federal Highway Administration, except that funds shall be available from the administrative deduction for Operation Lifesaver, a national public information program, to educate the public of the inherent hazards at railway-highway crossings. In making a determination, the Secretary shall take into account the unexpended balance of any sums deducted in prior years. The sum deducted shall be available for expenditure until expended.

"(b) APPORTIONMENT.—On October 1 of each fiscal year, or as soon thereafter as is practicable, the Secretary after making the deductions authorized by subsection (a) shall apportion sums authorized to be appropriated for that fiscal year for the National Highway Program, the Urban and Rural Program, and the Bridge Program among the several States in the following manner:

"(1) NATIONAL HIGHWAY PROGRAM.—The remaining sums authorized to be appropriated from the National Highway Program shall be apportioned as follows:

"(A) HIGHWAY USE OF MOTOR FUEL.—70 percent in the ratio which highway use of motor fuel in a State bears to highway use of motor fuel in all of the States.

"(B) SHARE OF PUBLIC ROAD MILEAGE.—15 percent in the ratio which public road mileage in a State bears to public road mileage in all of the States.

"(C) LAND AREA.—15 percent of the funds in the ratio in which the land area in a State bears to the land area in all of the States.

"(2) URBAN AND RURAL PROGRAM.—

"(A) SCENIC BYWAYS PROGRAM SET ASIDE.—From authorizations for the Urban and Rural Program for the fiscal years 1992, 1993, and 1994 the Secretary shall set aside $5,000,000 each year for scenic byways described in section 107. Funds set aside that are not obligated for scenic byways by the end of the fiscal year of authorization shall be added to the next fiscal year's authorization and apportioned to the States under subparagraph (B).

"(B) APPORTIONMENT FORMULA.—The remaining funds authorized to be appropriated for the Urban and Rural Program shall be apportioned in the ratio in which a State contribution to the Highway Account of the Highway Trust Fund bears to the total contributions of all the States to the Highway Account of the Highway Trust Fund as determined by the Secretary.

"(3) BRIDGE PROGRAM.—

"(A) MAJOR BRIDGE DISCRETIONARY PROGRAM SET ASIDE.—From authorizations for the Bridge Program the Secretary shall set aside $345,000,000 for the fiscal year 1992, $420,000,000 for the fiscal year 1993, $495,000,000 for the fiscal year 1994, $570,000,000 for the fiscal year 1995, and $660,000,000 for the fiscal year 1996 for the Major Bridge Discretionary Program described in section 106.

"(B) APPORTIONMENT FORMULA.—Funds authorized to carry out this section shall be apportioned among the several States on October 1 of the fiscal year for which authorized in accordance with this subsection. Each deficient bridge shall be placed into one of the following categories: (1) National Highway System bridges eligible for replacement, (2) National Highway System bridges eligible for rehabilitation, (3) bridges off the National Highway System eligible for replacement, and (4) bridges off the National Highway System eligible for rehabilitation. The square footage of deficient bridges in each category shall be multiplied by the respective unit price on a State-by-State basis, as determined by the Secretary; and the total cost in each State divided by the total cost of the deficient bridges in all States shall determine the apportionment factors. The Secretary shall make these determinations based upon the latest available data, which shall be updated annually. Funds apportioned under this section shall be available for expenditure for the same period as funds apportioned for projects on the National Highway System under this title.

"(c) NOTIFICATION TO THE STATES.—On October 1 of each fiscal year, or as soon thereafter as is practicable, the Secretary shall certify to each of the States the sums apportioned and deducted in that fiscal year under this section. The Secretary shall, if possible, advise each State of the amount that will be apportioned each year under this section not later than 90 days before the beginning of the fiscal year of apportionment.

"(d) TRANSFER AMONG PROGRAMS.—A State may transfer up to 15 percent of its annual apportionments for the National Highway Program, the Urban and Rural Program and the Bridge Program among the three programs, as it determines necessary.

"§ 203. Federal share payable

"(a) NATIONAL HIGHWAY PROGRAM PROJECTS.—Except as provided in section 105(a)(2) the Federal share payable on account of National Highway Program projects financed with National Highway Program funds (other than certain resurfacing, restoring, and rehabilitating projects and certain operational improvement projects) shall not exceed 75 percent of the cost of the project.

"(b) INTERSTATE SYSTEM RESURFACING, RESTORING AND REHABILITATING, AND OPERATIONAL IMPROVEMENT PROJECTS.—Except as provided in section 105(a)(2) the Federal share payable on account of any resurfacing, restoring and rehabilitating, or operational improvements project on the Interstate System financed with National Highway Program funds shall not exceed 90 percent of the cost.

"(c) OFF-SYSTEM OPERATIONAL IMPROVEMENTS PROJECTS.—Except as provided in section 105(a)(2), the Federal share payable on account of any operational improvements project on a highway not classified as local or as rural minor collector financed with National Highway Program funds shall not exceed the share provided in subsection (a).

"(d) BRIDGE PROGRAM.—Except as provided in section 105(a)(2), the Federal share payable on account of projects financed with Bridge Program funds shall not exceed 75 percent.

"(e) URBAN AND RURAL PROGRAM PROJECTS.—Except as provided in section 105(a)(2), the Federal share payable on account of a project financed with Urban and Rural Program funds shall not exceed 70 percent of the cost of the project.

"(f) INCREASED NON-FEDERAL SHARE.—A State may contribute an amount in excess of the share provided in this title for any title 23 project so as to decrease the Federal share payable on the project. The application of this subsection shall be subject to criteria established by the Secretary.".

SEC. 6. OBLIGATION CEILING.

(a) GENERAL LIMITATION.—Notwithstanding any other provision of law, the total of all obligations for Federal-aid highway programs shall not exceed—

(1) $16,500,000,000 for fiscal year 1992;

(2) $17,600,000,000 for fiscal year 1993;

(3) $19,600,000,000 for fiscal year 1994;

(4) $22,700,000,000 for fiscal year 1995; and

(5) $25,900,000,000 for fiscal year 1996.

(b) EXCEPTIONS.—The limitations under subsection (a) shall not apply to obligations—

(1) for unobligated balances of minimum allocation funds,

(2) for emergency relief, or

(3) for unobligated balances of earthquake disaster assistance.

(c) DISTRIBUTION OF OBLIGATION AUTHORITY.—For each of fiscal years 1992, 1993, 1994, 1995, and 1996 the Secretary shall distribute the limitation imposed by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to each State for each fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to all the States for each fiscal year, except that the Secretary shall not distribute amounts authorized for administrative expenses and the Federal lands highways programs shall not distribute amounts necessary to carry out projects under the Safety Bonus Program, and shall not distribute amounts necessary to carry out Metropolitan and Rural Innovative Bonus Projects.

(d) LIMITATION ON OBLIGATION AUTHORITY.—

(1) During the period October 1 through December 31 of each of fiscal years 1992, 1993, and 1994, no State shall obligate more than 35 percent of the amount distributed to that State under subsection (c) for that fiscal year, and the total of all State obligations during the period shall not exceed 25 percent of the total amount distributed to all States under subsection (c) for that fiscal year.

(2) During the period October 1 through December 31 of each of fiscal years 1995 and 1996, no State shall obligate more than 30 percent of the amount distributed to that State under subsection (c) for that fiscal year.

(e) REDISTRIBUTION OF UNUSED OBLIGATION AUTHORITY.—Notwithstanding subsections (c) and (d) the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned or allocated to a State;

(2) may, after August 1 of each of the fiscal years 1992, 1993, 1994, 1995, and 1996, revise a distribution of the funds made available under subsection (c) for that fiscal year if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under title 23, United States Code.

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on October 1, 1991.

HIGHWAY TRUST FUND OBLIGATION CEILINGS—COMPARISON OF BOND BILL WITH DEPARTMENT OF TRANSPORTATION (DOT) PROPOSAL

[In billions of dollars]

	DOT bill	Bond bill	Percent increase of bond over DOT bill
Fiscal year:			
1992	$15.7	$16.5	$5.1
1993	16.0	17.6	10.0
1994	16.5	19.6	18.8
1995	18.0	22.7	26.1
1996	20.0	25.9	29.5

SUMMARY OF MISSOURI HIGHWAY BILL SPONSORED BY SENATOR BOND—COMPARISON WITH CURRENT LAW AND DOT PROPOSAL

(I) NATIONAL HIGHWAY PROGRAM—OVERVIEW

Both the Bond bill and the DOT proposal combine the Interstate programs and the Primary Program into one 150,000 mile system, called the National Highway Program (NHP). The current federal/state match ratio of 75/25 would remain the same. The Interstate construction and the Interstate Repair programs remain intact, with the match ratio set at 90/10.

Spending Flexibility

Under current law, highway funds cannot be transferred among categories. The DOT bill allows up to 15 percent of NHP funds to be transferred to the Urban/Rural Program (URP) if the state obtains approval from DOT. Under the Bond bill, the state may transfer up to 15 percent to and from any of the three programs—NHP, URP and Bridges—as it determines is necessary to meet its needs; DOT approval is not required.

Formula

Interstate formula criteria remain the same. However, the DOT proposal and the Bond bill dramatically change the formula for primary roads under the National Highway Program. Both allocate funds as follows: 70 percent weight given to gallons of gasoline purchased in a State, 15 percent weight given to state land area and 15 percent weight given to state public road miles. Funds are

distributed based on the criteria of use and need. The DOT bill retains several of the minimum allocation provisions which guarantee large, sparsely populated states higher levels of funding than use and need alone would provide. For example, DOT's NHP formula includes a low population factor. The Bond bill eliminates these provisions, which generally favor Western states.

Summary of Differences: The Bond bill gives States more spending flexibility by allowing states to transfer up to 15 percent of their total trust fund allocation among the three major programs; adopts a need and use formula for NHP and eliminates special fixes for Western states.

(II) URBAN AND RURAL PROGRAM

The Bond bill and DOT proposal combine the current Secondary and Urban Programs into the Urban and Rural Program (URP). The DOT bill makes two significant changes in current law: it changes the current match ratio of 75/25 to 60/40 and it establishes a simplified formula where the state's share of URP funds is in exact proportion to what it contributes to the Highway Trust Fund. Missouri contributed 2.67 percent of the fund in 1989, therefore it will get back 2.67 percent for URP. The Bond bill uses the dollar in, dollar out formula but changes the match ratio to 70/30. In addition, both bills allow URP funds to be used for mass transit projects. Under current law, only Urban Program funds can be used for mass transit. Most States don't use this authority because the pool of funds is so small and there are several restrictions. Both bills expand funding (the Bond bill by a greater amount) and lift the restrictions.

(III) BRIDGE PROGRAM

Under current law, States submit an inventory of their structurally deficient bridges and the cost of either repairing or replacing them to the Federal Highway Administration (FHWA). FHWA allocates bridge funding to states based on its relative share of the total cost to repair or replace deficient bridges across the country. In addition, FHWA also determines whether the bridge projects fall into the Discretionary Program or the Apportioned Formula Program. The former program is for bridge projects over $10 million if located on the interstate and primary systems and $5 million for bridges on other public roads; States must apply to DOT and compete for the money. The apportioned bridge program is for bridge projects under these amounts; the match ratio is 75/25.

Both the Bond legislation and the DOT bill retain the two separate categories, discretionary and apportioned, and keep the match at 75/25. However, the DOT bill changes the criteria used to determine if a bridge qualifies for either type of funding from a straight inventory and cost to repair to inventory, cost to repair and level of service. The Bond bill retains the criteria in current law, inventory and cost, but gives states the flexibility to factor in level of service if they so desire.

Finally, both the Bond bill and the DOT proposal allow bridge repair funds to be used for "seismic retrofit", i.e. to install special devices to help prevent bridge collapse in the event of an earthquake. This is a new provision.

(IV) TOLL ROADS

With only a few exceptions, current law prohibits States from using Federal trust funds to construct toll roads, bridges or tunnels. Both bills would change this by allowing a federal match of 35 percent for such facilities; the States would have to put up 65 percent. Toll revenues could only be used (1) to pay off State bonds used to make the State match or (2) highway-related activities. They could not go into the State treasury.

By Mr. PACKWOOD (for himself and Mr. BOND):

S. 884. A bill to require the President to impose economic sanctions against countries that fail to eliminate large-scale drift net fishing; to the Committee on Commerce, Science, and Transportation.

DRIFT NET MORATORIUM ENFORCEMENT ACT

Mr. PACKWOOD. Mr. President, I am today introducing legislation to end large-scale drift net fishing on the high seas by June 30, 1992. Drift nets are huge plastic nets used by the fishing fleets principally of Japan, Taiwan, and South Korea. The nets are as long as 30 to 40 miles in length and may range from 30 to 100 feet in width and depth and simply scoop up everything in their path as they are pulled behind ships. The nets indiscriminately catch everything—sea turtles, whales, dolphins, and of great importance to my State, they are catching U.S.-origin salmon and depleting the salmon runs that are returning to our rivers.

In essence, it is stripmining the ocean and it has to be stopped.

In December 1989, the United Nations passed a resolution calling for a worldwide ban on drift netting by June 30, 1992. But that resolution confirms a provision which would allow nations to continue drift net fishing if they can allege they maintain a conservation program.

Mr. President, there is no conservation program conceivable to justify the continued practice of drift netting; which is simply to catch everything you can catch in a net of immense size.

I have seen the Japanese, the South Koreans, and Taiwanese avoid and extend deadlines in the past, especially on whaling where they attempted to justify it on scientific or research purposes. The purpose of my bill is to put teeth into that June 30, 1992, moratorium date to make it the deadline.

My bill requires the President, on January 1, 1992, to certify any country which has not notified the United States of its intention to stop drift netting by June 30, 1992. If a country is certified, the President is authorized under the Pell amendment, to ban the import of fish or fish products from that country. On June 30, the President is required to ban the import of fish and fish products from any country that has not completely stopped drift netting.

My bill would also authorize the President to invoke a whole array of additional sanctions if: First, the violating country retaliates with its own sanctions: second, fish sanctions alone do not work or; third, the country is violating the moratorium.

We all agree, Republicans, Democrats, conservatives, and liberals that drift netting needs to stop. This bill will mandate that it will stop and it is a voice that Japan, South Korea, and Taiwan will hear clearly.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 885. A bill to amend the Food, Agriculture, Conservation, and Trade Act of 1990 to prohibit the Secretary from prescribing or collecting fees to cover the cost of providing certain agricultural quarantine and inspection services at a site within the State of Hawaii or the Commonwealth of Puerto Rico; to the Committee on Agriculture, Nutrition, and Forestry.

COLLECTION OF FEES FOR AGRICULTURAL QUARANTINE AND INSPECTION SERVICES

Mr. AKAKA. Mr. President, I rise to introduce legislation, along with Senator INOUYE, to prohibit the U.S. Department of Agriculture from imposing a $2 user fee on air travelers going from Hawaii to the mainland.

Today, the USDA, over the objections of the State of Hawaii and the Hawaii congressional delegation, published its final rule instituting the user fee to begin in August.

To show how strongly I oppose this fee, I am introducing legislation today to prohibit the fee on the same day that the new regulations appeared in the Federal Register.

And I will work closely with the senior Senator from Hawaii to prohibit this fee before it goes into effect.

It would be blatantly unfair to impose this $2 user fee on every Hawaii traveler as well as on Hawaii's visitors.

USDA says this fee is intended to offset the cost of baggage inspection, which prevents the spread of agricultural pests from Hawaii.

But Mr. President, the spread of agricultural pests is not just a Hawaii problem, it is a national problem—and the cost of fighting the spread of pests should not fall disproportionately on Hawaii travelers.

If we examine regions of our country affected by introduced pests, the State of Hawaii has suffered more than any other region. Because of introduced pests, Hawaii has lost more native plants and animals than any other State. No State has suffered more than Hawaii from the introduction of foreign pests.

Currently, we remain on constant guard against the introduction of brown tree snakes from Guam and rabies from the continental United States.

These threats are very real to our State, yet we do not advocate imposing user fees on people traveling from areas that contain these threats. And so, Mr. President, I ask that the people of Hawaii not be penalized when they travel to other States.

To conclude, the Animal Plant Health Inspection Service maintains a valuable national agriculture program. Pest infestation is a national problem. To single out Hawaii to bear a greater share of the cost of this Federal program is unfair to the people to Hawaii.

If this user fee is imposed, we will be the only State in which travelers must pay a special fee to visit other States. Mr. President, this violates the basic American principle of free and unrestricted travel for all citizens.

APHIS is charged with protecting our entire Nation, including Hawaii, from agricultural pests, and it is improper for Hawaii to bear a disproportionate share of the cost of this essential program.

I ask unanimous consent that a copy of our bill be printed in the RECORD.

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

S. 885

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

SECTION 1. COLLECTION OF FEES FOR AGRICULTURAL QUARANTINE AND INSPECTION SERVICES IN HAWAII AND PUERTO RICO.

(a) IN GENERAL.—Section 2509(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136a(a)) is amended by adding at the end the following new paragraph:

"(5) NO COLLECTION OF FEES IN HAWAII OR PUERTO RICO.—Notwithstanding paragraph (1), section 9701 of title 31, United States Code, or any other provision of law, the Secretary may not prescribe or collect fees to cover the costs of providing services referred to in paragraph (1) at a site within the State of Hawaii or the Commonwealth of Puerto Rico.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if enacted on November 28, 1990.

Mr. INOUYE. Mr. President, I rise to introduce a bill to amend the Food, Agriculture, Conservation, and Trade Act of 1990 to prohibit the Secretary of Agriculture from prescribing or collecting fees to cover the cost of providing certain agricultural quarantine and inspection services at a site within the State of Hawaii or the Commonwealth of Puerto Rico.

This matter arose when the U.S. Department of Agriculture, Animal and Plant Health Inspection Service [APHIS] proposed rules to implement user fees for agricultural quarantine and inspection services performed in Hawaii and Puerto Rico.

I introduce this bill to prohibit domestic user fees for three main reasons. First, I believe that the user fees applied in this situation are inequitable. Those who incur the cost of the user fees are not those who benefit directly. In my opinion, the major beneficiaries of the agricultural quarantine and inspection service are agricultural producers in the continental United States and ultimately the consumers of wholesome and safe foods produced by this sector of the economy. Thus, the proposed rule creates an unfair situation whereby a relatively small segment of the population traveling from Hawaii and Puerto Rico to locations within the continental United States are faced with paying the cost, but not directly reaping the benefits. This, I contend, does not satisfy the definition of a user fee.

Second, I believe that implementing domestic user fees ignores the real problem, and as such, misses the mark by a wide margin. The problem, as I perceive it, is the protection of U.S. agriculture from pests and diseases that renders food production difficult and increases the cost of such production. The user fee concept, as proposed, is at best a short term fix to a serious problem. It would seem to me more logical to view Hawaii and Puerto Rico as important buffer zones for agricultural pests and increase inspection services for arrivals into these areas rather than concentrating solely on departures from these areas. Moreover, should this occur, I would continue to argue that the benefits of such practices accrue widely to the entire American public and should not be approached through a user fee scheme applied to passengers in transit.

Third, and probably most important, I believe that APHIS is exceeding its legislative authority by imposing domestic user fees for agricultural quarantine and inspection services. The Congress has not provided APHIS the authority for domestic user fees. While the Food, Agriculture, Conservation, and Trade Act of 1990 as amended provided authority for user fees for international passengers, APHIS has relied on 31 U.S.C. 9710—the user fee statute—as authorization for imposing domestic user fees. While this statute does offer some provisions for user fees of the type being considered, there is ample evidence that domestic user fees used in this context would be overinclusive because it assesses passengers who derive no specific benefit from the inspection service. This point is well documented by the Congressional Research Service's reply to Delegate FUSTER from Puerto Rico. I have attached, as a part of my statement, a copy of the memorandum from the Congressional Research Service to Delegate FUSTER, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

I believe it pertinent to note that in the rules proposed by APHIS, the agency notes that it is their intention to implement user fees only in situations in which airlines and other ticketing agents or transport companies are already collecting or prepared to collect fees. The airlines have made it abundantly clear that they are not setup to collect user fees from domestic passengers. Thus, ASPHIS contradicts statements within its proposed rules.

In order to allow the Congress an opportunity to specifically consider the issue of domestic user fees, I introduced conference report language in the dire emergency supplemental appropriations bill (Report 102-29) requesting that APHIS not implement domestic user fees until the Congress has considered them. This language incorporated in the conference report stated, "the conferees are concerned with implementing domestic user fees without specific approval of the Congress. Accordingly, the conferees expect the Animal and Plant Health Inspection Service not to include domestic user fees until the Congress has considered them." In all candor, I was shocked and dismayed that APHIS chose to ignore Congress' mandate.

Domestic user fees for agricultural quarantine and inspection services, as proposed by APHIS, are ill-conceived. They are inequitable, do not address the real issues, and have not been authorized by Congress. I urge my colleagues to support this bill to prohibit their implementation.

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

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, March 26, 1991.

To: Honorable Jaime B. Fuster. (Attention Gary Martin)

From: American Law Division.

Subject: Department of Agriculture authority to impose a user fee on passengers flying into the United States from Puerto Rico for agriculture quarantine inspection services.

This is in response to your request for an analysis of whether the Department of Agriculture (USDA) possesses statutory authority to impose a user fee on commercial airline passengers traveling from Puerto Rico to other parts of the United States to cover the cost of agricultural quarantine inspection services provided by the agency. After analysis of the department's proposal, the statute under which the department asserts authority, and the relevant case law it appears that the department possesses such authority because the charge is properly characterized as a "fee" which is authorized by the Independent Offices Appropriations Act. However, the department's fee appears to be overinclusive in that it would be assessed against passengers who arguably derive no "special" benefit from the inspection services.

THE DEPARTMENT'S PROPOSALS

On February 27, 1991, the USDA issued a notice of proposed rulemaking in which it proposed the imposition of a "user fee" to be charged to all commercial airline passengers "departing from Hawaii and Puerto Rico enroute to any portion of the United States" to cover the costs of agricultural quarantine inspection services provided by the department.[1] Under the department's proposal, passengers would be charged a two dollar fee for each departure from Hawaii or Puerto Rico into the United States which would be col-

Footnotes at end of article.

lected by persons issuing tickets or other documents of travel.[2] The fee would be collected upon the issuance of tickets or travel documents indicating travel from Hawaii or Puerto Rico to other states or territories within the United States.[3] Once collected the ticket issuer would be required to remit the user fees to the USDA on a quarterly basis "no later than 31 days after the close of the calendar quarter in which the fees were collected."

Exempted from payment of the fee would be crew members on duty on the aircraft; foreign diplomats; passengers on aircraft used exclusively in the service of the United States government or foreign governments; and persons subject to inspection under part 330 of the department's regulations.

DEPARTMENTAL AUTHORITY TO IMPOSE THE "USER FEE"

In proposing the user fee, the department asserts general authority under the Independent Offices Appropriations Act (IOAA) which authorizes Federal agencies to "prescribe regulations establishing the charge for a service or thing of value provided by the agency."[4] Although the statute is fairly ambiguous as to what types of "charges" are authorized, the Supreme Court has interpreted that act's authorization as limited to the assessment of "fees" by Federal agencies as opposed to the imposition of "taxes" to cover the cost of the service.[5] Consequently, USDA authority under the act to assess the charge is dependent upon whether the assessment is properly characterized as a "fee" or whether it is actually a "tax".

Some guidance was given by the Supreme Court in distinguishing between a "fee" and a "tax" in *National Cable Television Association* (NCTA)[6]. In *NCTA*, an association of cable television operators challenged a $.30 per subscriber fee assessed by the Federal Communications Commission (FCC), under authority of the IOAA, to cover the costs of regulating the industry. The association argued that the Commission's "fee" was actually a "tax" in that the assessment was not proportional to the amount of regulatory work performed specifically on behalf of the industry. In invalidating the charge, the court sought to distinguish between a "fee" and a "tax", the latter for which it concluded was unauthorized by the statute. A "tax", according to the Court, may be imposed with "disregard [to the] benefits bestowed on a [particular] taxpayer" and may be levied "solely on ability to pay, based on property or income." Conversely, a "fee" is assessed "incident to a voluntary act" of the individual required to pay it and is charged in exchange for a "benefit" bestowed on the individual "not shared by other members of society".[7] Thus, the Court has defined a fee as a charge payable only by an "identifiable beneficiary" in exchange for a "special benefit" bestowed upon the beneficiary, as opposed to a benefit which inures to the public at large.

In reaching its conclusion that the FCC's fee assessment was improper in *NCTA*, the Court acknowledged the fact that government regulation would inevitably serve some public benefit.[8] As a result, lower courts applying the Court's reasoning have attempted to determine when a benefit is sufficiently private (*i.e.*, bestowed on the individual payee) to sustain an agency's charge as a "fee", notwithstanding the existence of some benefit to the public. For example, in *Electronic Industries Association* v. *FCC*[9], petitioners challenged the validity under the IOAA, of the FCC's fee assessment for tariff filing and equipment type approval services, arguing that the agency was precluded from assessing any charge because of the benefit conferred on the general public from these services. The court rejected this argument, holding that the agency was "not prohibited from charging for the cost of services rendered... which also result in some incidental public benefits."[10] On the other hand, the court concluded that the FCC's fee assessment could not include amounts to cover expenses incurred to serve some "independent" public interest.[11]

To illustrate the difference between an "incidental" and "independent" benefit, the court noted that while the FCC could permissibly assess a fee for equipment testing and inspection services to assure that the equipment had no potential for creating harmful interference, it could not include in its fees charges to cover the costs of additional activities to ensure that the equipment met consumer safety standards. As the court explains, the FCC's equipment testing services were required to assist the manufacturer in complying with obligations imposed by the statute administered by the agency.[12] As such, a specific benefit was conferred on the manufacturer (*i.e.*, assistance with statutory compliance) with only an "incidental" benefit conferred upon the general public. On the other hand, since the agency is not similarly required to assist the manufacturer with consumer safety law compliance, such service, as rendered by the FCC, would confer an "independent" public benefit.

The distinction between an "incidental" versus an "independent" public benefit was further examined in *Central & Southern Motor Freight Tariff Association* v. *U.S.*[13], where the court upheld the imposition of fees by the Interstate Commerce Commission (ICC) for the processing and approval of rate association agreements, rate increase requests and tariffs. There, petitioner argued that a substantial portion of the costs of these services should be borne by the public because of the existence of an "independent" public benefit derived from the agency's services. In rejecting this argument, the court conculded that benefits which are conferred to the public are not independent if they are "the necessary consequence of the agency's provision of the relevant private benefits."[14]

Applying the principles set out above, it appears that the USDA's proposal is properly characterized as a "fee" and thus authorized by the Independent Offices Appropriations Act, as the statute has been interpreted by the courts. The USDA proposes to impose the fee on commercial airline passengers arriving from Puerto Rico into other States and territories of the United States to cover the costs of agricultural quarantine inspection services provided by the agency. Similar to the plaintiffs in *Electronic Industries Association* and *Century & Southern Motor Freight Tariff Association*, passengers traveling from Puerto Rico are subject to certain statutory obligations respecting the transportation of plants throughout the United States. Section 103 of the Federal Plant Pest Act prohibits persons from: knowingly mov[ing] any plant pest from a foreign country into or through the United States, or interstate . . . unless such movement is authorized by the Secretary [of Agriculture].[15]

In addition, section 8 of the Plant Quarantine Act prohibits any person from: . . . carry[ing] or transporting from any quarantined [s]tate or Territory . . . of the United States . . . into or through any other [s]tate or Territory any class of nursery stock, or any class of plants, fruits, vegetables, roots, bulbs, seeds, or other plant products . . . or other article of any character whatsoever, capable of carrying any dangerous plant disease or insect infestation.[16]

To the extent that passengers traveling from Puerto Rico are governed by the prohibitions specified under these provisions, the USDA's quarantine inspection service could be said to "benefit" such passengers by providing them assistance in fulfilling their statutory obligations. Moreover, the benefit conferred to the public as a result of the service (i.e., the protection of the United States agriculture) would probably be characterized by the courts as "incidental" since such protection would be a "natural consequence" of an efficient quarantine inspection program.[17] Because the public benefit is apparently "incidental" rather than "independent", the USDA could properly pass on the entire costs of the service to the passengers and would not be required to allocate the costs between public and private beneficiaries.[18]

Moreover, given the fact that some passengers will be carrying items possibly proscribed by the statutes, such passengers are "identifiable beneficiaries" and could permissibly be assessed the fee.

However, the argument remains that the fee as proposed by the department is overinclusive in that it would assess a fee to all passengers traveling from Puerto Rico rather than charging only those "identifiable beneficiaries" of the quarantine inspection service (i.e., passengers carrying plants). Similar to the companies in Federal Power Commission that did not take advantage of the Commission's regulatory scheme during a given year, passengers who are not carrying items which are contemplated by the statutes receive no benefit from the inspection service because there is no possibility that they will not fulfill their statutory obligations. Such passengers therefore arguably should not be required to pay the charge.[19] However it should be noted that the charge would probably pass muster under the standards set out by the courts if it were limited to those passengers carrying plants, the exportation of which could be prohibited by the Plant Pest and Plant Quarantine Acts.

CONCLUSION

To summarize, the Independent Offices Appropriations Act—the statute under which the USDA asserts authority—has been interpreted by the Supreme Court to authorize Federal agencies to charge "fees" in exchange for services provided and not "taxes". An agency's charge has been characterized as a "fee" when it is assessed only against "identifiable beneficiaries" of a "special service" provided by the agency. The Court has limited the definition of an "identifiable beneficiary" to those entities who take advantage of the agencies services. Moreover, in recognition of the fact that all government services confer some benefit to the public, lower courts have characterized an agency's charge as a "fee" where the benefit to the public is "incidental" to the private benefit.

The USDA's proposal to assess a user fee against all commercial airline passengers arriving from Puerto Rico appears to be a "fee" as the term has been defined by the Supreme Court and lower Federal courts. Those passengers transporting plants from Puerto Rico are "identifiable beneficiaries" of the service and derive a "special benefit" from the inspections in that they assist these passengers in complying with Federal plant and pest quarantine laws. However, the proposal is arguably overinclusive in that it

would apply to all passengers rather than to those exporting plants from Puerto Rico.

KEVIN B. GREELY,
Legislative Attorney,
American Law Division.

FOOTNOTES

[1] *See* 56 Fed. Reg. 8148 (February 27, 1991).

[2] "Persons issuing tickets" would include the commercial airlines as well as independent travel agents, tour wholesalers or any other entity which issues its own non-carrier related ticket or document for transportation. 56 Fed. Reg. at 8158.

[3] Where the ticket issuer fails to collect the fee at the time of issuance, the airline carrier would be required to collect the fee upon departure. *See* 56 Fed. Reg. at 8158.

[4] 31 U.S.C. §7901. Charges imposed under the act are to be based on the costs to the government incident to providing the service; the value of the service or thing to the recipient; public policy or other interest served; and other relevant factors. The department correctly notes that proposed fees on domestic airline passengers are not authorized by the Food, Agriculture, Conservation and Trade Act of 1990 or the Omnibus Budget Reconciliation Act of 1990 and that authority to impose the fees would lie exclusively in the IOAA.

[5] *See National Cable Television Association v. United States*, 415 U.S. 336 (1974).

[6] *Id.*

[7] *See NCTA, supra*, at 340–41. The Court reemphasized its conclusion that charges are to be assessed only against identifiable beneficiaries of the government service in *Federal Power Commission v. New England Power Co.*, 415 U.S. 345 (1974), where it indicated that a company within the jurisdiction of the Federal Power Commission could not be required to pay a charge where the company did not take advantage of the Commission's regulatory scheme during the period covered by the fee.

[8] *NCTA* at 343 ("Certainly some of the costs inured to the benefits of the public, unless the entire regulatory scheme is a failure").

[9] 554 F.2d 1109 (D.C. Cir. 1976).

[10] *Id.* at 1115.

[11] *Id. See also, Mississippi Power & Light Co. v. NRC*, 601 F.2d 223 (5th Cir. 1979); *Phillips Petroleum Co. v. F.E.R.C.*, 786 F.2d 370 (10th Cir. 1986).

[12] Section 302 of the Communications Act of 1934, as amended authorizes the FCC to prescribe regulations governing the potential of devices to cause "harmful interference" to radio communications and prohibits the manufacture or sale of devices which fails to comply with the FCC's regulations. *See* 47 U.S.C. §302.

[13] 777 F.2d 722 (D.C. Cir. 1985).

[14] *Id.* at 732.

[15] *See* 7 U.S.C. §150bb. The term "interstate" is defined under the statute as movement "from one State, Territory, or district (including possessions and the District of Columbia) of the United States into or through any other such State, Territory, or District." 7 U.S.C. §150aa(f).

[16] *See* 7 U.S.C. §161. Puerto Rico has been designated as a quarantined territory regarding the transportation of the Imported Fire Ant; the Sugarcane diseases, gummosis diseases and leaf scald disease; and certain fruit flies and bean pod borers. *See* 7 C.F.R. §§301.81, 301.87 and 318.58 respectively.

[17] It is plausible that an argument can be made that the public benefit derived from the protection of United States agriculture is the "primary benefit" of the service and that this benefit so outweighs the benefits conferred on arriving airline passengers that those passengers should not be required to subsidize the service. Similarly, an argument can be made that the public benefit derived is "more than incidental" to the private benefit and that the costs should be appropriately allocated between public and private beneficiaries. While the latter argument has been raised in prior cases and rejected by the reviewing court, *see Century & Southern Motor Freight Tariff Association, supra*, at 731–32, some support for the former argument can be found in the legislative history of the IOAA. *See* S.Rep. No. 2120, 81st Cong., 2d Sess. 1 (1950) (Concluding that no charge should be imposed, under the act, for meat inspection and food and drug clearance services because of the predominant public nature of the benefits derived.)

[18] *See e.g., Century & Southern Motor Freight Tariff Association, supra, at 732.*

[19] Note that there is a counterargument to the conclusion that the charge is overinclusive. Assuming that plant pests are mobile and could possibly be transported in the clothing and other articles of a traveler, one could argue that the applicability of the charge to all passengers would be proper.

By Mr. JEFFORDS (for himself, Mr. SYMMS, Mr. DASCHLE, Mr. BUMPERS, Mr. CRAIG, and Mr. LEAHY):

S. 887. A bill to amend the Internal Revenue Code of 1986 to provide a special valuation of sensitive environmental areas for estate tax purposes, and for other purposes; to the Committee on Finance.

WETLANDS AND GREEN SPACE PRESERVATION ASSISTANCE ACT

• Mr. JEFFORDS. Mr. President, I would like to quote one of my constituents who said, "Either the developer is going to get you or the assessor is going to get you." This individual has lived on his farm for over 70 years. Wanting to retire from farming, however, he discovered what many Americans are discovering, that our current tax system makes it difficult for Americans to preserve green space.

Our current inheritance tax system encourages destruction of environmentally sensitive areas. When calculating inheritance taxes, property is typically assessed at its highest and best use. Often, this means that the land is assessed as developable land, not as land in its natural state. The beneficiaries may thus be forced to sell the land for development to pay the taxes.

The bill I am introducing today with my colleagues Senators SYMMS, DASCHLE, BUMPERS, CRAIG, and LEAHY is designed to remove some of the tax incentives which encourage destruction of environmentally sensitive areas. This bill is modeled after the family-farm exemption already codified in our Tax Code. This exemption is a special valuation which allows farm land to be assessed as agricultural land if the family continues farming the land for 10 years. If the family stops farming the land, then the estate taxes are recaptured.

In this bill, beneficiaries are granted a special valuation for environmentally sensitive lands, such as wetlands, if they agree to keep the lands in their natural state for at least 10 years. In this bill, green space is taxed as green space if the land remains as green space. The National Wildlife Federation has endorsed our efforts.

It is not our intent with this bill to discourage permanent preservation of land or donation of land to nonprofit conservation groups. What we hope to offer are two things. First, time. We hope to buy time. Beneficiaries often have not had time to think about the fate of any land they inherit. Faced with high tax bills, many may be forced to sell their land to developers just to get the estate settled. While the beneficiaries may not want to develop their land, they may also not want to choose permanent preservation without having time to think about possible options. Forever is a long time. I believe many people will choose the development option when forced to rapidly choose between development or permanent preservation.

My second goal is long-term preservation. I myself own woodlands in Vermont. When I originally bought this land, I thought of it as an investment. Having lived there for many years, however, I am now very attached to this land. I work hard to preserve it. Where once I might have sold this land, now I think more about preservation.

Often people inherit things that meant a great deal to the deceased, but little to them. I believe people feel the same way about land. When inherited, land is thought of as money. After all, that's how the IRS sees it. Once people spend time in their woods, or their fields, then an attachment grows. I believe some individuals will choose preservation rather than development once they have had time to enjoy the benefits of nature.

The key word in this legislation is choice. The bill would give people a choice. We, as representatives of our citizens, must make our policies consistent. Wetlands are important as are other environmentally sensitive areas. Our Tax Code must recognize this. I welcome the comments of my colleagues and others on this bill. I hope we can work together in this Congress to develop additional legislation which is both protective of the environment and economically sound.•

By Mr. MOYNIHAN (for himself, Mr. LUGAR, and Mr. GLENN):

S. 888. A bill to authorize funding for the carrying out of the functions of the United States in connection with the Great Lakes Fishery Commission; to the Committee on Foreign Relations.

VERNON C. APPLEGATE GREAT LAKES FISHERY COMMISSION ACT

• Mr. MOYNIHAN. Mr. President, I rise to introduce the Vernon C. Applegate Great Lakes Fishery Commission Act of 1991. When passed, this bill will provide increased funding for sea lamprey control in the Great Lakes and help protect a $4.5 billion fishery industry. The sea lamprey, a parasitic predator which attaches to trout and other fish, draining them of life, is reaching alarming proportions. The sea lamprey problem is an issue that I have followed for some time. I have worked almost yearly to increase or maintain adequate funding for this eradication program. The time has come again.

As many of my colleagues know, the Great Lakes Fishery Commission was established by convention between Canada and the United States in 1955 with the primary purpose of maintaining fishery resources in the Great Lakes. At the time the convention was signed, the Great Lakes fishery was suffering a serious challenge. The sea lamprey, a non-indigenous species to

the Great Lakes which found its way through the Erie Canal in the latter part of the nineteenth century, had virtually destroyed the lake trout fishery of the Great Lakes.

At that time, Dr. Vernon C. Applegate, a biologist with the U.S. Fish and Wildlife Service was placed in charge of the sea lamprey research program in the Great Lakes. He established the Hammond Bay Biological Station in Michigan to undertake sea lamprey research. Dr. Applegate, a native New Yorker from Fordham, accomplished as elegant a thing as I have ever heard. By studying the life cycle of the lamprey and testing over 6,000 different chemicals, Dr. Applegate discovered a lampricide that, when applied to stream banks, killed the lamprey while still in the larval stage.

Dr. Applegate died on March 12, 1980. For his extensive work on the life history of the sea lamprey in the Great Lakes he gained worldwide recognition and acclaim as a research scientist. Because of Dr. Applegate's contributions, the sport and commercial fisheries have increased tremendously in economic value. At a time when American know-how and ingenuity seem to be at an all time low, we are all well served in recognizing and remembering Dr. Applegate and his commitment to science.

Mr. President, Dr. Applegate's research provided us with the opportunity to control this parasitic predator. We were doing fine; the first blow was half the battle. But we have let up, and we are beginning to lose the war.

The case to be made for increased funding for the Great Lakes Fishery Commission is quite simple. The Great Lakes sportfishing industry generates an estimated $4.4 billion annually in economic activity in the Great Lakes region. Great Lakes angler expenditures returned $75 million in Federal tax revenue and $160 million in State tax revenue in 1988. Each adult lamprey can destroy up to 40 pounds of fish during its life. Sea lampreys currently destroy about as many lake trout as are harvested in commercial and sport fisheries combined. Inadequate lamprey control has in the past, and could once more devastate the sport fishery of the Great Lakes.

The Great Lakes Fishery Commission has sole responsibility for lamprey control on the Great Lakes. If we do not increase their current efforts to control the lamprey, the population of this nonindigenous parasitic pedator will likely double by the year 2000. This resurgence would result in a 50 percent reduction in trout, and an annual economic loss of $1.4 billion in angler expenditures.

Mr. President, some environmentalists in this country and in Canada would like to do away with the chemical lampricide developed by Dr. Applegate. The Great Lakes Fishery Commission has indicated a willingness to research an alternative. I say fine. If some of these additional monies are properly spent on alternatives to the costly, yet effective lampricide, I encourage this research, but not at the expense of the Great Lakes fishery.

I dare say, that if Dr. Applegate was still alive, he would encourage alternative practices to the extermination of the sea lamprey. But until we have such an alternative the only sure way to control the lamprey is with lampricide, and I encourage its use.●

By Mr. PELL (by request):

S. 889. A bill to amend the African Development Fund Act to authorize consent to and authorize appropriations for the U.S. contribution to the sixth replenishment of the resources of the African Development Fund, and for other purposes; to the Committee on Foreign Relations.

AFRICAN DEVELOPMENT FUND AUTHORIZATION ACT

● Mr. PELL. Mr. President, by request, I introduce for appropriate reference a bill to authorize consent to and authorize appropriations for the U.S. contribution to the sixth replenishment of the resources of the African Development Fund, and for other purposes.

This proposed legislation has been requested by the Department of the Treasury, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the general counsel of the Department of the Treasury to the President of the Senate, which was received on April 16, 1991.

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

S. 889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the African Development Fund Act, 22 U.S.C. 290g *et seq.*, is amended by adding at the end thereof the following new section:

"SEC. 216. (a) CONTRIBUTION AUTHORIZED.—The United States Governor of the Fund is authorized to contribute $405,000,000 to the sixth replenishment of the resources of the Fund, except that such authority shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

"(b) AUTHORIZATION OF APPROPRIATIONS.—In order to pay for the United States contribution provided for in this section, there are authorized to be appropriated, without fiscal year limitation, $405,000,000 for payment by the Secretary of the Treasury.".

DEPARTMENT OF THE TREASURY,
Washington, DC, March 10, 1991.

Hon. DAN QUAYLE,
President of the Senate,
U.S. Senate, Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill, "To amend the African Development Fund Act to authorize consent to and authorize appropriations for the United States contribution to the Sixth Replenishment of the resources of the African Development Fund, and for other purposes." The draft bill would authorize the Secretary of the Treasury to take the necessary actions for the United States to participate in the recently negotiated Sixth Replenishment of the Resources of the African Development Fund (ADF).

The ADF was established in 1973 to complement the operations of the African Development Bank by providing concessional financing to the poorest African countries. Concessional lending of the ADF concentrates on those countries having a 1989 per capita GNP of $510 or less. Fund membership includes 26 non-regional donor countries. The United States joined the Fund in 1976.

By the end of December 1990, the ADF had committed all the resources made available to it in the Fifth Replenishment. The Sixth Replenishment is intended to fund credits that will be committed during the period January 1, 1991, to January 1, 1994. The Sixth Replenishment will total 2.65 billion Fund Units of Account, approximately $3.4 billion at current exchange rates. This represents a 3.5 percent real increase in the lending program. The United States agreed to maintain its 11.8 percent share of this replenishment, having achieved all of its major policy objectives during the negotiations.

Throughout the ADF Sixth Replenishment negotiations, which began in May 1990, the United States worked for measures to ensure that ADF resources are used in the most effective and efficient manner. In this regard, the United States achieved its three major policy objectives:

The bulk of Fund resources will be allocated to countries that are providing the economic environment conducive to development and growth. This will be determined by whether a country has formally established an internationally supported adjustment program. (A country will also be considered a performer if it clearly has a good policy framework and, due to its good performance, does not need an economic adjustment program.) Those countries not pursuing sound economic policies will be restricted to a core program of operations that can be implemented successfully even in the face of adverse economic circumstances and policies. In practice, these programs will involve no more than 5 percent of total Fund resources.

New Board procedures to improve loan quality were agreed upon. These procedures will allow executive directors to refer a loan to the Loan Committee for up to 3 months for further review and strengthening, on the basis of stated technical or economic concerns.

The Fund's environmental emphasis and staff will be strengthened significantly. Increased emphasis will be placed on the protection of forests and the promotion of energy efficiency and conservation. Donors urged the Fund to put in place as soon as possible an effectively functioning system for ensuring the completion of environmental impact assessments for all projects that will have a significant effect on the environment. It was agreed that the Fund

would endeavor to meet this objective as soon as practicable, and if possible by December 1991, and that it would begin early consultations on this matter with other multinational development banks.

The draft bill authorizes the Secretary of the Treasury to agree on behalf of the United States to pay to the ADF $405 million for the Sixth Replenishment, and authorizes the appropriation of that amount, without fiscal year limitation, for payment by the Secretary of the Treasury.

It would be appreciated if you would lay the proposed bill before the Senate. An identical proposal has been transmitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection to the presentation of this proposed bill to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

JEANNE S. ARCHIBALD,
General Counsel.●

By Mr. KENNEDY (for himself, Mr. COCHRAN, Mr. METZENBAUM, Mr. DODD, Mr. SIMON, Mr. ADAMS, Mr. WELLSTONE, and Mr. DURENBERGER):

S. 890. A bill to reauthorize the Star Schools Program Assistance Act, and for other purposes; to the Committee on Labor and Human Resources.

STAR SCHOOLS REAUTHORIZATION ACT

Mr. KENNEDY. Mr. President, today I am introducing legislation to reauthorize the Star Schools Program Assistance Act. This legislation was first authorized in 1987. Since that time the Education Department has awarded grants to 8 multistate networks which provide live interactive instruction to students in every State. These networks have provided math, science, foreign language, and other courses to thousands of schools and tens of thousands of high school students and their teachers. More and more elementary school students are receiving Star Schools courses too. By linking together remote classrooms and the best teachers, Star Schools has turned one-room school houses from Forest, MS, to Tok, AK, into windows on the best instruction in the Nation. We have truly taken satellite technology used to create star wars and used it to create Star Schools.

The reauthorization legislation I am introducing today will build on the most important elements of the Star Schools Program—our focus on underserved elementary and secondary school students. At the same time, it will extend the reach of the technology to other groups, such as children in hospitals and other institutions. And after the school day ends, learning can continue through teaching the illiterate to read and immigrants to speak English. The capacity of this technology is virtually limitless. But much of it goes unused for hours each day, when students of all ages could benefit from it. This legislation will encourage educational networks across the country to use the technology to the maximum extent possible.

American students rank below students in other nations in international tests of math and science achievement. Studies show that they they have less access to these courses than students abroad, which helps explain their poor performance. But with increased access through Star Schools, and greater focus on these subjects through the national education goals, we can close this education gap and restore excellence to our schools.

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. 890

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

SECTION 1. STATEMENT OF PURPOSE.

Section 902 of the Star Schools Program Assistance Act (hereafter in this Act referred to as the "Act") (20 U.S.C. 4081) is amended by striking "vocational education" and inserting "literacy skills and vocational education and to serve underserved populations including the disadvantaged, illiterate, limited English proficient and disabled.

SEC. 2. PROGRAM AUTHORIZED.

Section 903 of the Act (20 U.S.C. 402) is amended—

(1) in subsection (a)—

(A) by inserting "(1)" before "The Secretary"; and

(B) by inserting at the end thereof the following new paragraphs:

"(2) The Secretary shall award grants pursuant to paragraph (1) for a period of 2 years.

"(3) Grants awarded pursuant to paragraph (1) may be renewed for additional 2-year periods in accordance with section 907.";

(2) in subsection (b)—

(A) in paragraph (1), by striking "$100,000,000 for the period beginning October 1, 1987, and ending September 30, 1992" and inserting "$50,000,000 for fiscal year 1992 and such sums as may be necessary for each of the fiscal years 1993, 1994, 1995, 1996, 1997, and 1998";

(B) by striking paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2);

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by striking "(1)(A)" and inserting "(1)"; and

(ii) by inserting "in any one fiscal year" after "$10,000,000"; and

(iii) by striking subparagraph (B); and

(B) in paragraph (2)—

(i) by inserting "(A)" after "(2)";

(ii) by inserting "to the Secretary" after "available"; and

(iii) by inserting at the end thereof the following new subparagraph:

"(B) Not less than 25 percent of the funds available to the Secretary in any fiscal year under this Act shall be used for telecommunications facilities and equipment.";

(4) in paragraph (1) of subsection (d), by striking "be" and inserting "not exceed"; and

(5) by inserting at the end thereof the following new subsection:

"(e) COORDINATION.—The Department of Education and any other Federal agency operating a star schools program shall coordinate the activities assisted under such programs."

SEC. 3. ELIGIBLE TELECOMMUNICATIONS PARTNERSHIPS.

Subparagraph (E) of section 904(a)(2) of the Act (20 U.S.C. 4083(a)(2)(E)) is amended—

(1) by amending clause (i) to read as follows:

"(i) a public or private entity with experience and expertise in the planning and operation of a telecommunications network, including entities involved in telecommunications through cable, telephone, or computer; and";

(2) by striking clause (ii); and

(3) by redesignating clause (iii) as clause (ii).

SEC. 4. APPLICATIONS.

Section 905 of the Act (20 U.S.C. 4084) is amended—

(1) in subsection (a)—

(A) by inserting "(1)" before "The Secretary"; and

(B) by inserting at the end thereof the following new paragraphs:

"(2) The Secretary shall permit applicants for funds under this Act and applicants for funds under the Classrooms of the Future Act to submit a single application for assistance.";

(2) in subsection (b)—

(A) in subparagraph (G) of paragraph (1), by—

(i) striking "elementary and secondary school teachers (particularly teachers in schools receiving assistance under chapter 1 of title I of the Elementary and Secondary Education Act of 1965) in" and inserting "instructors who will be"; and

(ii) inserting "in using such facilities and equipment, and in integrating programs into the class curriculum" after "sought";

(B) in paragraph (2)—

(i) by striking "describe,";

(ii) by inserting "describe" after "instructional programming,"; and

(iii) by inserting "and provide assurances that such programming will be designed in consultation with professionals who are experts in the applicable subject matter and grade level" after "training";

(C) in paragraph (3), by inserting "(in accordance with section 907)" after "languages,";

(D) in paragraph (4), by striking "teacher";

(E) in paragraph (6)—

(i) by striking "the facilities" and inserting "any facilities";

(ii) by striking "will be made available to" and inserting "for"; and

(iii) by inserting "will be made available to schools" after "schools";

(F) in paragraph (7)—

(i) by inserting "(including students who are disadvantaged, limited English proficient, disabled, or illiterate)" after "students"; and

(ii) in paragraph (7), by inserting "using existing telecommunications equipment, where available" before the semicolon;

(G) by striking "and" at the end of paragraph (8);

(H) by redesignating paragraph (9) as paragraph (11); and

(I) by inserting after paragraph (8) the following new paragraphs:

"(9) if the applicant is submitting an application pursuant to subsection (a)(2), describe how funds received pursuant to this Act will be coordinated with funds received under the Classrooms for the Future Act;";

(10) describe the activities or services for which assistance is sought, including activities and services such as—

"(A) making programs accessible to individuals with disabilities through mechanisms such as closed captioning, to the maximum extent feasible;

"(B) linking networks together, for example, around an issue of national importance such as elections;

"(C) sharing curriculum materials between networks;

"(D) providing teacher and student support services;

"(E) incorporating community resources such as libraries and museums into instructional programs; and

"(F) providing teacher training to early childhood development and Head Start teachers and staff.".

(3) in subsection (c)—

(A) in paragraph (1), by inserting "in the case of an applicant who has not previously received funds under this Act," after "(1)";

(B) in paragraph (3)—

(i) by striking "public and private" and inserting ", in the case of elementary and secondary schools, those";

(ii) striking "(particularly schools"; and

(iii) striking "1965)" and inserting "1965";

(C) by striking "and" at the end of paragraph (6);

(D) by redesignating paragraph (7) as paragraph (8);

(E) by inserting after paragraph (6) the following new paragraph:

"(7) a telecommunications company (such as a cable, telephone, computer, or public or private television network) will participate in the partnership and will donate in-kind equipment for telecommunications linkages; and"; and

(F) in paragraph (8) (as redesignated in subparagraph (D), by inserting "in the case of an applicant who has not previously received funds under this Act," before "the eligible".

SEC. 5. CONTINUING ELIGIBILITY.

The Act (20 U.S.C. 4081 et seq.) is amended—

(1) by redesignating section 907 as section 908; and

(2) by inserting after section 906 the following new section 907:

"CONTINUING ELIGIBILITY

"SEC. 907. (a) IN GENERAL.—In order to be eligible to renew a grant under section 903(a)(3) in any fiscal year, an eligible telecommunications partnership shall demonstrate in the application submitted pursuant to section 905 that such partnership will—

"(1) continue to provide services in the subject areas and geographic areas assisted with funds received under this Act in previous fiscal years; and

"(2) use all such grant funds to provide expanded services by—

"(A) increasing the number of students, schools or school districts served by the courses of instruction assisted under this Act in previous fiscal years;

"(B) providing new courses of instruction; or

"(C) serving new populations of underserved individuals, including children or adults who are disadvantaged, have limited English proficiency, are disabled, are illiterate, lack high school diplomas or their equivalent, individuals who are incarcerated or older individuals.

"(b) SPECIAL RULES.—

"(1) IN GENERAL.—Grant funds received pursuant to the application of subsection (a)—

"(A) shall be used to supplement and not supplant services provided by the recipient under this Act in previous fiscal years; and

"(B) may be used to provide programs for adults at times other than the school day in order to maximize the use of telecommunications facilities and equipment.

"(2) AMERICANS WITH DISABILITIES ACT.—Nothing in this Act shall be construed to reduce the rights and protections provided to individuals with disabilities under the Americans With Disabilities Act or the Individuals With Disabilities Education Act.".

Mr. SIMON. Mr. President, I am pleased to join the Senator from Massachusetts in sponsoring the Star Schools Program Assistance Act. Since 1987, this program has provided funds for distance learning, which opens doors that have been shut to students in many remote areas.

Technology usually makes our world smaller, but Star Schools makes the world bigger and brighter for students whose educational opportunity would otherwise be limited. Distance learning gives students access to important subjects—including foreign languages, math, and science—by using satellites to hook up remote schools to other schools and/or teachers. For example, Star Schools allows students in McComb, IL, to study Japanese and marine science.

Earlier this year, I had the opportunity to observe Star Schools technology firsthand by visiting with French classes in several Illinois towns simultaneously.

This legislation will allow us to increase the number of people who have access to Star Schools. It would become available to disabled and homebound children; illiterate adults; hospital-bound or institutionalized adults; limited English proficient individuals, including immigrants; the incarcerated; and the elderly.

Under this reauthorization proposal, Star Schools funds could also be used to make programs accessible to individuals with disabilities through closed-captioning, and to provide teacher training to Head Start and other early childhood development teachers.

Clearly, it is in the best interest of our students—and our Nation—to continue and to expand this innovative program.

• Mr. COCHRAN. Mr. President, I am pleased to join as an original cosponsor of legislation to extend the Star Schools Program. This program has brought state-of-the-art technology to many poor, rural school districts across the country. Through satellite and interactive communication technology, young people are afforded an opportunity to study subjects which were previously not available to them because of the lack of teachers to teach the subjects and the high cost of providing these classes to relatively small numbers of students. In Mississippi, Star Schools classes have given students in some of the Nation's poorest school districts an opportunity to study, and I might add, excel in such subjects as Japanese and very advanced mathematics.

The Star Schools Program is designed to improve instruction in underserved areas in math, science, foreign language, and other subjects such as vocational education, by working with a classroom teaching partner to provide top quality course instruction. Changes made by the Star Schools Assistance Act of 1991, do not change the focus of the program, but expand the program to reach more disadvantaged populations and to make better use of downtime when communications technologies are generally not in use by encouraging a broader range of instructional programming such as literacy skills and classes for homebound disabled students.

This reauthorization legislation maintains the current requirement that at least 50 percent of the funds must be used for programs in elementary and secondary schools serving children eligible for chapter 1 services. Each grantee must use at least 25 percent of the funds for programming and at least 25 percent for equipment and telecommunications facilities. Teacher training programs remain an integral component of the program.

An important change made by the Star School Assistance Act of 1991 will allow previously funded consortia to apply for additional years of funding provided that those grantees agree to expand services to more schools or a broader range of students. The Department of Education has completed two rounds of competitions, making a total of eight awards to consortia serving students in every region of the country. Rather than continue to make all new awards, it seems to make more sense to me to allow those that have already developed successful prototypes to expand their networks to offer more students an opportunity to enriching educational courses.

I am encouraged that the administration has requested funding for the Star Schools Program in fiscal year 1992 and am hopeful that funding levels will increase to match the tremendous need for math, science, foreign language, and other subjects in underserved areas.

The Star Schools Program has been a remarkable success in Mississippi, and I am pleased to join with Senator KENNEDY in introducing legislation which will not only extend the life of the program but strengthen it.•

By Mr. MACK (for himself, Mr. BREAUX, Mr. D'AMATO, Mr. STEVENS, Mr. BURNS, Mr. INOUYE, and Mr. KERRY):

S. 891. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit for qualified cancer screening tests; to the Committee on Finance.

CANCER SCREENING INCENTIVE ACT

Mr. MACK. Mr. President, I rise today to introduce along with Senator BREAUX, the Cancer Screening Incentive Act of 1991. Before I discuss the details, let me give you a little background about what motivated me to introduce this legislation.

In 1979, my younger brother Michael died of cancer at the age of 35. My brothers, Michael and Dennis, and I all were in college together, we were in high school together, we were in grade school together, we were fraternity brothers; we were very, very close. Michael was quite a scholar. He graduated No. 1 in his class at the University of Florida Law School with high honors. He was only 35 when he died.

In my own experience, just 2 years ago, I was diagnosed with a malignant melanoma. But because we caught it as early as we did, I am one of those individuals who can say with a great deal of conviction that early detection and prompt treatment saves lives.

The end result of having this kind of experience is the realization that if we would do something in this country which we have talked about for a long time, we could save even more lives. We must move toward preventive medicine. That is exactly what the Cancer Screening Incentive Act of 1991 does.

Our bill provides a tax incentive for all Americans, and particularly low-income and uninsured Americans, to take advantage of early detection procedures available, thereby saving lives and reducing the long-term private and Federal health care costs associated with treating cancer. The key element of this legislation is to provide a refundable tax credit of up to $250—depending upon income level—for each taxpayer, their spouse, and dependents. For taxpayers in the higher tax bracket, the credit would be up to $200 per eligible individual.

Certain qualifying procedures such as mammograms, Pap tests, and colon screening examinations have been identified. The Secretary of Health and Human Services, in consultation with cancer research and prevention organizations, would develop the guidelines by which taxpayers may utilize the cancer screening tax credit. This will include other qualifying procedures, as well as any appropriate age and frequency restrictions.

As you know, Mr. President, cancer knows no socioeconomic boundary. Studies show that low-income Americans are at a greater risk for developing cancer and dying from cancer than middle- and upper-income Americans. These individuals are also least likely to have health insurance which covers early detection tests. Under our bill, individuals whose household income is no more than 150 percent of the Federal poverty threshold would receive early detection exams at no cost to the patient. Medical providers would be eligible for tax credits at a reimbursement rate to be determined by the Health Care Financing Administration.

The need for Americans to take advantage of the medical technology to detect cancer at an early stage is irrefutable. For example, in the time it takes me to complete this statement, at least one American will die from complications associated with cancer. Just last year, we were told that 1 in every 10 women will develop breast cancer at some time in her life. This year, that number has increased to one in nine.

This year, approximately 1.1 million people will be diagnosed with cancer. Of these, 73,000 will come from my home State of Florida. As a matter of fact, Florida has the third highest rate of new cancer cases in the United States. It is also a grim fact that Florida has the third highest rate of death from cancer of all States and U.S. territories.

Mr. President, we are making significant progress. At the beginning of this century, few cancer patients had any hope of survival. In the 1930's, less than one in five Americans were alive 5 years after treatment. Today, 440,000, or about 40 percent of all patients who get cancer this year will be alive 5 years after diagnosis. Even more significantly, the American Cancer Society estimates that 79,600 lives could be saved through early detection and prompt treatment.

Mr. President, this bill recognizes that early detection is the key to saving lives. In saving lives, it will also save the catastrophic costs to individuals and families associated with treatment of cancer. On an individual basis, the few dollars spent on prevention will save the thousands required to treat cancer in later stages. It is indeed tragic when any life is lost, but it is even more tragic when the death could have been prevented.

This bill is not a panacea. It is not the definitive answer to address the wide-sweeping issues of cancer prevention. Research, education, early detection, and prompt treatment are the keys to saving lives. But, I believe this legislation tells Americans that Congress believes in the importance of preventive health care and that we want to encourage them to take health care into their own hands.

In my travels around the State of Florida, where I have sought out oncology centers, research centers, public and private hospitals, teaching hospitals—all different facets of health care—I have learned some very interesting statistics.

But probably the most moving fact I learned was when I met with a group of volunteers from the Florida division of the American Cancer Society. They told me something which I thought was rather astounding. We could increase the cure rate for cancer in this country from 50 percent, where it is today, to 75 percent without one single additional technological breakthrough.

That is, we do not need a more powerful linear accelerator; we do not need to have some massive breakthrough in gene transplants or changes in DNA. All we really need to do is make the people of our Nation aware of the fact that there are early detection procedures that are available to them today, and get them to take advantage of them.

The American Cancer Society estimates that through early detection and prompt treatment, we could save almost 80,000 lives each year. Think about that: almost 80,000 lives per year without one single additional technological breakthrough.

So again, the purpose of this legislation, the bottom line, is to save lives. We believe the way to do this is to provide a tax credit that will encourage all Americans to take advantage of the early detection procedures that already exist out there.

Mr. President, early detection is the heart of this legislation. By providing a tax incentive for Americans to take advantage of early detection procedures, tens of thousands of lives can be saved each year. The American Cancer Society supports this legislation as "a new and promising approach to making cancer early detection tests more available to all Americans * * *"

I must say again, from my own experience, I know that we will save lives, and we will also save a great deal of pain and suffering on the part of our friends, families, and loved ones.

Congress has long advocated early detection and preventive medicine. It's time to quit talking and do something about it.

Mr. President, I send to the desk a copy of the bill and ask unanimous consent that the bill, along with a letter from Dr. Gerald M. Dodd, president of the American Cancer Society, be printed in the RECORD.

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

S. 891

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 "Cancer Screening Incentive Act of 1991".

SEC. 2. FINDINGS.

The Congress finds:

(1) Studies have shown that early detection and screening for cancer can reduce cancer morbidity by as much as 50 percent for certain types of cancer.

(2) Of the 1.1 million Americans diagnosed with cancer in 1991, the American Cancer Society estimates that 79,600 deaths could be

avoided through early detection and prompt treatment. This includes 26,000 deaths from breast cancer, 51,000 deaths from colo-rectal cancer, and 2,600 deaths from cervical cancer.

(3) Physicians report that concern about the costs of early detection procedures is one of the main reasons for hesitating to order such procedures.

(4) Many low-income Americans lack comprehensive health insurance coverage and the majority of existing health insurance policies do not adequately cover the costs of cancer early detection and screening procedures.

(5) Socioeconomically disadvantaged Americans are disproportionately affected by cancer in terms of incidence and mortality.

(6) Demographic forecasts predict that the elderly population will double by the year 2020. Since cancer mortality and incidence rates rise dramatically with age, cancer prevention in the elderly population will become increasingly important.

SEC. 3. CANCER SCREENING CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. CANCER SCREENING TEST CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year expenditures paid or incurred during the taxable year for any qualified cancer screening test which is included in the list under subsection (c) and which is not compensated by insurance or otherwise, as follows:

"(1) ELIGIBLE INDIVIDUAL.—In the case of an eligible individual, the amount of the credit allowable under this subsection shall not exceed—

"(A) $250, or

"(B) $200 in the case of a taxpayer with taxable income for the taxable year in excess of the maximum rate of taxable income to which the 15-percent rate applies under the applicable table under section 1.

"(2) QUALIFIED CANCER SCREENING PROVIDER.—In the case of a qualified cancer screening provider, the amount of the credit allowable under this subsection shall be an amount equal to the product of—

"(A) the lower of—

"(i) the usual and customary charges for qualified cancer screening tests, or

"(ii) the rate of payment established by the Health Care Financing Administration for qualified cancer screening tests,

multiplied by—

"(B) the number of qualified cancer screening tests provided without charge during the taxable year to qualifying low-income individuals.

"(b) DEFINITIONS.—For purposes of subsection (a)—

"(1) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual who is—

"(A) the taxpayer,

"(B) the taxpayer's spouse, or

"(C) any individual for whom the taxpayer is allowed an exemption under section 151.

"(2) QUALIFIED CANCER SCREENING PROVIDER.—The term 'qualified cancer screening provider' means a medical practitioner, facility, hospital, laboratory, or similar institution licensed under State law to provide 1 or more qualified cancer screening tests.

"(3) QUALIFYING LOW-INCOME INDIVIDUAL.—The term 'qualifying low-income individual' means an individual—

"(A) whose income level does not exceed 150 percent of the official poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved, and

"(B) with respect to whom identifying information is maintained.

"(c) QUALIFIED CANCER SCREENING TESTS.—

"(1) IN GENERAL.—For purposes of this section, the Secretary, after consultation with the Secretary of Health and Human Services and cancer research and prevention organizations, shall publish, not later than December 31, 1991, and annually thereafter, a list of cancer screening tests which qualify for the credit allowable under this section.

"(2) CANCER SCREENING TESTS.—The list of cancer screening tests which qualify under this section shall include at least the following tests:

"(A) Physical breast examination and mammogram for female breast cancer.

"(B) Digital rectal examination, proctosigmoidoscopy, and blood stool test for colon and rectum cancer.

"(C) Rectal examination for prostate cancer.

"(D) Pap test for uterine cancer.

"(E) Pelvic examination for ovarian cancer.

"(d) IDENTIFYING INFORMATION.—No credit shall be allowed under this section unless the qualified cancer screening provider maintains, to the satisfaction of the Secretary, adequate records regarding the name and address, date of testing, and type of test provided with respect to each qualifying low-income individual with respect to whom a credit is claimed."

(b) COORDINATION WITH DEDUCTIONS FOR MEDICAL EXPENSES.—Section 213(f) of such Code (relating to coordination with health insurance credit under section 32) is amended—

(1) by inserting "and the amount (if any) of the cancer screening test credit allowable to the taxpayer for the taxable year under section 35(a)(1)" before the end period; and

(2) by inserting "AND CANCER SCREENING TEST CREDIT UNDER SECTION 35" in the heading after "SECTION 32".

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 35 and inserting:

"Sec. 35. Cancer screening test credit.

"Sec. 36. Overpayments of tax."

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

AMERICAN CANCER SOCIETY,
Washington, DC, April 11, 1991.

Hon. CONNIE MACK,
Hon. JOHN BREAUX,
U.S. Senate, Washington, DC.

DEAR SENATORS MACK AND BREAUX: On behalf of the American Cancer Society, I want to commend you for your commitment, initiative and leadership in efforts to address the problem of access to known, effective cancer screening modalities by all Americans, including the socioeconomically disadvantaged. In the "Cancer Screening Incentive Act of 1991" you have created a new and promising approach to making cancer early detection tests more available to all Americans through tax incentives for those who are able to take advantage of them, as well as to health care providers to make available screening tests to those Americans who do not have the resources for the initial outlays required. For these reasons, the American Cancer Society supports your legislation.

Major advances in diagnosis and treatment of cancer have led to improved survival rates from most cancers over the past two decades. Yet, the American Cancer Society estimates that of the 1,100,000 people diagnosed with cancer in 1991, 79,600 deaths could be avoided through early detection and prompt treatment—51,000 from colonrectal cancer, 26,000 from breast cancer and 2,600 from cervical cancer. Your legislation would improve access to tests that would prevent many of these deaths in the future.

Importantly, socioeconomically disadvantaged Americans have higher incidence rates of cancer because of lifestyle and other factors. It is disturbing to note that nearly 39 million Americans now living below the poverty level have a relative cancer survival rate of 10 to 15 percent below the average American. In general, we expect 50 percent of cancer patients to survive their disease. But poor Americans—23 million whites, 9.6 million Blacks, 5.1 million Hispanics and 1.8 million people of other races—are much more vulnerable and more likely to die, in part because they cannot afford to access the health care system.

Establishing a tax credit for individuals and health care providers to help offset the costs of cancer screening examinations will provide a real opportunity to improve access to such tests for millions of Americans that could not otherwise afford them. As you are aware, the American Cancer Society is committed to providing cancer care access for all Americans, and we believe that the "Cancer Screening Incentive Act of 1991" provides an interesting new approach to this problem.

We commend your efforts, and look forward to working with you on this legislation. If you or your staff have any questions or require our assistance, please contact John H. Madigan, Jr. or Kerrie B. Wilson of our National Public Affairs office at (202) 546-4011.

Sincerely,

GERALD D. DODD, M.D.,
President.

•Mr. BREAUX. Mr President, I rise today to join my friend and colleague, Senator MACK in introducing the Cancer Screening Incentive Act of 1990.

This legislation has two essential provisions. The first would give a refundable tax credit of up to $250 to taxpayers and their dependents who undergo certain cancer screening and early detection procedures. We hope to encourage many Americans who are at risk of certain kinds of preventable and treatable cancers to go to their doctors and have tests done.

The second part of the bill would make a small credit available to health care providers for the costs they incur in providing screening services to low-income individuals. We have included this new provision so that very low income Americans can also benefit from what we are trying to do. The very poor are not likely to be able to afford the up front costs of screenings, so would not be likely to qualify for the credit. The services would be free to the individual and the amount of the credit for health care providers would be determined by the Department of

Health and Human Services, based on what Medicare pays for similar services.

The American Cancer Society estimates that of all the people who will be diagnosed with cancer in the United States in 1991, something like 100,000 more would survive if their cancers had been detected in a localized stage and treated promptly. Currently, due to the high expense of certain routine screeing procedures, and the lack of insurance that covers the costs of early detection procedures, many Americans do not follow the guidelines suggested by the American Cancer Society and the National Cancer Institute.

In addition to saving tens of thousands of lives, proper cancer screening and treatment procedures would generate long-term savings to the Federal Government's health care programs and to private payors of the costs of health care.

In Louisiana this year an estimated 9,000 people will die from cancer and 19,100 cases will be reported. Many of those who might otherwise die could be saved by undergoing some simple early detection tests as part of routine visits to their doctor's office. We hope to encourage people who do not have insurance coverage or otherwise could not afford to pay for screening to go in for testing.

I would like also to commend Senator MACK for his good work on this issue. I know it is a very personal and deeply felt concern of his.●

● Mr. D'AMATO. Mr. President, I rise today to join my colleagues, Senators MACK and BREAUX, in introducing the Cancer Screening Incentive Act of 1991. This lifegiving legislation will make early cancer detection tests available to every American.

Despite recent advances in our war against cancer, this horrible disease remains the second leading cause of death in the United States. During the 1980's, cancer claimed the lives of over 4.5 million Americans. Of the 248 million Americans now living, approximately 76 million—or one in three—will eventually have cancer.

These figures underscore the vital importance of early cancer detection and treatment. Procedures such as mammography, the Pap test, and fecal occult blood tests make it possible to identify and treat cancers before they spread. The American Cancer Society estimates that, through expanded early detection and treatment, 79,600 cancer deaths could be avoided in 1991 alone.

Unfortunately, far too few Americans receive appropriate early cancer detection tests. In 1987, only 25 percent of women over 50 reported having a mammogram within the preceding 2 years. The Public Health Service, in its Healthy People 2000 Report, urges increased use of mammogram screening so that at least 60 percent of women over 50 receive such tests every 2 years by the year 2000. In addition, the Public Health Service has targeted a 13-percent increase in the use of Pap tests, and an 85-percent increase in fecal occult blood testing by the year 2000.

The Cancer Screening Incentive Act of 1991 will help us reach these goals by offering a refundable tax credit of up to $250 against the costs of certain cancer screening procedures. For those who fall outside the 15 percent marginal tax rate, our bill provides a credit of up to $200. Our bill will also increase access to cancer screening among low-income Americans by ensuring that individuals whose family income is below 150 percent of the poverty level receive cancer screening procedures at no cost. Medical providers who offer tests to these individuals would be eligible for a modest tax credit at a rate to be determined by the Health Care Financing Administration.

No American should be denied access to early cancer screening procedures simply due to their cost, or because of the lack of adequate health insurance. The enactment of the Cancer Screening Incentive Act of 1991 will remove, for all Americans, the barriers to these lifesaving procedures.

I encourage my colleagues to join in support of this important legislation, and I urge its immediate passage.●

By Mr. METZENBAUM:

S. 892. A bill to amend title 15, United States Code, to authorize the Consumer Product Safety Commission to regulate the risk of injury associated with firearms; to the Committee on Commerce, Science, and Transportation.

GUN SAFETY ACT

Mr. METZENBAUM. Mr. President, I rise today to introduce legislation that will provide protection to persons who use firearms. We all know that a firearm is a deadly weapon, and as such is inherently dangerous. But like any consumer product, it is possible to make firearms in such a way so that the risk of injury to the person using the gun is diminished.

That is what we currently do with other consumer products. Why not guns? Do persons who purchase firearms for lawful purposes not deserve the same degree of protection as purchasers of other consumer products? If pharmaceutical companies, toy manufacturers, and other producers of household goods are able to protect consumers from accidental injury, why shouldn't gun manufacturers do the same?

I have long been concerned with the large number of people killed or injured in accidental shootings. Some time ago I asked the General Accounting Office to undertake a study of accidental firearms deaths and injuries. They have recently concluded that study.

The GAO found that in 1988 over 1,500 people were killed by accidental discharges of firearms; 277 of these were children. For every death from an accidental shooting, GAO found that there are 105 injuries. That means if 1,500 people are killed each year from accidental shootings, another 150,000 people are injured from accidental discharges from firearms.

I asked GAO to look at how these accidental shootings might be prevented by the addition of certain safety devices to firearms. GAO reports that 31 percent of the deaths from accidental shootings that they looked at could have been prevented by the addition of two safety devices. In 8 percent of the shootings, guns were fired by children under age 6. These tragic deaths could have been prevented if the guns had been equipped with a childproof safety device. For years we have done that with aspirin bottles. Why not guns?

In 23 percent of the shootings, GAO found that the gun was fired by a person who mistakenly believed it was unloaded. This could have been prevented if the gun was equipped with a loading indicator, that would clearly indicate if there are bullets in the gun.

GAO tells us that, of the over 1,500 deaths and over 150,000 injuries from accidental shootings each year, nearly one-third could be prevented by the addition of two safety devices. So why aren't gun manufacturers required to include these safety devices on their products? The simple answer is that the Federal agency with the responsibility for product safety, the Consumer Product Safety Commission, has no authority to regulate the safety of firearms. In fact, firearms are specifically excluded from the definition of consumer product, under the Consumer Product Safety Act. No other Federal agency is charged with monitoring firearm safety.

I believe that gunowners and their families are entitled to the same protection as consumers of any other product. The legislation I introduce today would simply do that. It would include firearms in the definition of consumer product, and give the Consumer Product Safety Commission the authority to regulate the risk of injury associated with firearms. This bill is not an attempt to ban firearms, something I have been accused of in the past. The bill makes clear that the Consumer Product Safety Commission would not have the authority to ban firearms. Instead it would allow the Consumer Product Safety Commission to treat guns like other consumer products, and ensure that they are manufactured as safely as possible.

The Consumer Product Safety Commission has authority to regulate virtually all consumer products, most of which are far less dangerous than firearms. Cigarette lighters, for example, are regulated by the Consumer Product

Safety Commission, and I'm sure that's a good thing. But certainly the risk of injury is clearly greater from accidentally firing a gun, than from lighting a cigarette lighter. Why regulate the risks associated with cigarette lighters, but not with guns?

As the GAO has found, the number of accidental deaths and injuries from guns is both alarming and unnecessary. This risk can be greatly reduced if we place the same emphasis on the safety of guns as we do on any other consumer product. I ask that the entire report by the GAO be placed in the RECORD.

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

[U.S. General Accounting Office, Report to the Chairman, Subcommittee on Antitrust, Monopolies, and Business Rights, Committee on the Judiciary, U.S. Senate, March 1991]

ACCIDENTAL SHOOTINGS: MANY DEATHS AND INJURIES CAUSED BY FIREARMS COULD BE PREVENTED

GENERAL ACCOUNTING OFFICE,
Washington, DC, March 19, 1991.

Hon. HOWARD METZENBAUM,
Chairman, Subcommittee on Antitrust, Monopolies, and Business Rights, Committee on the Judiciary, U.S. Senate.

DEAR MR. CHAIRMAN: At your request, we examined the extent to which certain safety devices could prevent firearms-related deaths. Specifically, we examined the proportion of accidental deaths that might have been averted by two technological modifications to firearms: a child-proof safety device that automatically engages and a device that indicates whether a gun is loaded. We also looked at injuries caused by accidental firearm discharges, for which we developed new information.

This report presents the findings of our research, which shows that the two safety devices could potentially save many lives and would undoubtedly also prevent many injuries. We also present information on the likely number of individuals injured in accidental shootings and discuss a range of alternatives for dealing with this public health problem.

As we arranged with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from its date. At that time, copies of the report will be sent to the Chairman of the Consumer Product Safety Commission, and we will make copies available to others upon request.

If you have any questions or would like additional information, please call me at (202) 275-1854 or Robert York, Acting Director of Program Evaluation in Human Services Areas, at (202) 275-5885. Other major contributors to this report are listed in appendix IV.

Sincerely yours,

ELEANOR CHELIMSKI,
Assistant Comptroller General.

EXECUTIVE SUMMARY

Purpose

In 1988, some 1,501 people were killed in the United States by accidental discharges of firearms, and many more were injured. Among those killed were 277 children under age 15.

Concerned about these accidental shootings, the Chairman of the Subcommittee on Antitrust, Monopolies, and Business Rights of the Senate Committee on the Judiciary asked GAO to examine the extent to which certain safety devices could prevent such deaths or injuries. Specifically, GAO was asked to examine the proportion of accidental firearms fatalities that might have been prevented by two types of technological modifications to firearms: a child-proof safety device that automatically engages and a device that indicates whether a gun is loaded. GAO also examined nonfatal injuries, in an effort to establish the totality and costs of deaths and injuries from accidental firearm discharges as well as the relative size of fatal accidents vis-a-vis that totality.

Background

The debate over firearms policy receives nationwide attention on a continuing basis, but only rarely has that debate focused on firearms as consumer products. Nonetheless, one recommendation that has been made is the guns be treated like other consumer products. Some have proposed making guns safer so as to reduce the number of accidental firearms discharges resulting in injuries and deaths. This proposal is in line with efforts aimed at improving the safety of a variety of consumer products implicated in accidental injuries and deaths. However, the Consumer product Safety Commission, the primary federal agency with responsibility for product safety, is not allowed to take action that will restrict the manufacture or sale of firearms. No other agency is explicitly charged with monitoring firearms safety.

Firearms are the fourth leading cause of accidental deaths among children 5 to 14 years old and the third leading cause of accidental deaths among 15- to 24-year-olds. Across all age groups, accidental shootings are the sixth leading cause of potential years of life lost because of accidents.

Results in Brief

From a nationally projectable sample, GAO estimates that 31 percent of accidental deaths caused by firearms might be prevented by the addition of two safety devices. Of the 107 accidental firearms-related fatalities GAO examined for calendar years 1988 and 1989, 8 percent could have been prevented had the firearms been equipped with a child-proof safety device. (This 8 percent represents instances in which children under the age of 6 accidentally shot and killed themselves or other persons.) In an additional 23 percent of the cases, people accidentally shot and killed themselves or others with firearms they thought were unloaded. These deaths could have been prevented by a loading indicator.

Although it has long been assumed that far more injuries than deaths occur from accidental discharges of firearms, no information has been available on the actual number of injuries. GAO examined data on accidental shootings in 10 cities and found that in 1988 and 1989, these areas had a ratio of 105 injuries for each death (that is, more than 100 to 1). Although this estimate, based on a judgmental sample, cannot be generalized to the country as a whole, it is nevertheless reasonable to infer from it that the number of accidental injuries from firearms nationwide is substantial and far exceeds the number of fatalities.

GAO's Analysis

Prevention of Accidental Deaths and Injuries

About 1 of every 3 deaths from accidental firearm discharges could be prevented by a firearms safety device. From data in autopsy and police reports, GAO determined the numbers of accidental firearm deaths in 1988 and 1989 that (1) could have been prevented and (2) could not have been prevented by either of the two safety devices studied. GAO examined 107 total deaths from accidental firearm discharges. In that sample of fatalities, 34 could have been prevented by safety devices; 52 could not have been. Not enough data were available to determine whether the other 21 were preventable.

A child-proof safety device (that is, one that prevents the trigger from accidentally being engaged) could have prevented all the accidents in which children under the age of 6 killed themselves or others (8 percent of the total). However, according to experts in pediatric injuries, including experts with research experience in firearms, a child-proof safety device on a firearm (whether based on the child's strength, cognitive skills, or both) could reliably be expected to deter only children under the age of 6.

A safety device that indicates whether a firearm is loaded could have prevented another 23 percent of the deaths. Many accidental deaths caused by firearms, other than those affecting children, involve uncertainty about whether the weapon is loaded. For example, one might empty a firearm but not notice that a round remains in the chamber, one might typically leave a weapon unloaded and so assume that it is always unloaded, or one might pull the trigger several times without discharge (dry-firing) and so assume the chamber to be empty even though it is not.

Other accidental deaths GAO examined were not considered preventable by these devices. For example, death can be caused by a gun that discharges when it is accidentally dropped or falls from its storage location or by a hunter mistakenly believing he or she is shooting at game.

From our sample, we can project that about 458 (plus or minus 89) of the 1,501 deaths in 1988 could have been prevented by either a child-proof device or a loading indicator device. In addition to the lives that could be saved, there are medical expenses and other economic costs to society that would not occur were these deaths to be prevented. Averting 458 deaths would avoid costs estimated to exceed $170 million.

According to statistics maintained by the National Center for Health Statistics, the number of deaths annually caused by accidental firearm discharges has generally been decreasing, ranging from 1,955 deaths in 1980 to 1,501 deaths in 1988. This is a decline of 23 percent over 8 years. However, no national data have been maintained on the number of injuries caused by accidental firearm discharges. In fact, few police departments maintain records on injuries caused by firearms. GAO identified 10 cities whose police departments maintain such data. These cities had populations ranging from about 93,000 to over 1 million.

The police data GAO examined showed that there were 527 injuries and 5 deaths from accidental shootings in 1988 and 1989. Thus, across these 10 cities, the ratio of nonfatalities to fatalities was about 105 to 1.

An estimate of the overall costs associated with unintentional firearm injuries and deaths can be derived by combining the incidence data with information on the cost of injuries. If there were 1,500 deaths and some 12,000 hospitalizations (less than one tenth the number of injuries estimated from our sample) from accidental shootings every year, that would translate into an estimated lifetime cost, each year, of close to $1 billion.

Recommendation

The number of individuals being injured and killed each year in accidental shootings is substantial. GAO has determined that two technologies—child-proof safeties and loading indicators—show promise for reducing the number of deaths and injuries. However, obstacles remain to realizing this promise and, in addition, other approaches (for example, training gun owners or limiting access to firearms) may be equally or more effective.

The human, economic, and public health costs of these shootings to the victims, their families, and society are considerable. The magnitude of the problem requires that all possible efforts be made to reduce the number of accidental shootings.

The Consumer Product Safety Commission, the primary federal agency with responsibility for product safety, is currently not allowed to take any action that might restrict the availability of firearms to the consumer. GAO recommends that the Consumer Product Safety Act be amended to clearly establish that the Consumer Product Safety Commission can regulate the risk of injury associated with firearms.

Agency Comments

GAO did not request comments on a draft of this report.

CHAPTER 1—INTRODUCTION

A 4-year-old boy shoots his 2-year-old brother with the .22-caliber pistol he finds under the seat of his father's pickup truck. A 10-year-old finds a .38-caliber revolver in a dresser drawer. He does not think it is loaded and accidentally kills his 8-year-old sister while playing with the gun.

These and similar incidents highlight an issue of concern: accidental injuries and deaths from firearms. Currently in the United States, about 1,500 people die each year from accidental shootings, and an unknown number of people are injured. Firearms are the fourth leading cause of accidental deaths among children 5 to 14 years old and the third leading cause of accidental deaths among 15- to 24-year-olds. Across all age groups, accidental shootings are the sixth leading cause of potential years of life lost from accidents.[1] Some 277 children under age 15 were killed in accidental shootings in 1988.

The Chairman of the Subcommittee on Antitrust, Monopolies, and Business Rights of the Senate Committee on the Judiciary requested that we undertake a study to try to estimate the number of deaths and injuries that might be prevented by two possible technological modifications to firearms: child-proof safeties that would automatically engage and loading indicators that would show when a live round was in the chamber, ready to be fired.

In response to this request, we conducted a study to examine the magnitude of the problem of unintentional firearms injuries and to estimate the effect of the two proposed technological modifications in preventing such accidents.

Background

The debate over firearms policy receives nationwide attention on a continuing basis. Most of this debate has focused on issues of gun ownership, such as waiting periods for purchase, backgound checks, gun licensing, and banning certain types of weapons. These issues generally focus on problems with the illegal use of firearms versus rights of gun ownership for protection and recreation.

Absent from most of the gun control debate is a discussion of firearms as consumer products. One recommendation that some researchers in public health have made is that guns be treated like other consumer products. That is, they propose that steps be taken to make guns safer to at least reduce the number of injuries and deaths resulting from the accidental discharge of firearms. This proposal is in line with efforts aimed at improving the safety of a variety of consumer products implicated in accidental injuries and deaths, including automobiles, toys, and poisonous substances. The federal government has increasingly played a role in mandating changes to products to improve their safety. However, the Consumer Product Safety Commission, the primary federal agency with responsibility for product safety, is not allowed to take action that will restrict the availability of firearms to the consumer. No other agency has been charged with monitoring the public health risks firearms may entail.

This report looks at the probable efforts of two specific suggestions from the public health literature for improving the safety of firearms: child-proof safeties and loading indicators.

Accidental Shootings

As mentioned above, shootings are among the leading causes of accidental deaths, particularly among young people. It should be noted that accidental shooting deaths represent only a small proportion of the total number of people injured and killed by firearms each year. The majority of deaths from fireams (56 percent) are suicides, with homicides accounting for most of the remainder (39 percent). Only 5 percent of firearms-related deaths each year are caused by accidental shootings.

Nonetheless, the number accidentally injured or killed by firearms may represent a substantial number of cases. While data on the number of fatalities are available, there is little information on the number of injuries caused by accidental shootings. And, despite attention to the issue of firearm accidents by public health researchers, there is little in the way of empirical evidence on the circumstances of accidents involving firearms, so not much is known about the details of those shootings.

National data are available on the number of deaths caused by unintentional shootings. The National Center for Health Statistics annually collects national data for all causes of death. Numbers for the years 1980–88 are shown in table 1.1. No comparable information is available for nonfatal injuries.

TABLE 1.1.—UNINTENTIONAL FIREARM DEATHS AND INJURIES 1980–88

	1980	1981	1982	1983	1984	1985	1986	1987	1988
Deaths	1,955	1,871	1,756	1,695	1,688	1,649	1,452	1,440	1,501
Nonfatal injuries	NA	NA	NA	NA	NA	NA	NA	NA	NA

As can be seen, there was a generally downward trend in the number of deaths each year until 1987, with an increase in 1988, the most recent year for which information is available. We do not know why the number of deaths has declined, but there are several possible explanations. Education in gun safety and public awareness campaigns may be having some effect. There may be fewer deaths because gun owners are taking more precautions in storing and handling their weapons. There may also be a greater general awareness of the dangers associated with firearms, so individuals refrain from handling unfamiliar weapons. The many products entering the market for securing firearms may also be having an effect. Many devices are available for storing guns or protecting them from unauthorized users. Another possible explanation is that more shooting victims may be surviving their injuries because of better trauma care and better access to care. Any or all of these influences may be working to bring down the number of fatalities.

Objectives, Scope, and Methodology

The central objective of this project was to provide an estimate of the proportion of firearms accidents that might be prevented by the addition of a child-proof safety or a loading indicator. This issue divides into two questions:

What proportion of firearm accidents might have been prevented with a child-proof safety?

What proportion of accidents might have been prevented with a loading indicator?

A second objective of our research was to add to the base of knowledge on firearm accidents, particularly by contributing information on the number of injuries. No national estimates are available on accidental injuries from firearms. As a result, there is no clear understanding of (1) the universe of accidents, both fatal and nonfatal, annually caused by firearms; (2) the relative importance of fatal accidents in terms of that universe (that is, it is not known if the deaths in any given year represent 5 percent of the accidental shootings or 50 percent); and (3) the costs represented by this unknown universe of deaths and injuries.

The scope of our work was limited to unintentional injuries and deaths from firearms. This eliminates the vast majority of gunshot injuries, specifically those related to any types of criminal activity or suicide attempt. Similarly, we limited the scope of "preventable" shootings to those that could have been averted by means of a child-proof safety or a loading indicator. We collected data for 1988 and 1989, the most recent years for which complete data were available at the time of our research.

For our examination of preventability, we looked at cases in which there had been a death as a result of an accidental firearm discharge. We collected data from a nationally representative sample of jurisdictions. This allowed us to develop a statistically valid estimate of the proportion of deaths preventable with a child-proof safety or loading indicator.

[1] The standard method of calculating potential years of life lost is to subtract the age at death of the accident victim from age 65.

We determined if there were any deaths from accidental shootings in 1988 or 1989 by contacting state vital records offices and the coroners or medical examiners in the selected jurisdictions. The determination of whether a particular shooting might have been prevented by a child-proof safety or a loading indicator required detailed information about the particular incident. Generally, this meant that we needed information on the shooter, the weapon, and the circumstances of the accident.

By limiting the cases to fatalities, we could contact coroners or medical examiners in the selected jurisdictions to obtain the needed information. Information from these files for deaths was sufficiently detailed in about 80 percent of the cases to allow a determination of preventability.

We limited this examination of preventability to fatal shootings primarily because less information is maintained on accidental injuries than on deaths. In our preliminary investigation, we learned that the information we needed to make a determination of preventability was very often not available in cases in which there was only an injury and no death. In fact, in many instances, it might not be possible to locate any information about a nonfatal accident.

We learned that many police departments do not maintain retrievable records on accidental shootings (since these are not crimes), and even when they do, they document more completely the incidents in which a shooting victim died. Even in deaths believed from the outset to be accidental, the homicide unit is often involved in the investigation. Additionally, details of the circumstances surrounding accidental deaths are usually available from coroners' and medical examiners' reports. In contrast, information from the case records of injuries we examined was rarely sufficient to allow us to determine preventability. Consequently, we restricted our preventability determinations to cases involving accidental deaths.

We did examine accidents involving nonfatal injuries in order to develop some information about the frequency of such accidents and to explore the relative proportion of injuries to deaths. Our examination of these accidents is based on data drawn from 10 cities. The lack of data in many police departments for such accidental shootings limited our study. We identified 10 urban police departments that maintained accessible records on accidental firearm injuries and were willing to provide the case file information. Police departments that were included in our study were for the following cities: Tucson, Arizona; San Jose, California; Denver, Colorado; Atlanta, Georgia; Louisville, Kentucky; St. Paul, Minnesota; Albuquerque, New Mexico; Columbia, South Carolina; Dallas, Texas; and Salt Lake City, Utah. Because this was a convenience sample of departments, the results from these 10 cities cannot be generalized to the country as a whole.

A more detailed discussion of the scope and methodology we used is provided in the chapters covering each part of the work. The sampling plan is discussed in detail in appendix I.

It should be noted that we did not investigate the specifics of design modifications to firearms to make them child-proof or to indicate whether they were loaded. We learned that various devices exist and are available on some firearms, but we did not examine the difficulty or cost associated with providing such devices on all firearms. We have examined the potential effectiveness of such devices in preventing accidental shooting deaths on the assumption that all firearms would be equipped with them. We comment further on this in chapter 4.

As requested by the subcommittee, we did not request comments on our report from any federal agency. Our work was performed in accordance with generally accepted government auditing standards.

Study Strengths and Limitations

There is very little specific information currently available about the details and circumstances surrounding accidental shootings. In particular, there is little known about nonfatal shootings. One strength of this study is that it adds to the knowledge on this topic.

A second strength is the method we used for our examination of preventability. Because we collected data from a nationally representative sample of jurisdictions, we have developed a valid estimate of the proportion of deaths preventable nationwide by means of a child-proof safety or a loading indicator. In carrying out this study, we went to great lengths to obtain information on the accidental shootings in our sample, contacting coroners and medical examiners and, when necessary, seeking additional information from police records.

We have attempted to make the most conservative choices in our assumptions. For example, in considering at what age a child-proof safety might be effective in consistently preventing a child from firing a weapon, we chose the youngest age proposed by any expert in the area. Undoubtedly, some older children would also be prevented from firing weapons equipped with such devices, but we have only counted children under 6 in our calculations of preventability.

The limitations to our investigation relate primarily to our examination of the proportion of firearm accidents resulting in injuries. Because we had to rely solely upon police department records for this information, there are potential gaps in the data. As is usual in the United States, each police department has its own recordkeeping system, with accidental shooting filed under different categories in different departments. In some instances, the department retrieved the records for us from computerized files, while in other instances we had to conduct a hand search of all records filed under some broader heading. These different recordkeeping systems may account for some variability in the number of cases identified in the different cities. But any bias must necessarily be in the conservative direction (that is, the numbers can only underreport the actual totals), because all the cases we report were of identifiable accidental shootings.

An additional limitation is that we could not evaluate all possible alternatives for reducing firearm accidents; we could evaluate only the potential effectiveness of child-proof safeties and loading indicators. We discuss other possible approaches in chapter 4.

It should be noted that most of these limitations are merely reflections of immaturity in this area of research. This is also true of other areas in which police data and uncounted or hidden populations are involved and for which no national monitoring agency responsibility exists.

Organization of the Report

In chapter 2, we address the question of firearm accidents that could be prevented by child-proof safeties and loading indicators. Our research on nonfatal injuries from firearm accidents is discussed in chapter 3, and we discuss the implications of our findings in chapter 4. The sampling plan and estimation methodology are provided in appendix I. Appendix II contains a discussion of the costs of firearm injuries. Suggested legislative language for implementing our recommendation is provided in appendix III. Major contributors to the report are listed in appendix IV.

CHAPTER 2—THE PREVENTABILITY OF ACCIDENTAL DEATHS FROM FIREARMS

In this chapter, we report on our estimate of the proportion of all accidental firearm deaths that could be prevented by either a child-proof safety device or a device that indicates whether a gun is loaded. We first describe the methodology we used to determine which deaths could have been prevented. Next, we provide our findings on the numbers of accident cases in our sample that were preventable by a child-proof safety or loading indicator and the accidents that were not thereby preventable. We include a description of some of the characteristics of the accidents in our sample and conclude with estimates of preventable deaths nationwide.

Methodology

To determine the percentage of accidental deaths from firearms that could have been prevented by either of the two types of devices, we examined data from medical examiners and coroners in a sample of jurisdictions from across the United States. We randomly selected 110 urban and rural jurisdictions (counties and independent cities) and determined if there had been any deaths in the jurisdictions from accidental shootings in 1988 or 1989, the most recent years for which data were available. To determine if there were any such deaths, we contacted state vital records offices and the coroners or medical examiners in the selected jurisdictions.

We requested complete case file information (investigation reports, autopsy results, and so on) from the medical examiner or coroner for every accidental death from firearms that we identified. In some cases, when medical examiners' or coroners' data were insufficient to allow a preventability determination, we sought supplemental information from police department records. In total, we reviewed 107 case files.

After our review of case files, we divided the accidental firearm deaths into four categories: (1) those that could have been prevented by a child-proof safety device, (2) those that could have been prevented by a loading indicator device, (3) those that could not have been prevented, and (4) those for which a preventability determination could not be made.

We constructed criteria for determining which cases fell into each category. For deciding which accidents could have been prevented by a child-proof safety device, we sought the advice of experts. Several types of child-proof devices are on the market. Through various means, such devices lock the trigger to prevent it from being pulled. According to pediatrics experts and experts on deaths and injuries from firearms, a child-proof device can be reasonably expected to prevent only children up to about age 6 from discharging a firearm. Children under that age are not considered strong enough physically or developed enough cognitively to be able to disengage a safety mechanism designed to be childproof. Therefore, our criterion for determining the number of deaths that could have been prevented by a child-proof device was the age of the child firing the weapon.

Loading indicators allow one to determine at a glance whether a firearm is unloaded and whether a round remains in the chamber. Our criterion for determining the number of deaths that could have been prevented by a loading indicator was that there was evidence that the shooter believed the weapon was unloaded. We required that there be evidence of one of three situations in the case file. First, the shooter believed the firearm to be unloaded because either the shooter had emptied the firearm but failed to note that a round remained in the chamber or the shooter's common practice was to leave the weapon unloaded and so assumed it to be. Second, the shooter pulled the trigger several times without the firearm discharging (dry-firing) and so assumed it to be unloaded. Or third, the firearm had been stored for over a month, so the shooter did not remember whether it was loaded but assumed it was not.

We judged an accidental firearm death to be nonpreventable in cases in which there was specific evidence that the conditions above for childproof safeties and loading indicators were not met (that is, shooter over age 6, shooter knew weapon was loaded). Examples of nonpreventable accidents (that is, not preventable by either of these two devices) included cases in which a weapon fell or was knocked to the ground and consequently discharged. Hunting accidents in which victims were mistakenly shot (for example, the 18-year-old man who was shot by a friend who mistook him for a deer) were also considered nonpreventable.

We classified as "undeterminable" any death for which the case file lacked sufficient detail to enable a determination of preventability. These included self-inflicted shootings in which there was no way of determining whether the victim had checked the gun before firing it.

For addressing the question of how many accidental shootings might have been prevented by the two safety devices, we examined accidental deaths from firearms, rather than injuries, primarily because more information is maintained on accidental deaths than on injuries. For example, police departments document more completely incidents in which a shooting victim died. Even in deaths believed from the outset to be accidental, the homicide unit is often involved in the investigation. Additionally, details of the circumstances surrounding accidental deaths are usually available from coroners' and medical examiners' reports. Information from such sources was often sufficiently detailed to allow a determination of preventability. In contrast, information from the case records of injuries we examined was rarely sufficient to allow us to determine preventability. Consequently, we restricted our preventability determinations to cases involving accidental deaths.

Findings

Child-Proof Safety Devices

Of the 107 deaths we reviewed, 9 (8 percent) resulted from shots fired by children under age 6. These deaths could have been prevented by a child-proof safety device. Although children under the age of 6 generally cannot disengage a child-proof device, they are quite capable of firing a handgun, as demonstrated by medical examiners' and coroners' reports. In one case, for example, a 1½-year-old boy and his 3½-year-old brother were playing with a .38 caliber handgun that they found under their father's pillow. The weapon discharged, striking the younger child and killing him.

Loading Indicator Devices

Of the 107 deaths, 25 (23 percent) could have been prevented had the firearm had a loading indicator. These deaths occurred when the shooter, typically a male between 13 and 24 years old, believed for one reason or another that the firearm was unloaded. In one case, a 15-year-old boy removed a .22 caliber handgun from his father's nightstand and pointed it playfully at his 11-year-old sister. He had already removed the clip, for he was familiar with the gun (having fired it at the range once before), and thus believed the gun was unloaded. However, he did not realize that a round remained in the firing chamber; upon discharge, it struck his sister in the head.

Other deaths occurred when the shooter dry-fired a weapon one or more times and so believed it to be unloaded. In one case, a 17-year-old boy took a large-caliber handgun he believed to be unloaded and, in the presence of two friends, put it in his mouth. He pulled the trigger and, when the weapon failed to discharge, he placed it to his head and again pulled the trigger. The weapon then discharged.

In still other cases, the shooter habitually unloaded a firearm before storing it and so assumed it to be unloaded. For example, one man was cleaning his .44 caliber handgun that he always kept unloaded, but he had forgotten that he had placed a loose round in the chamber 2 weeks earlier. When he cocked the hammer to clean it, he inadvertently touched the trigger. The bullet struck his wife in the chest.

Other Accidents

In 52 (49 percent) of the 107 cases we examined, the accident involved neither a child under the age of 6 nor a firearm believed to be empty. These deaths largely include those that occurred because a weapon discharged when it fell or was knocked to the ground. For example, in one case, a hunter was jumping into the back of a pickup truck when his rifle knocked against the truck bed and discharged. The bullet entered the cab of the truck, killing a passenger.

Although we classified such cases as "nonpreventable" by a loading indicator, we believe that some clearly would have been prevented had the shooter (1) been more careful in handling the weapon, (2) not been intoxicated, or (3) received training in firearm handling. We used gun safety materials published by the National Rifle Association to develop statements of basic safety practices. Among the 107 cases we examined, 90 involved clear violations of good gun-handling practices. For example, 7 cases involved intoxication or some use of alcohol and 10 cases involved Russian roulette.

In 21 (20 percent) of the 107 cases we examined, the case file information was insufficient to enable us to determine preventability. In one case, a 42-year-old male was admitted to a hospital with a gunshot wound to the abdomen. The case file indicated only that the wound was self-inflicted and occurred as the victim was reportedly putting the gun in a holster. It did not contain information on whether the victim throught the firearm was unloaded. Undoubtedly, some unknown proportion of these cases also could have been prevented by the presence of a loading indicator.

Figure[1] 2.1 shows, for the 107 accidental deaths we reviewed, those that could have been prevented, those that could not have been prevented by either a child safety or loading indicator device, and those for which a preventability determination could not be made.

Characteristics of Accidental Deaths From Firearms

In the course of our review, we observed several interesting characteristics about accidental deaths from firearms. As shown in figure 2.2, many more shooters were male than were female, and more shooters were between the ages of 13 and 24 than any other age groups.

Estimates of Preventable Deaths

Nationwide, in 1988, according to the National Center for Health Statistics, 1,501 deaths resulted from accidental firearm discharges. From our sample, we can project that about 458 (plus or minus 89) of these deaths could have been prevented by either a child-proof device or a loading indicator device.[2] Specifically, 113 (plus or minus 64) could have been prevented with a child-proof device, and 345 (plus or minus 99) with a loading indicator device. Of the remaining deaths, 767 (plus or minus 125) could not have been prevented with these devices. Although we can project that over 400 deaths could have been prevented with these devices, it is likely that many additional deaths could have been prevented had good gun-handling practices been exercised, such as locking up and storing firearms unloaded and refraining from horseplay and the use of alcohol when handling firearms.

In addition to the lives that could be saved, there are medical expenses and other economic costs to society that could be avoided were these deaths to be prevented. The costs associated with shootings are quite high. If 458 deaths were averted, this would avoid costs estimated to exceed $170 million. (See appendix II for further discussion of the costs of firearm injuries and deaths.)

CHAPTER 3—ACCIDENTAL INJURIES AND DEATHS FROM FIREARMS

As we stated in chapter 1, data on the number of fatalities are available, but there is little information on the number of injuries caused by accidental shootings. This chapter reports on our examination of the universe of injuries and deaths caused by accidental firearm discharges. We first describe the methodology we used to determine the ratio of injuries to deaths. Next, we provide our findings on the accidental shooting cases in our sample. We conclude with a discussion of the estimates of injuries from accidental firearm discharges nationwide.

Methodology

We examined firearm accidents involving injuries, but no deaths, in order to develop some information about the frequency of such accidental and the relative proportion of injuries to deaths. As we noted in chapter 1, our examination of these accidents is based on a sample of 10 urban police departments. The lack of data on accidental shootings in many police departments limited our study.

As we sought data on firearm accidents from city police departments, we found that the sophistication of police department recordkeeping systems varied widely, as did the extent of data maintained on cases involving

[1] Charts are not reproducible in the RECORD.

[2] Because our sample was randomly selected, our results are projectable to the country as a whole. All samples, however, are subject to sampling errors, which define the upper and lower bounds of the estimate calculated. All sampling errors for the estimates in this chapter were calculated at the 95-percent confidence level. (See appendix I for the sampling plan and the error for each estimate.)

accidental firearms discharges. Because police department record systems are essentially designed to track crimes and not accidents, many police departments do not maintain records on accidental shootings unless they result in death. And those that do maintain records on accidental shootings often include these records in a large "miscellaneous" category that makes their retrieval and review very labor intensive and time consuming. In contrast, some police departments maintain records by code, with a different code for each type of event they investigate, including firearm accidents. Other departments group their reports into sufficiently narrow categories (for example, "accidents" and "assaults") that the manual retrieval and review of the reports is feasible.

We identified 10 urban area police departments that maintained accessible records on accidental shootings and were willing to provide the case file information. To identify these police departments, we began with a list of jurisdictions suggested as having good data bases by several national law enforcement organizations. We contacted every police department suggested as well as others to which those departments referred us. The 10 cities included in our study were Tucson, Arizona; San Jose, California; Denver, Colorado; Atlanta, Georgia; Louisville, Kentucky; St. Paul, Minnesota; Albuquerque, New Mexico; Columbia, South Carolina; Dallas, Texas; and Salt Lake City, Utah. The 1986 area populations ranged from 93,000 to over 1 million.

We obtained information from the 10 police departments on all the reported accidental shootings in their jurisdictions in 1988 and 1989. In most states (including 8 of the 10 states where cities in our study are located), hospitals and physicians are required by law to report gunshot injuries to the police. Two of the states where our cities are located, New Mexico and Kentucky, have no such statewide legal requirement. However, according to police officials in the 2 cities studied in those two states, Albuquerque and Louisville, medical professionals report cases involving gunshot injuries as a common practice. As a result, we are confident that the majority of accidental injuries from firearms in our 10 sampled cities are captured in our study.

Such reporting requirements were not the sole reason we sought data from police departments rather than from hospitals, the most common source of injury information. We learned that hospital records typically do not include information about whether a firearm injury was accidentally or intentionally inflicted, and thus we could not separate accidents from suicide or homicide attempts.

At the 10 police departments we examined a total of 532 cases of accidental firearms discharges that resulted in either injury or death in 1988 and 1989.[3] Whereas we could project from our sample of medical examiners and coroners the nationwide number of accidental deaths from firearms that could have been prevented, we cannot do so for injuries. Because our sample of the 10 urban police departments is not representative, we cannot generalize our results either regionwide or nationwide. Nevertheless, as there has been a dearth of data on accidental injuries from firearms, we believe that our data will contribute to the national base of knowledge on accidental injuries from firearms. Knowledge about the number of injuries that occur each year is important for understanding the size of the public health problem, a key element in any consideration of the need to find solutions to the problem.

Findings

Of the 532 accidental firearm discharge cases we examined, 527 resulted in injuries, and 5 resulted in deaths. This is a ratio of 105 to 1 of injuries to deaths. Table 3.1 shows the numbers of injuries and deaths from accidental firearm discharges in the 10 cities.

TABLE 3.1—DEATHS AND INJURIES FROM ACCIDENTAL FIREARM DISCHARGES, 1988 AND 1989

City and State	Population[1]	Death	Injury	Total
Albuquerque, N. M	366,750	1	48	49
Atlanta, GA	421,910	1	80	81
Columbia, SC	93,020	0	12	12
Dallas, TX	1,003,520	1	248	249
Denver, CO	505,000	2	15	17
Louisville, KY	286,470	0	34	34
St. Paul, MN	263,680	0	2	2
Salt Lake City, UT	158,440	0	12	[2]12
San Jose, CA	712,080	0	19	19
Tucson, AZ	358,850	0	57	57
Total	4,169,720	5	527	532

[1] 1986 population.
[2] Does not include first three quarters of 1988.

The reasons for the wide variation in the cities' numbers of deaths and injuries, inconsistent with their population sizes, are unknown. To some extent, the variation may stem from differences in the police departments' recordkeeping systems. As we stated above, some departments had very sophisticated computerized systems that allowed for easier (and presumably more accurate) retrieval of cases. For example, Dallas, the city in our sample with the highest number of accidental shootings, had one of the most sophisticated recordkeeping systems.

Another reason for the wide variation may be differences in patterns of gun ownership. There are higher rates of gun ownership in the South and some parts of the West than in the North, for example. This may, in part, account for the low number of accidents in St. Paul and the higher numbers in Dallas, Atlanta, and Tucson. We have no ready explanation for why San Jose, the second largest city in our sample, had many fewer instances of accidental shootings than did Dallas, the largest city we studied.

At the least, however, the numbers of injuries are conservative. According to several police officials, some cases undoubtedly are not reported, although it is impossible to know how many. If some accidental shootings go unreported and uninvestigated, this is far more likely to happen in cases involving only injuries and no deaths. This means that the reported numbers of deaths should be very accurate while the numbers of injuries may be underreported.

The characteristics of the accidental injury cases we reviewed were similar to those of the preventable and other death cases discussed in chapter 2. That is, the vast majority (90 percent) of the shooters were male, and almost half of all shooters were between the ages of 13 and 24. Most of the injuries were self-inflected; most were caused by a handgun. In about two thirds of the cases, the accident occurred in or near a private residence.

The following case typifies the circumstances surrounding many of the accidental shootings in our sample. A 14-year-old youth was handling a .38 caliber handgun in his front yard. He assumed it to be unloaded and pulled the trigger, shooting himself in the foot.

Figure 3.1 shows, for the 532 cases we reviewed, that 99 percent of the accidental firearms discharges resulted in injuries rather than deaths. As already noted, we estimate that the ratio of injuries to fatalities is 105 to 1, based on the cases we reviewed in 10 cities.

Implications

As we stated in chapter 1, we know that the number of deaths nationwide resulting from accidental firearm discharges was 1,501 in 1988, the most recent year for which totals are available. Given the cases we reviewed in 10 cities, we derived an estimate of the ratio of injuries to deaths of 105 to 1. Were we to apply this estimate to the nation, using the known number of deaths, we would estimate that there were approximately 157,600 injuries from accidental firearm discharges each year. However, because the sample of cities on which the ratio is based was not randomly selected, we cannot generalize to the nation as a whole.

There are a number of potential sources of bias in the data. First, the data most likely underestimate the actual number of injuries because of the general lack of reporting of accidental shootings. This source of bias would mean that the true ratio of injuries to deaths would be even higher than what we found.

There are also potential biases that would indicate the true ratio nationwide could be lower than that in our sample (that is nationwide there could be fewer than 105 injuries for every death). Our sample of jurisdictions, driven by data availability, was entirely urban, and this could bias an estimate of the proportion of accidents that were survivable. There are at least three factors directly related to the survivabilty of a shooting that could vary between urban and rural settings: the caliber of the firearm (.22, .45, and so on), the type of firearm (handgun, long gun, or shotgun), and the quality of medical treatment received. The caliber of the firearm could bias the estimate, since caliber is positively associated with lethality. If lower-caliber firearms are more common in urban shootings (which we do not know), then urban victims could have a greater likelihood of surviving, thus inflating the ratio of injuries to deaths. The type of firearm could bias the estimate, since rifles, more common in rural hunting situations are more lethal, even when caliber is held constant, because the bullet is fired with greater velocity. Thus, if rural victims are more likely to be shot with rifles, a higher proportion of rural shootings would likely result in death. Finally, the quality of medical treatment could bias the estimate, since urban dwellers are generally closer to emergency care, resulting in urban gunshot victims being more likely to survive potentially fatal injuries.

One frequent source of bias from nonrandom samples, that the locations selected were somehow "unique" or different from average, we do not believe to be a problem for this study. There is no reason to expect that the most important factor in whether an accidental shooting proves fatal or not—where the bullet strikes the victim—should differ in any way from one locale to the next. Since these are accidental shootings, and not intentional, having a bullet strike a vital organ should largely be a random occurrence, regardless of whether

[3] Not included in the 532 cases were shootings involving BB pistol or pellet guns and three cases with injuries where handguns loaded with blanks intentionally fired. We also excluded cases of accidental firearms discharges where no one was injured and cases where the victim refused to cooperate with the police in providing any information about how the shooting occurred or who was involved.

the shooting is in an urban area or a rural one, a large city or a small one.

Even though we cannot validly project the proportion of injuries to deaths resulting nationally from accidental firearm discharges, there are some indications that the data from our sample are reasonable. As mentioned above, the characteristics of the cases in this sample are very similar to those from the representative sample of deaths we described in chapter 2. In addition, the figures seem in line with the injury-to-death ratios for other types of accidents. When the 105 to 1 ratio of injuries to deaths caused by accidential firearms discharges is compared with similar data for other types of accidents our data appear consistent. For example, according to the National Safety Council, similar proportions of injuries to deaths exist nationwide for all accidents (94 to 1), accidents occurring in the workplace (162 to 1), and accidents occurring in the home (151 to 1).[4]

CHAPTER 4—IMPLICATIONS

The Size of the Problem

As we stated in chapter 1, the number of deaths from accidental shootings has been generally declining over the last several years. This would seem to indicate that the problem is not large and has leveled off. However, what is missing from this picture is any sense of the number of injuries resulting from accidential shootings. Without this information, we cannot judge how big a public health problem firearm accidents really are.

From the declining number of deaths, we cannot determine if the total number of accidental shootings is declining (and declining at the same rate) or if the same number of people are accidentally shot each year but better trauma care is saving the lives of an increasing proportion of the victims.

Our report presents data on the number of injuries associated with every death. Although we cannot project to the country as a whole, were there actually to be the same ratio nationwide as in the 10 cities we studied, that would mean there are approximately 157,600 such injuries each year.

That number, because of methodological limitations discussed in chapter 3, must be viewed as a gross estimate. However, the number does give some sense of the size of the problem. It seems obvious that the total number of accidential shootings is many times the number of fatalities. This is in line with other causes of accidential death and injury. For example, as mentioned in chapter 3, the ratio of workplace injuries to deaths is 162 to 1, while accidents in the home have an injury to death ratio of 151 to 1. Thus, a ratio of tens of injuries for each death seems reasonable for accidential shootings.

Even if one excluded Dallas, the city in our sample with the largest number of injuries, there would remain 279 injuries and 4 deaths (that is, a ratio of 70 to 1), still a large relative proportion of injuries to deaths. If one were to reduce by half the ratio of injuries to deaths that we found, that would still result in a projection of approximately 78,800 injuries annually from accidental shootings in the United States. If one were to reduce it even further, to account for any possible bias, it seems likely, and reasonable, that the resulting projection would still be tens of thousands of such injuries each year. If the true ratio of injuries to deaths nationwide were only one tenth of the ratio in the cities we studied, it would mean there are over 15,000 injuries from accidential shootings each year.

In addition to the tragedy of these shootings, occurring as they primarily do among young people, there is the issue of costs. As mentioned in chapter 2, the costs associated with gunshot wounds are quite high. Thus, the economic effect of thousands of accidental shootings could be significant. Even if the true number of accidential shootings is smaller than the ratio from the 10 cities studied would indicate, the costs would still be substantial. If there were 1,500 deaths and some 12,000 hospitalizations (less than one tenth the number of injuries estimated from our samples of cities) every year, that would translate into an estimated life-time cost, each year, of close to $1 billion.[5] (See appendix II for further discussion of the costs of firearms injuries and deaths.)

It seems clear that thousands of individuals and families are affected by these accidents each year. We turn now to a discussion of approaches that are available for reducing the number of such shootings.

Approaches to Reducing Accidental Shootings

Many of the accidential shootings each year are preventable. Of the fatal shootings we examined, we estimate that 31 percent could have been prevented by two technological modifications to firearms. Undoubtedly, additional fatalities were preventable among cases in which there was insufficient information for us to make a determination. Many nonfatal shootings are obviously also preventable.

Different approaches could be taken to try to reduce the number of accidental shootings. These include mandating modifications to firearms, requiring training in gun safety, and enacting statutes to penalize gun owners who are negligent in their handling or storage of weapons.

Mandated Modifications to Firearms

Our research has demonstrated that lives could be saved and injuries prevented if all guns were equipped with either a child-proof safety or a loading indicator or both. There are clearly instances in which such devices would prevent tragedy. Our projections are that, at current accident rates, some 458 lives could be saved each year if all firearms had both these safety devices.

Gun manufacturers could choose to modify their firearms to include child-proof safeties or loading indicators, motivated by a desire to promote greater welfare or to avoid potential litigation or by pressure from consumers demanding firearms with such features. However, if a guarantee were needed that all firearms have these safety devices, this would have to be mandated by legislative action of the Congress. Current statutes place firearms outside the jurisdiction of the Consumer Product Safety Commission, and the Bureau of Alcohol, Tobacco, and Firearms is not empowered to control these design aspects of guns. Thus, regulatory action to require modifications could not be taken without specific new legislation.

A child-proof safety that automatically engaged and that came as a bult-in part of the firearm could protect young children from adults' carelessness in storing loaded weapons where children can have access to them. Just as passive seat belts that automatically engage have been required in automobiles to protect the occupants without requiring that specific actions be taken each time the vehicle is used, child-proof safety devices on firearms could provide protection in the absence of specific behavior to secure the firearms. Child-proof safeties on firearms could prevent over 100 instances annually in which children fatally shoot someone, often themselves or another child.

Likewise, loading indicators could potentially prevent over 300 deaths resulting from accidental shootings each year among adolescents and adults. Our research demonstrates that, even more than child-proof safeties, this modification could potentially prevent many injuries and deaths. Such a device might also take the "fun" out of such games as Russian roulette.

Our projections of the number of lives saved that could be attributable to these safety devices require that two conditions be met. First, all firearms would have to be equipped with these devices. And second, all other relevant conditions would remain unchanged. That is, there would be no increase in gun safety awareness or education in safe gun-handling practices, because such changes could also save lives.

There are potential problems in implementing any requirement for firearms to be equipped with these safety devices. First, there may be technological difficulties to overcome in designing child-proof safeties and loading indicators for the myriad firearms on the market. In addition, there are possible logistical difficulities:

Other Approaches

Loading indicator devices would require that users (including unintended users, such as adolescents) be educated to understand their use and to recognize the indication that the firearms were loaded;

There are possible objections to the desirability of having onlookers be able to readily judge if a firearm is loaded (for example, if a weapon is being used for protection); and

This type of child-proof safety would only prevent very young children from firing the gun and would likely not be effective against use by older children or adolescents.

Beyond the logistics of implementing the modifications, there is the question of effectiveness. Our projections for the number of lives that could be saved each year assumes that all firearms are equipped with these safety devices. But any changes of this type would presumably be mandated only for new firearms entering the market.

While over 4 million firearms are manufactured in the United States each year, there are an estimated 200 million firearms already in the market. Approximately 50 percent of U.S. households report owning one or more firearms. This represents an enormous pool of weapons that would not be affected by design modifications. Furthermore, firearms, unlike many consumer products, have a long period of use. It is not uncommon for firearms to be passed from the one generation to the next, so it cannot be expected that within a decade, for example, the majority of old-style firearms would be out of use. To affect this pool of weapons, owners would have to be required to modify all their fire-

[4]These numbers are for "disabling injuries."; A disabling injury is defined as an injury causing death, permanent disability, or any degree of temporary total disability beyond the day of the accident.

[5]The lifetime cost of an accident is defined as the present discounted value of costs occurring in all future years. Costs include actual dollar expenditures related to illness or injury, including amounts spent for hospital and nursing home care, physician and other medical professional services, drugs and appliances, and rehabilitation. Estimates also include life years lost and the indirect cost associated with loss of earnings because of short- and long-term disability and premature death from injury. The estimated costs are derived from data for all shootings, not just unintentional shootings.

arms, to equip them with the two safety devices.

Other options are available, including many devices currently on the market, designed to prevent a firearm from being used by any unauthorized person. These include locking storage cases, trigger guards, combination locks that can be built into the weapon, and a variety of other mechanisms for securing firearms of different types. In addition, there is the simple expedient of keeping firearms unloaded, with ammunition stored separately.

However, all these approaches require some positive action on the part of the user to ensure that the firearms are not accessible to children or other unauthorized users. Passive restraints in automobiles were required when data showed that many passengers were not using seat belts that required buckling. The current number of accidents with firearms is testament to the fact that gun users frequently do not take the available safety steps. It is not known if education in proper safety procedures would be sufficient to ensure that appropriate precautions would be taken. And requiring that all purchasers of firearms take gun safety training would necessitate some form of registration and monitoring of gun owners.

We know of no ready replacements on the market for a loading indicator. The necessary alternatives is proper education in the use and handling of firearms. All users need to be trained to immediately inspect a weapon to determine if it is loaded before handling it further. As we stated in chapter 2, a majority of the accidents we examined involved some violation of safe gun-handling standards. Unfortunately, as our research has shown, many fatal accidents involve users who are not the owners of the firearms. Thus, firearms training aimed at owners will not prevent many of these accidents if others are allowed access to a loaded weapon.

Some states have adopted an approach aimed at encouraging owners to take proper precautions in storing their firearms. Both Florida and Connecticut have recently enacted statutes to hold adults guilty of criminal negligence if they allow minors to gain access to loaded firearms that are subsequently involved in accidental shootings. Penalties include fines and possible imprisonment. Other states (including Wisconsin and Virginia) have considered, but not passed, similar statutes.

Conclusion and Recommendation

The number of individuals being injured and killed each year in accidental shootings is substantial. Whereas the problem may have been viewed as small when only the number of deaths was known, we now know that the overall problem is likely to be very large, with many thousands of individuals being injured each year.

We have demonstrated the potential effectiveness of two technologies—child-proof safeties and loading indicators—for preventing some of these accidents, thereby reducing the number of deaths and injuries. However, there remain obstacles to realizing this promise. How these mechanisms might be implemented is not immediately clear.

These mechanisms are not the only approaches available, however. There are other approaches (for example, training gun owners or limiting access to firearms) that may be equally or more effective.

The human, economic, and public health costs of these shootings to the victims, their families, and society are considerable. The magnitude of the problem requires that all possible efforts to made to reduce the number of accidental shootings.

The Consumer Product Safety Commission, the primary federal agency with responsibility for product safety, is currently not allowed to take any action that might restrict the availability of firearms to the consumer. We recommend that the Consumer Product Safety Act be amended to clearly establish that the Consumer Product Safety Commission can regulate the risk of injury associated with firearms. Suggested legislative language for implementing our recommendations is provided in appendix III.

APPENDIX I—SAMPLING AND ESTIMATION METHODOLOGY

The study design involved collection data from two separate samples. One sample was used to examine the preventability of accidental shootings by child-proof safeties and loading indicator mechanisms. A second sample was used to examine the prevalence of nonfatal injuries from accidental shootings. We discuss each sample in turn.

Sample for Examining Preventability

To determine the percentage of accidental deaths from firearms that could have been prevented by either of the two types of devices, we examined data from medical examiners and coroners in a random sample of jurisdictions from across the United States. In each jurisdiction, we contracted state vital records offices and the coroners or medical examiners and asked if there had been any deaths from accidental shootings in 1988 or 1989, the most recent years for which data were available at the time of our study.

We collected information only for shooting deaths classified as accidental. For jurisdictions using the ICD-9 coding system, we limited the data collection to fatalities coded under the E922 category ("accident caused by firearm missile").[6] Thus, we excluded deaths involving firearms that were classified as suicides or homicides or could not be classified.

The sampling frame was the 3,139 countries and independent cities listed by the Bureau of the Census.[7] We divided these jurisdictions into two strata on the basis of population: an urban stratum (population greater than or equal to 50,000) and a rural stratum (fewer than 50,000 residents). We then selected a random sample of jurisdictions within each stratum. We selected 60 urban jurisdictions and 50 rural jurisdictions, for a total of 110 counties and independent cities. Data were not obtained for either year in 3 jurisdictions. One year's data were unavailable in an additional 4 jurisdictions.

From the data we collected, we computed sampling errors for the major findings on preventability presented in chapter 2. We present our estimates in table I.1, along with the sampling error for each estimate. When added to and subtracted from the estimates, the sampling errors proved the 95-percent confidence interval for each finding.

TABLE I.1.—ESTIMATES AND SAMPLING ERRORS FOR FINDINGS ON PREVENTABILITY [1]

[In percent]

Variable	Estimate	Sampling error
Preventable by child-proof device	7.5	4.2

TABLE I.1.—ESTIMATES AND SAMPLING ERRORS FOR FINDINGS ON PREVENTABILITY [1]—Continued

[In percent]

Variable	Estimate	Sampling error
Preventable by a loading indicator device	23.07	6.6
Total preventable by either device	30.5	5.9
Nonpreventable by either device	51.1	8.3
Preventability could not be determined	16.7	7.3

[1] Figures represent percent of accidental deaths.

For a check on the accuracy of our sample, we used our data to generate an estimate of the expected number of accidental deaths in a year. Using these data, we estimate that 1,581 deaths from accidental shootings (plus or minus 696) would be expected in a year. This estimate compares favorably with the known number of 1,501 deaths in 1988.

We also computed estimates and sampling errors for the other variables presented in chapter 2 (sex and age of shooters, percentage of self-inflicted shootings, location of accident, type of weapon, and ownership of weapon). These estimates are available upon request.

Sample for Examining Injuries

We employed a snowball sampling technique to identify police jurisdictions where the needed information was retrievable. We began by asking experts on police departments (from the National Institute of Justice, the National Criminal Justice Reference Service, the Police Executive Research Forum, and the Police Management Association) to list any departments with records systems that might contain information on accidental shootings in an accessible form. We contacted every police department suggested in order to determine the feasibility of obtaining the needed case records. In addition, at each department, we asked for referrals to other departments where the needed information might be obtained. This process of contacting departments and asking for referrals was continued until the list of new department names was exhausted.

We identified 10 urban area departments that maintained accessible records on accidental shootings and that were willing to provide the case file information. The 10 cities included in our study were Tucson, Arizona; San Jose, California; Denver, Colorado; Atlanta, Georgia; Louisville, Kentucky; St. Paul, Minnesota; Albuquerque, New Mexico; Columbia, South Carolina; Dallas Texas; and Salt Lake City, Utah. Because this was a convenience sample of departments, the results from 10 cities cannot be generalized to the country as a whole.

APPENDIX II—COSTS OF FIREARM INJURIES

The specific information needed to develop a precise estimate of the costs of unintentional firearm injuries and deaths is not available. However, the information that is available shows that the total costs associated with gunshot wounds are likely to be quite high.

One recent study estimates the average lifetime cost of different types of injuries, defined as the present discounted value of costs occurring in all future years.[8] Costs are enumerated as actual dollar expenditures related to illness or injury, including amounts spent for hospital and nursing home care, physician and other medical professional services, drugs and appliances, and rehabili-

[6] U.S. Department of Health and Human Services, "The International Classifications of Diseases, 9th Revision, Clinical Modification," 2nd ed. (Washington, D.C.: 1980).

[7] U.S. Department of Commerce, "County and City Data Book" (Washington, D.C.: 1988).

[8] Dorothy P. Rice et al., Cost of Injury in the United States: A Report to Congress (San Francisco, Calif.: Institute for Health and Aging, University of California, and Injury Prevention Center, The Johns Hopkins University, 1989).

tation. The cost estimates also include life years lost and the indirect cost associated with loss of earnings from short- and long-term disability and premature death from injury.

Using this approach, the average lifetime cost of a firearm injury (including both fatal and nonfatal injuries) is estimated to be $53,831.[9] This can be broken down into estimated costs for firearm injuries of different levels of severity. For those that do not require hospitalization, the estimated per person cost is $458, while injuries requiring hospitalization are estimated to cost $33,159 per person. And the average life-time cost of a firearm fatality is $373,520, the highest of any cause of injury.

We know from national mortality data that about 1,500 people die each year in the United States from accidental shootings. Based on data from the National Hospital Discharge Survey, it is estimated that in excess of 65,000 persons are hospitalized every year with injuries resulting from firearms. However, it is not known how many of these firearm injuries are unintentional. One study of hospitalizations over the course of a year at one regional trauma center found that 18.8 percent of the firearm-related injuries were unintentional.[10] Applying this 18.8-percent figure to the 65,129 firearm-related hospitalizations nationwide yields an estimate of 12,244 annual hospitalizations from unintentional firearm injuries. There are no reliable estimates of the number of persons each year who suffer firearm-related injuries that do not require hospitalization.

The estimates from the study on costs can be combined with the incidence data to derive a rough estimate of the overall costs associated with the unintentional firearm injuries and deaths occurring in a single year. The average lifetime costs associated with 1,500 deaths would be over $500 million (that is, 1,500 times $373,520 equals $560,280,000). For 12,244 hospitalizations, the average lifetime cost would be over $400 million (that is, 12,244 times $33,159 equals $405,998,796). So, omitting any costs associated with injuries not requiring hospitalization, the estimated lifetime costs for accidental shootings is close to $1 billion ($966,278,796) every year.

The estimated cost associated with shootings can also be used to value the savings that would be associated with specific types of prevention. In chapter 2, we estimated that some 458 deaths might be prevented each year if all firearms were equipped with child-proof safeties and loading indicators. If 458 deaths were averted, this would avoid lifetime costs estimated to exceed $170 million.

The estimates above are based on one approach to estimating the costs of firearm injuries and deaths. Different federal agencies have used different dollar amounts for the value of life, ranging from several hundred thousand dollars to several million dollars. If higher figures are considered in the calculations, the estimated costs of accidental shootings can increase dramatically. For example, one frequently used value is $2 million.[11] Applying the $2 million figure to the 1,500 deaths that occur each year yields an estimated annual value of life lost through accidental shootings of $3 billion. Applying this value to our projection of 458 deaths that might be averted would yield estimated annual savings of over $900 million. Higher assigned values for each life would result in higher estimated savings.

[9] Rice's cost estimates are in 1985 dollars.

[10] Michael J. Martin et al., "The Cost of Hospitalization for Firearm Injuries," Journal of the American Medical Association, 260:20 (November 25, 1988), 3048-50. The 18.8-percent figure was computed omitting cases that could not be categorized as either intentional or unintentional.

[11] Clayton P. Gillette and Thomas D. Hopkins, Federal Agency Valuations of Human Life (Washington, D.C.: Administrative Conference of the United States, 1988).

APPENDIX III—SUGGESTED LEGISLATIVE LANGUAGE

This appendix suggests legislative language that would implement the revisions we recommend to clearly establish that the Consumer Product Safety Commission can regulate the risk of injury associated with firearms. The legislative language should read as follows:

Section 3(a) of the Consumer Product Safety Act (15 USC 2052) is amended by striking out subparagraph (a)(1)(E) and redesignating subparagraphs (F) through (I) as subparagraphs (E) through (H), respectively.

Section 8 of the Consumer Product Safety Act (15 USC 2057) is amended by adding at the end thereof the following sentence: This section shall not apply in the Commission's regulation of the risk of injury associated with firearms.

Section 3 of the Consumer Product Safety Commission Improvements Act of 1976 (15 USC 2080 note) is amended by striking out subparagraph (d)(2) and subparagraph (e) and inserting in lieu thereof: (e) the Consumer Product Safety Commission has authority to regulate the risk of injury associated with firearms.

Section 3 of the Consumer Product Safety Commission Improvements Act of 1976 (15 USC 2080) is further amended by striking out "(1)" in subparagraph (d).

APPENDIX IV—MAJOR CONTRIBUTORS TO THIS REPORT

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By Mr. HATCH (for himself and Mr. DECONCINI):

S. 893. A bill to amend title 18, United States Code, to impose criminal sanctions for violation of software copyright; to the Committee on the Judiciary.

CRIMINAL SANCTIONS FOR VIOLATIONS OF SOFTWARE COPYRIGHT

Mr. HATCH. Mr. President, I rise today, with my good friend from Arizona, Senator DECONCINI, to introduce legislation that we believe will help to deter the growing problem of computer software piracy. In 1982, Congress provided strong criminal penalties for persons involved in the unauthorized production or distribution of multiple copies of phonorecords, sound recordings, and motion pictures. Likewise, this legislation would provide the same enhanced criminal sanctions for the violation of copyright in computer programs.

The willful infringement of copyright in computer software programs is a widespread practice that is threatening the U.S. software industry. The easy accessibility of computer programs distributed in magnetic media format, together with distribution of popular applications programs, has lead to persistent large-scale copying of these programs. Studies indicate that for every authorized copy of software programs in circulation, there is an illegal copy also in circulation. Losses to the personal computer software industry from all illegal copying were estimated to be $1.6 billion in 1989. If we do not address the piracy of these programs, we may soon see a decline in this vibrant and important sector of our economy.

Not only is the software industry seriously damaged, but the public is also victimized by these acts of piracy. The consumer is paying full price for a product which he believes is legitimate. However, not only may there be imperfections in the actual reproduction, but the quality of the product is often lower as a result of cheap equipment. Furthermore, the consumer is ineligible for the important support and backup services typically offered by the software publisher.

As was noted during the hearings on increasing the penalties for illegal copying of records, sound recordings, and motion pictures, stiffer penalties toward piracy do act as a deterrent to these types of crimes. Enhanced penalties for large-scale violation of software copyright would be more in line with the seriousness of the crime.

Currently there is no differentiation in penalties between small and large acts of piracy. Because acts of software piracy are only misdemeanors for the first offense, prosecutors are deterred from prosecuting, and there is little deterrence for these criminal acts. The penalties in these software cases are far too lenient as compared to other theft and forgery statutes for other schemes which are also very lucrative.

Under the language of this bill, a person involved in software piracy would be subject to a fine of up to $250,000 and imprisonment of up to 5 years if the offense involves the reproduction or distribution of at least 50 copies in one or more computer programs during any 180-day period. For offenses involving more than 10 but less than 50 copies, the penalties would include a fine of up to $250,000 or imprisonment of up to 2 years.

Mr. President, we believe that this legislation is overdue. We must act now to protect this important industry. I urge my colleagues to cosponsor and support this measure, and I ask unanimous consent that a copy of this legislation be printed in the RECORD.

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

S. 893

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That (a) section 2319(b)(1) of title 18, United States Code, is amended—

(1) in paragraph (B) by striking "or" after the semicolon;

(2) redesignating paragraph (C) as paragraph (D);

(3) by adding after paragraph (B) the following:

"(C) involves the reproduction or distribution, during any 180-day period, of at least 50 copies infringing the copyright in one or more computer programs (including any tape, disk, or other medium embodying such programs); or";

(4) in new paragraph (D) by striking "or" after "recording,"; and

(5) in new paragraph (D) by adding ", or a computer program", before the semicolon.

(b) Section 2319(b)(2) of title 18, United States Code, is amended—

(1) in paragraph (A) by striking "or" after the semicolon;

(2) in paragraph (B) by striking "and" at the end thereof and inserting "or"; and

(3) by adding after paragraph (B) the following:

"(C) involves the reproduction or distribution, during any 180-day period, of more than 10 but less than 49 copies infringing the copyright in one or more computer programs (including any tape, disk, or other medium embodying such programs); and".

(c) Section 2319(c) of title 18, United States Code, is amended—

(1) in paragraph (1) by striking "and" after the semicolon;

(2) in paragraph (2) by striking the period at the end thereof and inserting "; and"; and

(3) by adding at the end thereof the following:

"(3) the term 'computer program' has the same meaning as set forth in section 101 of title 17, United States Code.".

By Mr. HATCH (for himself, Mr. DECONCINI, Ms. MIKULSKI, Mr. BRADLEY, Mr. JEFFORDS, and Mr. DASCHLE):

S. 894. A bill to amend the Lanham Trademark Act regarding gray market goods; to the Committee on the Judiciary.

GRAY MARKET LEGISLATION

Mr. HATCH. Mr. President, last Congress I introduced S. 626, the Trademark Protection Act of 1989, to protect trademark owners against gray market goods. That bill was introduced in order to resolve serious problems facing U.S. trademark owners left unanswered by the U.S. Customs Service and the courts.

Hearings were held on S. 626 last spring. To my mind these hearings made a very convincing case for the importance of this bill, but unfortunately there was not sufficient time for enactment. Accordingly, several of my colleagues and I are now reintroducing the bill with the hope and belief that it will become law before the end of this present Congress.

Trademarks have long played an important role in our intellectual property system and are vital to free market enterprise. As we have heard in previous hearings, trademarks, one, foster competition by enabling particular business entities to identify their goods or services and to distinguish them from those sold by others; two, facilitate distribution by indicating that particular products or services are supplied by a reliable though often anonymous source; three, aid consumers in the selection process by denoting a level of quality relating to particular goods or services; four, symbolize the reputation and good will of the owner, thereby motivating consumers to purchase or avoid certain trademarked products or services; and five, protect the public from confusion or deception by enabling purchasers to identify and obtain desired goods or services.

For over 40 years, U.S. trademarks have been protected by the Lanham Trademark Act. The Lanham Act has been surprisingly resilient to changes in world business practices. The growth and interdependence of the world economy since World War II has resulted in part from the tremendous growth of

international trade. While this growth has produced many benefits, it has also produced some unfavorable side effects. One such effect is growing infringement of the rights of U.S. trademark owners through the importation of gray market merchandise.

THE GRAY MARKET PROBLEM

The gray market problem arises when goods bearing a trademark, familiar to the American consumer, are brought into this country without the authorization of the U.S. trademark owner. Because gray market goods are not produced for sale in the United States, they often fail to meet the same high quality standards imposed upon products manufactured for sale here.

Quite often, gray market goods are mislabeled, or contain ingredients that are banned in the United States. Gray market goods often are not subject to the same care in shipment and do not carry the usual warranties entitling the consumer to service at an authorized service center. They make it impossible for manufacturers to track down products in the event of recall. And to make matters worse, gray market goods are often used to facilitate the manufacture and sale of counterfeit goods in the United States. In short, gray market goods pose a threat to American consumers.

American consumers are not the only segment of our society that is harmed by the gray market. At a time when we are concerned about a record trade deficit and a sufficiency of meaningful manufacturing jobs for American workers, the gray market substitutes imports for United States goods and thus exports jobs. As a consequence, the gray market phenomenon has been strongly opposed by the great preponderance, if not all, of organized labor.

This is not to say that all the legitimate goods that gray market sales displace are U.S. products. Gray market goods are not bad because they are imports, but because they are unfair competition in violation of the spirit, if not the letter, of our intellectual property laws.

Most importantly, gray market goods undermine our intellectual property system by attacking the two fundamental purposes of the trademark law—to prevent consumer deception and confusion, and to protect the U.S. trademark owner. First, gray market goods are inherently confusing. Most often, as noted above, gray market goods are different products from their legitimate counterparts. Even where gray market and authorized goods are essentially identical physically, gray market goods often lack the warranties that the consumer expects to receive with the trademarked item.

The gray market undercuts the second important pillar of our trademark laws by depriving the U.S. trademark owner of a fair return on his investment. That is, the gray marketeer is able to sell the gray market goods only because the trademark owner has made substantial investments to foster consumer acceptance of the brand. Thus, the gray marketeer rides on the coattails of the legitimate owner and profits, often handsomely, from the gray market sale, while robbing the U.S. trademark owner of the fruits of his labors. Moreover, whenever a consumer is dissatisfied with a gray market product, this naturally harms the reputation and good will associated with the U.S. trademark owner's mark and diminishes and infringes the trademark in question.

This free ride is not made any less unfair by the fact that the trademarked good was initially purchased from a foreign manufacturer that is related to the U.S. trademark owner. Our trademark laws are territorial in nature—they recognize that the good will created in a trademark in one country through the time, effort, and money spent in that country may be very different from the good will created in another country.

As a consequence, our laws, most importantly section 526 of the Tariff Act, do in fact contain provisions to protect U.S. trademark owners against the importation and sale in the United States of gray market goods. These laws provide for both a private right of action and Government enforcement. For years these laws were fully enforced by the U.S. Customs Service. Unfortunately, as a result of misplaced and outmoded views about the antitrust laws, the U.S. Customs Service has in recent years failed to enforce these laws as they are written.

The Supreme Court recently addressed this issue in *Kmart Corp.* v. *Cartier, Inc.*, 486 U.S. 281 (1988). The Court decided that the Customs Service must tighten enforcement against certain gray market imports, but Customs had the discretion to permit other such imports to continue. Unfortunately, the case was decided on narrow technical grounds. The Court did not address the intellectual property or consumer protection issues surrounding the gray market. In particular, the Court did not endorse the current Customs Service regulations. It merely held that those regulations were permissible in light of certain ambiguities in section 526. Id. at 1817–18. And since the Kmart case, some courts have found that the importation of gray market goods should be prohibited. See *Lever Bros. Co.* v. *United States*, 877 F.2d 101 (D.C. Cir. 1989); *Ferrero U.S.A., Inc.* v. *Ozak Trading, Inc.*, No. 88–3506 (D.N.J. Nov. 23, 1990); *Duracell, Inc.* v. *Global Imports, Inc.*, 12 U.S.P.Q.2d 1651 (S.D.N.Y. 1989).

The Customs Service could, and I believe should, revise the regulations to provide the type of protection envisioned by those who support our intellectual property laws. However, Customs refuses to act. Therefore, the problems created by the gray market persist with no sign of abatement or resolution. Accordingly, I am joining with a number of my colleagues in sponsoring the Trademark Protection Act of 1991.

THE TRADEMARK PROTECTION ACT

This legislation would provide that no person may import into or sell within the United States, without the consent of the U.S. trademark owner or exclusive U.S. licensee, any good that is manufactured outside the United States if that good bears a trademark that is identical to a trademark properly registered with the Patent and Trademark Office.

This prohibition would apply regardless of whether the foreign manufacturer of the goods or foreign trademark owner whose trademark appears on the goods is related in any way to the owner of the U.S. trademark. The prohibition would also apply regardless of whether the owner of the U.S. trademark owns or has registered the trademark abroad. And finally, the prohibition would apply regardless of whether the owner of the U.S. trademark has authorized the use of the trademark abroad.

The legislation would not and should not prevent any persons from importing goods that otherwise meet our health and safety standards just because the goods were manufactured abroad and may be quite similar, though not identical, to goods sold in the United States by a U.S. trademark owner, provided that these imports do not bear the U.S. trademark owner's trademark. This is already an accepted form of importing such products. Many companies, for example, Sears & Roebuck, sell goods made by a U.S. trademark owner or an affiliate of a U.S. trademark owner under their own brand name or as a generic.

For too long, gray market goods have been allowed to erode the confidence and value placed by the American public in U.S. trademarks. By enacting this legislation, we will reduce unjust inroads upon trademarks owners' rights, such as disincentives to investments resulting from free riding gray market goods; consumer concerns based on unserviceable and inferior products; and litigation expenses incurred by trademark owners to protect their trademarks against gray market goods. This simple modification to the Lanham Trademark Act is one important way we can help our beleaguered industries to once again perform on the cutting edge of competition.

Mr. President, I ask that a copy 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. 894

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

Congress assembled, That this Act may be cited as the "Trademark Protection Act of 1991".

(b) The Congress finds that—

(1) the importation and/or sale of gray market goods (which are, for purposes of this Act, goods manufactured abroad to which a foreign trademark is lawfully applied but which are imported into the United States without the authorization of the United States owner of the identical or confusingly similar trademark), fundamentally violate United States trademark law;

(2) gray market goods cause confusion to consumers that trademark laws are designed to avoid because such goods, intended for sale abroad, frequently differ in their physical characteristics from goods intended for sale in the United States, for example—

(A) gray market cosmetics may contain ingredients that are either banned in the United States or are otherwise considered less desirable from the perspective of a United States consumer;

(B) gray market vehicles may not include safety devices common in vehicles manufactured for sale in the United States market; and

(C) gray market batteries may have shorter lives when sold to a United States consumer simply because of delays and lack of care in transshipment;

(3) gray market goods are frequently not subject to the same quality control, warranties provided in the United States and other features that consumers may expect from a particular trademarked good;

(4) whether or not consumers are confused by gray market goods, the importation or sale of such goods deprives United States trademark owners of their investment in their trademarks;

(5) trademarks foster vigorous competition and increased research and development and such interbrand competition ultimately benefits consumers with lower prices and increased quality and selection;

(6) the loss of goodwill occasioned by gray market goods is in violation of fundamental tenants of our trademark laws; and

(7) the importation and sale of gray market goods in the United States must be prevented to preserve the integrity of our trademark system.

(c) The Act of July 5, 1946, the Lanham Trademark Act (15 U.S.C. 1051 et seq.), is amended by adding at the end thereof the following new section:

"SEC. 52. (a) No person may import into or sell within the United States any good that is manufactured outside the United States if such good, or the label, sign, print, package, wrapper, or receptacle, bears a trademark that is identical or confusingly similar to a trademark that is—

"(1) owned by or exclusively licensed to a person that is a citizen of the United States or by a corporation or other entity created within the Untied States under the laws thereof or the laws of one of the States, the District of Columbia, one of the territories, or the Commonwealth of Puerto Rico, without regard to the citizenship of its incorporators, shareholders, officers, or directors, and

"(2) registered with the Patent and Trademark Office under the provisions of this Act, unless such United States trademark owner or exclusive licensee of the trademark consents to such importation or sale.

"(b) The prohibitions of subsection (a) apply regardless—

"(1) of whether the foreign manufacturer of the goods or foreign trademark owner whose trademark appears on the goods is related in any way, by corporate affiliation or otherwise, to the owner of the United States trademark;

"(2) of whether the owner of the United States trademark owns or has registered the trademark abroad; or

"(3) of whether the owner of the United States trademark has authorized the use of the trademark abroad.

"(c) The Secretary of the Treasury shall exclude from entry into the United States any good the importation of which is in violation of subsection (a), provided that the person who owns the trademark in question in the United States and who has registered that trademark with the Patent and Trademark Office or the exclusive licensee of such person files a copy of the certificate of registration for such trademark with the Secretary of the Treasury.

"(d) Any owner of a United States trademark or any exclusive licensee of such owner may bring an action against the importer or seller of goods bearing identical or confusingly similar trademarks in violation of section (a) in any Federal district court to enjoin such importation or sale and to obtain money damages and lost profits for the wrongful use of a trademark by reason of such importation or sale, under the provisions of this Act.

"(e) For purposes of this section, the term—

"(1) 'person' means any individual or entity including but not limited to any corporation or partnership;

"(2) 'United States' means the territory comprising the 50 States, the District of Columbia, and Puerto Rico; and

"(3) 'exclusive licensee' means any person to whom the owner of a United States trademark has granted the sole and exclusive right to market, sell, distribute, or provide goods of a certain kind in the United States under that trademark.

"(f) The exceptions to the prohibitions of section 526(a) of the Tariff Act of 1930, set forth in section 526(d) of that Act, apply to the prohibitions set forth herein.

"(g) The Secretary may promulgate regulations to implement subsection (b) but such regulations must enforce subsection (b) fully for any owner of a trademark in the United States regardless of whether—

"(1) such trademark owner or its subsidiary or other affiliate manufactures or sells goods bearing an identical or similar trademark abroad;

"(2) such trademark owner owns and/or has registered such trademark abroad; or

"(3) such trademark owner has authorized the use of such trademark abroad.".

By Mr. PRESSLER:

S. 895. A bill to amend the Internal Revenue Code of 1986 to allow a deduction from gross income for home care and adult day and respite care expenses on individual taxpayers with respect to a dependent of the taxpayer who suffers from Alzheimer's disease or related organic brain disorders; to the Committee on Finance.

TAX TREATMENT OF EXPENSES RELATED TO ALZHEIMER'S DISEASE

Mr. PRESSLER. Mr. President, today I am introducing legislation that would permit tax deductions for expenses, other than medical, which are related to home health care, adult day care, and respite care of an individual with Alzheimer's disease. My legislation is the companion measure to Representative OLYMPIA SNOWE's bill, H.R. 931, introduced on February 6. This legislation has gained strong bipartisan support in the House, and I hope comparable support can be obtained here in the Senate.

Specifically, this legislation would allow caregivers a deduction from gross income for services which assist them in providing care to a dependent who suffers from Alzheimer's disease or a related organic brain disorder.

This legislation is an important starting point in providing relief to caregivers who provide around-the-clock care to a family member 7 days a week for months or, in many cases, years. Alzheimer's disease places a particularly difficult burden on caregivers. It weakens both mind and body. Alzheimer's disease victims require constant, full-time care. They can suffer from the disease for anywhere from 3 to 20 years. This places an immense physical, emotional, and financial burden on caregivers. In most cases, neither public programs nor private insurance provide protection for these families. The legislation I am submitting would help to ease the burden on families who have a member with Alzheimer's disease or a related disorder.

I am a cosponsor of Senator GLENN's resolution to designate a week in November 1991 and 1992 as National Family Caregiver Week. As our Nation enjoys advances in medical technology, nutrition, and other areas crucial to good health, our elderly population continues to grow at an almost phenomenal rate. Thus, it is essential that we recognize the particular needs of this segment of our population. Today the Senate Aging Committee, of which I am a member, is holding a hearing on ways to improve respite care. This hearing should help to create a greater recognition of the need to support caregivers in our society and may identify some possible means of providing relief to these individuals.

I am particularly pleased to introduce my bill at this time. The Alzheimer's Association currently is holding its annual public policy forum. I would like to extend special congratulations to the Alzheimer's Association, my good friends Princess Yasmin Aga Khan Jeffries, and Randy Maas, executive director of the Alzheimer Association's Siouxland chapter in Sioux Falls, SD, for their extraordinary efforts to increase public awareness of Alzheimer's disease.

It is particularly important to strengthen national recognition of the extent to which Alzheimer's disease affects our society. It is shocking to learn that Alzheimer's disease will affect one in three families by the middle of the next century, unless we find a cure or preventive remedy. I am very

pleased to note that 37 of my colleagues have joined in sponsoring the resolution I introduced on January 14 to designate November 1991 and 1992 as National Alzheimer's Disease Month.

I urge all of our other colleagues to join in sponsoring that resolution, as well as the legislation I am introducing today. Alzheimer's patients and their families need your support in combatting this horrible disease.

By Mr. DASCHLE (for himself and Mr. INOUYE):

S. 897. A bill to amend the Indian Health Care Improvement Act, the Public Health Service Act, and the Social Security Act to provide for the establishment of nursing school clinics to provide primary health care services in medically underserved rural areas, and for other purposes; to the Committee on Finance.

NURSING SCHOOL CLINICS ACT

• Mr. DASCHLE. Mr. President, I rise today to introduce the Nursing School Clinics Act of 1991, a bill that has two main purposes. First, it builds on our concerted efforts to provide access to quality health care for all Americans by furnishing grants and incentives for nursing schools to establish primary care clinics in areas where additional medical services are most needed. Second, it provides the opportunity for nursing schools to enhance the scope of their students' training and education by giving them firsthand clinical experience in primary care facilities.

Any good manager knows that when major problems are at hand and resources are tight, the most important act is the one that makes full use of all available resources. The American health care system is particularly deficient in this regard. We all know only too well that many individuals in the Nation have no or inadequate access to health care services, especially if they live in many of our rural towns and villages or inhabit our Indian communities. Many good people are trying to deliver the services that are so vitally needed, but we need to do more. We must make full use of all health care practitioners, especially those who have been long waiting to give the Nation the full measure of their professional abilities.

Nursing is one of the noblest professions, with an enduring history of offering effective and sensitive care to those in need. Yet it is only in the last few years that we have begun to recognize the role that nurses can play as independent providers of care. Just last year Medicare was changed to authorize direct reimbursements to nurse practitioners. Medicaid is gradually being reformed to incorporate their services more effectively. The Nursing School Clinics Act continues the progress toward fully incorporating nurses in the delivery of health care services. Under the act, nursing schools will be able to establish clinics, supervised and staffed by nurse practitioners and nurse practitioner students, that provide primary care targeted to medically underserved rural and native American populations.

In the process of giving direct ambulatory care to their patients, these clinics will also furnish the forums in which both public and private schools of nursing can design and implement clinical training programs for their students. Simultaneous school-based education and clinical training have been a traditional part of physician development, but nurses have enjoyed fewer opportunities to combine classroom instruction with the practical experience of treating patients. This bill reinforces the principle for nurses of joining schooling with the actual practice of medical care.

To accomplish these objectives, the bill has three main parts. First, it amends the Indian Health Improvement Act to authorize up to $5 million in grants to public and private nursing schools as seed money for the creation of primary care clinics to be run by the nursing schools. As part of developing the clinics, funds could be used on such concerns as clinical program development, faculty enhancement, and student fellowships. Nursing schools receiving these grants would be required to establish their clinics where Indians would have easy access to them. Second, another $5 million in grants are authorized in the Public Health Service Nursing Education Program for the same purposes and for schools that developed clinics in medically underserved areas. Third, titles XVIII and XIX of the Social Security Act are amended to designate that the services provided in these nursing school clinics are reimbursable under Medicare and Medicaid. The combination of grants and the provision of Medicare and Medicaid reimbursement furnishes the incentives and operational resources necessary to start the clinics and to keep them going.

To meet the increasing challenge of bringing cost-effective and quality health care to all Americans, we are going to have to think about and debate a variety of proposals, both large and small. Most important, however, we must approach the issue of health care with creativity and determination, ensuring that all reasonable avenues are pursued. Nurses have always been an integral part of health care delivery. The Nursing School Clinics Act of 1991 recognizes the central role they can perform as caregivers to the medically underserved.•

By Mr. LEAHY (for himself, Mr. BURDICK, Mr. GORE, Mr. ADAMS, Mr. DURENBERGER, Mr. KENNEDY, Mr. AKAKA, Mr. BRYAN, Mr. CRANSTON, Mr. INOUYE, Mr. JEFFORDS, Mr. KOHL, Mr. LEVIN, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. REID, and Mr. SARBANES):

S. 898. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to improve the safety of exported pesticides, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

CIRCLE OF POISON PREVENTION ACT

• Mr. LEAHY. Mr. President, every day, millions of Americans are exposed to needless risk.

In neighborhood supermarkets, they unknowingly buy food grown overseas that has been sprayed with pesticides so dangerous that EPA refuses to let our farmers use them in the United States.

Worse yet, some of these pesticides are made by U.S. companies right here in America. And because FDA waives through virtually all imported food without inspection, these chemicals often end up on America's dinner table.

This is the "Circle of Poison." It must be broken.

America is one of the safest food suppliers in the world. We are constantly seeking ways to make the best better.

But at a time when we are toughening standards at home, it makes no sense to allow American companies to use a loophole in current law to dump unsafe pesticides abroad—only to have these chemicals show up in imported foods in America's supermarkets.

One-fourth of the produce we eat is imported. That's 135 pounds of fruits and vegetables for every man, woman, and child.

Although FDA is responsible for inspecting almost all imported food, it only samples a minuscule 1 to 2 percent of the food entering this country. The rest is simply waived through at the wharf. Overall, 5 percent of FDA-sampled imported food was found contaminated with illegal pesticides, where there is no domestic tolerance or which are illegal to use in the United States. The actual violation rate may be substantially higher because FDA routinely fails to screen for scores of pesticides.

Breaking the circle of poison means stopping U.S. chemical companies from dumping pesticides overseas that EPA considers unsafe. It means reducing the chance that these banned chemicals will find their way into our schoolchildren's lunch sacks.

If EPA says that a pesticide is too unsafe to be used on American-grown food, then it is too unsafe to be used on foreign-grown food.

Buying food should not be a guessing game. Consumers should not have to choose between off-season cantaloupes and cancer every time they buy imported fruit at the supermarket checkout line.

The circle of poison is also a problem for American farmers. It is not fair that foreign competitors can use chemicals that our farmers cannot.

This legislation will level the playing field for our producers.

Mr. President, to address this problem, we are today introducing the Circle of Poison Prevention Act of 1991. I ask that background materials on the legislation be inserted into the RECORD following my statement.

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

OVERVIEW

Circle of Poison: A loophole in current law allows U.S. chemical companies to export pesticides EPA considers cancer causing and too dangerous for domestic farm use. Used on foreign-grown food that is shipped here and scarcely inspected at the U.S. border, these pesticides often end up on America's dinner tables, completing a cycle many call the "Circle of Poison."

A provision to break the Circle of Poison was dropped from last year's farm bill, after the Administration, using arguments supplied by the pesticide industry, directed an unrivaled attack on it.

This year's legislation, called the "Circle of Poison Prevention Act of 1991" (COPPA), bans the export of pesticides that cannot be used domestically (i.e., have no EPA "registration") or cannot be present on food consumed in the U.S. (i.e., have no EPA "food tolerance").

On the contamination of imported food: Overall, five percent of the imported food FDA samples is found contaminated with illegal pesticides—twice the rate for domestic foods. The actual violation rate may be substantially higher since FDA routinely does not screen for scores of unregistered pesticides that are used on imported food.

On imported food consumed: Pesticides exported abroad can come back to the U.S. on treated fruits and vegetables. Each year, Americans consume 134 billion pounds of fruits and vegetables, 25 percent of which is imported. That equals 135 pounds of imported fruits and vegetables for every man, woman and child. During the winter months, half of what we consume is imported.

FDA screens a minuscule amount of imported foods: Although FDA is responsible for inspecting almost all imported food, they sample a minuscule one to two percent of the food entering this country. The rest is simply waived through at the wharf. In the last three years, federal inspectors have found U.S.-banned pesticides in beef from Honduras, pineapples from Mexico, rice from Pakistan, mushrooms from France and beans and carrots from Latin America.

Level the playing field: If a U.S.-made chemical is banned here but used by competing producers in a foreign country, then we are effectively penalizing U.S. farmers and growers for using safe pesticides and obeying the law.

KEY PROVISIONS OF THE CIRCLE OF POISON PREVENTION ACT OF 1991

Export Ban: For the first time, bans the export pesticides that cannot be used domestically (i.e., have no EPA "registration") or cannot be present on food consumed in U.S. (i.e., have no EPA "food tolerance").

Safer Food: To make food safer, EPA must immediately revoke or suspend a pesticide food tolerance when it revokes or suspends its registration.

Level Playing Field for U.S. Farmers: Blocks foreign farmers from receiving pesticides from the U.S. that domestic farmers cannot use.

Cannot Hide Pesticides: To help find illegal chemicals used on imported foods, requires for the first time that pesticides be detectable by FDA's regular screening tests.

Prior Informed Consent: For the first time, allows other countries to refuse any "restricted-use" (hazardous) pesticide. Countries will receive specific information about the safety of pesticides before accepting them.

Worldwide Notification: For the first time, requires worldwide notification of significant pesticide regulatory decisions including new registrations, conditional registrations, cancellations and withdrawals, suspensions, "restricted use" classifications, and special reviews.

Eliminates Loophole: Requires that "me toos"—pesticides claimed, often falsely, to be significantly similar in composition—no longer be exempt from proper regulation.

Better Labeling and Packaging: Requires pesticide labels to be written in an official language of the country where the pesticide will be used. Also requires that packaging meet the legal requirements of the country of use.

Leadership Role for U.S.: Directs EPA to: (1) convene international meetings to develop multinational pesticide export control measures; and (2) assist foreign countries in developing better pesticide regulatory and sustainable agriculture programs.

Citizens Suits: In addition to EPA-initiated enforcement actions, allows direct citizen enforcement of bill's provisions.

LEGISLATIVE HISTORY OF CIRCLE OF POISON

1990 Farm Bill: During the Senate Agriculture Committee markup, Sen. Patrick Leahy (D-VT) put Circle of Poison reform legislation into the Senate farm bill. It banned the overseas export of U.S.-made pesticides that the EPA considers possible carcinogens and too dangerous for domestic farm use.

In the House, a bill similar to that put into the Senate farm bill was introduced by Rep. Mike Synar (D-OK), Leon Panetta (D-CA) and Dan Glickman (D-KS). The House bill was amended and later included in the House farm bill.

At conference, the House and Senate conferees could not agree on a Circle of Poison provision that adequately dealt with the export of hazardous pesticides. The issue was dropped from the farm bill.

The Administration's role: Using arguments supplied by the pesticide industry, the Administration directed an extraordinary attack on Circle of Poison, playing the key role in killing it.

Five Administration agencies (EPA, USDA, Commerce, Justice and the U.S. Trade Representatives) argued that the legislation would "disrupt trade which may be worth several hundred million dollars per year, and which undoubtedly supports a large number of American jobs" and "could cause serious damage to the American agricultural chemical industry."

The Administration was criticized when it admitted it did not know how many banned and unregistered chemicals are exported each year from the U.S. The agencies are still unable to document this contention.

The nonpartisan Congressional Research Service of the Library of Congress criticized the industry arguments and survey as: "The bases of the [industry] survey's worst-case estimates of economic impacts appear to be possible, although not necessarily probable, outcomes."

Analysis by the Senate Agriculture Committee also refuted the chemical company survey. It concluded that, under a worse case scenario, theoretically 700 to 1,000 U.S. jobs would be impacted by the legislation—less than one-tenth of one percent (0.04% to 0.06%) of the jobs in the U.S. chemical industry. It also concluded that this number will be substantially reduced as manufacturers shift to producing safer, registered chemicals and other products. To show how relatively small this number is, the Committee reported that approximately 41,000 U.S. chemical company workers call in sick at least one day a week.

PARTIAL LIST OF BANNED AND UNREGISTERED CHEMICALS

These are a few of the made-in-the-U.S. pesticides that will no longer be exportable under the "Circle of Poison Prevention Act of 1991":

1. Chlordane and Heptachlor, made by Velsicol Chemical: Known carcinogens, Velsicol makes chlordane and heptachlor at its Memphis, Tennessee plant. Although both were banned from U.S. farm use in 1978, Velsicol still exports them overseas, sending nearly two million pounds to 14 countries since the beginning of 1990. FDA testing has found these chemicals on imported meat, fruits, and cheese.

2. Haloxyfop (Gallant), made by DowElanco: After classifying haloxyfop as a "probable human carcinogen," EPA refused to approve any of DowElanco's three applications for import tolerances for beef and other animal products or one for a registration. Gallant is used in Australia, Chile, Costa Rica, Indonesia, and France for use on chickpeas, apples, pears, palm trees (oil), and wine grapes.

3. Nuarimol (Triminal), made by DowElanco: EPA refused a food tolerance petition for nuarimol in 1983 due to concerns about the risk of cancer and birth defects. Nuarimol is used in Germany, United Kingdom, Italy, France, and Spain on barley and grapevines.

4. Prothiophos (Tokuthion), made by Mobay: EPA has refused Mobay's application for an import tolerance due to concerns about the risk of cancer and birth defects, Prothiophos is used in Indonesia, Japan, and Australia on palm trees (oil), pears, tea, and grapevines.

5. Butachlor (Machete), made by Monsanto: Due to concerns about cancer risk and ground water contamination, EPA has refused Monsanto's applications to register butachlor. Butachlor is used in Thailand, India and Japan on rice.

6. Carbosufan (Marshal, Sheriff and Posse), made by FMC: Carbosulfan has neither a tolerance nor registration but is exported to Indonesia, Thailand, Ireland, Spain, United Kingdom and Yugoslavia for use on corn, rice, soybeans, beets, broccoli, potatoes and asparagus.

7. Acetochlor, made by Monsanto: EPA considers acetochlor a "probable human carcinogen." In 1983, Monsanto applied for both a registration and food tolerance for acetochlor, neither of which have been granted. It is used in Eastern Europe on corn, cauliflower, potatoes and apples.

PROBLEMS WITH IMPORTED FOOD/IMPACT ON FOREIGN WORKERS

Food and Drug Administration data shows that imported food has substantially higher levels of contamination from illegal pesticides than domestic food. For example, 10.3 percent of imported peas have been found

with illegal pesticide residues (pesticides that have no domestic tolerance or which are illegal to use in the U.S.), while no violations were found for domestically-grown peas.

[In percent]

	Imported [1]	Domestic [1]
Peas	10.3	0
Eggplant	9.4	0
Cabbage	8.9	0
Pears	8.3	0
Peppers	7.4	0
Squash	4.5	1
Blackberries	8.9	(2)
Tangerines	7.1	(2)

[1] FDA data for compliance and surveillance samples. Imported: FY 1988 through April 1990. Domestic: 1988.
[2] No data.

New requirements for import tolerance: Under current law, it is often legal to import food treated with a banned pesticide years after the pesticide has been barred from domestic use. For example, while DDT was banned from domestic use in 1972, it was still legal to import DDT-treated food for another 14 years. Similarly, chlordane was banned from domestic farm use in 1978, yet chlordane food could be imported until 1989—11 years later.

This not only presents a health and safety problem for American consumers but is unfair to American farmers who must play under one set of pesticide rules while their foreign competitors use another. To sever the "circle," the legislation requires EPA to cancel or revoke a food tolerance (which allows the pesticide to be present on domestic or imported food) when its registration (allowing domestic farm use) is canceled or revoked.

Impact on foreign workers: U.S. made chemicals often have tragic consequences in other countries when they are used by workers unaware of the risks involved. The use of one pesticide, DBCP, may have sterilized as many as 2,000 banana workers in Costa Rica. Despite a 1958 industry study showing that DBCP could cause sterility in laboratory animals, it was widely used in the 1960s and 1970s to kill insects on fruits, vegetables and nuts. It was finally banned by California in 1977 and EPA in 1979. Although Shell, Dow Chemical, and Amvac stopped making DBCP soon thereafter, it is a graphic illustration of the devastation caused by U.S. chemicals dumped overseas.

IMPACT ON U.S. CHEMICAL COMPANY EMPLOYMENT—PREPARED BY SENATE AGRICULTURE COMMITTEE

Conclusion: Under a worst case scenario, the Committee concludes that at most 700 to 1,000 U.S. jobs could be impacted by the legislation—less than one-tenth of one percent (0.04% to 0.06%) of the jobs in the U.S. chemical industry. This number will be substantially reduced as manufacturers shift to producing safer, registered chemicals and other products.

To show how relatively small this number is, approximately 41,000 U.S. chemical company workers call in sick at least one day a week.[1]

Committee calculations are as follows:

	Number	Percent
U.S. chemical company employees (worldwide)	[1] 1,659,800	100.00
U.S. agricultural chemical employees (domestic)	[1] 67,700	3.00
U.S. pesticide employees (domestic)	[1] 22,000	1.00
U.S. pesticide employees in export of pesticides	[1] 6,000	.40
U.S. pesticide employees in export of unregistered pesticides	[2] 2,000	.10
U.S. pesticide employees in export of unregistered pesticides—excluding pesticides with a food tolerance and "me-too" pesticides	[3] 700–1,000	.04–06
Projected worst case job loss under 700–1,000 "Circle of Poison Prevention Act of 1991"		.04–.06

[1] Congressional Research Service. Each week, 3.8% of chemical industry workers miss at least one day of work.

[1] Congressional Research Service.
[2] General Accounting Office, "Pesticides: Export of Unregistered Pesticides Is Not Adequately Monitored by EPA," (April 1989). In 1987, 31 percent of of the 400–600 million pounds of U.S. manufactured pesticides exported were unregistered. For 1985–1987 the percentage was 25 percent.
[3] Environmental Protection Agency. Pesticides with a food tolerance are exportable under the "Circle of Poison Prevention Act."

BASIC QUESTIONS AND ANSWERS ON THE CIRCLE OF POISON PREVENTION ACT OF 1991

What is the Circle of Poison? Some unregistered or banned pesticides that cannot be used for domestic farm use are still made in the U.S. and then exported for foreign agricultural use. When this treated foreign food is imported to the U.S., the pesticide has made a complete circle—the Circle of Poison.

Do we still import food containing dangerous pesticides? FDA samples roughly one to two percent of all food shipments entering the U.S. and generally finds that five percent have residues of pesticides for which there is no food tolerance and are already illegal to import.

Instead of stopping exports, isn't the answer to the Circle of Poison better monitoring at the border? Doubling FDA's testing budget would allow it to sample only two to four percent of imported food, giving little assurance of protection. Also, many chemicals cannot be picked up through FDA testing.

How will this bill affect domestic farmers and domestic agriculture? The bill will level the playing field for American farmers and growers. If a chemical is banned here but used by competing producers in a foreign country, then we are in effect penalizing U.S. farmers and growers for using safe pesticides and obeying the law.

What about pesticides that are not registered in the U.S. because they are used on food not grown in the U.S.? Under the "Circle of Poison Prevention Act," these pesticides can still be exported if there is a food tolerance (i.e., it is legal to have that pesticide's residue on food consumed in the U.S.).

U.S. chemical companies are responsible. If they cannot sell their products, foreign markets will be served by fly-by-night or pirate companies. Not all U.S. companies are responsible exporters. EPA recently fined eight for violating U.S. export laws: Exxon, Mobay, Shield Bright, Dow Chemical, Rohm and Haas, Sandoz, Monsanto and Chevron. The industry cannot police itself.

Poor, third-world countries need pesticides to avoid famine and to feed their people. Don't they need these chemicals? Because the U.S. has the most advanced agricultural technology in the world, we are developing safer alternatives to some of the older, more risky pesticides being taken off the market. These chemical alternatives, as well as integrated pest management practices, are being made available to third world countries. In cases where no alternatives exist to prevent the spread of communicable disease and famine, the legislation allows the export of unregistered pesticides.

This legislation will cost American jobs and research/development. We will just be exporting jobs and research and development overseas. If we don't do it, someone else will.

Research: This bill places no new restrictions on domestic research and development. It will not cause pesticide companies to abandon their billions of dollars invested in U.S. facilities and personnel.

Jobs: The U.S. chemical industry employs approximately 1 million people, 20,000 of which work on agricultural pesticides. An estimated 700 to 1,000 work on chemicals barred from export by this legislation. Thus, one-tenth of 1 percent of total chemical industry jobs would be affected by this legislation. Also, U.S. firms manufacture a range of pesticides at U.S. facilities. It is unlikely that they will build new plants just for the production of some relatively small product lines.

Won't this bill simply force American companies to produce the banned chemicals overseas, giving us less control over the problem? We have a moral responsibility on food safety. If the chemicals are not safe for American farmers and consumers, they are not safe for foreign farmers and consumers. Even if these pesticides are produced overseas, this legislation will prohibit importing into the U.S. any food that has been treated by unregistered pesticides. The importance of the U.S. market for foreign agricultural producers provides an important disincentive to the use of, and the demand for, these pesticides.

Will this be an infringement on free trade? Does the bill interfere with GATT? No. Countries may set safety standards, provided they require their own producers to meet the same standards. This bill requires necessary reporting on pesticide use to ensure they are meeting the same standards as American farmers.

Why should the U.S. take a unilateral role? The Drug Enforcement Administration has taken unilateral action to bar U.S. companies from exporting chemicals being diverted to process cocaine. The Administration argued that it was important for the U.S. to take a leadership position to stop the spread of drugs. The U.S. is also considering similar unilateral action against exports used to manufacture chemical weapons. With both bans, Administration officials say it is important for the U.S. to take a leadership role in restricting the export of those chemicals that are diverted to make cocaine or chemical weapons.

The Circle of Poison legislation proposes that the same leadership role for the U.S.

Is the Circle of Poison a problem for foreign workers? Untrained foreign workers use U.S. pesticides that may injure them. For example, DBCP may have sterilized as many as 2,000 banana workers in Costa Rica. Also, there are 25 million poisonings each year in developing countries and the U.S. is one of the top three chemical producers in the world.•

• Mr. GORE. Mr. President, I am pleased to join Senator LEAHY once again to introduce extremely important legislation to stop the export of pesticides determined to be too dangerous for use in the United States. The Circle of Poison Prevention Act turns good sense and compassion into law.

This bill sends a clear message: if the EPA has determined a pesticide is unsafe and, has banned that pesticide from use in the United States—even prohibiting its presence on food imports—then we cannot allow that pesticide to be made here and exported to other countries. It makes absolutely no

sense to allow the export of dangerous pesticides to other countries, to export a risk we will not accept ourselves.

Data shows that pesticides which have been denied a food tolerance or U.S. registration due to possible cancer risk, groundwater contamination and other harmful effects are known to be used in treating fruit and vegetable crops in other countries. We must stop taking the chance that these harmful chemicals will find their way back to our dinner tables as residues on foods we import.

This bill breaks the circle of poison threatening our children, our children's children, and every generation to follow. Our food supply is the safest in the world because, from farmer to grocer, extra efforts are taken to protect us. But even if we ban a chemical here, if we allow it to be exported and used on crops growing in other countries, odds are high it will come right back and find its way to our supermarkets and dinnertables.

The FDA, charged with inspecting almost all imported food, acutally only samples 1 or 2 percent of food imports. Yet, even of that small sample, 5 percent is found contaminated with illegal pesticides—twice the rate for domestic foods.

We must make our laws work so they provide real protection for people. And, we must make sure our farmers are working on a level field, against competitors who face the same pesticide rules.

We are in the middle of an extraordinary movement toward global cooperation. The United States must be a leader in confronting global environmental challenges. It is essential, if we are to provide effective leadership, that we stop exporting banned pesticides. If we don't, each shipment will carry a message of ill-will threatening progress on many environmental fronts.

In 1947, Congress identified a need to protect Americans from dangerous, and sometimes deadly, agricultural chemicals. The Federal Insecticide, Fungicide, and Rodenticide Act bans certain chemicals from being used in the United States, but, because of a loophole, allows these same chemicals to be exported. It is time we closed that loophole. Chemicals that cannot be used in this country because they pose an unacceptable risk to health and the environment, should not be exported to other countries. We cannot export a risk that we would not accept ourselves.

This legislation will expand TIFRA to ensure that companies exporting pesticides produced in the United States cannot dump on other countries harmful substances unacceptable here. The bill will grant greater control to importing countries over what pesticides are entering their borders and impacting the lives of their people. It will also require better packaging and labeling of pesticides, including requiring pesticide labels to be written in an official language of the country where the pesticide will be used.

This bill directs the EPA to convene international meetings to develop multinational pesticide export control measures and to assist foreign countries in developing better pesticide regulatory and sustainable agriculture programs.

I am familiar with the arguments made by those concerned about the impact of this bill on industry. The Velsicol Chemical Corp., in Memphis, TN, is the world's only producer of chlordane and heptachlor, two of the most highly toxic and persistent insecticides ever made. There two chemicals have been banned from farm use in the United States for more than a decade because of the risks they present to public health and the environment. Even so, just 3 years ago, chlordane levels as high as eight times the allowable level were found in beef imported to the United States from Honduras. And just since 1990 Velsicol has exported more than 2 million pounds of heptachlor and chlordane to 14 countries.

While pesticides are useful to food producers in protecting their crops, we have wisely chosen to make certain these uses do not threaten our health or our environment. Companies can continue to pursue the development and manufacture of safe chemicals to replace those that are not safe. We have a responsibility to see to it that these standards are upheld within our borders and in a way that prevents this threat from being exported and then returning to our dinner tables. I look forward to the enactment of this long overdue change in our pesticide laws and urge my colleagues to support this measure.●

By Mr. LUGAR (for himself, Mr. COCHRAN, and Mr. GRASSLEY):

S. 899. A bill to amend the Older Americans Act of 1965 to recognize, support, and promote the use of volunteers to assist older Americans, to encourage older Americans to volunteer in local communities, and for other purposes; to the Committee on Labor and Human Resources.

OLDER AMERICANS ACT AMENDMENTS

● Mr. LUGAR. Mr. President, during the last decade the United States has experienced a slow transformation. According to Dr. Joyce T. Berry, the U.S. Commissioner on Aging, the number of persons aged 60 or older has increased by 23 percent to over 31 million people. Unfortunately, this rise in our senior population has pressed the availability of services to seniors beyond their limits.

Congress passed the Older Americans Act in 1965 to provide important services to the Nation's seniors. Among them is funding for senior centers and services such as home-delivered meals and congregate meals. In order to successfully provide these services the Older Americans Act heavily relies on over 450,000 volunteers. Remarkably, the Older Americans Act does not formally recognize these men and women who make the Older Americans Act work.

It is my belief that part of the solution to a potential crisis in service availability lies in an increased use of volunteer services to assist older Americans. Today I am introducing legislation which creates a volunteer services coordinator at the local area on aging level. The responsibilities of the volunteer services coordinator would be to encourage and enlist the services of volunteer groups to assist the area's elderly, to encourage and organize the area's elderly to volunteer in their communities, and to promote the recognition of the contribution made by volunteers to the Older Americans Act. I am pleased that Senator COCHRAN and Senator GRASSLEY have agreed to join me in this effort as cosponsors.

Here in the Senate the process of examining the Older Americans Act has begun in the Subcommittee on Aging. I am confident that many fine ideas will be discussed and debated before the entire Senate is asked to vote on reauthorization of the Older Americans Act. I look forward to participating in this important process.

Mr. President, I ask unanimous consent that the text of my bill be placed in the RECORD, as follows:

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

S. 899

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 "_____".

SEC. 2. FUNCTIONS OF COMMISSIONER.

Section 202(c) of the Older Americans Act of 1965 (42 U.S.C. 3012(c)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2)(A) In executing the duties and functions of the Administration under this Act and carrying out the programs and activities provided for by this Act, the Commissioner shall act to encourage and assist the establishment and use of—

"(i) area volunteer service coordinators, as described in section 306(a)(4)(B), by area agencies on aging designated under section 305(a)(2)(A); and

"(ii) State volunteer service coordinators, as described in section 307(a)(9)(B), by State agencies designated under section 305(a)(1).

"(B) The Commissioner shall provide technical assistance to the State and area volunteer services coordinators.".

SEC. 3. USE OF FUNDS.

Section 303 of the Older Americans Act of 1965 (42 U.S.C. 3023) is amended by adding at the end the following new subsection:

"(i) Grants made under any authority of this title may be used for paying for the costs of providing for an area volunteer services coordinator, as described in section 306(a)(4)(b), or a State volunteer services coordinator, as described in section 307(a)(9)(B).".

SEC. 4. AREA PLANS.

Section 306(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3026(a)(4)) is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) in subparagraph (A) (as designated by paragraph (1) of this section), by adding "and" after the semicolon; and

(3) by adding at the end the following new subparagraph:

"(B) if appropriate, provide for an area volunteer services coordinator, who shall—

"(i) encourage, and enlist the services of, local volunteer groups to provide assistance and services appropriate to the unique needs of the elderly within the planning and service area;

"(ii) encourage, organize, and promote the use of older Americans as volunteers to local communities within the area; and

"(iii) promote the recognition of the contribution made by volunteers to programs administered under the area plan;".

SEC. 5. STATE PLANS.

Section 307(a)(9) of the Older Americans Act of 1965 (42 U.S.C. 3027(a)(9)), is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following new subparagraph:

"(B)(i) If three or more area plans in the State provide for an area volunteer services coordinator, as described in section 306(a)(4)(B), the State plan shall provide for a State volunteer services coordinator, who shall—

"(I) encourage areas on aging to provide for area volunteer services coordinators;

"(II) coordinate the volunteer services offered between the various areas on aging;

"(III) encourage, organize and promote the use of older Americans as volunteers to the State;

"(IV) provide technical assistance, which may include training, to area volunteer services coordinators; and

"(V) promote the recognition of the contribution made by volunteers to the programs administered under the State plan.

"(ii) If fewer than three area plans in the State provide for an area volunteer services coordinator, the State plan may provide for the State volunteer services coordinator described in clause (i).".•

• Mr. COCHRAN. Mr. President, I am pleased to join as an original cosponsor of legislation that Senator LUGAR is introducing today to provide for the promotion and coordination of volunteer services under the Older Americans Act.

As the ranking member of the Subcommittee on Aging which is conducting hearings and reviewing the issues related to the reauthorization of the Older Americans Act this year, I am pleased to support this proposal to improve the Act so that it will better serve the needs of older Americans.

This legislation recognizes the tremendous resource in the form of volunteer services that exists in the older American population and among volunteer service organizations to provide services to that population. More importantly, Mr. President, the bill will tap those resources, not by adding an additional and costly layer of regulation and bureaucracy, but by providing flexibility within the existing framework to those already charged with the implementation of the Act and its programs.

This proposal will allow local area agencies on aging to use existing Older Americans Act funds to create a volunteer services coordinator position. This individual would encourage and enlist the services of existing volunteer organizations to serve the elderly and would encourage and coordinate those older Americans who volunteer their own time and energy in service to their communities.

Mr. President, as the population of older Americans continues its rapid rate of increase in the decades ahead, there will be an ever greater strain on our ability to provide nutrition and other services currently provided under the Older Americans Act.

While better utilization of resources now available in the form of volunteers and volunteer service organizations won't be sufficient to overcome all the increase in demand for services, it can certainly help.

Mr. President, I commend my colleague, Senator LUGAR, for this initiative. I look forward to working with him to ensure that the Older Americans Act will allow area agencies on aging to promote, coordinate, and utilize volunteer services that may be available to help meet the needs of older Americans.•

By Mr. CONRAD (for himself, Mr. DASCHLE, Mr. BURDICK, Mr. DIXON, Mr. HARKIN, Mr. HEFLIN, Mr. KERREY, Mr. LEVIN, and Mr. SYMMS):

S. 900. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers who realize capital gain on the transfer of farm property to satisfy an indebtedness, and for other purposes; to the Committee on Finance.

FARM DEBT TAX REFORM ACT

• Mr. CONRAD. Mr. President, tens of thousands of farmers across the country are attempting to restructure their debts and retain their homesteads. However, the fresh start Congress envisioned for these farmers when it passed the Agricultural Credit Act of 1987 will prove to be elusive for many of them. Depending on the circumstances, the tax consequences of debt restructuring can be very severe—and will push some farmers over the brink of insolvency just as they are attempting to recover.

Farmers engaged in debt restructuring can encounter either—or both—of the following tax problems. When property is deeded back to a lender in exchange for debt relief, the farmer will realize a capital gain if the fair market value of the property is above the basis. It is the same tax the farmer would owe if he sold the land, only in this case there is no cash from the sale. The farmer could also owe some tax on the debt relief he receives from the lender, unless he is insolvent or has unused tax attributes to apply as offsets.

Prior to the 1986 tax reform law, it was possible to mitigate these tax consequences by using income-averaging and excluding 60 percent of capital gains. But since the repeal of these provisions, farmers who restructure their debts increasingly find that the resulting tax obligations are beyond their ability to pay.

Thousands of farmers will fail if the current tax treatment of debt restructuring arrangements is left unchanged. And for others who have lost their farms, huge tax bills will hang over their heads for years to come, clouding what prospects they had for making a modest living.

Let me provide a numerical example. Suppose a farmer had a loan for $200,000 and conveyed back land worth $150,000 to eliminate this debt. Assume this land had a cost-basis of $75,000. Under current law, this farmer would have to pay tax on a capital gain of $75,000. Though such gains are illusory, they will be taxed as ordinary income.

The farmer in this example would also realize $50,000 of discharge of indebtedness income. To offset this income, he can draw on any tax attributes—such as unused investment tax credits and net operating loss carryovers—that he has, and he can reduce basis in other property. If, after taking these steps, the farmer still has discharge of indebtedness income, he will be taxed on the remainder unless he is insolvent.

My bill would address both of these tax problems for farmers who are technically solvent but clearly lack the ability to pay. It would provide a limited, once-in-a-lifetime exclusion for farmers with low to moderate income and few other assets, to relieve them of the tax owed on discharge of indebtedness income or capital gains that arise from debt restructuring.

The exclusion is clearly targeted: large farmers, wealthy investors and speculators, and others with significant assets will not be helped. To qualify for the exclusion, farmers would need to meet the following three tests: First, at least 50 percent of gross receipts in 6 of the last 10 years must be attributable to farming; second, modified adjusted gross income is less than 100 percent of the national median adjusted gross income; and third, equity in all other property is less than $25,000 or 150 percent of tax liability, whichever is greater. The exclusion is limited to $300,000 over the taxpayer's lifetime, the same limit on the size of the write-down that exists under the Agricultural Credit Act.

Mr. President, this bill is similar to measures I introduced in 1988 and again in 1989. Counterpart bills were introduced in the House in both of these years. In July of 1989, the Senate Finance Committee held a hearing on the legislation, which demonstrated the need for such tax changes and suggested a number of technical revisions that have now been incorporated. During action of the fiscal 1990 budget reconciliation bill, the committee adopted key provisions of my bill which extended relief from the taxes on discharge of indebtedness income. Subsequently, however, this legislation was deleted from the reconciliation bill on the Senate floor in a leadership move to scale back and expedite passage of the omnibus budget measure.

But these problems have not disappeared. And with the national economy in recession, we should expect that the number of farmers who need to restructure their debts will continue to grow. According to the Farmers Home Administration, 14,167 borrowers had their debts restructured in 1990. In addition, the agency has thousands of unresolved cases, many of which are on appeal and can still involve writedowns. Others will end in liquidation, voluntary conveyance, or bankruptcy—with consequences for the 1991 tax year.

Mr. President, I believe that my bill offers a fair and workable solution to these problems. It will benefit low and moderate-income farm families—without opening the door to manipulation by speculative investors or wealthy individuals. Nearly 4 years have passed since opportunities to make a fresh start were offered to farmers by the Agricultural Credit Act. But debt restructuring cannot work as intended if it results in tax liabilities that farmers have no hope of ever being able to pay. I urge my colleagues to carefully examine this measure, and I ask unanimous consent that a section-by-section analysis and text of the bill be printed in the RECORD.

I thank the Chair and yield the floor.

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

S. 900

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 "Farm Debt Tax Reform Act of 1991".

SEC. 2. CAPITAL GAIN REALIZED FROM TRANSFER OF FARM PROPERTY IN COMPLETE OR PARTIAL SATISFACTION OF QUALIFIED FARM INDEBTEDNESS EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (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. CAPITAL GAIN REALIZED FROM TRANSFER OF FARM PROPERTY IN COMPLETE OR PARTIAL SATISFACTION OF QUALIFIED FARM INDEBTEDNESS.

"(a) IN GENERAL.—Gross income of any taxpayer described in subsection (d) does not include so much of the gain from the transfer of farm property in complete or partial satisfaction of qualified farm indebtedness as does not exceed $300,000.

"(b) PRIOR GAINS AND DISCHARGES OF INDEBTEDNESS TAKEN INTO ACCOUNT.—

"(1) IN GENERAL.—If for any prior year—

"(A) gain from the transfer of farm property in complete or partial satisfaction of qualified farm indebtedness, or

"(B) a discharge of such indebtedness,

is excluded from the taxpayer's gross income under subsection (a) of this section or section 108(g), respectively, subsection (a) of this section shall be applied for the taxable year with respect to such gain by reducing the dollar amount contained in such subsection by the such excluded prior year gains and discharges.

"(2) CURRENT YEAR COORDINATION WITH SECTION 108.—Subsection (a) of this section shall be applied for the taxable year with respect to any gain by reducing the dollar amount contained in such subsection (after any reduction under paragraph (1)) by any amount excluded from gross income under section 108 for such year.

"(c) REDUCTION OF TAX ATTRIBUTES.—

"(1) IN GENERAL.—The amount excluded from gross income under subsection (a) shall be applied to reduce the tax attributes described under section 108(b)(2).

"(2) COORDINATION WITH SECTION 108.—For purposes of this subsection, the amount of tax attributes shall be determined after any reduction under section 108(b) by reason of amounts excluded from gross income under section 108(a)(1).

"(d) TAXPAYER DESCRIBED IN THIS SUBSECTION.—

"(1) IN GENERAL.—A taxpayer is described in this subsection if—

"(A) the average of such taxpayer's modified adjusted gross income for any 3 taxable years of the 5-taxable year period ending with the taxable year in which the transfer of farm property in complete or partial satisfaction of qualified farm indebtedness occurs is less than 100 percent of the average of the national median adjusted gross income for such 3 taxable years,

"(B) more than 50 percent of the gross receipts of the taxpayer for 6 of the 10 taxable years preceding such taxable year are attributable to—

"(i) the trade or business of farming (within the meaning of section 2032A(e)(5)), or

"(ii) the sale or lease of assets used in such trade or business, or

"(iii) both, and

"(C) equity in all property held by the taxpayer after such transfer is less than the greater of —

"(i) $25,000, or

"(ii) 150 percent of the excess (if any) of—

"(I) the tax imposed by this chapter determined as if this section and section 108 did not apply to the transfer, over

"(II) the tax imposed by this chapter determined with regard to this section and section 108 (if applicable).

"(2) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means adjusted gross income—

"(A) determined with regard to this section and section 108, and

"(B) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

"(3) EQUITY.—For purposes of this subsection, the term 'equity' means, with respect to all property held by the taxpayer, an amount equal to—

"(A) the fair market value of such property, minus

"(B) any indebtedness relating to such property.

"(e) FARM PROPERTY.—For purposes of this section, the term 'farm property' means real and personal property used by the taxpayer in the trade or business of farming (within the meaning of section 2032A(e)(5)).

"(f) QUALIFIED FARM INDEBTEDNESS.—For purposes of this section, indebtedness of a taxpayer shall be treated as qualified farm indebtedness if such indebtedness was incurred directly in connection with the operation by the taxpayer of the trade or business of farming (within the meaning of section 2032A(e)(5)) and when such taxpayer materially participated in such trade or business (within the meaning of section 2032A(e)(6)).

"(g) APPLICATION WITH RECAPTURE PROVISIONS.—In the case of any gain from the transfer of farm property in complete or partial satisfaction of qualified farm indebtedness which is treated as ordinary income under section 1245, 1250, 1252, or 1255, subsection (a) shall be applied for the taxable year by first reducing the dollar amount contained in such subsection by such gain.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 136 and inserting in lieu thereof the following new items:

"Sec. 136. Capital gain realized from transfer of farm property in complete or partial satisfaction of qualified farm indebtedness.

"Sec. 137. Cross references to other Acts.".

(c) EFFECTIVE DATE; REFUNDS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers occurring after December 31, 1986, in taxable years ending after such date.

(2) WAIVER OF STATUTE OF LIMITATIONS.—In the case of any taxable year ending before the date of the enactment of this Act—

(A) the period for claiming a credit or refund of any overpayment of tax resulting from the application of the amendments made by this section shall not expire before the date which is 1 year after the date of the enactment of this Act, and

(B) if, after the application of subparagraph (A), credit or refund of any overpayment of tax resulting from the application of the amendments made by this section is prevented at any time before the close of such 1-year period by the operation of any law or rule of law (including res judicata), credit or refund of such overpayment (to the extent attributable to the application of the amendments made by this section) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 1-year period.

SEC. 3. EXCLUSION OF DISCHARGE OF QUALIFIED FARM INDEBTEDNESS FROM GROSS INCOME INCREASED FOR CERTAIN SOLVENT FARMERS.

(a) IN GENERAL.—Section 108(g) of the Internal Revenue Code of 1986 (relating to special rules for discharge of qualified farm indebtedness) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL LIMITATIONS FOR CERTAIN FARMERS.—

"(A) IN GENERAL.—With respect to a taxpayer who is described in subparagraph (C) of this paragraph and who elects the application of this paragraph—

"(i) the amount excluded under subparagraph (C) of subsection (a)(1) shall not exceed $300,000, and

"(ii) paragraph (2) of this subsection shall be applied by amending such paragraph to read as follows: 'For purposes of this section, indebtedness of a taxpayer shall be treated as qualified farm indebtedness if such indebtedness was incurred directly in connection with the operation by the taxpayer of the trade or business of farming and when such taxpayer materially participated in such trade or business (within the meaning of section 2032A(e)(6)).'

"(B) PRIOR DISCHARGES OF INDEBTEDNESS AND GAINS TAKEN INTO ACCOUNT.—If for any prior year—

"(i) a discharge of qualified farm indebtedness, or

"(ii) gain from the transfer of farm property in complete or partial satisfaction of such indebtedness,

is excluded from the taxpayer's gross income under this subsection or section 136, respectively, subparagraph (A) shall be applied for the taxable year with respect to such discharge by reducing the dollar amount contained in such subparagraph by the such excluded prior year discharges and gains.

"(C) TAXPAYER DESCRIBED IN THIS SUBPARAGRAPH.—A taxpayer is described in this subparagraph if—

"(i) the average of such taxpayer's modified adjusted gross income for any 3 taxable years of the 5-taxable year period ending with the taxable year in which the discharge of qualified farm indebtedness occurs is less than 100 percent of the average of the national median adjusted gross income for such 3 taxable years,

"(ii) more than 50 percent of the gross receipts of the taxpayer for 6 of the 10 taxable years preceding such taxable year are attributable to—

"(I) the trade or business of farming (within the meaning of section 2032A(e)(5)), or

"(II) the sale or lease of assets used in such trade or business, or

"(III) both,

"(iii) the indebtedness of the taxpayer both before and after such discharge is equal to 70 percent or more of the fair market value in all property held by such taxpayer, and

"(iv) equity in all property held by the taxpayer after such discharge is less than the greater of—

"(I) $25,000, or

"(II) 150 percent of the excess (if any) of the tax imposed by this chapter determined as if this section and section 136 did not apply to the transfer, over the tax imposed by this chapter determined with regard to this section and section 136 (if applicable).

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FARM PROPERTY.—The term 'farm property' means real and personal property used by the taxpayer in the trade or business of farming (within the meaning of section 2032A(e)(5)).

"(ii) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income—

"(I) determined with regard to this section and section 136, and

"(II) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

"(iii) EQUITY.—The term 'equity' means, with respect to any property, an amount equal to—

"(I) the fair market value of such property, minus

"(II) any indebtedness relating to such property.".

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 108(g)(3) of such Code is amended by striking out "The amount" and inserting in lieu thereof "Except as provided in paragraph (4), the amount".

(c) EFFECTIVE DATE; REFUNDS.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges of indebtedness occurring after December 31, 1986, in taxable years ending after such date.

(2) WAIVER OF STATUTE OF LIMITATIONS.—In the case of any taxable year ending before the date of the enactment of this Act—

(A) the period for claiming a credit or refund of any overpayment of tax resulting from the application of the amendments made by this section shall not expire before the date which is 1 year after the date of the enactment of this Act, and

(B) if, after the application of subparagraph (A), credit or refund of any overpayment of tax resulting from the application of the amendments made by this section is prevented at any time before the close of such 1-year period by the operation of any law or rule of law (including res judicata), credit or refund of such overpayment (to the extent attributable to the application of the amendments made by this section) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 1-year period.

SECTION-BY-SECTION ANALYSIS

Section 1: Short title, the Farm Debt Tax Reform Act of 1991.

Section 2: Provides an exclusion for capital gains that arise when farm property is transferred to a lender in exchange for debt relief if the following conditions apply:

The exclusion of gains under this section does not exceed $300,000 over the taxpayer's lifetime (counting any debt relief income that qualifies for an exclusion under section 2 of this bill):

The excluded amounts are used to reduce tax attributes to the extent possible;

The taxpayer's modified adjusted gross income is less than 100 percent of the national median adjusted gross income;

At least 50 percent of the taxpayer's gross receipts in at least 6 of the last 10 years is attributable to farming, and the taxpayer must have materially participated in the trade or business of farming;

The taxpayer's equity in all post-transfer property is less than $25,000 or 150 percent of tax liability, whichever is greater.

Definitions: Modified adjusted gross income means adjusted gross income plus any tax-exempt income minus capital gains and discharge of indebtedness income;

Equity means the fair market value of property minus any indebtedness on such property;

Tax liability for the purpose of the equity test is the difference between the tax that would be owed under current law and the tax that would be owed under the bill;

Farm property means real and personal property used in connection with the trade or business of farming;

Qualified farm indebtedness specifies the farming purposes (cultivation of soil, handling of animals, forestry, etc.) for which the debt was incurred.

Effective Date: Section 2 applies to all transfers occurring after December 31, 1986.

Waiver of Statute of Limitations: Such a waiver is included to enable taxpayers affected by this bill to amend their 1987 tax returns in the event that it becomes law.

Section 3: Provides for an exclusion of discharge of indebtedness income for farmers who meet the following conditions, as an alternative to the 50 percent farm income test which now provides a limited exclusion for solvent taxpayers under section 108(g):

The exclusion is limited to $300,000 over the taxpayer's lifetime (counting any excluded gains under section 1);

The taxpayer's modified adjusted gross income in the year of discharge is less than 100 percent of the national median adjusted gross income;

At least 50 percent of the taxpayer's gross receipts in at least 6 of the last 10 years is attributable to farming and the taxpayer must have materially participated in the trade or business of farming;

The taxpayer's debt to equity ratio both before and after the transfer is at least 70 percent;

The taxpayer's equity in all post-transfer property is less than $25,000 or 150 percent of tax liability, whichever is greater.

Definitions: Same as for section 2.

Effective Date: Section 3 applies to all transfers occurring after December 31, 1986.

Waiver of Statute of Limitations: Same as for section 2.•

By Mr. STEVENS (for himself and Mr. PRYOR):

S. 901. A bill to amend title 39, United States Code, to establish a Stamp Selection Committee; to the Committee on Governmental Affairs.

PRESIDENTIAL STAMP SELECTION COMMITTEE ACT OF 1991

• Mr. STEVENS. Mr. President, today I am introducing legislation affecting one of the most visual aspects of the Federal Government outside the flag itself: The U.S. postage stamp.

Many of you may have read press accounts that the stamp honoring our former colleague, Dennis Chavez, is being printed in Ottawa, Canada. Having a U.S. postal stamp printed outside the United States is embarrassing enough, but there are other problems with the selection and issuance of stamps. Such practices as increased commercialization of stamp design and selection have caused increased concern among stamp collectors and the stamp buying public. Another concern has arisen over the effort of the Postal Service to convince the school systems of this Nation that stamp collecting is educational—that stamps can be an important tool in teaching young Americans. While I concur wholeheartedly with that assessment and effort, the problem is that the Postal Service then turns around and issues stamps that are historically inaccurate or misleading. For example, the Postal Service issued stamps depicting four Native American masks, but in fact two of the masks were Canadian. The most recent furor involved the dinosaur stamp series. One of the dinosaurs was mislabeled when the stamp went to press,

a fact the Postal Service knew, but did not seem to care about. These are but two examples. How can the Postal Service expect teachers to use stamps as teaching tools when the information and depictions on them are incorrect?

A U.S. commemorative stamp should honor only truly great Americans whose contributions are of national significance, not someone or some event that may have short range commercial value. The places or events depicted on stamps should have national significance, be historically accurate, reflect the traditional ideals of the Nation, and be of the highest quality possible in design and art work.

In order to protect these concerns, I am introducing the Stamp Selection Committee Act of 1991, which requires the President of the United States to appoint 15 individuals to serve as members of the Citizen's Stamp Selection Committee. It is my hope that this new committee will provide significantly increased input by the stamp collecting community of this Nation whose views are too often overlooked. This new committee should not cost the taxpayers or the ratepayers any additional funds. All expenses will come from the U.S. Postal Service and they will cost no more than what is currently spent by the present Stamp Advisory Committee.

Committee members would be unsalaried but would be given $300 a day for meetings up to 15 days per year.

What would the committee do? It would remove the advisory panel for stamp designs from internal Postal Service operations and politics.

The President would appoint this committee which would make binding recommendations to the Postmaster General for stamp subjects and would approve final stamp design.

These recommendations would provide some choice of subjects from which the Postmaster General could select a stamp. In this way, the Postal Service could not choose a stamp subject which was not recommended by the committee, and the selection process would not be involved in politics. After selecting the subject, the Service would need approval from the Commission for any special design it authorizes. The committee would set general guidelines for postal cancellation subjects as well. The committee would base its approval on aesthetic and other statutory considerations, as well as historical accuracy. Creating the committee would add recognition to the importance of stamp design in celebrating the significant figures and events in American history. In addition, it would go a long way toward preventing this country from being embarrassed by having improper subject designs or incorrect depictions on U.S. postage stamps or on stamp cancellations.

In addition, the bill requires that all stamped paper, cards, envelopes, and all stamps be printed in the United States.

Mr. President, I ask unanimous consent to print the complete text of the bill at the end of my remarks.

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

S. 901

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

SECTION 1. Title 39, United States Code, is amended by adding a new section 209, as follows:

"§ Stamp Selection Committee

"(a) There is established a Stamp Selection Committee to consist of 15 members appointed by the President. The President shall select Members with appropriate backgrounds in educational, artistic, historical, or other relevant professional and cultural endeavors, as well as an interest in philately. Members shall serve for a term of three years, and may be reappointed by the President without limitation on the number of terms.

"(b) The Stamp Selection Committee established under subsection (a) of this section shall select for recommendation to the Postmaster General an adequate number and variety of subjects for representation on postage stamps and other stamped paper, cards, and envelopes. It may recommend subjects on its own motion or from among those suggested by members of the public. In making recommendations the Stamp Selection Committee shall consider:

"(1) the value of postage stamps and other postal stationery in portraying the American experience to a world audience,

"(2) the general interest and educational value of possible subjects,

"(3) the artistic and aesthetic potential of possible subjects, and

"(4) the interests of postal customers in general as well as of philatelists.

Following the preparation of a design by or for the Postal Service, the Stamp Selection Committee shall review such design to establish its accuracy in representation of the subject portrayed and its success in fulfilling the criteria which had led the Stamp Selection Committee to recommend the subject, and shall promptly render a decision either approving the design or returning it to the Postal Service together with a specification of the changes to be made in it.

"(c) The Stamp Selection Committee shall meet to conduct its business six times per year, in Washington, D.C. Members shall receive no salary, but shall receive $300 per day for not more than 15 days of meetings each year and shall be reimbursed for travel and reasonable expenses incurred in attending meetings. The Stamp Selection Committee may adopt by-laws for the conduct of its business any may provide for annual election by the Members of a Chairman. The Postal Service shall provide necessary administrative, clerical, and other support services for the Stamp Selection Committee."

SEC. 2. Section 404 of title 39, United States Code, is amended by adding at the end thereof a new subjection (c), as follows:

"(c) In providing postage stamps and other stamped paper, cards, and envelopes pursuant to subsection (a)(4) and in providing philatelic services pursuant to subsection (a)(5) of this section, the Postal Service shall select all subjects for representation on such stamps, stamped paper, cards, and envelopes from among the recommendations made by the Stamp Selection Committee and shall submit all designs it adopts for such stamps, stamped paper, cards, and envelopes for review by the Stamp Selection Committee Panel under section 209(b) of this title. No stamps, stamped paper, cards, or envelopes the design of which has not been approved by the Panel shall be printed, manufactured, or made available to the public."•

By Mr. BRADLEY (for himself, Mr. DURENBERGER, and Mr. CHAFEE):

S. 902. A bill to amend title XIX of the Social Security Act to reduce infant mortality through improvement of coverage of services to pregnant women and infants under the Medicaid Program; to the Committee on Finance.

INFANT MORTALITY AND CHILDREN'S HEALTH ACT

• Mr. BRADLEY. Mr. President, I rise to introduce the Medicaid Infant Mortality and Children's Health Act of 1991. This legislation amends the Medicaid Program to require States to provide health care coverage for pregnant women and infants up to 185 percent of the Federal poverty level by 1994; to allow States to expand Medicaid coverage for children up to age 6 from families living between 133 percent and 185 percent of the Federal poverty level; allows States to purchase WIC food supplements through Medicaid; and encourages home visiting programs.

Mr. President, for the past few years we have taken several important steps to address a problem that can only be characterized as a national disgrace. This proposal takes us one step further in attacking our failure to protect the lives of infants and children in America.

As we watch the amazing changes that are overtaking the world today, I am more and more convinced that the test of our leadership in the world will be the example we set in providing for the human needs of our own people. Our record on how we treat our children in America is less than exemplary. It is unacceptable that in America today, infant mortality is higher than in all other industrialized nations. In the 2 years alone we have slipped from 19th to 21st on the list of industrialized nations. More children die in America before the age of 5 than in East Germany and Singapore. It is also intolerable that our country, which pioneered the development of vaccines, should have a childhood immunization rate among nonwhite Americans which ranks behind 48 other countries including Albania and Botswana. A country that can put men on the Moon and can dream of sending men to Mars can surely find ways to add ounces to the birthweight of newborns.

Mr. President, the tools to attack this problem successfully do not re-

quire years of additional study and research. The travesty of America's shameful record on infant mortality and child health is underscored by the fact that we now know what will work. We know that adequate prenatal care can substantially reduce the chance of a woman giving birth to an infant with low birthweight or one who will die in infancy. Further progress would be made by ensuring that pregnant women have access to adequate nutrition, such as through the WIC Program, and to adequate information and treatment programs with respect to both legal and illegal substance abuse.

Each year, 40,000 infants die before their first birthday in America. A quarter of a million infants are born with low birthweight giving them 40 times the risk of a normal weight infant for dying; for survivors there is a substantial risk for significant lifelong health problems and hampered intellectual development. Early, adequate, and coordinated prenatal care can impact on these risks.

If the tools exist to attack the problem, then why are our children faced with such grim prospects at the start of their young lives? Access to comprehensive prenatal care in this country is not guaranteed. There are numerous barriers that a pregnant woman faces to getting care at a time when barriers should be far from her mind. Last Congress, as we have done for the past years, we took significant steps to erase financial barriers when we required that States provide Medicaid coverage for women up to 133 percent of the proverty level. This provided insurance coverage to approximately 112,000 women who would not have received coverage before the law was passed. Broadening the coverage to 185 percent of the poverty level as proposed in this bill will cover the pregnancies of an additional 200,000 women. This will mean that we will have provided prenatal care coverage to 300,000 out of the 500,000 uninsured women giving birth. This is a good first step in trying to solve the problem.

Financial barriers are not the only barriers faced by women who need prenatal care. Insurance coverage without the provider network to give the needed care would be a paper victory for better care. Last year, we attempted to deal with this problem by trying to ensure adequate payment to providers for Medicaid beneficiaries in order to guarantee that women have someone to go to. In addition, we began the process of trying to address some of the deep-seated social and cultural barriers that the most vulnerable women have to getting care. We attempted to cut bureaucratic redtape by encouraging coordination between Medicaid and the WIC Program. We also endorsed an important home-visiting concept that has the potential of enabling providers to reach out to women who feel alienated from the health care system and as a result do not get the care needed to ensure healthy babies. This legislation would enable States to opt to cover, under Medicaid, home-visiting programs.

Finally, Mr. President, last year, we took an important step in trying to improve the health of our children. We provided Medicaid coverage to all children up to the age of 6 under 133 percent of the Federal poverty level. This year, with this bill, we will allow States the option of phasing in coverage for children from ages 2 to 6 from 133 percent to 185 percent of the poverty level. The 660,000 children up to the age of 6 whose parents earn between 133 and 185 percent of the Federal poverty level should get health coverage. Our children are our future, Mr. President. Our greatness as a nation is fully diminished by our reluctance to provide basic health care to our children. I believe it is time for us to redress this glaring omission.

I ask unanimous consent that the text of the bill and the summary of the legislation appear at this point.

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

S. 902

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 "Infant Mortality and Childrens Health Act of 1991".

TITLE I—MEDICAID COVERAGE OF PREGNANT WOMEN AND INFANTS

SEC. 101. MEDICAID COVERAGE OF PREGNANT WOMEN AND INFANTS.

(a) PHASED-IN COVERAGE OF PREGNANT WOMEN AND INFANTS WITH INCOME BELOW 185 PERCENT OF THE POVERTY LEVEL.—Section 1902(l)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(l)(2)(A)) is amended—

(1) by striking "and" at the end of subclause (I),

(2) by striking the period at the end of subclause (II) and inserting a comma, and

(3) by adding at the end the following new subclauses:

"(III) July 1, 1993, 150 percent, or, if greater, the percentage provided under clause (iv), and

"(IV) July 1, 1994, 185 percent, or, if greater, the percentage provided under clause (iv).".

(b) EFFECTIVE DATES.—

(1) HIGHER INCOME STANDARDS.—(A) The amendments made by subsection (a) shall apply (except as provided in subparagraph (B)) to payments under title XIX of the Social Security Act for calendar quarters beginning on or after July 1, 1993, with respect to eligibility for medical assistance on or after such date, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsection (a), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 102. OUTREACH FOR PREGNANT WOMEN.

(a) REQUIRING OUTREACH FOR PREGNANT WOMEN AND INFANTS UNDER THE MATERNAL AND CHILD HEALTH PROGRAM.—Section 505(2)(E) of such Act (42 U.S.C. 705(2)(E)) is amended—

(1) by striking "participate" before clause (i),

(2) by inserting "participate" after "(i)", after "(ii)", and after "(iii)",

(3) by striking "and" at the end of clause (ii),

(4) by striking the period at the end of clause (iii) and inserting ", and", and

(5) by adding after clause (iii) the following new clause:

"(iv) provide, directly and through their grantees and institutional contractors, for outreach services for pregnant women and infants (described in section 1902(l)(5)).".

(b) OPTIONAL COVERAGE OF OUTREACH SERVICES FOR PREGNANT WOMEN AND INFANTS.—

(1) PERMITTING PAYMENT FOR OUTREACH SERVICES FOR PREGNANT WOMEN AND INFANTS AT FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—Section 1903(a)(1) of the Social Security Act (42 U.S.C. 1396b(a)(1)) is amended by inserting "for outreach services for pregnant women and infants described in section 1902(l)(5) or" after "total amount expended during such quarter".

(2) OUTREACH SERVICES FOR PREGNANT WOMEN AND INFANTS DEFINED.—Section 1902(l) of such Act is amended by adding at the end the following new paragraph:

"(5) For purposes of section 1903(a), the term 'outreach services for pregnant women and infants' means, with respect to pregnant women and infants, to identify individuals described in subparagraph (A) or (B), respectively, of paragraph (1) and, once identified, to assist them in applying for medical assistance under this title.".

(c) EFFECTIVE DATES.—

(1) The amendments made by subsection (a) shall apply to payments for allotments for fiscal years beginning with fiscal year 1992.

(2) The amendments made by subsection (b) shall apply to outreach services provided on or after January 1, 1992.

TITLE II—OPTIONAL COVERAGE OF HOME VISITATION SERVICES FOR HIGH-RISK INFANTS

SEC. 201. INCREASED ACCESS TO HOME VISITING.

(a) IN GENERAL.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)), as amended by the Omnibus Budget Reconciliation Act of 1990, is amended—

(1) by striking "and" at the end of paragraph (21);

(2) in paragraph (24), by striking the comma at the end and inserting "; and";

(3) by redesignating paragraphs (22), (23), and (24) as paragraphs (25), (22), and (23), respectively, and by transferring and inserting paragraph (25) after paragraph (23), as so redesignated; and

(4) by inserting after paragraph (23) the following new paragraph:

"(24) home visitation services with respect to high-risk infants under 1 year of age (as specified by the State), as prescribed by a physician; and".

(b) CONFORMING AMENDMENTS.—Section 1902 of such Act (42 U.S.C. 1396a), as amended by the Omnibus Budget Reconciliation Act of 1990, is amended—

(1) in subsection (a)(10)(C)(iv), by striking "through (21)" and inserting "through (24)";

(2) in subdivision (V) at the end of subsection (a)(10), by inserting "and home visitation services for high-risk pregnant women" after "postpartum services";

(3) in subdivision (VII) at the end of subsection (a)(10), by inserting "and home visitation services for high-risk pregnant women" after "family planning services"; and

(4) in subsection (j), by striking "through (22)" and inserting "through (25)".

(c) CONSTRUCTION.—The fact that a State may elect to cover home visitation services under section 1905(a)(24) of the Social Security Act (as inserted by the amendment made by subsection (a)(4)) shall not affect the availability of medical assistance for early and periodic screening, diagnostic, and treatment services (as defined in section 1905(r) of such Act) provided under title XIX of such Act in a home or other off-site location.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after January 1, 1992, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

TITLE III—MEDICAID RELATIONSHIP WITH SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

SEC. 301. INCREASED ACCESS FOR MEDICAID RECIPIENTS TO WIC BENEFITS.

(a) OPTIONAL COVERAGE UNDER MEDICAID PROGRAM FOR SUPPLEMENTAL FOOD BENEFITS FURNISHED UNDER WIC PROGRAM.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) by striking "and" at the end of paragraph (21),

(2) in paragraph (24), by striking the period at the end and inserting "; and",

(3) by redesignating paragraphs (22), (23) and (24) as paragraphs (24), (22) and (23), respectively, and by transferring and inserting paragraph (24) after paragraph (23), as so redesignated.

(4) by redesignating paragraph (24) as redesignated by paragraph (3) as paragraph (25), and

(5) by inserting immediately after paragraph (23) as redesignated the following new paragraph:

"(24) supplemental foods furnished by the program under section 17 of the Child Nutrition Act of 1966 (to the extent the individual is certified under such section to participate in such program); and".

(b) REIMBURSEMENT RATE.—Section 1902(a)(13) of such Act (42 U.S.C. 1396a(a)(13)) is amended—

(1) by striking "and" at the end of subparagraph (E),

(2) by adding "and" at the end of subparagraph (F), and

(3) by adding at the end the following new subparagraph:

"(G) for payment during a fiscal year of the supplemental foods described in section 1905(a)(21) and for the administrative costs and nutrition services associated with providing WIC benefits to the agency in the State recognized under section 17 of the Child Nutrition Act of 1966

(c) CONFORMING AMENDMENTS.—Section 1902 of such Act (42 U.S.C. 1396a) is amended—

(1) in subsection (a)(10)(C)(iv), by striking "(21)" and inserting "(24)";

(2) in subsection (a)(23), by striking "Guam" and inserting "Guam, and with respect to items and services described in section 1905(a)(24)";

(3) in subsection (a)(53), by inserting "(without regard to whether the State has exercised the option to cover benefits described in section 1905(a)(24))" after "(53) provide"; and

(4) in subsection (j), by striking "(22)" and inserting "(25)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to medical assistance furnished on or after October 1, 1991.

TITLE IV—OPTIONAL COVERAGE OF CHILDREN UP TO AGE 6 WITH INCOME BELOW 185 PERCENT OF THE POVERTY LINE.

SEC. 401. OPTIONAL COVERAGE FOR CHILDREN.

(a) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a), as amended by the Omnibus Budget Reconciliation Act of 1990, is amended—

(1) in subclauses (VI) and (VII) of subsection (a)(10)(A)(i), by inserting "minimum" before "income level",

(2) in subsection (l)(2)(B), by striking "133 percent" and inserting "a percentage (established by the State, which is not less than 133 percent and not more than 185 percent)", and

(3) in subsection (l)(2)(C), by striking "100 percent" and inserting "a percentage (established by the State, which is not less than 100 percent and not more than 185 percent)".

(b) FLEXIBILITY ON AGE.—Section 1902(l) of such Act is amended—

(1) in paragraph (1)—

(A) by striking "and" at the end of subparagraph (C),

(B) by inserting "and" at the end of subparagraph (D), and

(C) by adding at the end the following:

"(E) at the option of the State, children up to 6 years of age or a lesser age as selected by the State,";

(2) in paragraph (2)(C), by striking "subparagraph (D)" and inserting "subparagraph (D) or (E)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after January 1, 1992, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

BILL SUMMARY OF THE INFANT MORTALITY AND CHILDREN'S HEALTH ACT OF 1991

OVERVIEW

Infant mortality continues to be a matter of widespread concern in this country, as well it should be. The infant mortality rate is a primary indicator of the overall health status because it tends to be closely associated with access to food, shelter, education, sanitation, and health care. The ranking of the United States, twenty-first internationally, reflects the continuing comparative decline in the health status of the most vulnerable segment of American society compared to other nations of the world. We, as a nation, have been willing to spend an unlimited amount of money to keep low birthweight babies alive once they are born, but we have been reluctant to spend far less on the front-end preventive care that would make heroic, glamorous and expensive efforts to save young lives unnecessary. Components of the problem have been well delineated and effective strategies have been repeatedly defined.

The Infant Mortality and Children's Health Act of 1991 builds on prior initiatives enacted by Congress.

COVERAGE OF PREGNANT WOMEN AND INFANTS

Current Law

States must cover all pregnant women and infants through age one with incomes at or below 133 percent of the poverty level as of January 1, 1991. States have the option of covering all pregnant women and infants with incomes at or below 185 percent of poverty. Uninsured women are less likely to have received adequate prenatal care prior to pregnancy and are less likely to receive early and adequate maternity care. In 1988 nearly one in three women—and one out of every two black women—did not receive adequate prenatal care.

Proposal

States would be required to cover pregnant women and infants with incomes below 150 percent of poverty as of July 1, 1993, and 185 percent of poverty as of July 1, 1994.

COVERAGE OF CHILDREN

Current Law

States are presently required to phase in coverage of all children in families with incomes at our below 100 percent of poverty up to age eighteen for all children born after September 30, 1983. States are presently required to provide coverage to children ages two through six in families with incomes at or below 133 percent of poverty.

Proposal

This provision allows states the option of covering children up to age 6 with incomes below 185 percent of the poverty level.

MATERNAL AND CHILD HEALTH HOME VISITING

Background

"Home Visiting" is the delivery of preventive health, education, and support services by a nurse or trained person to a pregnant woman, new mother, or family in their own home. It is a service commonly provided by other developed countries and is known to successfully protect families from a variety of medical and social risk factors.

Research and program experience show that home visiting efforts geared toward improving pregnancy outcomes are both successful and cost effective in both the short and long term. These efforts generally include increasing the proper use of preventive health care services (both prenatal and pediatrics) encouraging healthy behaviors (such as smoking cessation), reducing the incidence of child neglect and abuse, improving parenting skills, and promoting appropriate growth and development.

Home visiting is particularly effective for reaching high risk individuals or families because delivery of services in the home allows the patient to feel at ease, and therefore optimally benefit from the service. It also allows the provider (with first-hand information about the home environment) to offer attention and care that is most appropriate for the individual or family needs.

Proposal

This legislation allows states the option to cover prenatal and postnatal home vistitation programs as an extension of pregnancy related services for high-risk pregnant women and children. These programs will

provide client or family centered care management services, maternity and health education services, and related social support services. The state will determine the necessary home visitor qualifications based on the needs of the target population. The range of visitors may vary from trained nurses to lay visitors who are trained in pertinent areas of health and development. This optional expansion would be effective January 1, 1992.

MEDICAID WIC PURCHASE

Current law

All Medicaid-eligible pregnant women and children are eligible for benefits under the Special Supplemental Food Program for Women, Infants, and Children (WIC), but not all persons eligible for WIC receive WIC services. This program provides food assistance and nutritional screening to low-income pregnant women and postpartum women and their infants as well as low-income children. The WIC Program is aimed at women and children who are considered "at risk" for nutritional related medical problems. Evidence proves that WIC's services aid in the prevention of low birthweight babies, fetal deaths, and other problems among pregnant women and infants. States are required to improve Medicaid-eligible pregnant women's accessibility to the WIC program by coordinating their Medicaid plans with the WIC program and to make information about WIC available to all pregnant, breast-feeding, and post-partum and women and children applying for Medicaid.

Proposal

This legislation would allow state Medicaid programs the option to purchase the WIC program package, including the nutritional and other associated educational programs, for Medicaid eligible pregnant women and children. This option would become effective October 1, 1991.•

By Mr. BRADLEY (for himself and Mr. CHAFEE):

S. 903. A bill to create a children's security trust fund into which funds may be deposited and utilized to expand certain Federal programs that provide assistance to children, and for other purposes; to the Committee on Labor and Human Resources.

CHILDREN'S SECURITY TRUST FUND ACT

• Mr. BRADLEY. Mr. President, the Federal Government has done a few things right over the past six decades. First, we virtually eliminated poverty and hunger among the elderly. And second, we devised three programs that really work to keep children alive and ensure that they reach school ready to learn and grow. Today we spend $300 billion a year on the retirement benefits that have saved the elderly from severe want. Only $5 billion goes to the three programs—the Women, Infants, and Children nutrition supplement; Maternal and Child Health block grants; and Head Start—that work best for kids.

There are many Americans who share my view that we need to do all we can to bring these three effective programs to all the children who need them. I know many seniors who believe that a nation that can end poverty in their generation can also deliver the promise of a better life to the generations that will make this country great in the future. Many of them answer the question of what they owe to the future by volunteering in WIC clinics or Head Start programs. While every retiree has earned every cent he or she receives, many find that between other income, private pensions, and investments, they are in position to give back some of the benefits they find themselves receiving. The legislation I am introducing today will give retirees a way to give some of their benefits back to the generation most deeply in need of the security.

The children's security trust fund is designed to enable the Federal Government to reach more children in need. The bill establishes a new fund to expand high priority Federal programs for needy young children. All receipts to the trust fund are made up of Federal retirement benefits that have been voluntarily contributed by retirees to the fund. All contributions to the fund are provided to the Secretary of HHS for the sole purpose of expanding Head Start, the Womens, Infants, and Children [WIC], and the Maternal Childs Health [MCH] programs.

This fund could conceivably greatly expand support for children's investment programs. If one-half of 1 percent of Federal retirement benefits were given back to the fund, WIC, Head Start, and MCH could be expanded by about 30 percent.

Mr. President, each year, about $300 billion a year is expanded at the Federal level for Federal retirement programs—Social Security, railroad retirement, civil service, and military retirement. Only $5 billion a year is expended on the three most important programs aimed at improving the health and well-being of very young children—Head Start, WIC, and MCH.

Federal retirement programs provide earned benefits to all persons regardless of income; Federal children's investment programs only provide services to a fraction of the poor children eligible for service. The Head Start program only provides early childhood services to about a half million of the 2½ million poor children eligible for the program. The WIC Program only provides nutritious food to less than 5 million of the 8 million people eligible for the program. And the Maternal and Child Health Program only reaches a fraction of poor mothers in need of prenatal care and children in need of primary care—about one-third of pregnant women do not receive adequate prenatal care.

Mr. President, I believe that these underfunded children programs are proven winners—they help kids. More resources devoted to these programs will mean that we will have more comprehensive programs to help more kids. But children need more than expanded professional support; they also need love and attention. I believe that our Nation's retirees can help these kids in nonfinancial ways—with their time. Therefore, my legislation authorizes the HHS Secretary to refer beneficiaries of Federal retirement programs who wish to serve as volunteers in programs receiving support from the children's security trust fund to appropriate local and community organizations. There are a few programs now underway to enable senior citizens to volunteer. The efforts already underway should be encouraged and expanded.

In Atlantic City, NJ, senior citizen volunteers provide important help in the classroom to children enrolled in the Head Start Program. Senior volunteers read to children and help with meal times and nap times. Sometimes a volunteer is matched with an individual child who needs special attention. Head Start programs in Cumberland, Salem, and Gloucester Counties established a special program where retired teachers read to the children. The senior volunteers serve as role models for parents of Head Start children. I understand that a retired night club performer visits the centers to play the piano with the children.

In Cranbury, NJ, the Central New Jersey Chapter of the March of Dimes has established a special project to recruit senior volunteers to help with office support and mailings, in addition, some senior volunteers make presentations about the need for good prenatal care to groups and also staff March of Dimes' tables at health fairs. Senior are trained to answer specific questions about prenatal care and birth defects.

The WIC Program in Spokane, WA, has developed a program where senior volunteers provide a variety of essential services in the office. In Spokane, senior volunteers are helping families fill out applications for benefits as well as helping to provide child care when their parents are being interviewed. Anyone who has spent time in a chaotic WIC office filled with 10 to 20 young kids knows that child care volunteers can provide a valuable service in WIC offices.

Mr. President, in trying to give American kids a better chance, we need to get back to the basics—and this bill embodies two very basic principles. First, stick with what works—Head Start, WIC, and MCH. Second, give people who want to help the means to do so. Pragmatism and voluntarism combined can help us give children the same sense of security that we have worked so hard to provide for our seniors.

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

S. 903

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 "Children's Security Trust Fund Act".

SEC. 2. PURPOSE.

It is the purpose of this Act to establish a Children's Security Trust Fund into which certain funds may be deposited and utilized to expand certain Federal programs that provide assistance to children.

SEC. 3. ESTABLISHMENT AND DEPOSITS.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund, to be known as the Children's Security Trust Fund (hereafter in this Act referred to as the "Trust Fund"), consisting of such amounts as are transferred to the Trust Fund under subsection (b) and any interest earned on the investment of amounts in the Trust Fund under subsection (c)(2).

(b) TRANSFER OF AMOUNTS.—

(1) IN GENERAL.—The Secretary of the Treasury is authorized to accept and shall transfer to the Trust Fund an amount equal to the sum of money gifts and bequests made unconditionally to the Secretary by individuals in the amounts described in paragraph (2).

(2) AMOUNT OF GIFT.—The amount of a gift or bequest made by an individual to the Secretary of the Treasury for deposit into the Trust Funds shall not be greater than the amount of—

(A) old age and survivors insurance benefits received by the individual under title II of the Social Security Act (42 U.S.C. 401 et seq.);

(B) Annuities paid to the individual under subchapter III of chapter 83 of title 5, United States Code, or under subchapter II of chapter 84 of such title;

(C) retired or retainer pay computed under section 1401a of title 10, United States Code that is received by the individual; or

(D) benefits received by the individual under the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.).

(3) TRANSFERS BASED ON ESTIMATES.—The amounts required to be transferred to the Trust Fund under paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the Treasury. Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) INVESTMENT OF TRUST FUND.—

(1) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in the judgment of the Secretary, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired—

(A) on original issue at the issue price, or

(B) by purchase of outstanding obligations at the market price.

The purposes for which obligations of the United States may be issued under chapter 31 of title 31, of the United States Code, are hereby extended to authorize the issuance at part of special obligations exclusively to the Trust Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt, except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(2) SALE OF OBLIGATION.—Any obligation acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at part plus accrued interest.

(3) CREDITS TO TRUST FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

SEC. 4. OBLIGATIONS FROM TRUST FUND.

The Secretary of Health and Human Services is authorized to obligate such sums as are available in the Trust Fund (including any amounts not obligated in previous fiscal years) for—

(1) programs and services under the Head Start Act (42 U.S.C. 9801 et seq.);

(2) programs and services under the supplemental food program under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

(3) programs and services under the Maternal and Child Health Services Block Grant Act.

SEC. 5. VOLUNTEERS FOR CHILDREN.

The Secretary of Health and Human Services shall refer individuals receiving benefits of the type described in section 3(b)(2) who desire to volunteer to provide services under programs that receive assistance under section 4, to the appropriate State and local officials and community organizations responsible for such programs.

BILL SUMMARY—CHILDREN'S SECURITY TRUST FUND

BACKGROUND

Each year, about $300 billion a year is expended at the federal level for federal retirement programs—social security, railroad retirement and civil service and military retirement. Only $5 billion a year is expended on the three most important programs aimed at improving the health and well-being of very young children—Head Start, the Women, Infants, and Children (WIC) Feeding Program, and the Maternal and Child Health (MCH) Program.

Federal retirement programs provide earned benefits to all persons regardless of income; federal children's investment programs only provide services to a fraction of the poor children eligible for services. The Head Start program only provides early childhood services to about a half-million of the two-and-a-half million poor children eligible for the program. The WIC program only provides nutritious food supplements to less than 5 million of the 8 million people eligible for the program. And the Maternal and Child Health Program only reaches a fraction of poor mothers in need of prenatal care and children in need of primary care; in fact, about one third of pregnant women do not receive adequate prenatal care.

BRADLEY BILL

The Children's Security Trust Fund establishes a new fund to expand high priority federal programs for needy young children. All receipts to the Trust Fund are made up of federal retirement benefits that have been voluntarily contributed by retirees to the Fund. All contributions to the fund are provided to the Secretary of HHS for the sole purpose of expanding Head Start, WIC, and MCH.

This fund could potentially greatly expand support for children's investment programs. If one-half of one-percent of federal retirement benefits were given back to the Fund, WIC, Head Start, and MCH could be expanded by about 30 percent.

Lastly, the legislation authorizes the HHS Secretary to refer beneficiaries of federal retirement programs who wish to serve as volunteers in programs receiving support from the Children's Security Trust Fund to appropriate local and community organizations. WIC, Head Start, and MCH would all greatly benefit from senior volunteers.●

By Mr. BRADLEY (for himself, Mr. DODD, and Mr. DURENBERGER):

S. 904. A bill to provide for the establishment of a children's vaccine initiative, and for other purposes; to the Committee on Labor and Human Resources.

CHILDREN'S VACCINE INITIATIVE ACT

Mr. BRADLEY. Mr. President, I rise today to reintroduce legislation to authorize Federal support for the continuing development of a children's vaccine to help immunize children in America and overseas against a wide range of diseases. The legislation authorizes $30 million in Federal support for next year, rising to $60 million in 1995. This legislation builds on the $6 million that Congress allocated last October for this worthy endeavor.

Mr. President, there was once a time in America when it was left almost to chance whether a child would grow to reach adulthood. Many large families took it for granted that at least one of their children would be lost to polio, diphtheria, measles, or another contagious disease before adolescence. For most parents who sent their children back to school this fall with their innoculation records and booster shots, those days are history, thanks to the greatest lifesaving invention in all of medicine—vaccines.

But the diseases that our children complain about getting shots for because they have never heard of them are still a matter of daily life—and death—for millions of children around the world. Each year, 3 million kids die from the major diseases that can be prevented by vaccines. Only about 70 percent of the infants in the developing world were immunized in 1990. That's a tremendous improvement over the 5 percent that were immunized in 1974, and most of the improvement can be attributed to the U.N. immunization program, supported in part by the child survival fund. But it's still not enough to eradicate killer diseases in the way

that we have eliminated polio in the U.S. and smallpox worldwide.

In most countries in the past decade, UNICEF, the World Health Organization, the U.S. Agency for International Development, and other groups have built an adequate system for delivering vaccines to children. In very poor areas, including America's inner cities, this system fails, and many children never see a doctor at all, or they receive only partial immunization. About 70 percent of the children in Jersey City, NJ, are not properly immunized. And in New Jersey—in 1990—two children died from measles. We must continue to work to make primary health care, including immunizations, a basic right of all children. But universal immunization will also require a bigger goal—better vaccines. A few forward-looking scientists and public health officials have a vision of a children's vaccine. Administered once in infancy, it could prevent about a dozen diseases for a lifetime.

Mr. President, immunizing every child in the world today is made more difficult by the characteristics of the vaccines we have available:

Children need too many different vaccines keyed to different diseases. American schoolchildren must get three separate vaccine mixtures, including two that prevent three diseases each, and regular booster shots. In countries where illnesses like yellow fever are prevalent, even more distinct vaccines are required. The children's vaccine would immunize a child against numerous diseases at once, including regional plagues like Japanese encephalitis and many for which good vaccines are not yet available.

To remain effective, current vaccines require too many regular booster shots. Recent severe outbreaks of measles in high schools and on college campuses in New Jersey recently have been attributed to neglect of booster shots. The children's vaccine would need to be administered only once in a lifetime, in infancy.

Most vaccines need constant refrigeration in order to remain potent. This makes it more difficult to bring the vaccines to isolated areas or store them in small, rural medical facilities. The children's vaccine would be stored and transported at room temperature.

Most vaccines are administered by injection, which not only requires more equipment but makes children reluctant to return for boosters. The children's vaccine would be administered orally, like the Sabin polio vaccine.

The children's vaccine is an idea, like JFK's vision of putting a man on the Moon. It may take anywhere from 10 to 30 years of research before that single, once-in-a-lifetime vaccine reaches the market. Each step along the way, though, will lead to more and better vaccines and help children live longer, healthier lives.

But the revolution in biotechnology makes the children's vaccine more than just a dream. Scientific research into vaccines peaked in the 1930's and declined with the introduction of antibiotics. New insights into the structure of the immune system and our ability to tinker with the very DNA of a virus make it likely that the 1990's will bring renewed progress in the development of human vaccines.

The only obstacle to this progress is an economic one. Vaccines are a public good; they are not particularly profitable for pharmaceutical companies, especially if they need be administered only once in a lifetime. If we are to realize the major advances that recent science makes possible, governments will have to play a stronger role. Currently the United States provides $140 million for worldwide vaccine research. Developing the children's vaccine is an Apollo project for the world's children, and this legislation will provide resources adequate to this lifesaving task.

The development of the children's vaccine has been endorsed by the World Health Organization's Scientific Group of Experts for the Programme on Vaccine Development. In addition, the National Vaccine Program convened a special meeting of experts at the National Institutes of Health last year about the technical feasibility of such an initiative. The results of that meeting also were overwhelmingly positive. Given the outpouring of support for the development of the children's vaccine, last year Congress provided $6 million to HHS and AID for early development work. It is my hope and expectation that more funds will be provided this year for this important initiative.

Last, Mr. President, the world leaders late last year came together at a historic Children's Summit in New York. Under the leadership of a rejuvenated United Nations, the world has at last shown a recognition that children must be protected from war, famine, slavery, and disease, and that it is children on whom the futures of all our nations rest. In his speech for the World Summit on Children, President Bush described his hopes for a children's vaccine:

> We also hope for the development of a single-dose "children's vaccine". But even if such a vaccine remains elusive, better vaccines for children are not. * * * We will do more. I have directed our Department of Health and Human Services and the Agency for International Development to focus even more of their research on children's vaccines. And we urge the private sector to join this lifesaving effort.

I am pleased that the nations at the summit joined forces to build a healthy future for all of our children. I believe that this legislation is one step in that process.

I ask unanimous consent that letters in support of my bill as well as a copy of the legislation be printed at the end of this statement.

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

S. 904

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 "Children's Vaccine Initiative Act of 1990".

SEC. 2. FINDINGS.

Congress finds that—

(1) immunization has been the most effective tool for child survival;

(2) public health programs in the United States and in developing countries have encountered serious obstacles to their efforts to achieve the optimal prevention of infectious diseases by immunization;

(3) many children receive inadequate protection because immunization programs require too many visits to the doctor or health center and because vaccines do not protect against all infectious diseases or protect the child early enough in life;

(4) the great scientific advances in biology and biotechnology in the last 15 years have created the capacity to solve technical problems related to vaccines and immunization;

(5) there can and should be new and improved vaccines and delivery systems;

(6) if sufficient resources were available for vaccine research, it would be possible over time to develop the "children's vaccine", which would be a vaccine administered only once in infancy that would introduce lifelong immunity against a wide range of key infectious diseases;

(7) there is a great capacity in the world to develop and produce new and improved vaccines with private industry and the Federal Government having distinguished records in the development and manufacture of vaccines, and with the United Nations Development Program having a longstanding commitment to vaccine research development and delivery; and

(8) while operational research is needed to determine how to better deliver vaccines to children, State and local health departments and private practitioners have the basic capacity to deliver a wide variety of new and improved vaccines to America's children, and the World Health Organization and UNICEF are already prepared to organize basic vaccine delivery to the children of the developing world.

SEC. 3. CHILDREN'S VACCINE INITIATIVE.

Title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by adding at the end thereof the following new subtitle:

"Subtitle 3—Miscellaneous Provisions

"SEC. 2141. CHILDREN'S VACCINE INITIATIVE.

"(a) AUTHORITY.—The Secretary shall undertake a Children's Vaccine Initiative in accordance with this section. The Secretary shall organize the Initiative in consultation with the World Health Organization, the United Nations Children's Fund and the U.S. Agency for International Development so that benefits of such Initiative will accrue to all of the children of the world.

BILL SUMMARY—CHILDREN'S VACCINE INITIATIVE

BACKGROUND

Public Health programs in the United States and in developing countries have en-

countered serious obstacles to their efforts to achieve the optimal prevention of infectious diseases by immunization. Many children receive inadequate protection because immunizations programs require too many visits to the doctor or health center and because vaccines do not protect against all infectious diseases or protect the child early enough in life.

The great scientific advances in biology and biotechnology in the last 15 years have created the capacity to solve many of the technical problems related to the development of better vaccines. If sufficient resoures were made available for vaccine research, it would be possible over time to develop a comprehensive "children's vaccine", which would be a vaccine administered only once in infancy that would produce life-long immunity against a wide range of key infectious diseases.

The development of the "children's vaccine" has been endorsed by the World Health Organization, UNICEF, and many public health officials. Last year's "Children's Summit" in New York City supported the development of a "children's vaccine".

BRADLEY BILL

The legislation authorizes $30 million in federal HHS support for next year, rising to $60 million by 1995, for research and development of the "children's vaccine". This legislation builds on efforts instituted last year, when Senator Bradley secured $6 million in funding for start-up funds for this endeavor.

STATEMENT OF THE CHILDREN'S DEFENSE FUND REGARDING THE CHILDREN'S VACCINE INITIATIVE

The Children's Defense Fund strongly supports "The Children's Vaccine Initiative" which would require the United States to invest in the development of a universal childhood vaccine. For far too long this nation has abdicated its role as a world leader on childhood immunizations. The nation ranks 15th worldwide in the proportion of one-year-olds adequately immunized against polio and 49th in the world when the rate for black American infants alone is considered. In many of the nation's largest cities, half of infants and toddlers are not fully immunized against diseases we know how to prevent.

Even with the technology available today, the United States could assure that all children are protected against preventable disease, disability and death. But it also is clear that within the world's grasp is the technology to vastly strengthen and simplify the childhood immunization process in all countries, making available truly universal vaccination against some of the world's worst scourges. The Children's Vaccine Initiative has the potential to:

Make immunization programs more efficient and more accessible to children by reducing the number of visits they and their parents need to make;

Reduce program costs by making vaccines easier to store and handle and, in turn, increasing coverage by reducing costs to parents and governments; and

Improve the safety and effectiveness of vaccines.

With the possibility of a single universal childhood vaccine within our reach, there is not time to delay further this additional investment.

DEAR SENATOR BRADLEY: Your interest in and support for a strengthened program (The Children's Vaccine Initiative) directed toward immunization is most welcome. Vaccination is, by far, the most cost-effective, the simplest and most innocuous of all medical procedures. Indeed, parents now take for granted that their children simply will not experience poliomyelitis or diphtheria or whooping cough, for example—all diseases which once were greatly feared and would today be epidemic problems except for the simple procedure of vaccination.

Despite the truly remarkable improvements in health which can be attributed to vaccination, research to improve present vaccines and develop additional ones has lagged seriously. Meanwhile, our understanding of immunology and of biomedicine has progressed at an incredible pace. Few of these developments have been translated into the field of vaccine research. Not surprisingly, in reviewing needs and opportunities, experts now foresee the potential for extraordinary progress to be made over the years ahead. The concept, ultimately, of being able to protect a child at or soon after birth against 20 or more serious diseases is a wholly realistic one. Such an achievement will require many years of work but, in the meantime, new and better vaccines against many different diseases would become available.

Because vaccines are available does not automatically mean that they will be fully and appropriately utilized. This, too, represents a problem which must be addressed. It is a soluble problem, however, demanding sound operational research.

All of these activities, both of national and international interest, will require both mobilization and orchestration. Fortunately, we now have such a mechanism in place in the form of the National Vaccine Program.

An added investment today in vaccine research and development will bring major returns over the coming years in healthier children—and adults, in diminished numbers of physicians' visits and hospitalizations and, indeed, in a better world.

Sincerely yours,

D.A. HENDERSON, M.D., M.P.H.,
President, Association of Schools of Public Health.

UNITED STATES COMMITTEE FOR UNICEF

Senator Bill Bradley announced that he will introduce legislation in the U.S. Senate that will accelerate the development of more effective vaccines against infectious childhood diseases. Responding to this announcement, Lawrence Bruce, President of the U.S. Committee for UNICEF stated that, "Senator Bradley's Children's Vaccine Initiative could have a tremendous impact on the efforts of UNICEF and its partners to save 50 million children by the year 2000."

In the developing world, immunization against the most serious of childhood diseases such as tetanus, diphtheria, tuberculosis, polio, measles, and whooping cough is one of the main engines of UNICEF's child survival and development program. Ten years ago, when the goal of Universal Child Immunization by 1990 (UCI 1990) was announced, less than 10 percent of the world's children were immunized and 5 million of them died each year as a result. Expanded programs of immunization by scores of developing countries have raised the worldwide rate of immunization to over 60 percent. One and a half million lives are now being saved each year. Vaccines that do not require multiple doses and are more heat stable could increase the number of lives saved by millions.

Senator Bradley's initiative is the first of many initiatives worldwide on a broad array of child health issues expected to result from the World Summit for Children on September 29–30. Child health issues such as vaccination, safe motherhood, and healthy development will be on the agenda as President Bush and 70 other world leaders gather at the United Nations to focus world attention on children.

DEAR SENATOR BRADLEY: This letter is sent with enthusiastic endorsement for the legislation "Children's Vaccine Initiative" that we have learned you will sponsor. The goals of this program are logical and promising of the best in health for our infants and children. Coordination of the initiative by the National Vaccine Program Office and involvement of the Agency for International Development should ensure both national and international impact.

In my personal role as Chairman of the National Academy of Science/Institute of Medicine committee that studied issues and priorities for new vaccine development for diseases of importance in the United States and for diseases of importance in developing countries, I am keenly aware of the needs for such augmented research and development. As Chairman of the Public Policy Committee of the Infectious Diseases Society of America, whose more than 3,500 certified members and fellows are the leading authorities in research, practice and public health relating to problems of infectious diseases, we applaud this initiative and will cooperate in every way to seek fulfillment of its goal over the coming years.

Yours sincerely,

SAMUEL L. KATZ, M.D.,
Wilburt C. Davison, Professor, Chairman, Public Policy Committee, Infectious Diseases Society of America.

By Mr. BRADLEY (for himself, Mr. CHAFEE, and Mr. DURENBERGER):

S. 905. A bill to amend title XIX of the Social Security Act to improve the childhood immunization rate by providing for coverage of additional vaccines under the medicaid program and for enhanced Federal payment to States for vaccines administered to children under such program, and for other purposes; to the Committee on Finance.

CHILDHOOD IMMUNIZATION IMPROVEMENT ACT

• Mr. BRADLEY. Mr. President, I rise today to introduce a bill that addresses a national health problem requiring our attention and action. We have been experiencing a rebirth of the spread of preventable and curable contagious diseases that have set the country back more than 20 years in its national health goals.

Mr. President, in 1983—just 8 years ago, we very nearly eradicated the incidence of measles from the United States, an accomplishment that would have stood as one of the finest nationally coordinated public health successes in this century. There were 773 documented cases of measles in 1983.

In 1989, the picture had changed drastically. There were 18,000 cases of measles. We did nothing. In 1990, we had more than 25,000 cases—almost 500 were in my home State of New Jersey. And the group being hit the hardest is our young, preschool children. Kids under 5 have accounted for more than 50 per-

cent of the new measles cases. It is an epidemic.

Now, this epidemic would be frightening by itself, but when we consider the medical community's warning that the measles outbreak is also a harbinger of a more widespread outbreak of other contagious and more deadly diseases—pertussis, mumps, rubella, and even polio—we should really pay close attention. And reports have already begun to show the increases in cases of mumps and pertussis.

And we must accept responsibility for the outbreaks. These aren't aberrations. They are the direct result of a failed public policy in the 1980's, and an abandonment of basic public health responsibilities that had been previously adhered to by both Democratic and Republican administrations.

Studies the President's own National Vaccine Advisory Committee [NVAC] and by the Children's Defense Fund have identified the principal causes of the epidemic as breakdowns in the immunization delivery system. A set of barriers have been created that make it more difficult to get a child vaccinated—some fiscal, some bureaucratic, some educational. For children under 2 years of age, our immunization rate is only slightly higher than that in Bolivia and Haiti. And its worse than the nations of Cuba, Nicaragua, Suriname, and El Salvador.

This is shameful for a nation that can proclaim itself the world leader in health technology and medical research. We had a disease beaten, and we let it come back and beat us. But the problem confronting us is not beyond our means to respond—either scientifically or financially. We know that every dollar spent on immunizations saves $10 in medical costs. We know where the epidemics are and who is getting hurt the most. And we know how to change this.

Further, the facts also show that the outbreaks of disease are not uniformly distributed across the country. The pockets where the epidemic has hit the hardest are in our urban areas, among the poor, the minorities, and, as I said before, the young children—5 years old and under. In Jersey City, NJ, a study conducted by the CDC found that only 51 percent of 2-year-olds had received their vaccinations on time. Once they began school, however, the immunization rates jumped. It is deplorable that we have allowed those most susceptible to disease to go on for years without receiving their shots on time.

But knowing this, we can target our initiatives more efficiently and more directly. The legislation I propose looks to the health agencies and providers of care most engaged in serving the urban poor and children—the Medicaid Program, federally qualified community health centers, maternal and child health block grant providers, and disproportionate share hospitals. It is these people who will make the difference.

Another thing that we need to do is develop better vaccines so that it will be easier to immunize more children. I am introducing a separate piece of legislation today to expand research and development to create better vaccines. The intent of this legislation is to break down the barriers at the Federal level, so that we can support the efforts of those who are the most important—the local providers and health agencies who vaccinate our kids.

The provisions of this bill are designed to directly attack the root causes of our pitiful immunization rate in this country.

The first part of this bill changes the Federal payment methodology for immunizations under the Medicaid Program. I propose to replace the standard Federal matching formula with a straightforward 90 percent Federal, 10 percent State cost share. This is not a new idea. We do it now for those programs the Federal Government attaches particular importance to—family planning activities, training for medical personnel, peer review activities, and other initiatives. The failure to immunize our infants and children has resulted in an epidemic. That's not a throw-away phrase. We literally are confronting an epidemic, and we have not responded forcefully to put an end to it. This piece of the bill makes it clear that national public health measures are the Federal Government's concern, and a priority. At the same time, this piece also recognizes the hole we dug for the States in the arena of public health assistance. We set new standards, then we cut their funding. This piece of the bill says we consider childhood vaccination a priority, and we help pay for our priorities.

The second piece of the bill changes the method of how we pay providers and health centers for providing immunization. The Early and Periodic Screening, Diagnosis and Treatment [EPSDT] Program outlined an invaluable model for identifying the full range of services needed for proper childhood care. Immunizations, delivered at the appropriate time, were an integral part of this model, and were a required service in the EPSDT Program. Unfortunately, the reimbursement levels set for EPSDT, to include immunizing children, have not kept pace with the cost of providing the vaccine. In fact, some providers could lose money by immunizing their patients. This legislation breaks out the payment for immunization from the rest of the EPSDT service—with providers of care receiving appropriate payment for the cost of the vaccine and its administration. The straightforward intention is to increase the number of providers willing to immunize children on the spot without fear of losing money for each child treated.

I have added a third provision that recommends that state Medicaid programs reimburse for immunization according to the standards set by the Immunization Practices Advisory Committee. It is important that we remain up to date with the latest in medical expertise and research, and not allow budgetary constraints to limit our coverage of needed immunizations. With the passage of the first piece of this bill—increasing the Federal matching rate to 90 percent, I am hopeful that the states will move quickly to adopt the committee recommendations.

Finally, I want to reinforce the central role that the Centers for Disease Control [CDC] should play in this epidemic. Part of the problem has been the lack of available vaccine at the Federal contract bulk purchase price. When a shortage occurs, the local agencies must purchase on the private market—at substantially higher prices. Their funds are depleted more quickly, and their ability to maintain adequate levels of vaccine is diminished. I understand that the administration, through the CDC and other Federal agencies, has been developing a model for improving the current distribution system. I applaud these efforts, and we should all be interested in the outcome. Better coordination is needed, and leadership is required from the federal arm most responsible for getting the vaccine to our public agencies.

Some of these proposals would not be necessary in a health care system that treated people more fairly, that paid providers more equitably, that placed the importance of prevention as high as lifesaving, high tech acute care treatment. But that is not the case.

We have an obligation to act. Now. Not after another year of even higher numbers of measles cases. We know how to do this. Let us not wait.

Mr. President, I ask unanimous consent that the bill summary and the bill be included in the RECORD.

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

S. 905

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 "Childhood Immunization Improvement Act of 1991".

SEC. 2. INCREASING AVAILABILITY AND IMPROVEMENT IN CHILDHOOD IMMUNIZATIONS PROVIDED UNDER MEDICAID.

(a) ENHANCED FEDERAL PAYMENT RATE FOR IMMUNIZATIONS.—Section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) is amended—

(1) by striking "plus" at the end of the matter following paragraph (6); and

(2) by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) an amount equal to 90 percent of the sums expended during such quarter which are attributable to arranging and furnishing

immunizations as provided under section 1905(r)(1); plus".

(b) MEDICAID COVERAGE OF ALL RECOMMENDED CHILD VACCINES.—Section 1905(r)(1)(B)(iii) of such Act (42 U.S.C. 1396d(r)(1)(B)(iii)) is amended by inserting before the comma at the end "(including all vaccinations recommended and contained in the vaccine informational materials developed under section 2126(c)(9)(A) of the Public Health Service Act and such supplemental vaccinations as necessary to keep an individual current on the vaccination schedule recommended in such materials)".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to payments for calendar quarters beginning on or after January 1, 1992, without regard to whether or not final regulations have been promulgated by such date.

SEC. 3. PARTICIPATION OF MEDICAID STATE AGENCIES IN BULK VACCINE PURCHASING PROGRAM.

Section 317(j)(1) of the Public Health Service Act (42 U.S.C. 247b(j)(1)) is amended by adding at the end thereof the following new subparagraph:

"(C) Notwithstanding any other provision of law, the Secretary shall ensure that State agencies designated under section 1902 of the Social Security Act to administer the State plan for medical assistance, and providers of medical assistance paid for under title XIX of such act, are eligible to participate in the bulk vaccine purchasing program administered by the Centers for Disease Control with amounts made available under this paragraph.". The Secretary shall ensure that this plan is implemented by October 1, 1992.

BILL SUMMARY—CHILDHOOD IMMUNIZATION IMPROVEMENT ACT OF 1991

There are four principal provisions to this legislation:

1. Change the federal matching rate for immunization activities under Medicaid from the traditional federal/state formula to a 90% federal participation. We currently do this for some specific program to include family planning. This provision establishes the improvement of childhood immunization as a priority for the federal government, and signals the states that kids should not be allowed to go unvaccinated because of funding shortages.

2. Reimburse providers under Medicaid for immunizing children at the cost of providing the vaccine—separated out from the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) visit fee. Currently, an EPSDT visit should include an immunization, if needed. But as the costs of vaccine have risen, the reimbursement under the global EPSDT have stayed relatively stagnant. It has resulted in a situation where physicians do not vaccinate, and instead send the child to the county health clinic for a free shot. Some never go there, and an opportunity is lost. This provides an incentive to providers to immunize "on-the-spot."

3. Ensure that state Medicaid programs reimburse for vaccination according to the recommendations of the Immunization Practices Advisory Committee. A study by the Children's Defense Fund has shown that some state Medicaid programs do not necessarily reimburse for all vaccinations that are recommended by the medical community. This provision seeks to ensure that our health programs for the poor keep pace with advances and the knowledge of the health experts. By providing expanded financing of immunization activities through the federal government as explained in the first provision, states should be able to afford the cost reimbursement for all needed vaccines, delivered at the appropriate schedule.

4. Recommended that the model delivery system being developed by the Centers for Disease Control (CDC) for ensuring that vaccines are easily accessible to state health agencies and the local agencies and providers is rapidly implemented. Shortages of vaccines have been reported by many local health agencies and providers, but this is not a production problem. It is largely a resources problem. When health agencies who are serving the poor are forced to buy vaccine through the private sector, they pay a great deal more, and deplete their funds more quickly. Action by the executive branch would preclude the need for legislation in this area.●

By Mr. GRAHAM:

S. 906. A bill to amend title II of the Social Security Act to authorize the limited investment of the Federal old-age and survivors insurance trust fund in State and local government obligations, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY STATE AND MUNICIPAL BOND FUND ACT OF 1991

Mr. GRAHAM. Mr. President, I believe there is one thing clear, and that is that no one is going to come to the defense of the current manner in which we are dealing with the Social Security Trust Fund.

What we have here is the question of diagnoses. If a patient goes to a cardiologist, you can anticipate getting a diagnosis that will focus on your heart. If you go to a dermatologist, you will get a diagnosis and get a prescription that will tend to focus on your skin. So to whom you come is in part determinative of what answers you are likely to receive.

I do not believe in the diagnosis that the problem is the fact that we some 8 or 9 years ago elected to adopt a surplus system as the means of financing our Social Security. In fact, Mr. President, virtually every industrialized nation in the world has a Social Security system, and almost every nation in the world finances it through a surplus method of finance; that is, building up a surplus during periods of relatively low demand of the social security system in order to be able to meet the demands at peak periods without putting undue stress on the economy.

What I believe is the problem is the pathology and the method in which the United States diverts from the path of most other nations is the way in which we use that surplus. We are essentially applying that surplus to pay an ever larger share of our annual deficit. This year we will pay approximately $70 billion of our deficit from the surplus which will be accumulated this year in the Social Security Trust Fund. As has been pointed out, most recently by the Senator from Idaho, when Americans at some point in the future ask where is all this money, where is the cigar box of Social Security funds, they are going to find that there are not only are no funds, there is no cigar box. All there is is a blip on a computer screen where accounts have been noted in the Federal Treasury and a nontransferable, nonmarketable script, an IOU written to the Social Security Trust Fund.

Mr. President today I am introducing a bill designed to protect our current and future Social Security beneficiaries and increase our investment in infrastructure.

The essential rationale of the change I suggest is to give greater security and confidence to the Social Security surplus by:

Providing a partial alternative for the use of that surplus so the Treasury cannot use all of it to mask and pay for the deficit;

Diversifying through market-rate lending to qualified State and local governments;

Assisting qualified State and local governments in assuming the increasing burden which they must carry in the financing of our Nation's infrastructure;

Contributing to the long-term economic strength of America—the foundation upon which any long term Social Security system must be built.

The concept of the legislation I introduced in 1990 and today's bill is the same. However, that bill would have also removed the Social Security trust funds from the Gramm-Rudman calculations, effective at the start of fiscal year 1992. However, in 1990 Congress approved taking the Social Security trust fund off-budget in the deficit reduction bill of 1990 which President Bush signed into law. I supported this effort because I believe by doing this we will ensure an honest accounting of our Federal budget, and not use the Social Security trust fund to disguise the true size of any annual budget deficit the United States incurs in the future.

With this step toward honesty in accounting for the Social Security trust fund taken, the American people and the Congress can now proceed to other important reforms needed to assure that the Social Security system will meet its obligations to current and future beneficiaries.

The Federal Government has a contract with and a commitment to the American people that, when they retire, the Social Security trust funds will be there for them. In fact, this generation of Americans will be the first to actually pay for any benefits they will receive under the Social Security trust funds. However, the current Social Security program is not acceptable in that there is little prospect that this generation will be able to receive their benefits in 2020. They will only find IOU's from the Treasury in the trust funds. Therefore, the status quo is not credible and is not acceptable.

According to a March 5, 1991, Congressional Research Service issue brief by David Koitz and Geoffrey Kollmann, the current Social Security taxes—

are not deposited in the Social Security trust funds, but—like all other government revenues—in the U.S. Treasury.

Each day, they flow into 15,000 depository accounts maintained by the Government with financial institutions across the country and, along with many other forms of tax revenues, become part of the Government's operating cash pool. The Social Security taxes are accounted for separately through the posting of nonmarketable securities to the Social Security and hospital insurance trust funds—basically a bookkeeping entry by the Treasury. The accounts—trust funds—do not receive money and the securities posted to them, as their label implies, have no commercial value because they cannot be sold in the marketplace. Similarly, benefits are not paid from the trust funds, but from the Treasury. As the checks are paid, a corresponding amount of securities are written off the trust funds—basically another bookkeeping entry.

If more Social Security money is collected than spent in any given month, does the money remain in the Treasury? No. Once the taxes are received, they become indistinguishable from other moneys paid into the Treasury and are used to pay other Government obligations. That more Social Security taxes were received than spent is merely reflected in a higher balance of securities on the trust fund ledgers. In essence, the trust funds represent a form of IOU—a promise by the Government that, in order to pay Social Securities benefits, it will obtain resources in the future equal to the value of the securities.

Looking ahead 30 years, the demographics in America indicate there will be 64.2 million Americans who will be receiving Social Security benefits in the year 2020. There will be 151 million Americans who will be working in order to support the economy of the Nation. That is a ratio of 2.35 working Americans to every retired American.

That contrasts, with today, when we have 133 million working Americans and 30.3 million Social Security recipients, or a ratio of 3.4 to 1. This illustrates that in the next 30 years there will be a dramatic shift in the proportion of Americans who are working and the proportion of Americans who are in retirement.

Today, we know that the Social Security Trust Fund, as it is currently structured, is producing a substantial surplus. In fact, we estimate that in this fiscal year that surplus will be augmented by approximately $70 billion. The 1990 annual report of the board of trustees of the Social Security trust funds shows that in 1991 the assets held at the end of the year is predicted to be $296.7 billion. In the year 2020 the assets held will be $8,045.6 trillion.

But by the summer of the year 2020, the large number of retirees, persons born after World War II who have reached the age of Social Security eligibility, will have reached a point that that annual surplus will have gone into reverse. In 2020, it is estimated that $1,798.2 trillion will flow out of the Social Security fund. We will no longer be adding to the surplus. We will be in the process of drawing down that surplus.

It is critical to the understanding of the legislation to restate that we are not doing anything to adversely affect current beneficiaries. The current beneficiaries are protected under almost any set of circumstances or policy changes that could be initiated. Their protection is essentially a demographic one, relatively small numbers of beneficiaries in relationship to the working age population. The only threat to the current beneficiaries would be if the large working age population were to conclude en mass that its prospects of receiving benefits were so dismal that they would abandon their grandparents.

Our colleagues who stand here 30 years from now will face some very difficult choices to meet the obligations of the Social Security recipients:

They will be able to raise taxes from an already reduced tax base as a result of the dramatic demographic shifts.

They will be able to borrow more money and add to what then would be an astronomical, as distinct from the merely staggering, national debt that we have today.

They could dramatically reduce spending in order to be able to finance the scale of Social Security benefits.

Or they could do what I suggest they are probably going to be very enticed to do and that is reduce Social Security benefits in order to meet the staggering obligations that they will then face. They will probably do so by either extending the period of age for eligibility from 65-70 years, or by reducing the anticipated level of annual benefits, say by 25 percent.

Mr. President, those are the options that I suggest our colleagues 30 years from today will be facing if we continue for the next three decades the pattern of behavior that we have following thus far.

We must establish the fund as a true trust fund—a fund that holds real securities and makes real investments. We must diversify the investments in the trust funds to include safe secure investments other than U.S. Treasury obligations. By ensuring that the obligor on a portion of the investments owned by the trust funds is someone other than the Federal Government, it helps to reduce the incentive we may have to reduce benefits in future years.

My proposal would allow investment of the Social Security Trust Fund surplus in bonds issued by qualified State and local governments. Lending to qualified State and local governments is a secure financial investment for the trust fund. The proceeds of the bonds would be used to finance needed infrastructure improvements, such as schools, roads, and bridges, other mass transportation systems, and water treatment facilities—which are the underpinnings of a strong economic base being built for the future. The legislation therefore, stipulates that these investments be made in qualified tax-exempt bonds, as defined in section 103 of the Internal Revenue Code of 1986.

The bill does not modify the existing provision of the Internal Revenue Code relating to the tax exemption of State and local government obligations, nor does it attempt to establish an unworkable bureaucracy that could actually discourage the purchase of State and local government securities by the trust funds. This bill attempts to use the existing markets and the existing law relating to the tax exemption on State and local government obligations.

Borrowing from the Social Security Trust Fund will not result in State and local governments being subjected to greater strings or controls than are currently imposed. By this I mean, a State borrowing for highway purposes would not have any additional Federal standards relative to constructing a highway imposed on them because they were using Social Security Trust Funds as part of their financing than if they were under current applicable highway laws today.

The bill creates the State and municipal bond fund within the Social Security Trust Fund and transfers 25 percent of the assets held by the trust fund to the State and municipal bond fund over a 3-year period. The bill requires that the investments be made at the issue price—for new issues—or at the market price—for issues bought in the secondary market. The bill requires that the investments be made through brokers and dealers registered under the Securities Exchange Act of 1934. The bill places a ceiling on the volume of trust fund reserves which can be invested in State and municipal bonds equal to 33 percent of the previous year's State and municipal bond market.

Since the dominant motivation for the proposal is to protect current and future Social Security beneficiaries, several protections to assure this have been provided:

Only qualified State and local governments will be allowed to borrow.

There is a 3-year phase in of this new Social Security Investment Program.

There will be an adjustment for the differential between taxable and nontaxable borrowing so that the Social Security fund will receive at least the same amount of income from the trust funds as it is now securing through lending to the Treasury.

Full faith and credit of the Federal Government is provided to support State and local bonds held in the Social Security trust fund.

In addition, the trust fund would have a year's liquidity of the estimated

annual Social Security benefits on reserve to meet the needs of the Social Security recipients. Therefore, we continue to live up to our responsibility to our current, and to future Social Security beneficiaries.

To expand on the above listed points—only qualified State and local government will be allowed to borrow.

The bill establishes the Social Security Investment Board, which shall formulate and maintain investment policies which results in prudent investment of fund assets and which result in accumulating funds for the payment of Social Security benefits. The Board may not direct that investment be made in any particular assets, or that the fund dispose of its interest in any particular assets. The bill also allows the Board to hire outside professional investors for carrying out investment practices.

There is 3-year phase in this new Social Security investment program.

In the first year, the limit would equal 10 percent of the municipal market's previous year's volume. For example, last year's municipal market has between $110–$120 billion for 1990. Ten percent would mean $11–$12 billion in the first year; in the second year, the limit would equal 20 percent or $22–$24 billion, and in all succeeding years, the 25-percent limit would apply which would be $28–$30 billion. Also, the bill says that the trust fund can only buy 33 percent of any original issue.

There will be an adjustment for the differential between taxable and nontaxable borrowing so that the Social Security fund will receive at least the same amount of income from the trust fund as it is now securing through lending to the Treasury.

Bonds issued by a State or local government generally have a lower yield than comparable debt issued by the Federal Government. Interest on municipal bonds is generally excluded from income for individuals who invest in municipal bonds, or municipal bond funds. Thus, many investors receive a tax benefit when they invest in municipal bonds which, when coupled with the lower yield, make such investments competitive with other, taxable investments, such as Treasury securities and other private sector debt.

Since the trust fund is not a taxpayer, this interest exclusion does not provide the trust funds with any tax advantage. Thus, the lower yield, without the tax exclusion, does result in lower interest income to the trust fund. This reduction in income is offset by a permanent annual appropriation to the trust fund to recoup any lost investment income. For example, today State and municipal bonds have a rate of 7 percent and Treasury bonds have an 8.5-percent rate. That is a difference of 1.5 percent. If the fund had $110 billion of qualified State and local bonds and there was a 1.5-percent differential between the earnings on those bonds and what could be earned through Treasury bonds that would require an appropriation of $1.65 billion.

Since the present tax-exempt market is limited in size, this appropriation will be offset by an increase in the tax revenues created by the displacement of investors from the tax-exempt bond market to taxable instruments.

Full faith and credit of the Federal Government is provided to support State and local bonds held in the Social Security trust fund.

The legislation also protects the trust fund by providing a Federal guarantee for any State and municipal bonds purchased by the trust fund. The full faith and credit of the Federal Government will be behind the obligations of State and local governments for all bonds purchased by the State and municipal bond fund. Since the Federal Government is now the sole guarantor of all Social Security trust fund investments, the Federal Treasury is at no greater exposure by assuming this secondary role, while Social Security beneficiaries are provided the same level of Federal insurance.

Because of the growing debt of the Federal Government we have moved more of the responsibility from the Federal Government to the State and local governments for infrastructure projects. For example, in the area of surface transportation, State and local governments provided $63 billion of the total $82 billion, almost 80 percent, expended on surface transportation improvements in 1990.

Under the President's proposed Surface Transportation Assistance Act of 1990, States would be responsible for an additional $52 billion in highway system investment requirements through fiscal 1996, while the Federal Government's increases would be only $16 billion.

The example is even more telling if you look at mass transit funding. Federal support for mass transit declined to $2.6 billion in 1988 after reaching a peak in the mid-1980's. In 1981, the Federal expenditure in mass transit was $4.1 billion; in 1982, it was $3.9 billion; in 1984, the expenditure was $3.5 billion. State and local governments finance most of the operating and maintenance costs, and State contributions outstripped Federal funds for the first time in 1988.

That proposal in transportation parallels similar proposals that have been made in areas of education, environmental protection, and health care.

By giving State and local governments another pool of money to draw from, we are providing them with the means by which they can meet these increased important public obligations we are asking them to accept.

At the same time we have hampered their ability to effectively pay for those increased costs and responsibilities.

In the 1986 Tax Act, Congress told banks and property and casualty insurance companies that the Federal Government would no longer encourage them to buy State and local government bonds. This negative message was delivered by requiring them to include in their taxable income a portion of the interest income earned from municipal bonds. Banks and property and casualty companies decreased their investment in municipal securities from $208.4 billion or 65.1 percent of total outstanding State and local tax free bonds in 1979 to $279.2 billion or 35.6 percent of the total outstanding bonds in 1989. Municipal bonds financing also increased. The long-term volume rose from $42,260,818 in 1979 to $123,036,548 in 1989 according to data from the Bond Buyer and Securities Data. At the same time the average interest rate for a 20-year bond increased from 6.51 percent in 1979 to 7 percent in 1991.

By taking large buyers from the market for State and municipal government obligations, we have decreased the demand for these issues and correspondingly increased the rate of interest that our taxpayers have to pay on State and local government bonds.

Essentially what I propose, is to maintain the market system that is currently operating for the sale of State and local bonds, to maintain the current tax treatment of those bonds but to add as a new purchaser for those bonds, the Social Security trust fund.

This proposal is not a new proposal. For several years, the Canadian Government has been using its social security surplus as a means of lending at market rates to the Provinces of Canada. Through that system the Provinces of Canada have found an important new source of capital to meet all of their obligations, very similar to the kinds of obligations that we in the United States ask our States and local governments to undertake.

I have been working with various groups on this proposal. Retirement groups, financial groups, State and local government groups and economists have reviewed this bill. Some of the groups have supported the concept of our proposal. The National Association of Counties, the National League of Cities, and the National Conference of State Legislatures have adopted resolutions in support of the concept of this bill.

In a speech before the National Press Club, June 14, 1990, Felix Rohatyn, senior partner at Lazard Freres & Co., and chairman of the Municipal Assistance Corp. for the city of New York, said the following:

> The Social Security system should become what most people think it is, but which it is not: A real trust fund, with real money, and a real savings pool for the American economy. It should not be used to mask the budg-

et deficit. It should be removed from the budget and a trust fund set up which, over the next decade, would probably build up a national savings pool amounting to over one trillion dollars. These funds should be invested in U.S. Treasury securities with a portion thereof—say 20-25 percent—eligible for investment in high-grade State and local government bonds, to be used to finance local infrastructure projects. Such a proposal is presently under study by Senator Bob Graham and deserves support.

Mr. President, this bill will protect the Social Security retirement fund and will ensure today's young adults—those who will become eligible for Social Security in 2017, the year in which Social Security will shift from being a surplus generator to a net payor of funds—of their expectations for drawing from the Social Security funds. This bill will also provide another source for infrastructure funds for State and local governments.

It has been suggested that the decision to place Social Security on a surplus basis was a mistake, should be repealed, and that America should return to a pay-as-you-go Social Security system. I believe this is the wrong diagnosis.

The consequence to prescribing on this erroneous analysis will be to transfer to the current generation of young adults and their children the enormous financial responsibility of an unfunded Social Security obligation—an obligation which in less than 30 years will exceed $1 trillion per year.

The accurate diagnosis discloses that it is the use of the surplus, not the surplus itself, which is the fiscal pathology. Utilizing the surplus to mask and fund our annual deficits is even more reprehensible than our failure to prepare for the future. The proposal which I am submitting ministers to this pathology by placing a portion of the Social Security fund to the work of financing a strengthened America. Let us not transfer another burden to the future. Rather, let us seize this opportunity to be faithful trustees for our children and grandchildren.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD along with a section-by-section analysis, a question and answer sheet, letters of support, and information on the Canadian social security system.

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

S. 906

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 "Social Security State and Municipal Bond Fund Act of 1991".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the limited investment of the Federal Old-Age and Survivors Insurance Trust Fund in State and local government obligations would provide greater diversification of investment through market rate lending to such Fund and result in greater security for the increased protection of current and future beneficiaries of such Fund,

(2) such limited investment should be designed to balance the goal of maximizing the financial return to the Federal Old-Age and Survivors Insurance Trust Fund with a sound strategy for identifying high quality State and local government obligations for investment,

(3) there is a need—

(A) to give greater security to and confidence in the social security surplus by denying the use of that surplus to the United States Treasury to mask the true extent and scale of the Federal deficit,

(B) to increase America's investment in itself,

(C) to place the full faith and credit of the Federal Government as a guarantee behind those State and local obligations held by the Federal Old-Age and Survivors Insurance Trust Fund,

(D) to establish the Federal Old-Age and Survivors Insurance Trust Fund as a true trust fund, a fund that holds real securities, and makes real investments, and

(E) to strengthen the municipal market by securing a safe and stable source of capital,

(4) the current investment policies of the Federal Old-Age and Survivors Insurance Trust Fund during this time of large Federal operating deficits does not put money into the Trust Fund,

(5) it is not the intent of this Act and nothing in this Act should be construed to interfere with nor impose any restrictions on the operations of State and local governments, and

(6) the mission of the State and Municipal Bond Fund, established by this Act, is to provide quality professional trust services for the Federal Old-Age and Survivors Insurance Trust Fund through prudent investment management of assets entrusted to the Fund.

SEC. 3. ESTABLISHMENT OF THE STATE AND MUNICIPAL BOND FUND WITHIN THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.

(a) STATE AND MUNICIPAL BOND FUND.—Section 201(d) of the Social Security Act (42 U.S.C. 401(d)) is amended—

(1) in the second sentence, by striking "Such" and inserting "Subject to paragraph (2), such";

(2) in the third sentence, by striking "(1) on original" and "(2) by purchase" inserting "(A) on original" and "(B) by purchase", respectively;

(3) by inserting "(1)" after "(d)"; and

(4) by adding at the end the following new paragraph:

"(2)(A) There is hereby established within the Federal Old-Age and Survivors Insurance Trust Fund (hereafter in this paragraph referred to as the 'Trust Fund') a State and Municipal Bond Fund. Investment by the Managing Trustee of the portion of the Trust Fund consisting of amounts held in the State and Municipal Bond Fund may be made only in qualified State or local bonds. For such purpose, such obligations may be acquired only—

"(i)(I) on original issue at the issue price, or (II) by purchase of outstanding obligations at market price,

"(ii) from brokers, dealers, municipal securities brokers, and municipal securities dealers who are registered as such brokers or dealers under the Securities Exchange Act of 1934, and

"(iii) subject to insurance against the risk of default or such other credit enhancement measures as the Social Security Investment Board may deem appropriate pursuant to subsection (n).

"(B) For purposes of this section, the term 'qualified State or local bond' means a State or local bond, within the meaning of section 103(c)(1) of the Internal Revenue Code of 1986, to which section 103(a) of such Code applies.

"(C) The amounts of the Trust Fund held by the State and Municipal Bond Fund shall consist of amounts deposited in the State and Municipal Bond Fund under section 3(c) of the Social Security State and Municipal Bond Fund Act of 1991 and such amounts as may be appropriated to, or deposited in, the State and Municipal Bond Fund as hereafter provided in this section.

"(D) The purchase by the State and Municipal Bond Fund of qualified State or local bonds during any fiscal year shall be subject to the following limitations:

"(i) The total amount available in the State and Municipal Bond Fund for purchase of qualified State or local bonds during any fiscal year shall not exceed an amount equal to 25 percent of the issue price of qualified State or local bonds issued during the preceding fiscal year, unless the Social Security Investment Board authorizes that a greater amount may be made available after determining that such increased amount is in the best interests of the Trust Fund and the qualified State or local bond market.

"(ii) The purchase on original issue of any issue (or part of an issue) of qualified State or local bonds by the Managing Trustee of the Trust Fund from amounts in the State and Municipal Bond Fund shall only occur—

"(I) after such issue has been publicly offered,

"(II) under the same terms and conditions of the public offering, and

"(III) in an amount not to exceed 33 percent of such issue.

"(iii) Except as otherwise provided in this clause, investment by the Managing Trustee of the Trust Fund of amounts in the State and Municipal Bond Fund shall be subject to guidelines and procedures prescribed by the Social Security Investment Board pursuant to subsection (n). The Managing Trustee may carry out the functions with respect to investment of amounts in the State and Municipal Bond Fund in a manner which is not in accordance with such guidelines and procedures only if such functions are otherwise carried out in accordance with the requirements of this paragraph.

"(E) In purchasing qualified State or local bonds, neither the Managing Trustee of the Trust Fund nor the Social Security Investment Board shall establish approval mechanisms and policies which require that any State or local government desiring to sell bonds to the State and Municipal Bond Fund be subject to more stringent credit standards or additional covenants and agreements than those commonly applicable in the open market for bonds of similar credit quality.

"(F) Qualified State or local bonds purchased by the Managing Trustee shall be irrevocably guaranteed as to principal and interest by the United States for so long as such bonds are held by the State and Municipal Bond Fund. Notwithstanding the provisions of section 149(b) of the Internal Revenue Code of 1986, such Federal guarantee shall not adversely affect the exclusion of interest on such bonds from the gross income of subsequent holders thereof for purposes of Federal income taxation.

"(G)(i) Not later than 90 days after the end of each fiscal year, the Managing Trustee of the Trust Fund shall determine for such fiscal year the excess (if any) of—

"(I) the amount which would have been the return to the State and Municipal Bond Fund for such fiscal year on the investment of amounts in such Fund if purchases of obligations with amounts in such Fund had been subject solely to the requirements of paragraph (1), over

"(II) the amount which was the actual return to such Fund for such fiscal year on the investment of such Fund pursuant to this paragraph,

and shall publish the amount of such excess in the Federal Register.

"(ii) In addition to any amounts otherwise appropriated to the Trust Fund, there is hereby appropriated to the Trust Fund for each fiscal year for deposit in the State and Municipal Bond Fund, out of any moneys in the Treasury not otherwise appropriated, the amount of any excess amount determined under clause (i) for the preceding fiscal year with respect to the Trust Fund. Such appropriation shall be executed on the date of the publication of the excess amount in the Federal Register.".

(b) CREDITING OF INTEREST AND PROCEEDS FROM INVESTMENT IN STATE AND MUNICIPAL BONDS.—Section 201(f) of the Social Security Act (42 U.S.C. 401(f)) is amended by adding at the end the following new sentence: "Any such interest on, and proceeds from the sale or redemption of, qualified State or local bonds held by the State and Municipal Bond Fund in the Federal Old-Age and Survivors Insurance Trust Fund shall be credited to and form a part of the State and Municipal Bond Fund.".

(c) INITIAL DEPOSITS TO STATE AND MUNICIPAL BOND FUND.—

(1) FISCAL YEAR 1992.—There is hereby transferred on October 1, 1991, to the State and Municipal Bond Fund, from amounts otherwise available in the Federal Old-Age and Survivors Insurance Trust Fund, an amount equal to the applicable percentage of the issue price of qualified State or local bonds (as defined in section 201(d)(2)(B) of the Social Security Act) issued during the preceding fiscal year.

(2) FISCAL YEAR 1993.—There is hereby transferred on October 1, 1992, to the State and Municipal Bond Fund, from amounts otherwise available in the Federal Old-Age and Survivors Insurance Trust Fund, an amount equal to the applicable percentage of the issue price of qualified State or local bonds (as defined in section 201(d)(2)(B) of the Social Security Act) issued during the preceding fiscal year.

(3) DETERMINATIONS AND ADJUSTMENTS.—

(A) APPLICABLE PERCENTAGE.—The Social Security Investment Board shall determine the applicable percentage for each fiscal year under paragraphs (1) and (2), but such percentage shall not exceed 10 percent for fiscal year 1992 and 20 percent for fiscal year 1993.

(B) TRANSFERS.—Transfers under paragraphs (1) and (2) shall be made by the Secretary of the Treasury on the basis of estimates by the Secretary. Proper adjustments shall be made in amounts subsequently appropriated to the State and Municipal Bond Fund to the extent prior estimates were in excess of or were less than the actual amounts.

SEC. 4. ESTABLISHMENT AND DUTIES OF THE SOCIAL SECURITY INVESTMENT BOARD.

(a) IN GENERAL.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

"SOCIAL SECURITY INVESTMENT BOARD

"(n)(1) There is hereby established a Social Security Investment Board (hereafter in this subsection referred to as the 'Board').

"(2)(A) The Board shall be composed of—

"(i) 3 members appointed by the President, of whom 1 shall be designated by the President as Chairman, and

"(ii) 2 members appointed by the President, of whom—

"(I) 1 shall be appointed by the President after taking into consideration the recommendation made by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives, and

"(II) 1 shall be appointed by the President after taking into consideration the recommendation made by the majority leader of the Senate in consultation with the minority leader of the Senate.

"(B) Appointments under subparagraph (A) shall be made by and with the advice and consent of the Senate.

"(C) Members of the Board shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans.

"(D)(i) A member of the Board shall be appointed for a term of 4 years, except that of the members first appointed—

"(I) the Chairman shall be appointed for a term of 4 years,

"(II) the members appointed under subparagraph (A)(i) shall be appointed for terms of 3 years, and

"(III) the remaining members shall be appointed for terms of 2 years.

"(ii)(I) A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

"(II) An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

"(iii) A member may serve beyond the expiration of such member's term until the date on which the member's successor takes office.

"(E) A person serving on the Board shall not be considered to be a fiduciary and shall not be personally liable for actions taken in such capacity with respect to the State and Municipal Bond Fund.

"(3) The Board shall—

"(A) determine the amount transferred into the State and Municipal Bond Fund under section 3(c)(3)(A) of the Social Security State and Municipal Bond Fund Act of 1991 and the amount available for investment under subsection (d)(2)(D)(i),

"(B) establish by regulation, guidelines and procedures for the investment and management of the State and Municipal Bond Fund in the Federal Old-Age and Survivors Insurance Trust Fund (hereafter in this subsection referred to as the 'Trust Fund'), which, subject to subsection (d)(2)(D)(iii), shall be binding upon the Managing Trustee of the Trust Fund, and which shall provide for—

"(i) prudent investments suitable for accumulating funds for payment of benefits under this title, and

"(ii) low administrative costs,

"(C) review the performance of investments made for the State and Municipal Bond Fund, and

"(D) review and approve the budget of the Board.

"(4)(A) The Board may—

"(i) adopt, alter, and use a seal, and

"(ii) take such actions as may be necessary to carry out the functions of the Board.

"(B) The members of the Board shall discharge their responsibilities solely in the interest of beneficiaries under this title.

"(C) The Board may not direct the Managing Trustee to invest or to cause to be invested any sums in the State and Municipal Bond Fund in a specific asset or to dispose of or cause to be disposed of any specific asset of such Fund.

"(5) The Board may—

"(A) appoint such personnel as may be necessary to carry out the provisions of this subsection relating to the State and Municipal Bond Fund,

"(B) procure the services of experts and consultants (including investment advisors) under section 3109 of title 5, United States Code,

"(C) secure directly from an agency or instrumentality of the United States any information necessary to carry out the provisions of this subsection relating to the State and Municipal Bond Fund and policies of the Board,

"(D) accept and use the services of individuals employed intermittently in the Government service and reimburse such individuals for travel expenses, as authorized by section 5703 of title 5, United States Code, including per diem as authorized by section 5702 of such title, and

"(E) except as otherwise expressly prohibited by law, delegate any of the Board's functions to such employees under the Board as the Board may designate and authorize such successive redelegations of such functions to such employees under the Board as the Board may consider to be necessary or appropriate.

"(6) The Managing Trustee of the Trust Fund shall, at the direction of the Board and to the extent provided in advance in appropriations Acts—

"(A) make such payments out of sums generally available in the Trust Fund as the Board determines are necessary to carry out the provisions of this subsection relating to the State and Municipal Bond Fund and the policies of the Board, and

"(B) pay the compensation, per diem, and travel expenses of individuals appointed under subparagraphs (A), (B), and (D) of paragraph (5) from sums generally available in the Trust Fund.

"(7)(A) The Board shall meet—

"(i) not less than once during each quarter of the fiscal year, and

"(ii) at additional times at the call of the Chairman.

"(B)(i) The Board shall perform the functions and exercise the powers of the Board on a majority vote of a quorum of the Board.

"(ii) A vacancy on the Board shall not impair the authority of a quorum of the Board to perform the functions and exercise the powers of the Board.

"(C) Three members of the Board shall constitute a quorum for the transaction of business.

"(D)(i) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at the daily rate of basic pay for level IV of the Executive Schedule for each day during which such member is engaged in performing a function of the Board.

"(ii) A member of the Board shall be paid travel, per diem, and other necessary expenses under subchapter I of chapter 57 of title 5, United States Code, while traveling away from such member's home or regular place of business in the performance of the duties of the Board.

"(iii) Payments authorized under this subparagraph shall be paid from amounts generally available in the Trust Fund.

"(E) The accrued annual leave of any member of the Board who is otherwise a Federal employee shall not be charged for any time used in performing services for the Board.

"(8) The Board shall prepare and submit to the President, and, at the same time, to the appropriate committees of the Congress, an annual budget of the expenses and other items relating to the annual budget of the expenses and other items relating to the Board which shall be included as a separate item in the budget required to be transmitted to the Congress under section 1105 of title 31, United States Code.

"(9) The Board may submit to the President, and, at the same time, shall submit to each House of the Congress, any legislative recommendations of the Board relating to any of its functions under this subsection or any other provision of law.".

SEC. 5. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1991, and shall apply with respect to fiscal years beginning on or after such date.

SECTION BY SECTION SUMMARY OF THE SOCIAL SECURITY/INFRASTRUCTURE BILL

SUMMARY

The bill allows the Social Security Trust Funds to invest in state and local municipal bond obligations along with federal Treasury offerings.

Allows the state and local governments to use these funds for capital projects or enhanced infrastructure projects like improving roads, bridges, building schools or upgrading airports.

Section 1

Short title: The Social Security State and Municipal Bond Fund Act of 1991

Section 2

Findings.

Section 3

Creates the State and Municipal Bond Fund within the Social Security Trust Fund.

Transfers a portion of the assets held by the Trust Fund to the State and Municipal Bond Fund.

Requires that the investments be made at the issue price (for new issues), or at the market price (for issues purchased in the secondary market).

Requires that the investments be made through brokers and dealers registered under the Securities Exchange Act of 1934.

Allows insurance or other credit enhancement measures for the municipal securities.

Section 3 (B)

Eligible State or local obligations means State or local bonds as defined in Section 103(c)(1) of the Internal Revenue Code of 1986, to which Section 103(a) applies.

The interest on the bonds is tax-exempt.

The credit ratings of the bonds are determined by the Social Security Investment Board.

Transfers a portion of the assets held by the Trust Fund to the State and Municipal Bond Fund.

Section 3 (D)(i)

The bill places a ceiling on the volume of Trust Fund reserves which can be invested in municipal bonds equal to 25 percent of the previous year's municipal bond market volume unless the Social Security Investment Board authorizes that a greater amount may be made available after determining that such increased amount is in the best interests of the Trust Fund and the qualified State or local bond market.

Section 3 (D)(ii)

If purchasing obligations when they are originally issued, the Trust Fund may only purchase such obligations after the issue has been publicly offered; under the same terms and conditions of the public offering; and in an amount not to exceed 33 percent of such issue.

Section 3 (E)

In purchasing qualified State or local bonds, the Investment Board shall not establish any policies which require that any State or local government desiring to sell bonds to the Bond Fund be subject to more stringent credit standards or additional covenants and agreements that those commonly applicable in the open market for bonds of similar credit quality.

Section 3 (F)

The eligible state or local obligations purchased by the Social Security Trust Funds are guaranteed by the U.S. Government as long as the bonds are held by the Trust Funds.

Section 3 (G)(i)

Ninety days after the end of each fiscal year, the Managing Trustee shall determine the difference in the amount which would have been returned to the Trust Funds if it had only invested in Treasury obligations versus what was actually returned to the Trust Funds under the provisions of this bill.

Any difference will be made up by a permanent annual appropriations.

Section (G)(i)(c)

The bill phases in the State and Local Bond Fund investment practice; in the first year, the limit would equal 10 percent of the municipal market's previous volume; in the second year, the limit would equal 20 percent, and in all succeeding years, the 25 percent limit would apply.

Section 4

Creates the Social Security Investment Board, which shall formulate and maintain investment policies which result in prudent investment of fund assets and which result in accumulating funds for the payment of benefits under the Social Security Act. The Board may not direct that investment be made in any particular asset, or that the Fund dispose of its interest in any particular asset.

The Board may appoint such staff or hire outside expertise as are needed to carry out the provisions of this section.

The Social Security Investment Board will be composed of five members who have substantial experience in managing financial investments and pension fund assets. Each of the five members shall be appointed by the President, with the advise and consent of the Senate. One of the five members shall be appointed after consideration of the recommendation of the Speaker of the House, and one of the five members shall be appointed after consideration of the recommendation of the Majority Leader of the Senate.

Section (5)

Effective date of October 1, 1991.

QUESTIONS AND ANSWERS ON THE SOCIAL SECURITY-INFRASTRUCTURE BILL

What is the purpose behind the introduction of this bill?

The goal is two-fold: First to protect the funds in the Social Security Trust Funds by making sure they are there when Americans retire and want to draw from them and by making sure Americans do not find IOUs from the federal government instead.

Second, to provide another source of funds for state and local governments to meet their infrastructure needs.

What does the Social Security trust funds invest in currently?

Under current law, funds held by the Social Security Trust Fund can only be invested in obligations issued by the Treasury Department. We are expanding their ability to also invest in high grade state and local bonds.

Who will make the investment decisions for the Social Security trust funds?

The bill creates a State and Municipal Bond fund within the Social Security Trust Fund. A portion of the surplus of the Social Security Trust Fund would be transferred into the State and Municipal Bond Fund. This fund would be maintained as a separate division of the Trust Fund, and managed by the Social Security Investment board and its staff.

The Board would have five members, each appointed by the President, with one on the recommendation of the Majority Leader of the Senate, and one on the recommendation of the Speaker of the House, with the advice and consent of the Senate. The Board would establish investment policies for the Bond Fund, review the performance of the Bond Fund, and review and approve the budget for the Bond Fund. The Board would appoint personnel as are necessary to carry out these provisions. The Board could also hire outside investment experts to help manage the Bond Fund. The Bond Fund is directed to invest in bonds which are issued by banks and other brokerage firms which trade and underwrite municipal securities.

How would State and local governments be able to use the bonds?

The proceeds of the bonds would be used to finance needed infrastructure improvements, such as schools, roads, and bridges, other mass transportation systems, and water treatment facilities—as currently defined in Section 103 (c)(1) of the Internal Revenue Code of 1986 to which Section 103(a) applies.

Why include State and local bonds?

First, we want to diversify the risk from just federal government offerings and include state and local government offerings.

Second, in 1989 state and local governments offered approximately $120 billion worth of bonds. We think this number will grow as their needs grow.

Third, state and local government bonds are a conservative investment and by allowing the proceeds to be used for local governmental needs we will be building a strong economic base for the future.

How will you make up the difference between tax-exempt and taxable bonds earnings?

Since the yield on these tax-exempt bonds will be at a lower rate than equivalent investments in federal securities, as currently authorized by the Social Security Act of 1983, we have included a provision which authorizes a permanent annual appropriations to recoup any lost investment income. These appropriations will be offset by the increase in tax revenues attributable to the displacement of investors from the tax exempt market to the taxable market.

How can you ensure Congress will give the annual appropriations and not make it political?

The bill makes a permanent annual appropriations.

What happens if a State or local government defaults?

The bill protects the Trust Funds by providing a federal guarantee for any municipal bonds purchased by the Trust Funds.

A recent survey performed by the Government Finance Officers Association found that the default rate on governmental (nonfederal) securities was 0.1 percent. The bill also directs the Social Security Investment Board of the Municipal Bond Fund to establish and maintain an investment policy which takes into consideration any credit enhancement measures associated with any bond which is considered for purchase.

How much of any one issue can the trust fund buy?

If purchasing obligations when they are originally issued, the Trust Fund may only purchase such obligations; a). after the issue has been publicly offered; b). under the same terms and conditions of the public offering; and c). in an amount not to exceed 33 percent of such issue.

The Fund may also buy in the secondary market at the market price.

How would the rate on the bonds be set?

The bill requires that the investments be made at the issue price (for new issues), or at the market price (for issues purchased in the secondary market).

How much of the market could the trust funds take up without dominating the market?

Felix Rohytan in a speech June 14th before the National Press Club said, "These (Social Security Trust) Funds should be invested in U.S. Treasury securities with a portion thereof (say 20–25 percent) eligible for investment in high-grade state and local government bonds, to be used to finance local infrastructure projects."

The bill limits the investment to 25 percent of the previous years' volume of bonds sold in the market. In addition, the bill phases in this investment over a three year period: 10 percent of the market during the first year, 20 percent during the second year, and 25 percent in following years.

Who can sell the bonds?

The bill requires the investment to be made through licensed securities brokers.

Who is supporting this legislation?

The National League of Cities, the National Association of Counties and the National Conference of State Legislators have adopted resolutions in support of the concept embodied in this bill.

TAXATION AND FINANCE STEERING COMMITTEE RESOLUTION ON INVESTMENT OF SURPLUS SOCIAL SECURITY TRUST FUNDS IN TAX-EXEMPT BONDS

(Endorsement from the National Association of Counties)

Whereas the nation's public infrastructure and public capital finance needs are critical and continue to grow at rapid rates; and

Whereas county governments are responsible for an increasingly large share of the burden for building and maintaining vital facilties and services such as roads, bridges, hospitals, schools, jails, environmental facilities and transportation systems; and

Whereas the United States has not been making the public investment necessary to keep the capital stock adequate to meet the social and economic needs of the nation; and

Whereas the demand by institutional investors in tax-exempt debt has declined due to recent tax code changes, forcing a precarious and increased reliance on individual investors in tax-exempt bonds; and

Whereas proposals to permit the investment of surplus Social Security Trust Funds in tax-exempt bonds issued by state and local governments will substantially increase demand for these securities and reduce the interest rate paid by state and local governments borrowers; and

Whereas there does not appear to be a threat for direct federal intervention in the issuance process under this program, as the Social Security Trust Fund would only purchase tax-exempt bonds in the secondary market; and

Whereas investments of Social Security monies in local bonds gives an increased priority to the rebuilding and expansion of public capital stock at a time when other domestic federal financial sources have been eliminated or are declining: Therefore, be it

Resolved, That the National Association of Counties supports the authorization of the Investment of Social Security Trust Fund surpluses in State and local A-rated tax-exempt bonds as long as there is no further federal restriction regarding the issuance of such debt.

NATIONAL LEAGUE OF CITIES,
Washington, DC, July 17, 1990.

Hon. BOB GRAHAM,
U.S. Senate, Dirksen Building,
Washington, DC.

DEAR SENATOR GRAHAM: We are writing to support your efforts to authorize the investment of Social Security Trust funds in state and municipal government obligations if the Trust funds are taken off-budget and in gratitude for your effort to work with the National League of Cities in structuring this legislation.

We believe the proposed legislation could go far in improving our economy through increased public capital investment in our crumbling public infrastructure. The proposal would help to replace the huge loss of investment capital in municipal bonds caused by the changes in the Tax Reform Act of 1986 as well as provide far greater stability to the municipal market.

Your efforts to seek our input and respond to the questions we have raised are appreciated by our membership.

Sincerely,

BOB BOLEN,
President.
GLENDA HOOD,
Second Vice President.

INVESTMENT OF SOCIAL SECURITY TRUST FUND MONIES IN STATE AND LOCAL GOVERNMENT BONDS

The National Conference of State Legislatures supports legislation that has been introduced that would provide for the investment of Social Security trust fund monies in bonds issued by state and local governments, provided said investments are made through traditional state and local government bond marketing procedures. Furthermore, such purchases shall be based upon prudent investment standards. The legislation is intended to protect the fund by providing for some diversification. (At present the funds may only be lent to the federal government through the purchase of non-negotiable instruments of the U.S. Treasury. A substantial surplus is being established to provide for the retirement of the "baby boom" generation in the next century.) It would also promote national savings and foster the investment in infrastructure, such as transportation, schools, and environmental facilities that is necessary to generate economic growth. Ultimately, growth is essential to provide for the retirement of Americans. Enactment of this legislation would also represent a significant recommitment by the federal government to the state-federal partnership.

NCSL supports legislation that would authorize the investment of a limited portion of Social Security trust fund monies in state and local obligations. Such legislation should include adequate protections for both the integrity of the fund and the independence of state and local government from federal interference.

PUBLIC PENSION SURPLUSES AND NATIONAL SAVING: FOREIGN EXPERIENCE

(By Alice H. Munnell and C. Nicole Ernsberger)

IV. CANADA

Canada, a federal state consisting of ten provinces and two territories, is a member of the British Commonwealth. The Queen and her representative in Canada, the Governor General, are the formal heads of state. The Governor General summons and dissolves Parliament, signs state documents, and gives assent to parliamentary bills, but, in almost all cases, must carry out these duties in accordance with the advice of the responsible ministers.

Parliament consists of two houses: the Senate, where representation, as in the United States, is determined on the basis of a fixed number of representatives from each region; and the House of Commons, where representation is based on population. Three political parties have significant representation in the Canadian Parliament: the Progressive Conservatives, the Liberals, and the New Democrats. The Progressive Conservatives are currently in power. Since 1930, Parliamentary control has alternated fairly regularly between the Liberals and the Conservatives; the New Democrats have never been the ruling party.

DEVELOPMENT OF A FUNDED PENSION PROGRAM

The Canada and Quebec Pension Plans (CPP and QPP) were developed in the 1960s by the Liberal government, in response to growing inadequacies of the existing federal universal pension system. Parliamentary debate began in 1963 over the establishment of an earnings-related old-age, survivors and disability public insurance system to supplement the flat benefit provided to all persons 65 and over by the Old Age Security program.

The federal government originally proposed a pay-as-you-go financing scheme, but the provincial governments objected. Feeling the effects of almost a decade of deficits and facing the prospect of massive investments in schools to meet the educational needs of Canada's baby boom generation, the provinces were determined that the system be substantially funded, with annual surpluses made available to them for investment (Bryden 1974). The current financing of the CPP represents a compromise between the federal and provincial government positions; the program has run annual surpluses since its inception, and had accumulated $35 billion (Canadian dollars) in assets, or 6 percent of GDP, by 1988.

Rather than participate in the CPP, Quebec elected to create its own public pension, the QPP. Because contributory rates and benefits have always been the same and the buildup of assets in relation to outgo is identical, the two plans are often referred to together. QPP assets amount to 2 percent of GDP. As noted below, however, the investment practices for the $13 billion (Canadian

dollars) held by the QPP have been very different from those of the CPP.

The founders of the Canada Pension Plan felt that reserves equal to two times annual outlays would be sufficient for their purposes. In order to hasten the buildup of reserves, rates were originally set at 1.8 percent each for employers and employees and 3.6 percent for the self-employed, and the payment of full benefits was delayed until 1976. From the outset, however, the CPP's designers recognized that the initial rate schedule would not be sufficient indefinitely and recommended a future review of the reserve fund's status. In 1985 the federal and provincial Ministers of Finance conducted a series of meetings aimed at setting a rate schedule for the next 25 years. Despite the fact that the reserve fund then held assets in excess of six times annual outlays, the original intent of a reserve fund equal to two times outlays was reaffirmed at the meetings (Department of Insurance Canada 1985, p. 3). A new rate schedule, recommended by the Ministers of Finance, was passed by Parliament in 1986 and enacted in 1987. The revised schedule called for the 3.6 percent payroll tax to rise 0.2 percent annually from 1987 through 1991 and 0.15 percent annually from 1992 through 2011. As benefits are expected to increase sharply, this schedule should result in a decline in the ratio of reserves to outlays from 6.0 to 2.0, while the absolute size of the fund remains constant.

Additionally, the 1986 reform provided that the CPP system be subject to actuarial reviews at five-year intervals. Should it be found that alterations in contributions are necessary to meet the ultimate goal of a reserve fund equal to two times outlays, the actuaries will so advise the Ministry of Finance which, in turn, will submit a bill to Parliament.

THE CPP AND QPP AND NATIONAL SAVING

Table 7 presents the OECD budget data for Canada. The table shows that the CPP and QPP have consistently produced annual surpluses equal to roughly 1 percent of GDP. Since 1974, however, these surpluses have been swamped by large annual deficits in the central accounts, producing substantial overall deficits at the federal level. As discussed earlier, deficits in the non-social-security portion of the budget do not indicate, in and of themselves, that the effort to increase national saving and investment has failed. What must be evaluated is whether the existence of the pension fund surpluses caused general government expenditures to be higher, or taxes lower, than they would have been otherwise. To a large extent, this may depend on how social security is treated in the budget.

TABLE 7.—CANADIAN GOVERNMENT SAVINGS AND DEFICIT (–) OR SURPLUS AS A PERCENT OF GDP, 1960–86

	General		Central and Social Security		Central		Social Security[1]		Local[2]		Provincial		Municipal[2]	
	Saving	Deficit or surplus	Saving	Deficit or surplus	Saving	Deficit or surplus	Saving	Deficit or surplus	Saving	Deficit or surplus	Saving	Deficit or surplus	Saving	Deficit or surplus
1960	.60	−1.71	−.49	−.58	−.49	−.58	[3]	[3]	1.09	−1.13	.47	−.54	.62	−.58
1961	.47	−2.06	−.70	−1.01	−.70	−1.01	[3]	[3]	1.17	−1.05	.11	−.69	1.05	−.35
1962	1.12	−1.60	−.94	−1.15	−.94	−1.15	[3]	[3]	2.07	−.45	.74	−.13	1.32	−.32
1963	1.32	−1.32	−.42	−.60	−.42	−.60	[3]	[3]	1.74	−.71	.61	−.21	1.13	−.50
1964	2.51	.19	.80	.67	.80	.67	[3]	[3]	1.72	−.47	.77	−.16	.95	−.32
1965	3.06	.36	1.28	.95	1.28	.95	[3]	[3]	1.78	−.59	.90	0	.88	−.59
1966	3.52	.66	1.81	1.47	.70	.36	1.11	1.11	1.71	−.80	.65	−.27	1.06	−.53
1967	3.05	.22	1.55	1.17	.26	−.12	1.29	1.29	1.50	−.95	.47	−.49	1.03	−.47
1968	3.20	.67	1.69	1.33	.35	−.1	1.34	1.34	1.51	−.65	.65	−.7	.86	−.58
1969	4.53	2.32	2.90	2.59	1.55	1.24	1.35	1.35	1.63	−.27	1.06	.39	.57	−.65
1970	2.91	.80	1.93	1.63	.58	.28	1.35	1.35	.98	−.82	.30	−.29	.67	−.53
1971	2.46	.3	1.52	1.18	.20	−.14	1.32	1.32	.94	−1.15	.42	−.50	.52	−.64
1972	2.32	−.04	1.24	.78	−.3	−.49	1.27	1.27	1.08	−.83	.25	−.67	.83	−.16
1973	3.05	.89	2.01	1.51	.85	.34	1.16	1.16	1.04	−.62	.70	−.09	.34	−.53
1974	4.22	1.89	2.54	2.01	1.37	.84	1.17	1.17	1.68	−.12	1.32	.47	.36	−.60
1975	−.07	−2.52	−.52	−1.07	−1.70	−2.25	1.18	1.18	.44	−1.45	−.7	−1.00	.51	−.45
1976	.22	−1.81	−.7	−.59	−1.18	−1.70	1.11	1.11	.29	−1.22	−.8	−.74	.37	−.48
1977	−.58	−2.53	−1.86	−2.36	−2.89	−3.40	1.04	1.04	1.28	−.16	.37	−.27	.92	.10
1978	−1.40	−3.19	−3.03	−3.51	−4.06	−4.53	1.02	1.02	1.63	.32	1.05	.42	.58	−.10
1979	−.52	−2.02	−2.17	−2.44	−3.15	−3.42	.98	.98	1.64	.42	.61	0	1.03	.42
1980	−1.26	−2.80	−2.18	−2.49	−3.15	−3.47	.98	.98	.92	−.31	.40	−.18	.52	−.13
1981	−.3	−1.48	−.89	−1.15	−1.81	−2.07	.92	.92	.86	−.33	.27	−.30	.59	−.02
1982	−3.86	−5.96	−3.68	−4.44	−4.69	−5.45	1.02	1.02	−.18	−1.53	−.84	−1.53	.66	0
1983	−4.82	−6.97	−4.41	−5.42	−5.21	−6.21	.79	.79	−.41	−1.55	−.96	−1.56	.56	.1
1984	−4.73	−6.70	−5.07	−6.15	−5.81	−6.88	.73	.73	.34	−.55	−.12	−.56	.46	0
1985	−5.13	−7.06	−5.24	−6.05	−5.91	−6.72	.67	.67	.11	−1.01	−.47	−1.07	.58	.6
1986	−3.80	−5.51	−3.64	−4.29	−4.26	−4.91	.62	.62	−.16	−1.22	−.68	−1.27	.52	.5

[1] Canada and Quebec Pension Plans only.
[2] Includes hospitals.
[3] The Canada and Quebec Pension Plans were not instituted until 1966.
Source: 1974–86; OECD, Department of Economics and Statistics, 1988, National Accounts: 1974–1986, vol. 2, Detailed Tables Canadian tables 1, 6.1, 6.2, 6.3, 6.4; 1960–73; OECD, unpublished data.

THE CPP AND THE BUDGET

CPP financing is entirely off-budget and no discussion of the system's finances is included in the budget document. The CPP's annual report is an independent publication, prepared by the Chief Actuary of the Office of the Superintendent of Financial Institutions (The Office of the Superintendent of Financial Institutions is an arm's-length department of the Ministry of Finance.) While there is no legislated schedule for these annual reports, Health and Welfare Canada is required to submit its Main Estimates to Parliament each February, and part III of this report focuses on the CPP Parliamentary tradition dictates that the federal budget be presented in February as well.

Despite this coincidence in timing, it is unlikely that members of Parliament take any comfort from the buildup in the CPP. Not only are the reserves not included in budget totals or deficit targets, but also the fund is in no way a captive market for Treasury securities. The vast majority of CPP reserves are loaned to the provinces and only a small residual may be used by the central government. On the other hand, because the provinces have such easy access to the accumulated pension reserves, it is necessary in the case of Canada to worry about a behavioral response not only from the members of Parliament but also from the provincial governments.

INVESTMENTS OF THE CPP

The provinces are allowed to borrow from the CPP in proportion to their contributions, with any leftover funds used to purchase federal 20-year bonds. Table 8 shows how the $35 billion (Canadian dollars) held by the CPP were divided as of April 1988; less than 8 percent has been loaned to the central government.

The provinces might increase their expenditures in response to the CPP commitment to purchase their bonds, for several reasons. First, the average (and marginal) interest rates that the provinces have to pay on this debt are below market. This occurs because interest rates charged by the CPP are weighted averages of all federal 20-year bonds outstanding, which are typically below those of provincial debt. Hence, provinces can borrow from the CPP for lower rates than they would have to pay on the open market. They may also be able to lower their own open market rates by reducing the supply of provincial bonds sold to the general public. The Atlantic Provinces, which tend to be poorer, have the most to gain from the CPP lending provisions, since they face the largest gap between the rate that they are charged by the CPP and the rate that they must pay on the open market. If the provincial deficits are large, the implicit reduction in marginal costs may be substantial. Lower interest costs may thus induce more current consumption of government goods and services.

TABLE 8.—*Distribution of CPP Loans, April 1988*

Province	*Percentage of total loans*
Atlantic Provinces:	
Newfoundland	2.1
Prince Edward Island	.4
Nova Scotia	3.9
New Brunswick	2.9
Central Provinces:	
Quebec[1]	.4
Ontario	47.1
Manitoba	5.5
Western Provinces:	
Saskatchewan	4.5
Alberta	11.8
British Columbia	14.0
The Yukon Territory	(2)
The Northwest Territories	(2)

Federal	7.4

[1]Quebec is allowed to borrow from the CPP because some Quebec citizens work in Ontario and because the Royal Canadian Mounted Police who reside in Quebec still contribute to the CPP.

[2]Less than 0.1 percent.

Source: Ministry of Health and Welfare, 1988, Canada Pension Plan Account Monthly Report, April, Schedule F.

An even greater increase in government expenditure might occur if the province felt that they would never have to pay back the loans from the CPP fund.[22] A number of Canadian observers originally thought that this might be the case (Pesando and Rea 1977, p. 91), and early statements by the government of Ontario implied that CPP-owned debt was treated differently than publicly owned debt (Ontario 1974, pp. 26–27). In fact, the provinces have treated their borrowing very seriously; they have never missed an interest payment and, in some instances, have already repaid the loans.

Some commentators simply assume in their reviews that the availability of ready credit encouraged more spending by the provincial governments (Bird 1976); no one appears to have made strong arguments to the contrary. The only effort to actually document increased expenditures was a 1981 study prepared for the Economic Council of Canada. This study found that the borrowings from the CPP induced the Atlantic Provinces to reduce their own-source revenues and to increase expenditures, thereby increasing their total borrowings; the results for the other provinces were ambiguous (Patterson 1981). Although it is difficult to say with certainty, it appears that the CPP money loaned to the provinces induced greater provincial spending.

The issue remains, however, as to whether this increased spending produced additional consumption or greater investment. The data in table 7 tend to indicate that provincial spending on investment did not increase in response to the ability of the provinces to borrow from the CPP. Provincial saving was 0.6 percent of GDP from 1960 through 1965; it increased only very slightly from the inception of the CPP through 1974; thereafter it became negative. This pattern is also evidence in the figures for provincial expenditures on gross capital formation, which have declined steadily since the inception of the plan from a high of 14 percent of total provincial expenditures in 1964 to less than 4 percent in 1986 (Ministry of Finance 1987, table 52). Thus it appears that the provincial governments have allocated a large share of the CPP surpluses to current consumption.

INVESTMENTS OF THE QPP

The QPP, which as of June held $13 billion (Canadian dollars) in assets, does not lend to other provinces. Instead the assets, along with the assets of other Quebec public emloyee pensions, are supplied to the Caisse des Dépôts. The Caisse des Dépôts invests its assets in regional businesses and crown corporations, with an eye toward the highest possible return. The fund is even allowed to purchase private corporate equities, although it may not hold more than 40 percent of the voting stock in any one firm. Directors of the Caisse des Dépôts are often taken from the private sector, despite some concern over conflicts of interest. By placing its funds directly into regional businesses, the investment patterns of the QPP contrast sharply with those of the CPP. In short, the QPP appears to have increased national saving, and investment while the CPP probably has not.

OVERALL ASSESSMENT OF THE CANADIAN EXPERIENCE

Except in the case of Quebec, the Canadian government appears to have failed to prefund its public pension system in a meaningful way. On balance, the buildup in the trust funds seems to have stimulated additional consumption spending at the provincial level and to have reduced the incentive to raise provincial taxes. Would the same thing happen in the United States if the social security funds invested their reserves in state and local bonds? A partial answer may rest on the functions for which the two entities—provinces and states—can borrow.

It appears to be much easier for provinces in Canada to borrow for consumption expenditures than it is for states in the United States. Although New Brunswick, Newfoundland, and Nova Scotia maintain capital accounts, all borrowing is considered revenue, so debt may be used to meet deficits in their general accounts. Alberta has several off-budget special accounts for capital investments and crown corporations, and borrowing for the general budget is not encouraged. However, because Alberta is so dependent upon oil prices for its revenues, it is occasionally forced to borrow for current consumption. Ontario, British Columbia, Manitoba, and Saskatchewan do not even maintain capital accounts. Therefore, borrowing for current consumption is in no way differentiated from borrowing for capital investments. Only Prince Edward Island has legislative restrictions on current consumption borrowing; deficits in the general account may only be met by short-term debt issues. On balance, however, the lack of legal prohibitions and the negative saving in the OECD accounts indicate that the provinces are certainly able to borrow and probably have been borrowing for current consumption.

In the United States 49 of the states (Vermont being the exception) have balanced budget laws. This means that any borrowed general consumption funds must be repaid within a legislated time frame, typically under one year (Advisory Commission on Intergovernmental Relations 1987, tables 42 and 43). The OECD data for the United States in table 9 show consistent surpluses at the local level since 1972 (1975 is the only exception), which tends to confirm that the states and localities have not engaged in deficit financing for their general accounts. Hence, as long as the OASDI funds limited their state bond purchases to those with long-term maturities, the states could not use OASDI funds to cover general account deficits. This constraint would help assure that trust fund loans to state and local governments would result in productive investment.

By Mr. CONRAD (for himself and Mr. BURDICK):

S. 907. A bill to amend section 7 of the Mineral Leasing Act governing Federal coal lease royalty rates; to the Committee on Energy and Natural Resources.

FEDERAL COAL LEASE ROYALTY RATES

Mr. CONRAD. Mr. President, I rise today to introduce legislation that would grant authority to the Secretary of the Interior to set Federal Coal royalty rates based upon the heating value of coal. Specifically, the legislation is designed to match the royalty on Federal coal to the unique properties of lignite. I am pleased that the senior senator from North Dakota, Senator BURDICK, has joined me as an original cosponsor of this legislation.

I introduced this legislation in the last Congress, but it was not approved. It is my hope that this bill will be enacted into law this year.

North Dakota has vast deposits of lignite coal, and the lignite industry is a very significant part of the North Dakota economy. At current production levels, we have 35 billion tons of recoverable reserves, enough to last more than 1,000 years. There are 3,550 direct jobs and 14,300 indirect jobs associated with the industry, and lignite-related expenditures generated $1.1 billion in business volume during 1989. It is important to North Dakota, therefore, that lignite be competitive in the marketplace for fossil fuels.

Lignite is the fuel source for North Dakota's large electrical generating industry, and coal is the major cost component of the power generated by lignite's major customers. Lignite faces strong competition from low-cost Canadian hydropower and Canadian fossil fuel-based generation that is not subject to the same stringent environmental standards we have in this country. If lignite loses the ability to compete in the power pool, sales of this important North Dakota resource are affected adversely.

There are several properties of lignite that make it a unique resource worthy of appropriate recognition by the laws that govern its production. First, it is a low grade—low Btu—fossil fuel that has only two-thirds the heating value of sub-bituminous coal.

Second, lignite has a very high moisture content. It is therefore not economical to transport the mineral long distances. To minimize transportation expenses, North Dakota operators have developed mine-mouth operations, meaning that electrical generating plants are located at or near a mine.

Third, the cost of mining lignite is greater than the higher quality sub-bituminous coals in the West because lignite occurs in relatively thin seams under deep overburden. In Montana and Wyoming, for example, sub-bituminous coal seams are 50 to 100 feet thick. In North Dakota lignite coal seams are 5 to 15 feet thick.

Because of the thicker coal seams in other States, North Dakota operators move 5 to 7 times more overburden on a per ton basis than Montana and Wyoming operators. Consequently, stripping and reclamation costs for lignite are high compared to the same costs for better quality sub-bituminous coal in the West. The selling price of lignite reflects the higher operating costs.

Presently, about 25 percent of North Dakota's lignite coal reserves consist of Federal ownership, and the remaining 75 percent of the reserves consist of private and State ownership. The coal reserves fall in a checkerboard pattern

of private, State, and Federal ownership.

Because Federal ownership is the smaller interest and the Federal coal tracts are often 40 to 80 acres in size, operators attempt to avoid mining Federal coal because of the statutory minimum 12½-percent Federal royalty. This compares to a statutory minimum 6-percent State royalty, and lesser royalties in most cases for private coal owners. In short, the higher Federal royalty can and does discourage mining of Federal lignite coal.

Basically, coal is sold on the basis of its heating value, or Btu content. Because lignite is a low Btu coal, a ton of lignite coal has a lower heating value than a ton of sub-bituminous coal. The fixed percentage of Federal coal royalty therefore results in an effective royalty rate that is significantly higher for lignite than it is for other western coals. In others words, lignite is placed at a competitive disadvantage by a Federal percentage royalty that does not recognize the difference in coal qualities or mining costs.

Mr. President, the bill that Senator BURDICK and I are introducing today would attempt to rectify this inequity and put lignite on a level playing field with other coals. The legislation grants authority to the Secretary of the Interior to consider the heating value of coal in setting the Federal royalty rate. The bill is drafted narrowly to achieve a specific purpose, and the reduction contemplated in this legislation is not a mandatory reduction. Further, the measure is of limited applicability. Mining of federally owned lignite coal is limited to North Dakota except for one small mine operating in Montana, near the North Dakota border.

The justification for treating lignite coal differently from sub-bituminous and bituminous coals has previously been recognized by Congress in the Federal Surface Mining Act, 30 U.S.C. 1232(a). Based upon the unique properties of lignite, the act sets the Federal reclamation fee at only 10 cents per ton for lignite as compared to 35 cents per ton for other coals. A similar recognition is needed for lignite with respect to the royalty rate on Federal coal.

By Mr. SPECTER:

S. 908. A bill to provide that the U.S. District Court for the Eastern District of Pennsylvania shall also sit in Lancaster, PA; to the Committee on the Judiciary.

HOLDING FEDERAL COURT IN LANCASTER, PA

Mr. SPECTER. Mr. President, today I am once again introducing legislation to add Lancaster, PA, as a place of holding court within the Eastern District of Pennsylvania. This legislation was included last Congress in the Senate version of the Judicial Improvements Act of 1990, but in the waning hours of the 101st Congress we were unable to work out with the House conferees some differences over the provision and it was removed from the bill. The time is now right to establish a satellite Federal court in Lancaster, and I have every confidence that we will see this bill become law this year.

Last year Judge Ronald L. Buckwalter of Lancaster was appointed a U.S. district judge in the eastern district. Judge Buckwalter is ready to return to Lancaster to bring the great qualities of the Federal judicial system to the people of Lancaster and the surrounding area.

Lancaster County is one of the two fastest growing counties in Pennsylvania. The city of Lancaster is a thriving, growing community. The rapid growth of the area is reflected in the increase in Federal court filings from Lancaster County. Between 1987 and 1989, Lancaster County had the largest proportionate increase in Federal court filings of any of the 10 counties within the eastern district.

Authorizing the eastern district to hold court in Lancaster will make it much more convenient for the residents of the western portion of the eastern district to gain access to the Federal judicial system. Litigants from Lancaster and the surrounding area currently have to travel over 70 miles to Philadelphia to have their cases heard in Federal court. The addition of Lancaster as a place of holding court will greatly reduce travel time and concomitant litigation expenses and will result in greater convenience for litigants from fast-growing Lancaster County and other parts of the western portion of the eastern district.

The judiciary exists to serve the people, and we must make access to it as easy and convenient as possible. The Federal courts can best serve the people of the United States if they are located for the convenience of as many people as possible. To this end, Senator HEINZ and I have worked to establish satellite courts in other parts of Pennsylvania. Recently, we secured the establishment of a satellite Federal court in Johnstown, in the western district of Pennsylvania to serve the people of the region who previously had to travel long distances to secure access to the Federal judicial system in Pittsburgh.

In establishing a satellite court in Lancaster, we intend that the presiding judge is there for the convenience of litigants, so that the presiding judge in Lancaster should not hear cases in Lancaster when the parties would be more conveniently served in other established places of holding court. To the extent that the workload in any particular satellite court is not sufficient to provide the resident judge with a full docket, then it is our intention that the judge who customarily sits at that location should be assigned to another, existing court location convenient to the parties in litigation to assist in handling the docket in that location.

While the Court of Common Pleas of Lancaster County is an excellent court—indeed Judge Buckwalter was serving on this court when he was appointed to the Federal bench—it is still important for residents of the area to have equal access to the Federal court system. For this reason, I believe that the establishment of a satellite court in Lancaster to be served by a judge from Lancaster will best serve the people of the area.

I ask for 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. 908

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

SECTION 1. COURT TO BE HELD AT LANCASTER.

Section 118 of title 28, United States Code, is amended in subsection (a) by inserting "Lancaster," immediately before "Reading".

By Mr. LEAHY (for himself, Mr. BROWN, Mr. DECONCINI, Mr. HATCH, Mr. SIMON, Mr. GRASSLEY, and Mr. SPECTER):

S. 909. A bill to amend chapter 9 of title 17, United States Code, regarding protection extended to semiconductor chip products of foreign entities; to the Committee on the Judiciary.

SEMICONDUCTOR INTERNATIONAL PROTECTION EXTENSION ACT OF 1991

Mr. LEAHY. Mr. President, I am pleased to introduce the Semiconductor International Protection Extension Act of 1991 with Senators BROWN, DECONCINI, HATCH, SIMON, GRASSLEY, and SPECTER.

Semiconductor chips lie at the heart of the worldwide computer revolution. These marvels of modern technology have propelled dozens of industries toward the 21st century. They are critical to the economic prosperity and national security of the United States.

Last year, the Subcommittee on Technology and the Law held a hearing on the semiconductor industry. Research and innovation are essential to the life and health of the American chip industry. According to Dr. Sam Harrell, President of SEMI/SEMATECH, "The United States has too much to lose if the semiconductor industry and its beleaguered infrastructure disappear. They need an environment conducive to fair competition."

When piracy threatened research and innovation in the design of semiconductor chips, we passed the Semiconductor Chip Protection Act [SCPA] of 1984. See Public Law No. 98-620, title III. That 1984 law protects the chip designs that American engineers and enterprises develop.

We wanted assurances that U.S. manufacturers would receive reciprocal protection abroad. Section 902 of the SCPA provides for protection of foreign chips through an international treaty or Presidential proclamation. The President is authorized to issue a proclamation under section 902 if he determines that a particular nation extends protection to chip designs owned by U.S. nationals or domiciliaries on the same basis as that provided by our law. The 1987 amendment to the SCPA codified the President's existing authority to revise, suspend, or revoke the protection granted by a section 902 proclamation.

Congress also decided to empower the Secretary of Commerce to extend interim protection to chip designs of nationals of foreign countries that are "making good faith efforts and reasonable progress * * *" toward reciprocal protection of chip designs owned by U.S. nationals (17 U.S.C. 914). This carrot and stick approach—we protect your country's work so long as you make speedy progress toward laws protecting ours—has been effective. The Commerce Department reports that interim protection has been extended to 19 nations, most of which have already enacted legislation substantially similar to the SCPA.

The original authority of the Secretary of Commerce to issue interim protection orders expired in 1987. Three years after enactment of the SCPA, the Senate passed by a vote of 96 to 0, a bill to extend the Secretary's authority to issue interim orders until July 1, 1991. See Public Law No. 100-159.

The provision establishing the Secretary's interim order authority under section 914 of the SCPA has been the mechanism for protecting the vast majority of foreign semiconductor chip designs. Thus, it is in the best interest of the United States for the Congress to extend the Secretary's authority to issue interim protection under section 914 of the SCPA.

Many successes of the SCPA may be vitiated if Congress allows the Secretary's authority to issue interim orders to expire in July. That is why I am introducing legislation that would grant deserving nations additional time to finalize and implement the mechanisms through which they protect semiconductor chip designs. This extension would enable the Secretary of Commerce to issue interim protection under section 914 through July 1, 1995.

The bill I am introducing includes a technical clarification of the Secretary's authority to issue interim protection orders under section 914, and I am seeking comment on this proposal. Specifically, section 914(a)(1)(B) of title 17, United States Code, is amended by inserting "or implementing" after "enacting."

Today, Congressman BILL HUGHES, chairman of the Judiciary Subcommittee on Intellectual Property and Judicial Administration, will introduce this legislation in the House. Congressman HUGHES has been joined by Congressman MOORHEAD, ranking minority member of the subcommittee. The House bill is also cosponsored by Mr. EDWARDS of California, Mr. MINETA, Mr. FRANK, and Mr. KOPETSKI. I want to thank Congressman HUGHES, and his counsel, Michael Remington, for consulting with us and working so cooperatively toward introduction of this bill.

I am pleased that the ranking minority member of the Technology Subcommittee, Senator BROWN, the chairman and ranking minority member of the Patents Subcommittee, Senators DECONCINI and HATCH, as well as our Judiciary Committee colleagues, Senators SIMON, GRASSLEY, and SPECTER, are joining me in introducing this bill.

Congressman Kastenmeier played a lead role in drafting the SCPA in 1984. That law created the first intellectual property right outside the traditional categories of patents, trademarks, and copyright principles in 100 years. We worked closely with Congressman Kastenmeier in 1984 and in 1987. He will be sorely missed, but we are happy to introduce a bill that will extend his legislative legacy.

Mr. President, this bill has broad, bipartisan support in both the House and Senate. I hope for quick passage of this imporant legislation. I look forward to working with the administration to ensure that the Semiconductor Chip Protection Act continues to be an important tool in promoting international comity in the protection of intellectual property. I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 909

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 "Semiconductor International Protection Extension Act of 1991".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) section 914 of title 17, United States Code, which authorizes the Secretary of Commerce to issue orders extending interim protection under chapter 9 of title 17, United States Code, to mask works fixed in semiconductor chip products and originating in foreign countries that are making good faith efforts and reasonable progress toward providing protection, by treaty or legislation, to mask works of United States nationals, has resulted in substantial and positive legislative developments in foreign countries regarding protection of mask works;

(2) the Secretary of Commerce has determined that most of the industrialized countries of the world are eligible for orders affording interim protection under section 914 of title 17, United States Code;

(3) no multilateral treaty recognizing the protection of mask works has come into force, nor has the United States become bound by any multilateral agreement regarding such protection; and

(4) bilateral and multilateral relationships regarding the protection of mask works should be directed toward the international protection of mask works in an effective, consistent, and harmonious manner, and the existing bilateral authority of the Secretary of Commerce under chapter 9 of title 17, United States Code, should be extended to facilitate the continued development of protection for mask works.

(b) PURPOSES.—The purposes of this Act are—

(1) to extend the period within which the Secretary of Commerce may grant interim protection orders under section 914 of title 17, United States Code, to continue the incentive for the bilateral and multilateral protection of mask works; and

(2) to clarify the Secretary's authority to issue such interim protection orders.

SEC. 3. AUTHORITY TO ISSUE PROTECTION ORDERS.

Section 914 of title 17, United States Code, is amended—

(1) in subsection (a)(1)(B) by inserting "or implementing" after "enacting"; and

(2) in subsection (e) by striking "July 1, 1991" and inserting "July 1, 1995".

SEC. 4. REPORT TO CONGRESS.

Section 914(f)(2) of title 17, United States Code, is amended in the last sentence by striking "July 1, 1990" and inserting "July 1, 1994".

Mr. BROWN. Mr. President, as ranking member of the Subcommittee on Technology and the Law of the Senate Judiciary Committee, I am pleased to lend my support as original cosponsor of the Semiconductor International Protection Extension Act of 1991.

The sponsor of this bill, Senator LEAHY, is to be congratulated. This is a fine bill. The administration is unopposed to the bill. The American semiconductor industry is firmly behind it, as are intellectual property experts. Indeed, we understand it has met with no opposition. It deserves our unanimous support.

The Semiconductor International Protection Extension Act of 1991 would amend section 914(e) of title 17 of the United States Code, to extend for 4 years the authority of the Secretary of Commerce under the Semiconductor Chip Protection Act of 1984 to issue interim protection in the United States, under certain conditions, to nationals of foreign countries for semiconductor chip designs first commercially exploited outside the United States.

It also would amend section 914(f)(2) of title 17 of the United States Code, to require the Secretary of Commerce, in consultation with the Register of Copyrights, to transmit to Congress a report updating previous reports concerning actions taken under this section and on the current status of international recognition of semiconductor chip design protection.

The Secretary's authority to issue interim protection expires on July 1, 1991. In 1987, Congress previously extended for a 3-year term the Secretary's interim protection authority. Senator LEAHY's 1987 interim protection extension bill, S. 442, is nearly identical to the current measure under consideration, and passed the Senate by a vote of 96 to 0 and by voice vote in the House.

Extension of the Semiconductor Chip Protection Act of 1984 is as laudable an objective now as it was in 1987. Congress adopted the 3-year transitional period to encourage foreign nations either to enact laws that protect semiconductor chip designs owned by U.S. nationals or to enter into an international treaty that similarly protects U.S. chips.

Since enactment of the Semiconductor Chip Protection Act of 1984, foreign countries have made significant progress in enacting acceptable chip protection laws; 19 countries—including the 12 members of the European Economic Community and Japan—have earned interim protection for their chip designs through section 914. More importantly, most of these countries have enacted legislation substantially similar to the Semiconductor Chip Protection Act of 1984.

The United States has met with less success in its efforts to establish a fully satisfactory international agreement for chip protection. The World Intellectual Property Organization, known as WIPO, completed its Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits on May 26, 1989. However, the United States voted against the treaty because it provided a less than adequate and effective level of chip protection.

Negotiations during the Uruguay round of the General Agreement of Tariffs and Trade have also failed thus far to achieve a consensus on standards on chip protection. In addition, the recent suspension of the Uruguay round raises legitimate concerns as to whether a chip protection agreement will be reached in that forum in the near future.

Thus, given this mixed measure of success, extension of the Commerce Secretary's interim protection authority plays an even more important role in the administration of the Semiconductor Chip Protection Act of 1984 and the development of adequate and effective international standards for chip protection.

Passage of this legislation will serve to continue to promote the rapid growth of sound and balanced foreign laws on chip protection that will not create trade problems. Moreover, this bill will provide an important incentive for the development of a multinational system for the protection of semiconductor chips that is based on widely accepted national standards. Finally, the reporting requirement contained in this bill will afford Congress the reasonable oversight necessary to ensure continued progress toward bilateral and multilateral protection for semiconductor chip designs.

By Mrs. KASSEBAUM (for herself, Mr. BURNS, Mr. CHAFEE, Mr. COCHRAN, Mr. D'AMATO, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. GARN, Mr. HATCH, Mr. JEFFORDS, Mr. MACK, Mr. SPECTER, Mr. THURMOND, Mr. WARNER, Mr. AKAKA, Mr. BINGAMAN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GRAHAM, Mr. HEFLIN, Mr. HOLLINGS, Mr. INOUYE, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MOYNIHAN, Mr. NUNN, Mr. PELL, Mr. ROCKEFELLER, Mr. SANFORD, Mr. SARBANES, and Mr. SIMON):

S.J. Res. 127. Joint resolution to designate the month of May 1991, as "National Huntington's Disease Awareness Month"; to the Committee on the Judiciary.

NATIONAL HUNTINGTON'S DISEASE AWARENESS MONTH

Mrs. KASSEBAUM. Mr. President, about 25,000 Americans suffer from Huntington's disease, and about 125,000 more are at risk of inheriting it. This degenerative brain disorder results in personality changes, involuntary muscular movements, impaired judgment, and slurred speech. It can attack people of all races, all ages, and both sexes. Eventually, it kills.

However, the story of Huntington's disease reaches far beyond these cold facts. It is a story of personal tragedy—of families shaken and lives destroyed. It is a story of individual people. One of those people is Thomas "Skip" Hayes of Mobile, AL. Mr. Hayes suffers from Huntington's disease and his moving story was recounted in a November 5, 1990, article in People magazine.

Mr. President, I ask unanimous consent that the text of that article be printed at this point in the RECORD.

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

FOR A FAMILY FACING INCURABLE HUNTINGTON'S DISEASE, FINDING OUT IS BETTER THAN THE DREAD OF SUSPICION

(By Giovanna Breu)

Thomas "Skip" Hayes, a pastor in Mobile, Ala., and his wife, Denise, were seated in their car as they argued over the family's finances: she asking him to write a check, he insisting there was not enough money in their account to cover it. Suddenly, Skip, 42, ordinarily a calm, caring man, threw a punch at his wife. It missed—"I just, wham! smashed the whole windshield," he recalls. But the outburst, which occurred 3½ years ago, had a profound effect on him. It signaled the possible onset of Huntington's disease, a prospect that he and his five siblings had dreaded ever since they learned that their mother had been stricken with the ailment 15 years ago. In the intervening months with the help of a recently discovered genetic marker for Huntington's, the relationships between the members of the Hayes family have been forever altered.

Huntington's is an incurable neurological disease that destroys brain cells. It is transmitted genetically. The chances are 50-50 that the gene carrying the disease will be passed from a Huntington's carrier to his or her offspring. Symptoms of the disease include involuntary jerking of the limbs, a drunkenlike gait, loss of memory, slurred speech and erratic, irritable, sometimes aggressive behavior. Most victims of the disease die within 20 years of the time it first appears.

Because the symptoms usually do not show up until middle age, potential victims often lead lives of tormented uncertainty. But in 1986, a genetic test was developed enabling people to tell whether or not they have escaped the tainted gene. To date only about 200 of the 125,000 persons at risk have taken the test. One of the reasons may be that many people would rather remain in doubt than take the chance of learning they have so devastating a condition. Some may also fear that Huntington's would stigmatize them and make it impossible to obtain health insurance. Still others may be deterred by time, financial and family considerations. Testing centers require about three months of psychological counseling before the test itself is administered. Fees and expenses can easily reach $5,000, and family members must be available for examinations and blood samples.

Huntington's had run rampant in the Hayes family, who lived in southern California. Skip's grandfather, an aunt and an uncle all died from it. Other relatives with Huntington's are being cared for in state hospitals. His mother, Billie Catherine Hayes, 61, is confined to a nursing home. Skip, his sister and two of his brothers decided to end their doubts.

Catherine Hayes, 36, a disability consultant from Macon, Mo., learned from a radio report in 1983 that a test was being developed. "I started shaking and crying and got all upset," she recalls. "I had been living all my life as if I had it. If the gene was in my body, I wanted to know." In 1987, a year after the test became available in an experimental program at Baltimore's Johns Hopkins University, she and Skip took it. Later, Billy Hayes, 35, a sales representative, and Marty, 32, a machinist, also had themselves screened. (Two other brothers thus far have declined the genetic analysis.) Catherine and Billy found that they had been spared the disease; Skip and Marty had their worst fears confirmed: They have Huntington's.

The ordeal of discovery has brought the siblings—one of the largest families to take the test at Johns Hopkins—closer together. "We are still scattered all over the country," says Catherine. "But I've probably seen more of my family in the past couple of years because of this." Billy and Catherine, given a reprieve, have been able to get on with their lives, entertain thoughts of marriage and, for the first time, children. Catherine has become a vice president of the Huntington's Disease Society of America.

Skip's and Marty's reactions have naturally been more complex. "When they told me I had Huntington's, it slapped me in the face," says Marty. "It made me take a look at where I am at and what I have been

doing." Handsome, intense, Marty is reticent about his troubled life, but it is clear that he once seemed bound for success. At 21 he was making $32,000 a year working on oil rigs in California, which enabled him to buy a town house and a four-wheel-drive vehicle. Then, seven years ago, shortly after graduation from a Bible school in California, his life spiraled out of control. He and his wife divorced, and in 1987 he spent 210 days in jail for drunken driving. Yet Marty insists that learning he has Huntington's has inspired him to retrieve his life from chaos. "Now," he says, "I want to get back to being responsible again, get to where I can see my two kids and live a normal life again."

Skip, too, has children—Jason, 15, and Jennifer, 13—and so his diagnosis carries a special anguish. "It has laid heavy on me to look at them and think that one of them, or even both of them, will wind up with it," he says. "That hurts more than anything." Jason cried when he was told about his father's condition, while Jennifer, who is very close to her father, "closed up like a clam. She never cried, never showed any emotion," says her mother, Denise. Huntington's centers—there are now some 20 in the U.S.—insist that people at risk decide for themselves about testing. The children must wait until they are at least 18 before they can learn whether they carry the gene.

Skip is glad he took the test. "It gives you the ability to play offensively instead of fielding what comes at you," he says. He considers himself a survivor, with good reason. The day after his 17th birthday he enlisted in the Marines; 10 months later he was sent to Vietnam. "I have been in ambushes, pinned to the ground with 50-cal. slugs going over my head and overrun by suicide squads," he says. His best friend was killed when a personnel carrier in which he was riding hit a land mine.

In 1967, when Skip returned to the U.S., he was greeted with cries of "Murderer" and "Child killer." He joined a counterculture community in San Francisco, only to get caught up in its drug culture. He became a heroin addict and then a drug dealer to support his habit. Moving to the South, he was imprisoned in Louisiana for selling LSD in 1970. There, however, he underwent a jailhouse conversion and, upon his release, enrolled in Liberty Christian College in Pensacola, Fla. He was working at a nearby drug-abuse center when he met Denise, who was visiting another employee there. "Denise really loved me, and love hadn't been much a part of my life," says Skip. They were married in 1974. After that he worked as a petroleum surveyor until March 1989, when he became the interim pastor of Mobile's Bay View Church. He is now pastor of the city's Jubilee Fellowship Church.

Skip has dealt with his plight in characteristic, head-on fashion. Overwhelmed and depressed, he decided to commit himself to a VA hospital for psychiatric patients in Gulfport, Miss. At first the hospital wanted to treat him as an outpatient, but he put up such a fuss he was finally admitted. During his five-week stay, he slept in a dorm crammed with 70 people, some of whom were deranged. "At night you don't rest," says Skip, "because you don't know whom you can trust." While his VA physician conferred by phone with doctors at Johns Hopkins to adjust Skip's medication, he was also treated for gall bladder problems that had gone unattended because he lacked insurance. "Now," says Skip, "I am back in working order."

Professionally, Skip has thrived since emerging from the hospital, basking in the warm support of his congregation. "There are a lot of elderly ladies who just love him," say Denise. "Skip has mamas everywhere." For his part, the pastor says he is determined not to let the disease "control my life." A gun enthusiast, he says that he is still a crack shot, although he admits that nowadays his hands shake. "My arms jump, and I keep my hands on the table when I talk to people," he says. "But I want people to know that Huntington's does not have to totally destroy your life. I have peace in my heart, and I really believe that with God everything is possible. I want to keep going as long as I can," he adds. "I hope it is forever."

Mrs. KASSEBAUM. Mr. President, I rise today on behalf of myself and 39 cosponsors to introduce legislation that would designate May 1991 as "National Huntington's Disease Awareness Month." Congress has designated the 1990's as the "Decade of the Brain," and I believe now is the time to redouble efforts to combat brain disorders such as Huntington's disease.

The National Institute for Neurological Disorders and Stroke is conducting significant research of the disease. In fiscal year 1991, more than $41 million was appropriated for research of Huntington's and related disorders. The President's 1992 budget recommends more than $44 million for that research, an increase of about 7 percent.

Other research is ongoing. In particular, the Human Genome project continues its 15-year effort to map the order of DNA in human genes. Projects like this eventually may lead to new treatments or cures for genetic disorders such as Huntington's disease.

Congress cannot—and should not—rush science. However, I believe that greater public awareness of this disease is necessary to strengthen private-sector support for research. In May, the Huntington's Disease Society of America plans a series of events to keep its support efforts in the public eye. I believe this resolution can contribute significantly to that effort, and I urge my colleagues to support it.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. BIDEN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 15, a bill to combat violence and crimes against women on the streets and in homes.

S. 81

At the request of Mr. LOTT, the name of the Senator from Alaska [Mr. STEVENS], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 81, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 83

At the request of Mr. SYMMS, the name of the Senator from North Carolina [Mr. SANFORD] 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. 100

At the request of Mr. SANFORD, the names of the Senator from Wisconsin [Mr. KASTEN], the Senator from Hawaii [Mr. AKAKA], the Senator from Illinois [Mr. SIMON], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 100, a bill to set forth United States policy toward Central America and to assist the economic recovery and development of that region.

S. 140

At the request of Mr. WIRTH, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 140, a bill to increase Federal payments in lieu of taxes to units of general local government, and for other purposes.

S. 190

At the request of Mr. GRAHAM, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 190, a bill to amend 3104 of title 38, United States Code, to permit veterans who have a service-connected disability and who are retired members of the Armed Forces to receive compensation, without reduction, concurrently with retired pay reduced on the basis of the degree of the disability rating of such veteran.

S. 202

At the request of Mr. COCHRAN, the names of the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 202, a bill to amend the Fair Labor Standards Act of 1938 to exempt from such act certain individuals involved in model garment programs, and for other purposes.

S. 250

At the request of Mr. FORD, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 250, a bill to establish national voter registration procedures for Federal elections, and for other purposes.

S. 261

At the request of Mr. DIXON, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 261, a bill to amend the Federal Deposit Insurance Act to provide for risk-based premiums for deposit insurance.

S. 272

At the request of Mr. GORE, the names of the Senator from Mississippi [Mr. LOTT], and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 272, a bill to provide for a coordinated Federal research program to ensure continued U.S. leadership in high-performance computing.

S. 327

At the request of Mr. BOREN, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Michigan [Mr. RIEGLE], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 327, a bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to furnish outpatient medical services for any disability of a former prisoner of war.

S. 349

At the request of Mr. BUMPERS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 349, a bill to amend the Fair Labor Standards Act of 1938 to clarify the application of such act, and for other purposes.

S. 353

At the request of Mr. JEFFORDS, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 353, a bill to require the Director of the National Institute for Occupational Safety and Health to conduct a study of the prevalence and issues related to contamination of workers' homes with hazardous chemicals and substances transported from their workplace and to issue or report on regulations to prevent or mitigate the future contamination of workers' homes, and for other purposes.

S. 416

At the request of Mr. CONRAD, his name was added as a cosponsor of S. 416, a bill to amend the Internal Revenue Code of 1986 to make permanent the tax credit for increasing research activities.

At the request of Mr. DANFORTH, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 416, supra.

S. 433

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 433, a bill to provide for the disposition of certain minerals on Federal lands, and for other purposes.

S. 447

At the request of Mr. THURMOND, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Arizona [Mr. MCCAIN], the Senator from Michigan [Mr. RIEGLE], the Senator from New Mexico [Mr. BINGAMAN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New York [Mr. D'AMATO], the Senator from North Carolina [Mr. HELMS], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 447, a bill to recognize the organization known as the Retired Enlisted Association, Inc.

S. 456

At the request of Ms. MIKULSKI, the names of the Senator from Tennessee [Mr. GORE], and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 456, a bill to amend chapter 83 of title 5, United States Code, to extend the civil service retirement provisions of such chapter which are applicable to law enforcement officers to inspectors of the Immigration and Naturalization Service, inspectors, and canine enforcement officers of the U.S. Customs Service, and revenue officers of the Internal Revenue Service.

S. 471

At the request of Mr. MCCAIN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 471, a bill to protect consumers by regulating certain providers of 900 telephone services.

S. 481

At the request of Mr. SIMON, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 481, a bill to authorize research into the desalting of water and water reuse.

S. 489

At the request of Mr. HATCH, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 489, a bill to provide grants to States to encourage States to improve their systems for compensating individuals injured in the course of the provision of health care services, to establish uniform criteria for awarding damages in health care malpractice actions, and for other purposes.

S. 493

At the request of Mr. KENNEDY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 493, a bill to amend the Public Health Service Act to improve the health of pregnant women, infants and children through the provision of comprehensive primary and preventive care, and for other purposes.

S. 499

At the request of Mr. LUGAR, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 499, a bill to amend the National School Lunch Act to remove the requirement that schools participating in the school lunch program offer students specific types of fluid milk, and for other purposes.

S. 523

At the request of Mr. SIMON, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 523, a bill to authorize the establishment of the National African-American Memorial Museum within the Smithsonian Institution.

S. 527

At the request of Mr. CONRAD, his name was added as a cosponsor of S. 527, a bill to provide for the partial cancellation or repayment of Perkins and Stafford loans for student borrowers who perform a year or more of full-time, low-paid service as Peace Corps and VISTA volunteers, and comparable full-time, low-paid service with a tax-exempt community service organization in the private sector.

S. 542

At the request of Mr. GRASSLEY, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 542, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for interest on educational loans.

S. 555

At the request of Mr. BRADLEY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 555, a bill to amend the Drug Free Schools and Communities Act of 1986 to provide education on the problems associated with the use of tobacco.

S. 556

At the request of Mr. BRADLEY, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 556, a bill relating to cigarette labeling.

S. 567

At the request of Mr. SANFORD, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 567, a bill to amend title II of the Social Security Act to provide for a gradual period of transition—under a new alternative formula with respect to such transition—to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927—and related beneficiaries—and to provide for increases in such workers' benefits accordingly, and for other purposes.

S. 576

At the request of Mr. DECONCINI, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 576, a bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide onsite day care facilities for dependents of their employees.

S. 581

At the request of Mr. MCCAIN, his name was added as a cosponsor of S. 581, a bill to amend the Internal Revenue Code of 1986 to provide for a permanent extension of the targeted jobs credit, and for other purposes.

S. 583

At the request of Mr. ROTH, the name of the Senator from Arizona [Mr. DECONCINI] 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. 596

At the request of Mr. MITCHELL, the names of the Senator from Vermont [Mr. LEAHY], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of S. 596, a bill to provide that Federal facilities meet Federal and

State environmental laws and requirements and to clarify that such facilities must comply with such environmental laws and requirements.

S. 597

At the request of Mr. DODD, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 597, a bill to amend the Public Health Service Act to establish and expand grant programs for evaluation and treatment of parents who are abusers and children of substance abusers, and for other purposes.

S. 615

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 615, a bill entitled the "Environmental Marketing Claims Act of 1991."

S. 635

At the request of Mr. THURMOND, the name of the Senator from Arizona [Mr. MCCAIN] was withdrawn as a cosponsor of S. 635, a bill to restore an enforceable Federal death penalty, to curb the abuse of habeas corpus, to reform the exclusionary rule, to combat criminal violence involving firearms, to protect witnesses and other participants in the criminal justice system from violence and intimidation, to address the problem of gangs and serious juvenile offenders, to combat terrorism, to combat sexual violence and child abuse, to provide for drug testing of offenders in the criminal justice process, to secure the right of victims and defendants to equal justice without regard to race or color, to enhance the rights of crime victims, and for other purposes.

S. 649

At the request of Mr. BREAUX, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 649, a bill to amend the Internal Revenue Code of 1986 to repeal the luxury tax on boats.

S. 684

At the request of Mr. FOWLER, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 684, a bill to amend the National Historic Preservation Act and the National Historic Preservation Act Amendments of 1980 to strengthen the preservation of our historic heritage and resources, and for other purposes.

S. 701

At the request of Mr. COATS, the names of the Senator from Utah [Mr. GARN], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of 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.

S. 703

At the request of Mr. LAUTENBERG, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of 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.

S. 709

At the request of Mr. HATCH, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 709, a bill to amend the Internal Revenue Code to allow a deduction for qualified adoption expenses, and for other purposes.

S. 716

At the request of Mr. JEFFORDS, the names of the Senator from Utah [Mr. GARN], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 716, a bill to establish a replacement fuels and alternative fuels programs, and for other purposes.

S. 747

At the request of Mr. PRYOR, the names of the Senator from Indiana [Mr. COATS], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of S. 747, a bill to amend the Internal Revenue Code of 1986 to clarify portions of the Code relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 765

At the request of Mr. BREAUX, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 765, a bill to amend the Internal Revenue Code of 1986 to exclude the imposition of employer social security taxes on cash tips.

S. 840

At the request of Mr. DURENBERGER, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 840, a bill to amend the Internal Revenue Code of 1986 to provide a simplified method for computing the deductions allowable to home day care providers for the business use of their homes.

S. 866

At the request of Mr. MCCAIN, his name was added as a cosponsor of S. 866, a bill to amend the Internal Revenue Code of 1986 to clarify that certain activities of a charitable organization in operating an amateur athletic event do not constitute unrelated trade or business activities.

S. 868

At the request of Mr. CRANSTON, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 868, a bill to amend title 10, United States Code, and title 38, United States Code, to improve educational assistance benefits for members of the Selected Reserve of the Armed Forces who served on active duty during the Persian Gulf war, and for other purposes.

S. 872

At the request of Mr. KASTEN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 872, a bill to amend the Foreign Assistance Act of 1969 to authorize appropriations for fiscal years 1992 and 1993 for the Inter-American Foundation.

S. 878

At the request of Mr. DODD, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 878, a bill to assist in implementing the plan of action adopted by the World Summit for Children, and for other purposes.

SENATE JOINT RESOLUTION 6

At the request of Mr. JOHNSTON, the names of the Senator from Louisiana [Mr. BREAUX], the Senator from Washington [Mr. GORTON], the Senator from Virginia [Mr. WARNER], the Senator from Washington [Mr. ADAMS], the Senator from Hawaii [Mr. INOUYE], and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of Senate Joint Resolution 6, a joint resolution to designate the year 1992 as the "Year of the Wetlands."

SENATE JOINT RESOLUTION 8

At the request of Mr. BURDICK, the names of the Senator from Delaware [Mr. ROTH] and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Joint Resolution 8, a joint resolution to authorize the President to issue a proclamation designating each of the weeks beginning on November 24, 1991, and November 22, 1992, as "National Family Week."

SENATE JOINT RESOLUTION 16

At the request of Mr. THURMOND, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Kansas [Mr. DOLE], the Senator from Alaska [Mr. STEVENS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Montana [Mr. BURNS], the Senator from Arizona [Mr. MCCAIN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Arizona [Mr. DECONCINI], the Senator from Arkansas [Mr. BUMPERS], the Senator from Nevada [Mr. REID], the Senator from Idaho [Mr. SYMMS], the Senator from Delaware [Mr. ROTH], the Senator from Nebraska [Mr. EXON], the Senator from Florida [Mr. GRAHAM], the Senator from Washington [Mr. ADAMS], the Senator from Idaho [Mr. CRAIG], the Senator from Wyoming [Mr. SIMPSON], the Senator from Ohio [Mr. GLENN], the Senator from Nevada [Mr. BRYAN], the Senator from Illinois [Mr. SIMON], the Senator from North Carolina [Mr. HELMS], the Senator from Michigan [Mr. RIEGLE], the Senator from New York [Mr. D'AMATO], the Senator from Alaska [Mr. MURKOWSKI], the Senator from West Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. BOREN], the Senator from Louisiana [Mr. JOHNSTON], the Senator

from Alabama [Mr. HEFLIN], the Senator from Missouri [Mr. DANFORTH], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of Senate Joint Resolution 16, a joint resolution designating the week of April 21–27, 1991, as "National Crime Victims' Rights Week."

SENATE JOINT RESOLUTION 49

At the request of Mr. SARBANES, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Alabama [Mr. HEFLIN], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 49, a joint resolution to designate 1991 as the "Year of Public Health" and to recognize the 75th Anniversary of the founding of the Johns Hopkins School of Public Health.

SENATE JOINT RESOLUTION 57

At the request of Mr. THURMOND, the names of the Senator from California [Mr. SEYMOUR], the Senator from Maine [Mr. COHEN], the Senator from Rhode Island [Mr. PELL], the Senator from Hawaii [Mr. INOUYE], the Senator from Michigan [Mr. RIEGLE], the Senator from Arizona [Mr. DECONCINI], the Senator from Georgia [Mr. NUNN], the Senator from Oklahoma [Mr. BOREN], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Joint Resolution 57, a joint resolution to designate the month of May 1991, as "National Foster Care Month."

SENATE JOINT RESOLUTION 65

At the request of Mr. D'AMATO, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of Senate Joint Resolution 65, a joint resolution designating the week beginning May 12, 1992, as "Emergency Medical Services Week."

SENATE JOINT RESOLUTION 72

At the request of Mr. SPECTER, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of Senate Joint Resolution 72, a joint resolution to designate the week of September 15, 1991, through September 21, 1991, as "National Rehabilitation Week."

SENATE JOINT RESOLUTION 74

At the request of Mr. LIEBERMAN, the names of the Senator from Colorado [Mr. BROWN], and the Senator from California [Mr. CRANSTON], the Senator from Illinois [Mr. DIXON], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Rhode Island [Mr. PELL], the Senator from Idaho [Mr. SYMMS], and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Joint Resolution 74, a joint resolution designating the week beginning July 21, 1991, as "Lyme Disease Awareness Week."

SENATE JOINT RESOLUTION 102

At the request of Mr. ROCKEFELLER, the names of the Senator from Montana [Mr. BAUCUS], the Senator from North Carolina [Mr. SANFORD], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of Senate Joint Resolution 102, a joint resolution designating the second week in May 1991 as "National Tourism Week."

SENATE JOINT RESOLUTION 109

At the request of Mr. DECONCINI, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of Senate Joint Resolution 109, a joint resolution designating August 12, 1991, through August 18, 1991, as "National Parents of Murdered Children Week."

SENATE JOINT RESOLUTION 111

At the request of Mr. BRADLEY, the names of the Senator from Delaware [Mr. BIDEN], the Senator from North Dakota [Mr. BURDICK], the Senator from North Dakota [Mr. CONRAD], the Senator from Arizona [Mr. DECONCINI], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 111, a joint resolution marking the 75th anniversary of chartering by act of Congress of the Boy Scouts of America.

SENATE JOINT RESOLUTION 115

At the request of Mr. MOYNIHAN, the names of the Senator from North Carolina [Mr. SANFORD], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Joint Resolution 115, a joint resolution to designate the week of June 10, 1991, through June 16, 1991, as "Pediatric AIDS Awareness Week."

SENATE JOINT RESOLUTION 119

At the request of Mr. GORE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of Senate Joint Resolution 119, a joint resolution to designate April 22, 1991, as "Earth Day" to promote the preservation of the global environment.

SENATE JOINT RESOLUTION 121

At the request of Mr. DECONCINI, the names of the Senator from Nevada [Mr. BRYAN], the Senator from Virginia [Mr. WARNER], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of Senate Joint Resolution 121, a joint resolution designating September 12, 1991, as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 124

At the request of Mr. BRADLEY, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Virginia [Mr. WARNER], the Senator from Ohio [Mr. GLENN], and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 124, a joint resolution to designate "National Visiting Nurse Associations Week" for 1992.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LAUTENBERG, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Maryland [Mr. SARBANES], the Senator from New York [Mr. D'AMATO], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Concurrent Resolution 27, a concurrent resolution urging the Arab League to terminate its boycott against Israel, and for other purposes.

SENATE RESOLUTION 99

At the request of Mr. GLENN, the names of the Senator from Michigan [Mr. RIEGLE], the Senator from Utah [Mr. HATCH], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Resolution 99, a resolution concerning the protection of refugees in Iraq.

SENATE RESOLUTION 106

At the request of Mr. DOLE, the name of the Senator from West Virginia [Mr. BYRD], was added as a cosponsor of Senate Resolution 106, a resolution to express Senate support for democracy and human rights in Yugoslavia and Senate opposition to the use of force against democratic republic governments in Yugoslavia.

SENATE CONCURRENT RESOLUTION 30—RELATIVE TO RULES CHANGES TO ALLOW FAST TRACK CONSIDERATION OF TRADE IMPLEMENTATION LEGISLATION

Mr. RIEGLE submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 30

Resolved by the Senate (the House of Representatives concurring), That (a) in accordance with the authority reserved by both Houses of Congress under section 1103(d) of the Omnibus Trade and Competitiveness Act of 1988 (hereafter in this resolution referred to as the "Act") to change the rules of both Houses with respect to the "fast track" procedures for the consideration of implementing bills submitted with respect to trade agreements, and notwithstanding the rules of the House of Representatives and the Senate under sections 1103 (b) and (c) of the Act, the rules of subsections (b), (c), and (d) of this section shall be the rules of the House of Representatives and the Senate with respect to such bills.

(b)(1) Except as provided in subsections (c) and (d)—

(A) the provisions of section 151 of the Trade Act of 1974 (19 U.S.C. 2191) (hereafter in this section referred to as "fast track procedures") apply to implementing bills submitted with respect to trade agreements entered into under section 1102 (b) and (c) of the Act before June 1, 1992; and

(B) such fast track procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under section 1102 (b) or (c) of the Act after May 31, 1992, and before June 1, 1993, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before June 1, 1992.

(2) If the President is of the opinion that the fast track procedures should be extended to implementing bills described in paragraph (1)(B), the President must submit to the Congress, no later than March 1, 1992, a written

report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under section 1102 (b) or (c) of the Act and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) A description of the progress that has been made in multilateral and bilateral negotiations to achieve the purposes, policies, and objectives of title I of the Act, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of his decision to submit a report to Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but no later than March 1, 1992, a written report that contains—

(A) its views regarding the progress that has been made in multilateral and bilateral negotiations to achieve the purposes, policies, and objectives of title I of the Act; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) The reports submitted to the Congress under paragraphs (2) and (3), or any portion of the reports, may be classified to the extent the President determines appropriate.

(5)(A) For purposes of this subsection, the term "extension disapproval resolution" means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: "That the ——— disapproves the request of the President for the extension, under section 1103(b)(1)(B)(i) of the Omnibus Trade and Competitiveness Act of 1988, of the provisions of section 151 of the Trade Act of 1974 to any implementing bill submitted with respect to any trade agreement entered into under section 1102 (b) or (c) of such Act after May 31, 1992, because sufficient tangible progress has not been made in trade negotiations.", with the blank space being filled with the name of the resolving House of the Congress.

(B) Extension disapproval resolution—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be jointly referred, in the House of Representatives, to the Committee on Ways and Means and the Committee on Rules.

(C) The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution that is reported to such House after May 15, 1992.

(c)(1) The fast track procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section 1102 (b) or (c) of the Act if both Houses of the Congress separately agree to procedural disapproval resolutions within any 60-day period.

(2) Procedural disapproval resolutions—

(A) in the House of Representatives—

(i) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(ii) shall be jointly referred to the Committee on Ways and Means and the Committee on Rules, and

(iii) may not be amended by either Committee; and

(B) in the Senate shall be original resolutions of the Committee on Finance.

(3) The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(4) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules.

(5) For purposes of this subsection, the term "procedural disapproval resolution" means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: "That the President has failed or refused to consult with Congress on trade negotiations and trade agreements in accordance with the provisions of the Omnibus Trade and Competitiveness Act of 1988, and, therefore, the provisions of section 151 of the Trade Act of 1974 shall not apply to any implementing bill submitted with respect to any trade agreement entered into under section 1102 (b) or (c) of such Act of 1988, if, during the 60-day period beginning on the date on which this resolution is agreed to by the , the agrees to a procedural disapproval resolution (within the meaning of section 1103(c)(1)(E) of such Act of 1988).", with the first blank space being filled with the name of the resolving House of the Congress and the second blank space being filled with the name of the other House of the Congress.

(6) The fast track procedures shall not apply to any implementing bill that contains a provision approving of any trade agreement which is entered into under section 1102(c) with any foreign country if either—

(A) the requirements of section 1102(c)(3) are not met with respect to the negotiation of such agreement; or

(B) the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives disapproves of the negotiation of such agreement before the close of the 60-day period which begins on the date notice is provided under section 1102(c)(3)(C)(i) with respect to the negotiation of such agreement.

(d) The fast track procedures of section 151(d) of the Trade Act of 1974 (providing for no amendments to an implementing bill) shall not apply to amendments to implementing bills submitted with respect to trade agreements entered into under Section 1102(c) which relate to the following matters:

(1) Monitoring and assurance of enforcement of environmental standards.

(2) Monitoring and assurance of enforcement of fair labor standards.

(3) Rule of origin.

(4) Dispute resolution.

(5) Adjustment assistance for United States workers, firms, and communities.

(e) The fast track procedures of section 151(f)(2) and section 151(g)(2) of the Trade Act of 1974 (providing for a limitation on debate during floor consideration of implementing bills) shall not apply to implementing bills submitted with respect to trade agreements entered into under section 1102(c).

SENATE RESOLUTION 109—RELATIVE TO CHANGES IN THE SENATE RULES TO ALLOW FAST TRACK PROCEDURES FOR TRADE IMPLEMENTATION LEGISLATION

Mr. RIEGLE submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 109

Resolved by the Senate, That (a) in accordance with the authority reserved by both Houses of Congress under section 1103(d) of the Omnibus Trade and Competitiveness Act of 1988 (hereafter in this resolution referred to as the "Act") to change the rules of such Houses with respect to the "fast track" procedures for the consideration of implementing bills submitted with respect to trade agreements, and notwithstanding the rules of the House of Representatives and the Senate under sections 1103 (b) and (c) of the Act, the rules of subsections (b), (c), and (d) of this section shall be the rules of the Senate with respect to such bills.

(b)(1) Except as provided in subsections (c) and (d)—

(A) the provisions of section 151 of the Trade Act of 1974 (19 U.S.C. 2191) (hereafter in this section referred to as "fast track procedures") apply to implementing bills submitted with respect to trade agreements entered into under section 1102 (b) or (c) of the Act before June 1, 1992; and

(B) such fast track procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under section 1102 (b) or (c) of the Act after May 31, 1992, and before June 1, 1993, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of Congress adopts an extension disapproval resolution under paragraph (5) before June 1, 1992.

(2) If the President is of the opinion that the fast track procedures should be extended to implementing bills described in paragraph (1)(B), the President must submit to the Congress, no later than March 1, 1992, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under section 1102 (b) or (c) of the Act and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the program that has been made in multilateral and bilateral negotiations to achieve the purposes, policies, and objectives of title I of the Act, and a statement that such program justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of his decision to submit a report to Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but no later than March 1, 1992, a written report that contains—

(A) its views regarding the progress that has been made in multilateral and bilateral

negotiations to achieve the purposes, policies, and objectives of title I of the Act; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) The reports submitted to the Congress under paragraphs (2) and (3), or any portion of the reports, may be classified to the extent the President determines appropriate.

(5)(A) For purposes of this subsection, the term "extension disapproval resolution" means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: "That the approves the request of the President for the extension, under section 1103(b)(1)(B)(i) of the Omnibus Trade and Competitiveness Act of 1988, of the provisions of section 151 of the Trade Act of 1974 to any implementing bill submitted with respect to any trade agreement entered into under section 1102 (b) or (c) of such Act after May 31, 1992, because sufficient tangible progress has not been made in trade negotiations.", with the blank space being filled with the name of the resolving House of the Congress.

(B) Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be jointly referred, in the House of Representatives, to the Committee on Ways and Means and the Committee on Rules.

(C) The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution that is reported to such House after May 15, 1992.

(c)(1) The fast track procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section 1102 (b) or (c) of the Act if both Houses of the Congress separately agree to procedural disapproval resolutions within any 60-day period.

(2) Procedural disapproval resolutions—

(A) in the House of Representatives—

(i) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(ii) shall be jointly referred, in the House of Representatives, to the Committee on Ways and Means and the Committee on Rules, and

(iii) may not be amended by either Committee; and

(B) in the Senate shall be original resolutions of the Committee on Finance.

(3) The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(4) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules.

(5) For purposes of this subsection, the term "procedural disapproval resolution" means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: "That the President has failed or refused to consult with Congress on trade negotiations and trade agreements in accordance with the provisions of the Omnibus Trade and Competitiveness Act of 1988, and, therefore, the provisions of section 151 of the Trade Act of 1974 shall not apply to any implementing bill submitted with respect to any trade agreement entered into under section 1102 (b) or (c) of such Act of 1988, if, during the 60-day period beginning on the date on which this resolution is agreed to by the ——, the —— agrees to a procedural disapproval resolution (within the meaning of section 1103(c)(1)(E) of such Act of 1988).", with the first blank space being filled with the name of the resolving House of the Congress and the second blank space being filled with the name of the other House of the Congress.

(6) The fast track procedures shall not apply to any implementing bill that contains a provision approving of any trade agreement which is entered into under section 1102(c) with any foreign country if either—

(A) the requirements of section 1102(c)(3) are not met with respect to the negotiation of such agreement; or

(B) the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives disapproves of the negotiation of such agreement before the close of the 60-day period which begins on the date notice is provided under section 1102(c)(3)(C)(i) with respect to the negotiation of such agreement.

(d) The fast track procedures of section 151(d) of the Trade Act of 1974 (providing for no amendments to an implementing bill) shall not apply to amendments to implementing bills submitted with respect to trade agreements entered into under Section 1102(c) which relate to the following matters:

(1) Monitoring and assurance of enforcement of environmental standards.

(2) Monitoring and assurance of enforcement of fair labor standards.

(3) Rule of origin.

(4) Dispute resolution.

(5) Adjustment assistance for United States workers, firms, and communities.

(e) The fast track procedures of section 151(g)(2) of the Trade Act of 1974 (providing for a limitation on debate during floor consideration of implementing bills) shall not apply to implementing bills submitted with respect to trade agreements entered into under section 1102(c).

• Mr. RIEGLE. Mr. President, I rise today to address a subject of critical importance for my State and country: fast track negotiating authority for the proposed North American Free Trade Agreement between the United States, Mexico, and Canada.

When the Bush administration proposed a bilateral free trade agreement with Mexico last year, I was very skeptical. United States wages are 8 to 10 times higher than Mexican wages. Mexico's health, safety, and environmental standards are well below ours. Not only is its legal system considerably different from ours, Mexico's judicial system is not fully independent of its executive branch of Government. Indeed Mexico remains effectively a one party state, as illustrated by the last, disputed Presidential election.

Given the large difference in the levels of economic and political development of the two countries, I was skeptical that we are ready for the type of economic integration with Mexico proposed by the President. This is not an academic issue for either Michigan or America. U.S. industrial strength, jobs, and the standard of living of many middle-class Americans are at stake.

Several months later, I remain deeply skeptical and gravely concerned. Make no mistake. This is not simply a trade initiative. This is an investment in Mexico initiative. Until recently, Mexican President Salinas himself and his political party opposed free trade with the United States. I believe what changed his mind and prompted him to seek a free trade agreement [FTA] was the realization that Mexico's No. 1 economic problem—its foreign debt—cannot be resolved without significantly higher levels of foreign capital investment. Secretary Brady's debt plan provided some relief for Mexico, but not enough to get the country out from underneath the crushing load of foreign debt that has been depressing economic growth and living standards in that country and much of the rest of Latin America for nearly a decade.

I believe that President Salinas concluded that only a formal free trade agreement with the United States would inspire the confidence necessary for foreign, particularly United States, businesses to invest in Mexico at rates likely to permit the economy to grow without further debt relief and the ruling party to hold on to power. For this reason, we must not be under any illusion that an FTA with Mexico is purely an exercise in swapping trade benefits. The FTA is a vehicle to secure higher foreign investment in Mexico and strengthen the position of its ruling party. At root, it is a foreign policy initiative, not a commercial initiative designed to meet the strategic economic interests of America. In other words, politics, not economics, is what is behind the rush for a Mexico FTA.

Who will pay for this politically motivated economic initiative? Where will the higher investment provoked by the FTA come from? Low and middle wage American manufacturing. This is the same sector of the economy that paid the price for the last big politically motivated economic policy initiative: supply side Reaganomics. It is still paying the price for the overvalued dollar in the 1980's that was created by President Reagan's stubborn refusal to admit that his tax cuts would not pay for themselves as advertised in his Presidential campaign. It is proving extremely difficult for the U.S. industrial base to recover from the damage created by the dollar's massive misalignment in the early and mid-1980's. It will also be difficult to recapture the

accompanying decline in the standard of living of our middle class, which depends heavily on the existence of good manufacturing jobs.

We must not once again cause severe damage to the country's industrial and middle class job base in order to achieve short-term political gains. Let me emphasize that further economic integration with Mexico need not have this effect, particularly if it is done in a gradual and orderly fashion. However, the administration has provided Senators with no real assurances on this score. It has given no concrete commitments as to how it will deal with certain key issues that will help shape the investment flows this agreement is intended to bring about. And, despite Senator BENTSEN and Representative ROSTENKOWSKI's request for an "action plan", I do not believe it is likely to provide such commitments.

Let me be specific. First, enforcement of fair labor standards is lax in Mexico. There is reportedly no significant independent union activity to speak of. The unions that exist in the macquiladora plants and elsewhere are unions controlled by the ruling political party. Not surprisingly, wages have been falling at the same time that productivity has been rising. Indeed, real wages in Mexico have declined about 50 percent since the onset of the debt crisis in 1982. Moreover, the Wall Street Journal has reported that between 5 and 10 million children are illegally employed in Mexico.

With the advent of an FTA, the effective absence of fair labor standards in Mexico is not only a moral issue for Americans, it is an economic issue—a trade issue. Without assurances that Mexican workers will be free to bargain for higher wages, we cannot be sure that higher foreign investment by United States businesses in Mexico will translate into higher incomes for these workers and higher demand for United States products. The extent to which an FTA increases United States exports—the extent to which it is in our national economic interest—is directly dependent upon the enforcement of fair labor standards south of the border. For this reason, any agreement must include a mechanism to monitor and ensure enforcement of labor laws in Mexico—something the administration appears unprepared to do for reasons of political ideology.

Second, enforcement of environmental standards is also lax. The foreign investment that has already occurred in the border region has often resulted in major environmental problems. While this primarily affects Mexicans, we should be concerned too for both moral and economic reasons. Lower environmental costs in Mexico are a subsidy in effect. They are an extra, distorting incentive for investment to flow south of the border. Any agreement must include a mechanism to monitor and ensure enforcement of environmental laws in Mexico.

Third, any agreement must have a strong rule of origin requirement to ensure that the FTA is not used by foreign firms as a back door into the United States market. An FTA should be designed to promote the employment of Americans, Mexicans, and Canadians, not Japanese or Europeans. Our experience with this issue in the United States-Canada FTA does not leave me confident that, without strict guidance by Congress, the administration will assign the matter a sufficiently high priority in the negotiations.

Fourth, Mexico's legal system is fundamentally different from ours and its judiciary is not wholly independent of its executive. If we cannot be confident that disputes over contracts, labor regulations, and environmental regulations will be adjudicated fairly and free from political influence, we cannot be confident that the agreement will benefit American firms and workers as advertised. For these reasons, the issue of dispute resolution is a particularly important and sensitive one in this negotiation. Here again, in its consultation with Congress, the administration has shown little sign of appreciating the importance of this issue.

Fifth, investment flows triggered by this agreement will inevitably trigger dislocation in the United States, particularly among low and middle wage manufacturing workers. This administration and its predecessor have traditionally blocked attempts to provide adequate assistance for dislocated workers. They have never viewed this as a priority. In fact, the Bush administration gives the impression that it does not believe an FTA would cause an adjustment problem in the United States. I believe that any agreement submitted to Congress must include fully adequate adjustment assistance measures for those who will pay the price for this foreign policy initiative. Again, I fear that the administration will not deal adequately with the issue of adjustment assistance on its own.

To date, the administration has provided no concrete assurances about any of these concerns in any forum, either public or private, that I am aware of. Under these circumstances, I cannot support fast track authority for the North American Free Trade Agreement negotiations. The depth of my concern about fast track authority for the Mexican agreement is such that I intend to vote for the resolution of disapproval introduced by Senator HOLLINGS even though I support the extension of fast track authority for the Uruguay round. With respect to the Uruguay round, I would prefer a 1, rather than 2, year extension. We should not give the Europeans license to stonewall us on agricultural reform for another 2 years.

Today I am introducing a resolution that I intend to push in the event the Hollings resolution is defeated. The resolution would modify fast track authority in the following ways:

First, it would make amendments to a North American FTA in order in five areas: Monitoring and enforcement of fair labor standards; monitoring and enforcement of environmental standards; rule of origin; dispute resolution; and adjustment assistance.

Second, it would eliminate the 20-hour limit on floor debate for a North American FTA. However, it would retain the requirement that there be a final vote on the floor no later than 15 days after the agreement is taken up on the floor.

Third, in place of the 2-year extension which the administration is seeking, it would provide a 1-year extension of fast track authority for the North American FTA and Uruguay round, with the option available to the administration to request a further 1-year extension subject to the same procedures it is now exercising.

It is important for Senators to understand what this resolution does and does not do. The resolution modifies fast track for the FTA; it does not eliminate it. To be candid, I would prefer to eliminate fast track authority for the Mexican agreement, which is why I intend to vote for the Hollings resolution. But at a minimum, fast track for the FTA must be modified.

The resolution would modify fast track for the Mexican agreement mainly by allowing amendments in five areas. None of these areas involves specific industries or sectors of the economy. In other words, the resolution would not allow Congress to turn the agreement into a Christmas tree of amendments providing special treatment for individual industries. The commercial part of the agreement—the tradeoff of tariff and quota cuts and market access commitments—would continue to be considered as a package.

However, by reserving for Senators the right to offer amendments in the key areas in which they have voiced generic concerns about the impact of an agreement, the resolution provides an insurance policy for their concerns. It creates a greater incentive for the administration to engage genuine, concrete consultation with Senators on their concerns as the negotiation unfolds. USTR would know that if it did not satisfactorily address these concerns, the agreement would be likely to face an amendment when it returned to Congress for approval. Indeed, this is the only way to guarantee that Senators' concerns in these five areas will find their way into USTR's negotiating strategy.

Finally, the resolution increases the time permitted for floor debate on the resolution from 20 hours to 2 weeks. Twenty hours is too brief a period for

amendments to be considered and an issue of such overarching national importance to be debated. At the same time, the resolution retains the requirement that a final vote on the agreement take place at a date certain. Accordingly, the essence of the agreement's privileged procedural status in the Senate is preserved: the commercial part of the deal will be considered as one package without amendment, and a final vote is guaranteed. It cannot be said that the resolution would stop the administration from negotiating with Mexico.

The Constitution vests in Congress the authority to set trade policy. Fast-track is a discretionary grant of much of that authority to the executive branch. Fast-track is not sacred; it is merely the terms of the partnership between the two branches of Government which the Congress itself determines. Congress retains the right to modify the terms of that partnership to suit the national economic interest. My resolution exercises that right. It allows the negotiations to proceed but under tighter rein from Congress in view of the large stakes involved and the administration's ideological predisposition not to deal with issues much of what Congress views as vital.

In effect, the resolution provides Senators the opportunity to vote at the same time for greater economic integration with Mexico and for protecting the middle class, the environment, and the U.S. industrial base from potential impact of an agreement.

I invite the support of my colleagues for the resolution.●

SENATE RESOLUTION 110—ESTABLISHING A SENATE WORLD CLIMATE CONVENTION OBSERVER GROUP

Mr. MITCHELL (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 110

Resolved,

SHORT TITLE

SECTION 1. This resolution may be referred to as the "World Climate Convention Observer Group Resolution".

SEC. 2. (a) There is established a bipartisan group of Senators to be known as the Senate World Climate Convention Observer Group (hereinafter in this resolution referred to as the "Observer Group"), which shall consist of thirteen Senators as follows:

(1) The majority leader and minority leader of the Senate, each serving ex officio; and

(2) Eleven Senators appointed as follows:

(A) six Senators appointed by the majority leader from among the Members of the majority party.

(B) five Senators appointed by the minority leader from among the Members of the minority party.

(b)(1) The chairman of the Observer Group shall be designated by the majority leader from among the individuals recommended for appointment under subsection (a)(2)(A).

(2) The co-chairman of the Observer Group shall be designated by the minority leader from among the individuals recommended for appointment under subsection (a)(2)(B).

(c) Any vacancy occurring in the membership of the Observer Group shall be filled in the same manner in which the original appointment was made.

DUTIES

SEC. 3. The duties of the Observer Group shall be to monitor the World Climate Convention process.

SEC. 4. (a)(1) All foreign travel of the Observer Group shall be authorized jointly by the majority and minority leaders, upon the recommendation of both the chairman and co-chairman of the Observer Group.

(2) In the event that either the majority leader or minority leader of the Senate does not travel on an official trip of the Observer Group, then that leader may designate one other Senator of his party who is not a member of the Observer Group to travel and participate in the activities of the Observer Group in his stead.

TERMINATION DATE

SEC. 5. The provisions of this resolution shall terminate upon the adjournment sine die of the First Session of the One Hundred Second Congress.

SENATE RESOLUTION 111—DIRECTING THE SENATE LEGAL COUNSEL TO REPRESENT A FORMER EMPLOYEE

Mr. SASSER (for Mr. MITCHELL and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 111

Whereas in the case United States v. Byron T. Brown, et al., Cr. No. 90-353, pending in the United States District Court for the District of Arizona, the United States Attorney and the defendant have requested testimony from Kenneth Ballen, former chief counsel of the Special Committee on Investigations of the Senate Select Committee on Indian Affairs;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate;

Whereas, pursuant to section 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2) (1988), the Senate may direct its counsel to represent committees, Members, officers, and employees of the Senate with respect to subpoenas or orders issued to them in their official capacity: Now, therefore, be it

Resolved, That the former chief counsel of the Special Committee on Investigations of the Senate Select Committee on Indian Affairs, Kenneth Ballen, is authorized to provide testimony in the case of United States v. Byron T. Brown, et al., Cr. No. 90-353 (D. Ariz.), except concerning matters for which a privilege should be asserted.

SEC. 2. That the production of documents by the Special Committee on Investigations of the Senate Select Committee on Indian Affairs is authorized.

SEC. 3. That the Senate Legal Counsel is directed to represent Kenneth Ballen in the case of United States v. Byron T. Brown, et al., Cr. No. 90-353 (D. Ariz.).

AMENDMENTS SUBMITTED

CONCURRENT RESOLUTION ON THE BUDGET

MOYNIHAN (AND OTHERS) AMENDMENT NO. 74

Mr. MOYNIHAN (for himself, Mr. KASTEN, and Mr. HOLLINGS) proposed an amendment to the concurrent resolution (S. Con. Res. 29) setting forth the congressional budget for the U.S. Government for fiscal years 1992, 1993, 1994, 1995, and 1996, as follows:

Beginning on page 1, line 3, strike all after the word "SECTION" and insert the following:

1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1992.

(a) DECLARATION.—The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1992, including the appropriate budgetary levels for fiscal years 1993, 1994, 1995, and 1996, as required by section 301 of the Congressional Budget Act of 1974 (as amended by the Budget Enforcement Act of 1990).

(b) TABLE OF CONTENTS.—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 1992.
Sec. 2. Recommended levels and amounts.
Sec. 3. Debt increase as a measure of deficit.
Sec. 4. Display of Federal retirement trust fund balances.
Sec. 5. Social Security.
Sec. 6. Major functional categories.
Sec. 7. Sale of Government assets.
Sec. 8. Accounting treatment of Social Security revenues.
Sec. 9. Reserve fund for family and economic security initiatives.
Sec. 10. Sense of the Congress in support of children and the family.
Sec. 11. High priority domestic discretionary programs.
Sec. 12. Fairness in Federal program benefits.
Sec. 13. Veterans' programs.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1992, 1993, 1994, 1995, and 1996:

(1) FEDERAL REVENUES.—(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1992: $847,100,000,000.
Fiscal year 1993: $913,400,000,000.
Fiscal year 1994: $1,000,500,000,000.
Fiscal year 1995: $1,078,400,000,000.
Fiscal year 1996: $1,147,900,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1992: $0.
Fiscal year 1993: $0.
Fiscal year 1994: $0.
Fiscal year 1995: $0.
Fiscal year 1996: $0.

(C) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1992: $82,100,000,000.
Fiscal year 1993: $88,600,000,000.
Fiscal year 1994: $94,400,000,000.
Fiscal year 1995: $100,600,000,000.
Fiscal year 1996: $107,100,000,000.

(2) NEW BUDGET AUTHORITY.—The appropriate levels of total new budget authority are as follows:

Fiscal year 1992: $1,268,000,000,000.
Fiscal year 1993: $1,269,300,000,000.
Fiscal year 1994: $1,295,700,000,000.
Fiscal year 1995: $1,334,900,000,000.
Fiscal year 1996: $1,399,000,000,000.

(3) BUDGET OUTLAYS.—The appropriate levels of total budget outlays are as follows:

Fiscal year 1992: $1,198,300,000,000.
Fiscal year 1993: $1,200,800,000,000.
Fiscal year 1994: $1,159,100,000,000.
Fiscal year 1995: $1,196,200,000,000.
Fiscal year 1996: $1,255,600,000,000.

(4) DEFICITS.—The amounts of the deficits are as follows:

Fiscal year 1992: $351,200,000,000.
Fiscal year 1993: $287,400,000,000.
Fiscal year 1994: $158,600,000,000.
Fiscal year 1995: $117,800,000,000.
Fiscal year 1996: $107,700,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1992: $3,989,200,000,000.
Fiscal year 1993: $4,353,100,000,000.
Fiscal year 1994: $4,593,100,000,000.
Fiscal year 1995: $4,793,700,000,000.
Fiscal year 1996: $4,981,300,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1992: $15,400,000,000.
Fiscal year 1993: $15,600,000,000.
Fiscal year 1994: $15,500,000,000.
Fiscal year 1995: $15,600,000,000.
Fiscal year 1996: $15,800,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1992: $113,700,000,000.
Fiscal year 1993: $117,500,000,000.
Fiscal year 1994: $120,900,000,000.
Fiscal year 1995: $125,100,000,000.
Fiscal year 1996: $129,300,000,000.

(8) SECONDARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new secondary loan guarantee commitments are as follows:

Fiscal year 1992: $83,800,000,000.
Fiscal year 1993: $87,200,000,000.
Fiscal year 1994: $90,700,000,000.
Fiscal year 1995: $94,400,000,000.
Fiscal year 1996: $98,100,000,000.

SEC. 3. DEBT INCREASE AS A MEASURE OF DEFICIT.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1992: $422,000,000,000.
Fiscal year 1993: $363,900,000,000.
Fiscal year 1994: $240,000,000,000.
Fiscal year 1995: $200,600,000,000.
Fiscal year 1996: $187,600,000,000.

SEC. 4. DISPLAY OF FEDERAL RETIREMENT TRUST FUND BALANCES.

The balances of the Federal retirement trust funds are as follows:

Fiscal year 1992: $849,500,000,000.
Fiscal year 1993: $956,400,000,000.
Fiscal year 1994: $1,065,200,000,000.
Fiscal year 1995: $1,179,200,000,000.
Fiscal year 1996: $1,284,100,000,000.

SEC. 5. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—The appropriate levels of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1992: $290,700,000,000.
Fiscal year 1993: $311,100,000,000.
Fiscal year 1994: $327,300,000,000.
Fiscal year 1995: $345,800,000,000.
Fiscal year 1996: $355,500,000,000.

(b) SOCIAL SECURITY OUTLAYS.—The appropriate levels of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1992: $251,600,000,000.
Fiscal year 1993: $266,400,000,000.
Fiscal year 1994: $280,100,000,000.
Fiscal year 1995: $293,700,000,000.
Fiscal year 1996: $308,000,000,000.

SEC. 6. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1992 through 1996 for each major functional category are:

(1) National Defense (050):

Fiscal year 1992:
(A) New budget authority, $290,800,000,000.
(B) Outlays, $295,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1993:
(A) New budget authority, $290,000,000,000.
(B) Outlays, $292,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1994:
(A) New budget authority, $289,100,000,000.
(B) Outlays, $291,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1995:
(A) New budget authority, $292,000,000,000.
(B) Outlays, $292,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $300,600,000,000.
(B) Outlays, $297,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1992:
(A) New budget authority, $22,300,000,000.
(B) Outlays, $17,900,000,000.
(C) New direct loan obligations, $1,700,000,000.
(D) New primary loan guarantee commitments, $7,000,000,000.
(E) New secondary loan guarantee commitments, $400,000,000.

Fiscal year 1993:
(A) New budget authority, $22,100,000,000.
(B) Outlays, $18,100,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $7,200,000,000.
(E) New secondary loan guarantee commitments, $400,000,000.

Fiscal year 1994:
(A) New budget authority, $21,400,000,000.
(B) Outlays, $19,200,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $7,500,000,000.
(E) New secondary loan guarantee commitments, $500,000,000.

Fiscal year 1995:
(A) New budget authority, $21,600,000,000.
(B) Outlays, $19,800,000,000.
(C) New direct loan obligations, $1,900,000,000.
(D) New primary loan guarantee commitments, $7,800,000,000.
(E) New secondary loan guarantee commitments, $500,000,000.

Fiscal year 1996:
(A) New budget authority, $22,300,000,000.
(B) Outlays, $20,100,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $8,100,000,000.
(E) New secondary loan guarantee commitments, $500,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1992:
(A) New budget authority, $16,500,000,000.
(B) Outlays, $16,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1993:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $16,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1994:
(A) New budget authority, $17,100,000,000.
(B) Outlays, $16,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1995:
(A) New budget authority, $17,300,000,000.
(B) Outlays, $16,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:
(A) New budget authority, $17,800,000,000.
(B) Outlays, $17,700,000,000.
(C) New direct obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1992:
(A) New budget authority, $5,400,000,000.
(B) Outlays, $4,500,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1993:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $5,200,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $4,500,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $5,800,000,000.
(B) Outlays, $4,500,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1992:
(A) New budget authority, $19,500,000,000.
(B) Outlays, $19,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $20,700,000,000.
(B) Outlays, $20,100,000,000.
(C) New direct loan applications, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $20,500,000,000.
(B) Outlays, $19,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $20,700,000,000.
(B) Outlays, $20,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $21,200,000,000.
(B) Outlays, $21,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1992:
(A) New budget authority, $22,600,000,000.
(B) Outlays, $17,100,000,000.
(C) New direct loan obligations, $7,500,000,000.
(D) New primary loan guarantee commitments, $8,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $19,200,000,000.
(B) Outlays, $15,700,000,000.
(C) New direct loan obligations, $7,300,000,000.
(D) New primary loan guarantee commitments, $7,600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $14,300,000,000.
(C) New direct loan obligations, $7,100,000,000.
(D) New primary loan guarantee commitments, $7,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $18,000,000,000.
(B) Outlays, $13,200,000,000.
(C) New direct loan obligations, $6,800,000,000.
(D) New primary loan guarantee commitments, $7,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $13,900,000,000.
(B) Outlays, $12,600,000,000.
(C) New direct loan obligations, $6,800,000,000.
(D) New primary loan guarantee commitments, $7,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1992:
(A) New budget authority, $105,900,000,000.
(B) Outlays, $105,100,000,000.
(C) New direct loan obligations, $2,600,000,000.
(D) New primary loan guarantee commitments, $66,600,000,000.
(E) New secondary loan guarantee commitments, $83,400,000,000.
Fiscal year 1993:
(A) New budget authority, $57,700,000,000.
(B) Outlays, $53,900,000,000.
(C) New direct loan obligations, $2,700,000,000.
(D) New primary loan guarantee commitments, $69,200,000,000.
(E) New secondary loan guarantee commitments, $86,800,000,000.
Fiscal year 1994:
(A) New budget authority, $38,700,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $71,800,000,000.
(E) New secondary loan guarantee commitments, $90,200,000,000.
Fiscal year 1995:
(A) New budget authority, $21,100,000,000.
(B) Outlays, −$42,000,000,000.
(C) New direct loan obligations, $2,900,000,000.
(D) New primary loan guarantee commitments, $74,500,000,000.
(E) New secondary loan guarantee commitments, −$93,900,000,000.
Fiscal year 1996:
(A) New budget authority, $17,900,000,000.
(B) Outlays, −$38,300,000,000.
(C) New direct loan obligations, $3,000,000,000.
(D) New primary loan guarantee commitments, $77,300,000,000.
(E) New secondary loan guarantee commitments, $97,600,000,000.
(8) Transportation (400):
Fiscal year 1992:
(A) New budget authority, $32,200,000,000.
(B) Outlays, $33,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $33,500,000,000.
(B) Outlays, $34,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $34,100,000,000.
(B) Outlays, $33,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $35,000,000,000.
(B) Outlays, $34,300,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $36,400,000,000.
(B) Outlays, $36,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1992:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,100,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,100,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:

(A) New budget authority, $6,600,000,000.
(B) Outlays, $6,300,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $400,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1992:
(A) New budget authority, $54,200,000,000.
(B) Outlays, $48,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $12,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $53,700,000,000.
(B) Outlays, $51,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $12,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $52,900,000,000.
(B) Outlays, $51,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $13,100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $53,200,000,000.
(B) Outlays, $51,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $13,500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $54,800,000,000.
(B) Outlays, $49,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $13,800,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1992:
(A) New budget authority, $82,900,000,000.
(B) Outlays, $83,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $92,900,000,000.
(B) Outlays, $92,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $102,200,000,000.
(B) Outlays, $101,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $112,300,000,000.
(B) Outlays, $111,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $124,500,000,000.
(B) Outlays, $123,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1992:
(A) New budget authority, $120,000,000,000.
(B) Outlays, $116,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $131,300,000,000.
(B) Outlays, $128,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $145,300,000,000.
(B) Outlays, $141,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $161,700,000,000.
(B) Outlays, $157,200,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $180,800,000,000.
(B) Outlays, $176,200,000,000.
(C) New direct loan obligations, $0
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1992:
(A) New budget authority, $221,300,000,000.
(B) Outlays, $180,900,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $229,200,000,000.
(B) Outlays, $188,900,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $240,600,000,000.
(B) Outlays, $198,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $253,400,000,000.
(B) Outlays, $207,900,000,000.
(C) New direct loan obligations, $100,000,000
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $266,100,000,000.
(B) Outlays, $217,600,000,000.
(C) New direct loan obligations, $100,000,000
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1992:
(A) New budget authority, $5,900,000,000.
(B) Outlays, $8,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $9,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $7,700,000,000.
(B) Outlays, $10,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $8,400,000,000.
(B) Outlays, $11,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1992:
(A) New budget authority, $33,400,000,000.
(B) Outlays, $33,500,000,000.
(C) New direct loan obligations, $900,000,000.
(D) New primary loan guarantee commitments, $18,200,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $34,900,000,000.
(B) Outlays, $34,600,000,000.
(C) New direct loan obligations, $900,000,000.
(D) New primary loan guarantee commitments, $19,800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $35,000,000,000.
(B) Outlays, $36,300,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $19,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $35,700,000,000.
(B) Outlays, $35,400,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $20,500,000,000.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $36,300,000,000.
(B) Outlays, $35,100,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $21,300,000,000.
(E) New secondary loan guarantee commitments, $0.
(16) Administration of Justice (750):
Fiscal year 1992:
(A) New budget authority, $12,900,000,000.
(B) Outlays, $13,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $13,500,000,000.
(B) Outlays, $13,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $14,000,000,000.
(B) Outlays, $14,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1992:
(A) New budget authority, $13,300,000,000.
(B) Outlays, $12,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $13,800,000,000.
(B) Outlays, $13,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $13,400,000,000.
(B) Outlays, $12,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $13,600,000,000.
(B) Outlays, $13,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $14,200,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1992:
(A) New budget authority, $235,400,000,000.
(B) Outlays, $235,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $253,000,000,000.
(B) Outlays, $253,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $268,800,000,000.
(B) Outlays, $268,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $280,400,000,000.
(B) Outlays, $280,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $292,500,000,000.
(B) Outlays, $292,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) The corresponding levels of gross interest on the public debt are as follows:
Fiscal year 1992: $312,800,000,000.
Fiscal year 1993: $337,900,000,000.
Fiscal year 1994: $357,000,000,000.
Fiscal year 1995: $369,900,000,000.
Fiscal year 1996: $380,700,000,000.
(20) Allowances (920):
Fiscal year 1992:
(A) New budget authority, $0.
(B) Outlays, −$16,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, $0.
(B) Outlays, −$12,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, $0.
(B) Outlays, −$76,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, $0.
(B) Outlays, −$14,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, $0.
(B) Outlays, −$22,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1992:
(A) New budget authority, −$32,600,000,000.
(B) Outlays, −$32,600,00,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1993:
(A) New budget authority, −$33,300,000,000.
(B) Outlays, −$33,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1994:
(A) New budget authority, −$33,900,000,000.
(B) Outlays, −$33,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1995:
(A) New budget authority, −$34,500,000,000.
(B) Outlays, −$34,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1996:
(A) New budget authority, −$35,000,000,000.
(B) Outlays, −$35,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

SEC. 7. SALE OF GOVERNMENT ASSETS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) from time to time the United States Government should sell assets to nongovernment buyers; and

(2) the amounts realized from such asset sales will not recur on an annual basis and do not reduce the demand for credit.

(b) BUDGETARY TREATMENT.—For purposes of allocations and points of order under sections 302, 601, and 602 of the Congressional Budget and Impoundment Control Act of 1974, the amounts realized from asset sales or prepayments of loans shall not be allocated to a committee and shall not be scored with respect to the level of budget authority, outlays, or revenues under a committee's allocation under section 302, 601, or 602 of that Act.

(c) DEFINITIONS.—For purposes of this section—

(1) the terms "asset sale" and "prepayment of a loan" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by the Budget Enforcement Act of 1990); and

(2) the terms "asset sale" and "prepayment of a loan" do not include asset sales

mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986.

SEC. 8. ACCOUNTING TREATMENT OF SOCIAL SECURITY REVENUES.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the levels in this resolution are consistent with the enactment by Congress of legislation to—

(A) provide a fair tax cut for 132,000,000 American workers by returning the Social Security Trust Funds to pay-as-you-go financing; and

(B) restore the Social Security System to long-range actuarial balance;

(2) the Congress should not enact—

(A) major spending changes to the Social Security system; or

(B) major revenue changes to the Social Security system,

without a fair and open debate of the budgetary consequences of those changes in the context of the concurrent resolution on the budget.

(3) the Congress should not enact major reductions in Social Security revenues unless the current actuarial estimates of the Social Security Trust Funds over the next 75 years indicate that the Trust Funds are actuarially sound unless the revenue changes in the bill restore the actuarial soundness of the Social Security Trust Funds over the next 75 years, as the Social Security Trust Funds are currently very slightly out of long-term actuarial balance.

(b) ACCOUNTING TREATMENT.—For purposes of allocations and points of order under sections 302 and 311 of the Congressional Budget and Impoundment Control Act of 1974 with respect to this concurrent resolution on the budget, the amounts by which estimated Social Security revenues (excluding Social Security revenues provided for in the bill, resolution, amendment, or conference report with respect to which this paragraph is applied) exceed the appropriate level of Social Security revenues specified in this concurrent resolution on the budget shall not be—

(1) deemed to reduce Social Security outlays;

(2) allocated to a committee as outlays; or

(3) scored as outlays with respect to the level of Social Security outlays,

under a committee's allocation under section 302 of that Act or the appropriate level of Social Security outlays specified in this concurrent resolution on the budget.

(c) DEFINITIONS.—For purposes of this section—

(1) the terms "Social Security revenues" and "Social Security outlays" shall have the same meaning as under title III of the Congressional Budget and Impoundment Control Act of 1974; and

(2) no provision of any bill or resolution, or any amendment thereto or conference report thereon, involving a change in chapter 1 of the Internal Revenue Code of 1986 shall be treated as affecting the amount of Social Security revenues unless such provision changes the income tax treatment of Social Security benefits.

SEC. 9. RESERVE FUND FOR FAMILY AND ECONOMIC SECURITY INITIATIVES.

(a) INITIATIVES TO IMPROVE THE HEALTH AND NUTRITION OF CHILDREN AND TO PROVIDE FOR SERVICES TO PROTECT CHILDREN AND STRENGTHEN FAMILIES.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding to improve the health and nutrition of children and to provide for services to protect children and strengthen families when another committee or committees of the Senate or a committee of conference have reported legislation that will, if enacted, reduce budget authority and outlays in an amount that is equal to or exceeds the funding necessary to improve the health and nutrition of children and to provide for services to protect children and strengthen families.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) to carry out this subsection.

(b) ECONOMIC RECOVERY INITIATIVES.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding for economic recovery initiatives for unemployment compensation or other, related programs when another committee or committees of the Senate or a committee of conference have reported legislation that will, if enacted, reduce budget authority and outlays in an amount that is equal to or exceeds the funding necessary for economic recovery initiatives for unemployment compensation or other, related programs.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) to carry out this subsection.

(c) CONTINUING IMPROVEMENTS IN ONGOING HEALTH CARE PROGRAMS AND PHASING-IN OF HEALTH INSURANCE COVERAGE FOR ALL AMERICANS.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding to make continuing improvements in ongoing health care programs or to begin phasing-in health insurance coverage for all Americans when another committee or committees of the Senate or a committee of conference have reported legislation that will, if enacted, reduce budget authority and outlays in an amount that is equal to or exceeds the funding necessary to make continuing improvements in ongoing health care programs or to begin phasing-in health insurance coverage for all Americans.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to section 302(b) and 602(b) to carry out this subsection.

(d) EXPAND ACCESS TO EARLY CHILDHOOD DEVELOPMENT SERVICES FOR LOW-INCOME PRE-SCHOOLERS.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for direct spending legislation that increases funding to expand access to early childhood development services for low-income pre-schoolers when another committee or committees of the Senate or a committee of conference have reported legislation that will, if enacted, reduce budget authority and outlays in an amount that is equal to or exceeds the funding necessary to expand access to early childhood development services for low-income pre-schoolers.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) to carry out this subsection.

(e) FUND SURFACE TRANSPORTATION.—

(1) IN GENERAL.—Budget authority and outlays may be allocated to a committee or committees for legislation that increases funding for surface transportation when another committee or committees of the Senate or a committee of conference have reported legislation that will, if enacted, reduce budget authority and outlays in an amount that is equal to or exceeds the funding necessary for legislation that increases funding for surface transportation.

(2) REVISED ALLOCATIONS.—Upon the reporting of legislation pursuant to paragraph (1), and again upon the submission of a conference report on such legislation (if a conference report is submitted), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) and revised functional levels and aggregates to carry out this subsection. Such revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates

contained in this concurrent resolution on the budget.

(3) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) to carry out this subsection.

SEC. 10. SENSE OF THE CONGRESS IN SUPPORT OF CHILDREN AND THE FAMILY.

It is the sense of the Congress that if a surtax on the income of millionaires is enacted, then the revenue generated by such a surtax will be used to offset a commensurate increase in direct tax assistance to families, which will include increasing dependent exemptions and tax credits for children.

SEC. 11. HIGH PRIORITY DISCRETIONARY PROGRAMS.

(a) FINDING.—The Congress finds that, within the current inventory of Federal programs and projects (both domestic and defense), there are inefficient, parochial, and outdated programs.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that, within the discretionary allocations included in this concurrent resolution on the budget, the Committees on Appropriations should—

(1) consider proposals to terminate substandard and inefficient projects and programs in 1992;

(2) reduce the Federal investment in outdated projects and programs; and

(3) reallocate those resources to higher-priority discretionary programs and projects.

SEC. 12. FAIRNESS IN FEDERAL PROGRAM BENEFITS.

(a) FINDINGS.—The Congress finds that—

(1) Federal spending for all segments of the population has grown significantly over the last 2 decades, and that Federal benefits increasingly have been provided not necessarily to those with low pre-Federal transfer incomes, but to those who have pre-transfer incomes above their poverty thresholds;

(2) substantial amounts of Federal Government spending, nearly $26.5 billion in calendar year 1989, went to households with incomes that put them in the top 20 percent of all households; and

(3) Government assistance in the form of—

(A) school lunch subsidies which are provided to all participating students regardless of family income;

(B) direct income support payments to farmers with incomes over $125,000 per annum;

(C) low-cost loans to students from higher income families, and at times, awarded without regard to family income;

(D) nonstandardized benefit structures for payments to survivors of service persons whose death occurred while on active duty or as a result of service-connected illness; and

(E) large subsidies for the wealthiest medicare beneficiaries,

continues to grow unabated.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that legislation should be enacted to provide a wiser, more fair and more equitable distribution of Federal benefits. Subsidies that are provided to the wealthiest segments of our society should be either redirected to provide more assistance to the poor and the underprivileged, or applied to further deficit reduction.

SEC. 13. VETERANS' PROGRAMS.

It is the sense of the Congress that—

(1) veterans' programs are a top National priority and that there are critical needs, particularly in the area of veterans medical care which must be addressed; the Congress urges the Committees on Appropriations, while acting within the limits of the discretionary caps, to give maximum consideration to veterans' benefit programs; and

(2) the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1990 placing limits on the estate size of incompetent veterans without dependents may be inconsistent with the Americans with Disabilities Act (Public Law 101-336) and therefore discriminatory; the committees of jurisdiction should consider modifying these provisions on a deficit-neutral basis to provide alternate methods for achieving the budget savings assumed within that Act.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources. The purpose of the hearing is to receive testimony on the following three bills:

S. 586. (Bradley) the Reclamation Drought Act of 1991;

S. 711. (Seymour) the Reclamation Drought Relief Act of 1991; and

H.R. 355. The Reclamation States Emergency Drought Relief Act of 1991.

The hearing will take place on May 15, 1991, at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony send five copies to the subcommittee, SD-364, Washington, DC 20510.

For further information, please contact Tom Jensen, counsel for the subcommittee at (202) 224-2366, or Anne Svoboda at (202) 224-6836.

Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources to receive testimony on S. 106, a bill to amend the Federal Power Act.

The hearing will take place on Wednesday, June 5, 1991, at 2 p.m., in room SD-366 of the Dirksen Senate Office Building, Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit written testimony to be included in the hearing record is welcome to do so. Those wishing to submit written testimony should send two copies to the subcommittee, SD-364, Washington, DC 20510.

For further information, please contact Tom Jensen, counsel for the subcommittee at (202) 224-2366, or Anne Svoboda at (202) 224-6836.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. SASSER. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet in open-closed session on Tuesday, April 23, 1991, at 9:30 a.m. to receive testimony on space launch issues and programs in review of the fiscal years 1992-93 national defense authorization request.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SASSER. Mr. President, I ask unanimous consent that the full committee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m. April 23, 1991, to consider S. 341, S. 210, S. 343.

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

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. SASSER. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Tuesday, April 23, 1991, at 9:30 a.m., to hold a hearing on wasteful ordering practices in the Department of Defense supply system.

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

COMMITTEE ON ARMED SERVICES

Mr. SASSER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet in open session on Tuesday, April 23, 1991 at 2 p.m., to receive testimony from the commanders of the U.S. Strategic Air Command and the U.S. Space Command on Strategic Issues and on the impact of the fiscal years 1992-93 national defense authorization request and fiscal years 1992-97 future year defense plan on the forces under their commands.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. SASSER. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate on Tuesday, April 23, at 3:30 p.m., to hold a nominations hearing.

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

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, TRADE, OCEANS, AND ENVIRONMENT

Mr. SASSER. Mr. President, I ask unanimous consent that the Subcommittee on International Economic Policy, Trade, Oceans and Environment of the Committee on Foreign Re-

lations be authorized to meet during the session of the Senate on Tuesday, April 23, at 2:30 p.m., to hold a hearing on multilateral development banks authorization request.

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

SUBCOMMITTEE ON EUROPEAN AFFAIRS

Mr. SASSER. Mr. President, I ask unanimous consent that the Subcommittee on European Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 23, at 2 p.m., to hold a hearing entitled America and Europe: Creating an Arms Suppliers' Cartel.

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

COMMITTEE ON THE JUDICIARY

Mr. SASSER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, April 23, 1991, at 10 a.m., to hold a hearing on "Crime Control—The Local Perspective."

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

SUBCOMMITTEE ON LABOR

Mr. SASSER. Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, April 23, 1991, at 9:30 a.m., for a joint hearing with the Committee on Environment and Public Works on the United States-Mexico Free-Trade Agreement.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. SASSER. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on health care legislation, including parts A, B, and C of title 11 of S. 127 on Tuesday, April 23, 1991, at 9 a.m. in SR-418.

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

COMMITTEE ON FINANCE

Mr. SASSER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on April 23, 1991, at 10 a.m., to hold a hearing on America's Unemployment Compensation Program.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. SASSER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, April 23, 1991, at 2 p.m., to hold a closed meeting on intelligence matters.

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

COMMITTEE ON AGING

Mr. SASSER. Mr. President, I ask unanimous consent that the special Committee on Aging be authorized to meet during the session of the Senate on Tuesday, April 23, 1991, at 2:45 p.m., to hold a hearing on respite care.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. SASSER. 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 Tuesday, April 23, 1991, at 10 a.m. to conduct a hearing on reforming Federal deposit insurance and the regulation of depository institutions.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. SASSER. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works and the Subcommittee on Labor, Committee on Labor and Human Resources, be authorized to meet during the session of the Senate on Tuesday, April 23, beginning at 9:30 a.m., to conduct a joint hearing on the environmental and economic implications of a free trade agreement with Mexico.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. SASSER. 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 Tuesday, April 23, 1991, at 9:30 a.m., for a hearing on "the Administration's Education Plan."

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

ADDITIONAL STATEMENTS

ROSLYN O. MOORE-SILVER AND WENDY E. HARNAGEL RECEIVE DEPARTMENT OF JUSTICE AWARDS

• Mr. DECONCINI. Mr. President, I congratulate and salute two Arizona residents who have received the U.S. Department of Justice 1990 Director's Awards. Roslyn O. Moore-Silver and Wendy E. Harnagel each have distinguished themselves with this distinction.

Roslyn O. Moore-Silver received an award for superior performance as an assistant U.S. attorney. She is recognized for her outstanding effort in the prosecution of United States versus Joseph, in which she secured a conviction in a complex defense procurement fraud case while working against an expiring statute of limitations. The investigation began in 1983 and was concluded in September of 1989. The case received national attention and influenced necessary changes in the regulation of surety bonds and in particular affidavits of individual sureties. Moore-Silver is chief of the criminal section of the Phoenix U.S. attorney's office for the district of Arizona.

Wendy E. Harnagel received a Special Commendation Award. She provides paralegal support directly to the U.S. attorney and has performed in a singularly distinctive manner, greatly enhancing the public reputation of the district of Arizona. Her research in support of congressional testimony and local media presentations has earned her a strong reputation throughout the district.

The offices of the U.S. attorney are on the front lines of the law enforcement initatives of the administration. Their work covers a wide spectrum of drug-related cases, violent crime, financial institution fraud, civil enforcement, financial litigation, and law enforcement cooperation.

Moore-Silver, Harnagel, and other Director's Awards winners represent less than 2 percent of the dedicated men and women in the field and here in Washington who work for the U.S. attorney.

As a member of the Senate Judiciary Committee, I am very proud of these individuals. It's nice to know that the people of the State of Arizona are being served by dedicated, hard working men and women like Moore-Silver and Harnagel. Arizona citizens are once again paving the road to unsurpassed excellence.•

TRIBUTE TO THE ST. LOUIS AGRI-BUSINESS CLUB

• Mr. DIXON. Mr. President, today I would like to recognize the St. Louis Agri-Business Club for celebrating their 10-year anniversary. This important organization was founded in 1981 to bring together people in the St. Louis area involved in the food and fiber industry. The club has grown steadily over the past 10 years and now represents interests from both Illinois and Missouri. Membership is comprised of producers, bankers, agricultural organizations and those who actively participate in the fields of government, transportation, education, agribusiness, and industry.

The image of agriculture in both the St. Louis area and the world has been raised because of the St. Louis Agri-Business Club. They have hosted international trade teams as well as national and world agricultural leaders. The club provides scholarships to the University of Illinois and the University of Missouri. They support future leaders of agriculture through their commitment to the Illinois Agricultural Leadership of Tomorrow. Annually, the club sponsors a congressional

tour for Senate and House staff to see firsthand the importance of agriculture in Illinois and Missouri. Each summer, with over 2,000 people in attendance, the club sponsors Ag Night at Busch Stadium to recognize the importance of agriculture and to enjoy a little baseball in the process.

In addition, the St. Louis Agri-Business Club annually honors an individual who has provided leadership through the promotion and development of agribusiness in the St. Louis area. Those individuals who have received the prestigious honor of Agri-Business of the Year are Kenneth L. Bader, John Campbell, Hal Dean, Jeffrey W. Gain, Glenn Heitz, James D. Keast, Charles E. Kruse, Peter Myers, John K. Pellet, Nicholas L. Reding, and Earl Stolte.

The St. Louis Agri-Business Club is also recognized nationally for their commitment, dedication, and leadership to agriculture. Their success is attributed to the active participation of their members and leaders. Those who have served as president are Lary C. Eckert, Jeffrey W. Gain, James D. Keast, Morris L. Larson, James A. Layton, Jerry L. Neff, P. Scott Shearer, Richard Stegman, Jay J. Vroom, and Hugh C. Whaley.

Mr. President, I would like to congratulate and extend my best wishes to the St. Louis Agri-Business Club on their 10th anniversary.●

INDIANA EIGHTH GRADE YOUNG ESSAY CONTEST

● Mr. LUGAR. Mr. President, I rise to congratulate a group of young Indiana students who have shown great educative achievement. I would like to introduce to my colleagues the winners of the sixth annual Eighth Grade Young Essay Contest which I sponsor in association with the Indiana Farm Bureau and Bank One of Indianapolis. These students have displayed their writing abilities and have proven themselves to be outstanding young Hoosier scholars. I submit their names for the CONGRESSIONAL RECORD because they are fine representatives of our Nation and show the capabilities of today's students.

This year, Hoosier students wrote on the theme "Groceries from the Ground." Students were encouraged to consider and creatively express what effect Indiana agriculture has on their daily lives. I would like to submit for the RECORD the winning essays of Jeremiah Anglin of Kosciusko County and Marie Wilson of Morgan County. As State winners of the Youth Essay Contest these two outstanding students are to be recognized, today, during a visit to our Nation's Capital.

The essays follow:

DISTRICT 2 WINNER—JEREMIAH ANGLIN

As the demand for food grows people are not sure what type of chemicals are in the product to help it grow. In this paper I will tell you that there is nothing hazardous in doing this.

The American people want to be assured that their food supply is safe and that the farmer does not contaminate the food supply by using environmentally unsound practices. As a student of agriculture, a farm youth, and a consumer I share these concerns to help understand this issue I interviewed farmers from the area.

I have learned that the farmers are using cultural practices such as conservation tillage, cover crops, integrated pest management, wind breaks, and terracing to help keep the land productive and reducing soil erosion by wind and water.

I also learned that the farmers are concerned about their own food and water supply for their families. The same farmers are conscious of the safe practices necessary to protect their food and water on their own farms. These farmers are also careful in the use of drugs and pesticides with regard to meat and grain production. Examples are using timely drug withdrawals for livestock, using safe handling and application methods of pesticides, and constantly monitoring both the soil and water for contamination.

As a result of these interviews it has become obvious to me, that the American farmer is genuinely concerned about the safety of the food supply as well as the ground from which it comes.

In conclusion the consumer can rest knowing that the American farmer has their best interest in mind. It is safe to eat anything you would like.

DISTRICT 5 WINNER—MARIE WILSON

Most of us get our groceries from a supermarket. Grocers get them from a warehouse, a processor, and a shipper. Foods come from these places, but it originates from the ground. Farmers account for about two percent of our country's population but they supply the food for all of us.

Much of our food begins as grain. Grain is grown on soil which has been tilled, treated with fertilizer, seeded, and cultivated. Some grain is processed into foods such as flour for bread. Grain is also the main element in feed for livestock which provides meat, eggs, and milk. Hay and grass for pasture and feed are often grown on erosive land to conserve soil.

Fruits and vegetables are also grown on farms. These crops require much labor and management in pest control, irrigation, and harvesting.

Farmers usually live in rural areas and therefore are very concerned with our environment. They must be very careful to conserve the land they depend on for their livelihood. Water quality is very important to rural people as almost all of their water is provided by wells. As farmers are businessmen, they have to control the cost of raising crops and livestock. Fertilizers, chemicals, and pesticides are expensive, and sometimes dangerous. Only the amounts necessary are used, and at the proper time.

A farmer's land represents a very large investment, so he does his best to preserve it. No-till planting, sod waterways, contour cropping, crop rotation, and cover crops are some of the methods used to conserve their soil.

Farmers are extremely careful to produce safe food. While producing for all of us, they are also feeding their own families.

How do I know groceries come from the ground? Because, I am a farmer's daughter.

1990-91 DISTRICT WINNERS

District 1: Heather Urbanski, Benji Robinson.
District 2: Liza Russell, Jeremiah Anglin.
District 3: Rachael Sherfey, Nicholas Honn.
District 4: Jackie Smith, Steve Forrester.
District 5: Marie Wilson, Andy Phillips.
District 6: Lisa Anne Morris, Ryan Berry.
District 7: Tara Varga, Dan Dorsett.
District 8: Heather Eppard, Mike Redelman.
District 9: Amy Kaiser, Matthew Lee.
District 10: Kristen Vande Water, Larry Joe Risk.

COUNTY WINNERS:

Allen: Neil Kock, Liza Russell.
Bartholomew: Kevin Gates, Heather Eppard.
Carroll: James Faris.
Clay: Jeff Farris.
Cass: Matt McKaig, Jennifer Ide.
Decatur: Mike Redelman, Mandy Motz.
Delaware: Ryan Berry, Raychelle Johnson.
Elkhart: Rachel Williams.
Fayette: Michael Gettinger, Jamie Smith.
Fulton: Michael King, Jamie Rudical.
Gibson: Christy Couch.
Grant: Matthew Tucker, Marlene Cook.
Greene: Andy Bellamy.
Hamilton: Andy Zeller, Lisa Anne Morris.
Harrison: Bucky Ray Galloway, Dawn Nicole Brown.
Henry: Jeff Milleken, Brooke Turner.
Jay: Rex Pinkerton, Jackie Smith.
Jennings: Larry Joe Risk, Marissa Henry.
Lake: Benji Robinson, Susan Ludwig.
LaPorte: Krissi Freese.
Lawrence: Dan Dorsett, Whitney Gerkin.
Madison: Eric West, Nicci Armstrong.
Marion: Jim Blackwell, Nicole Bedwell.
Marshall: Shaindel Beers.
Miami: Cory Schaffhausen, Shiana Stahl.
Monroe: Clint Turpen, Bonnie Zonkle.
Morgan: Andy Phillips, Marie Wilson.
Newton: Nicholas Honn, Rachael Sherfey.
Porter: Louis Scherschel, Nicole Kunshek.
Posey: Jason Plain.
Randolph: Amy Robinson.
St. Joseph: Rich Siri, Heather Urbanski.
Spencer: Nathan Schorr, Katrina Hess.
Starke: Gary Lee Lockridge, Jr., Robin Pixey.
Switzerland: Eric Ely, Billie Joe Osborne.
Vanderburgh: Andy Cuprisin, Elizabeth Roth.
Vigo: John Chang, Tara Varga.
Wabash: Steve Forrester, Tammy Baker.
Warrick: Matthew Lee, Amy Kaiser.
Warren: Gred Bende, Karla Walker.
Washington: Daniel Brown, Nicole Hassler.●

CORONA DEL SOL HIGH SCHOOL IS ARIZONA STATE WINNER

● Mr. DECONCINI. I am proud to announce that Corona Del Sol High School, located in Tempe, AZ, is the State winner of the "We the People * * * National Bicentennial Competition on the Constitution and the Bill of Rights."

The National Bicentennial Competition, which was developed by the Center for Civic Education, and cosponsored by the Commission on the Bicentennial of the U.S. Constitution, is an outstanding program that encourages students to learn the history and the

principles of the Constitution and the Bill of Rights. The curriculum provides an innovative method of learning since the students work cooperatively while striving to understand the American constitutional system.

There are many people who made this competition possible. First, I would like to commend Lois Fitch. She is responsible for supervising and implementing the competition for the State of Arizona. Also deserving of recognition is the State Director, Don Nordlund.

I especially want to extend my congratulations to Corona Del Sol High School, to Mr. Adolph, the teacher who did a superb job preparing the class for the competition, and also to the students who through their hard work and dedication became constitutional scholars. The following are the names of the winning students from Corona Del Sol High School:

Charlotte Albertson, Kelley Clay, David Conti, Denise Cossey, Christopher Courtney, Shawn Douglas, Katherina Duich, Bella Forsythe, Cheryl Jannuzzi, Raja Jindal, Jennifer Kuehner, Nadine Lund, Quynn Luong, Rachel Meidt.

Danielle Mriss, Sarah Paciorek, Robert Paxton, Lori Railing, Chad Redwing, Clinton Sandvick, Serene Siler, Dorisa Smith, Brian Thompson, Beth Vasquez, Sara Vetter, Lance Welch, Joshua Yarrington.

The class from Corona Del Sol will now compete in the national finals to be held April 27–29, 1991, in Washington, DC. As I understand the contest, the competing teams of students will be applying the constitutional principles that they studied to both historically and contemporary issues.

I look forward to greeting the students from Corona Del Sol High School when they arrive in Washington for the final competition. But, before this competition occurs, I want each student to know that he or she is a winner. I say this since each student has gained valuable skills, skills that will enable them to make informed and reasoned political decisions both today and throughout their lifetime.•

ISSUES CONCERNING THE LIBRARY COMMUNITY

• Mr. SARBANES. Mr. President, I had the pleasure of meeting last week with representatives of the Maryland Library Association to discuss issues of concern to the library community. Among other things, we talked about the importance of Federal funding for library programs, the upcoming second White House Conference on Libraries and Information Services, troubling trends over the last decade which have made Government publications less easily available, the need for increased support for literacy programs, and the proposed National Research and Education Network [NREN].

Since that meeting, I note that the importance of libraries and the problems confronting the library community because of unwise administration proposals has been well-documented in an article written by Haynes Johnson which appeared in the Washington Post on Friday, April 19, 1991. I wanted to bring this article to the attention of all my colleagues and ask that it be printed in the RECORD.

I also wanted to take this opportunity to reiterate my longstanding, strong support of our Nation's libraries and to encourage the people involved in the library profession because I think they are doing essential work. The library is one of the ladders of opportunity in this society, and we ought never to forget that. It is the place where an intellectual spark is often struck for our children, or for the poor and disadvantaged, giving them an exposure to knowledge and ideas that they might otherwise not be able to find or afford.

As expressed so well in the article I have inserted below, our Nation's libraries are not in danger of dying, but they are being diminished and, as they decline, they take our Nation down with them.

The article follows:

PUTTING THE SQUEEZE ON LIBRARIES

In affluent, pleasantly suburban Potomac, a community blessed with good schools and public-spirited citizens, residents have learned through the Potomac Gazette that their admirable public library faces a problem. Soaring Montgomery County deficits are forcing cuts in staff and curtailment of popular programs. Further trims may be needed as county officials wrestle with proposals to reduce library hours and eliminate full and part-time staff positions to meet budgetary shortfalls.

"It's sad not to be able to do as much," says Larry Dickter, who heads Potomac Library's adult services. He adds that "we're experiencing a sense of loss" not only because of valued colleagues affected but also because of the prospect of further reduction of programs and services.

It is not an isolated problem. Even as he spoke this week, public library representatives from around the nation were cornering their representatives and senators on Capitol Hill. They had come to lobby for restoration of proposed Bush administration budget cuts that represent, as the American Library Association puts it, "yet another attempt to eliminate federal library programs."

The Bush proposals, requesting a cut of more than 75 percent in Education Department library programs—from the $143 million appropriated last year to $35 million—comes after the "zeroing-out" Reagan-era slashes in federal funds provided states and local governments. The now-familiar Reagan rationale was that the federally assisted library programs had been well established and that states and localities were more than able to maintain them.

That may have been true during the boom of the 1980s. But that bubble has burst. Like the federal government, state and local governments are battling increasing record deficits. Caught in the vise are such crucial institutions as public libraries that no longer can turn so confidently or easily to federal or local governments for help.

Across the nation, public library systems large and small are in the midst of hard times. As in Potomac, big-city libraries are being forced to slash staffs, freeze hiring levels, cancel purchases of new book orders and computers, delay opening new branch systems and cut programs and services affecting adults and children.

The reasons for this dismaying situation are not obscure or even that complicated. They are part of the legacy bequeathed Americans from the freebooters who had full reign over the nation's destinies in the last decade. Evidence of that reckless, spendthrift decade's disasters continues to accumulate, and not only in the obvious growing problems of debt and deficits. News this week of the federal seizure of First Executive Corp.'s California life-insurance unit—the nation's single largest insurance failure—comes after the collapse of the junk-bond market, the savings and loan decade, the real estate market Waterloo and increasing strains on the national banking system. All are consequences of the policies and attitudes of the '80s.

In the context of the present, with so much dramatic news of war and starvation and recession and unrest beating on people daily, the plight of America's public libraries is, not surprisingly, largely ignored. That doesn't mean that ordinary citizens are uncaring. On the contrary, they care greatly as was evidenced by demonstrators who hung black cloth across library doors in Brooklyn recently to protest new layoffs and service cuts.

To its credit, the Wall Street Journal devoted Page One "leader" space to a major article about the woes of public libraries during the decisive Persian Gulf ground-war assaults. The article began by focusing on the closing of a one-room library in Poca, W.Va., an event that reporter James S. Hirsch likened to a death in the family.

"On the library's last day," he wrote, "children brought stuffed bears and flowers for the librarian. Later, residents who hadn't heard the news pounded on the locked wooden door of the building."

He quoted the librarian, Betty Hamilton, as saying: "They couldn't believe we were really closing: To a child, the library was always there. Then something is missing from their life. It's like when someone dies, there's a little empty space there."

That, in essence, is what's happening with the nation's libraries. They are not in danger of dying, but they are being diminished. As they decline, they take America down with them.•

CENSUS UNDERCOUNT

• Mr. CRANSTON. Mr. President, I would like to take this opportunity to comment on information recently released by the Census Bureau which estimates the extent of the minority undercount in the 1990 census.

The importance of a fair and accurate census is well established. The results of the census serve as the basis for determining a State's representation in the House of Representatives and have also become important in allocating Government funds to local and State government programs.

Historically, the census has undercounted minorities, undocumented workers, people with limited English skills, homeless people, and those living in inner cities. In 1987, the Census Bureau considered but declined to provide for an adjustment of the 1990 census. In response, a suit was filed by Los Angeles, New York City, and others. This suit resulted in an agreement in which the Secretary of Commerce would reconsider the Bureau's adjustment decision and make this public by July 15, 1991.

As predicted, minorities were again undercounted in the 1990 census and at an even higher rate than in previous decennial censuses. On April 18, 1991, the Census Bureau released preliminary estimates based on two separate research programs, the postenumeration survey and demographic analysis, which found that an undercount indeed occurred. Nationally, the Census Bureau estimated that as many as 2.5 percent or 6 million residents were missed in the 1990 census. The undercount rate for blacks is estimated as high as 6.2 percent or 1,973,000; Hispanics even higher at 7.3 percent or 1,764,000. The Asian undercount is estimated as high as 4.4 percent or 334,000.

The undercount in California was one of the worst in the country. The Census Bureau estimated the undercounting was as high as 4.7 percent or 1.4 million Californians not counted.

Faced with these estimates, there is no doubt that in the interest of fairness and accuracy, the Secretary of Commerce should adjust the 1990 census. However, the Census Bureau's initial statements indicated that it was not willing to undertake the actions necessary to adjust the 1990 census. At a joint congressional hearing held in March of 1991, the Census Bureau stated that it may not have the information ready for the Secretary of Commerce to base the adjustment decision by the July 15, 1991, deadline. The release of the estimates on the undercount by the Census Bureau is an encouraging sign; however, it is still unclear whether the Secretary of Commerce will adjust the 1990 census.

Despite the commendable efforts by the Census Bureau to count minorities in the 1990 census, it is nearly impossible to count everyone. These undercounts are unavoidable but correctable. The Census Bureau has the statistical tools to adjust the census results to reflect accurately the current composition of our Nation.

Currently, the decision to adjust the census is in the hands of the Secretary of Commerce. This adjustment decision was imposed on the Secretary as a result of a lawsuit agreement. It is surprising that there is no law requiring the Secretary of Commerce to make necessary adjustments to the census to reflect accurately the Nation's population. There should be a law mandating that the Secretary of Commerce compensate for the recurring undercount. This important decision should not be left to the discretion of this and future Secretaries of Commerce.

Mr. President, at this time I would like to compliment my distinguished colleague from New York, Senator MOYNIHAN, who has introduced legislation, S. 28, which would direct the Secretary of Commerce to adjust this and future census results to correct the undercount. I commend the distinguished Senator from New York for his leadership in this area and encourage my colleagues to support this legislation which will ensure the fairness and accuracy of the census.•

IMPLEMENTATION OF THE CIVIL JUSTICE REFORM ACT

• Mr. BIDEN. Mr. President, I am pleased to be able to report that implementation of the Civil Justice Reform Act of 1990 is proceeding well. In particular, there have been a few developments in recent weeks about which I would like to inform my colleagues.

As we all know, Congress recently passed the Dire Emergency Supplemental Appropriations Act, which designates, among other things, approximately $7.8 million for the rest of this fiscal year to the Federal courts, the Administrative Office of the U.S. Courts, and the Federal Judicial Center, in order to implement the Civil Justice Reform Act. The President signed the bill into law on April 10, 1991.

I would like to thank my good friend and distinguished colleague from South Carolina, Senator HOLLINGS, who chairs the Subcommittee on Commerce, Justice, State, and Judiciary of the Appropriations Committee. His careful attention to and interest in this funding is very much appreciated.

The importance of having obtained funding for the Civil Justice Reform Act at this early date cannot be overstated. The funds appropriated will help address some of the most pressing needs of the district courts in implementing the act, such as the funding for analysis of court conditions and payment of advisory group reporters.

The Civil Justice Reform Act mandates that "within 90 days after the date of the enactment of this chapter, the advisory group required in each United States district court * * * shall be appointed." Since the President signed the bill on December 1, 1990, the date by which the advisory groups were to be appointed was March 1, 1991. The latest report from the Administrative Office indicates that virtually all district courts have made their appointments, in compliance with the statutory mandate.

The membership of the advisory groups that I have seen thus far has been exemplary. On January 30, I brought to the attention of my colleagues the actions of Chief Judge King in the Southern District of Florida and Chief Judge Platt in the Eastern District of New York. The quality of their advisory groups is excellent, and it looks as if many other districts have followed suit.

In the District of Massachusetts, Chief Judge Frank Freedman appointed a very distinguished group, including Prof. Arthur Miller of Harvard Law School as reporter to the committee. Other members of the group include: U.S. District Judge Joseph L. Tauro, chairman; U.S. District Judge David Nelson; U.S. District Judge William Young; U.S. Magistrate Judge Lawrence P. Cohen; John P. Driscoll, Jr., president, Boston Bar Association; David Berman; Donald R. Frederico, McDermott, Will & Emery; Daniel B. Winslow, Sherin and Lodgen; U.S. Magistrate Judge Michael Ponsor; Nicholas C. Theodorou, Foley, Hoag & Eliot; Cynthia O. Hamilton; Hale and Dorr; Margaret H. Marshall, Choate, Hall & Stewart; Gordon T. Walker, McDermott, Will & Emery; Susan Garsh, Bingham, Dana & Gould; Scott E. Charnas, Feinberg, Charnas & Schwartz PC; the Honorable L. Scott Harshbarger, attorney general; Nancy Gertner, Dwyer, Collora & Gertner; Michael B. Keating, Foley, Hoag & Eliot; Robert J. Smith, Jr., clerk, U.S. district court; the Honorable Wayne A. Budd, U.S. attorney; Judith S. Yogman, associate U.S. attorney; Michael E. Mone, Esdaile, Barrett & Esdaile; Leo Boyle, president, Massachusetts Bar Association; Louis M. Ciavarra, Bowditch & Dewey; Rudolph F. Pierce, Goulston & Storrs; Walter A. Costello, Jr., president, Massachusetts Academy of Trial Attorneys; Louis Elisa, president, Boston Branch of NAACP; Richard S. Milstein, Ely & King; Ronald E. Myrick, assistant general counsel, Digital Equipment Corp.; and Gael Mahony, Hill and Barlow.

Chief Judge Douglas W. Hillman of the Western District of Michigan also appointed an impressive collection of individuals to his advisory group. The members include: Frederick D. Dilley, Dilley & Dilley; Roger Gardner, vice president of claims, Citizens Mutual Insurance Co.; Stephen R. Drew, Williams, Klukowski, et al.; Valerie Simmons, Warner, Norcross & Judd; Patricia A. Streeter; John A. Smietanka, U.S. attorney; H. Rhett Pinsky, Pinsky, Smith et al.; Roger Martin, vice president, Human Resources and Community Relations, Steelecase, Inc.; Jon G. March, Miller, Johnson, Snell & Cumminsky; Steven C. Kohl, Landman, Latimer; John R. Weber; Matthew E. McLogan, vice president of university relations; Grand Valley State University; Thomas N. Edmonds, sheriff; David Edick; James H. Geary, chairman, Howard & Howard; and U.S. Dis-

trict Judge Richard A. Enslen. I should note that Judge Enslen testified at the Judiciary Committee hearings on the legislation, and played a key role in its enactment.

In the Central District of California, Chief Judge Manuel L. Real has chosen the following members to serve on his advisory group: Donald Smaltz, chairman, Morgan, Lewis & Bockius; Leonard Brosnan, clerk of court, U.S. district court; Lourdes Baird, U.S. attorney; Daniel Patrick Selmi as reporter, associate dean, Loyola Law School; Joseph A. Ball, Ball, Hunt, Hart, Brown & Baerwitz; George Babikan, Arco Products Corp.; Howard O. Boltz, Jr., Rogers & Wells; Richard H. Borow, Irell and Manella; William B. Campbell, Paul, Hastings, Janofsky & Walker; Daniel G. Clement, Pacific Enterprises; Richard M. Coleman, Coleman & Marcus; Douglas Dalton; Richard L. Fruin, Jr., Lawler, Felix & Hall; Bruce Hochman, Hochman, Salkin & DeRoy; Peter M. Horstman, Federal public defender; John M. McCormick, Lewis, D'Amato, Brisbois & Bisgaard; William M. Molfetta, Molfetta & Raymond; Brian O'Neill, O'Neill & Lysaght; Joan Shores Ortolano, Pacific Bell; Michelle A. Reinglass; James D. Riddet, Aronson & Riddet; Frank Rothman, Skadden, Arps, Slate, Meagher & Flom; Garvin F. Shallenberger, Rutan & Tucker; Wayne W. Smith, Gibson, Dunn & Crutcher; Robert Talcott, Talcott, Lightfoot, Vandevelde, et cetera; and William W. Vaugh, O'Melveny & Myers.

Chief Judge Brieant of the Southern District of New York appointed the following members to his advisory group: as chairman, U.S. District Judge Robert W. Sweet; Marcia Alazraki, Shea & Gould; Robert L. Conason, Gair, Gair, Conason, Stergman & Mackauf; Philip L. Graham, Jr., Sullivan & Cromwell; U.S. District Judge Thomas P. Griesa; Edna Wells Handy, vice president of legal affairs and general counsel, New York City Health & Hospitals Corp.; Henry L. King, chairman and managing partner, Davis Polk & Wardwell; Clifford P. Kirsch, district court executive; Joseph T. McLaughlin, Shearman & Sterling; Stacey J. Moritz, chief of the civil division, U.S. attorney's office; Benito Romano, Willkie, Farr and Gallagher; Shira A. Scheindlin, Herzfeld & Rubin; Lorie A. Slutsky, president, New York Community Trust; and Gerald Walpin, Rosenman & Colin.

The last U.S. district court that I would like to mention today is the District of Columbia. Chief Judge Aubrey E. Robinson, Jr. appointed the following people: as chairman, Paul L. Friedman, White & Case; John D. Aldock, Shea & Gardner; William J. Birney, principal assistant to the U.S. attorney; Gregory Davis, executive vice president, D.C. Chamber of Congress; J. Gordon Forester, Jr., Greenstein, Delorme & Luchs; Richard A. Green, Stohlman, Beuchert, Egan & Smith; D. Jeffrey Hirschberg, Ernst & Young; Jane Lang, Sprenger & Lang; Myles Lynk, Dewey, Ballentine, Bushby, Palmer & Wood; Arnold I. Melnick, office of counsel, Washington Metropolitan Area Transit Authority; Elliot C. Mincberg, director, legal department, People for the American Way; Alan B. Morrison, Public Citizen Litigation Group; Irving R.M. Panzer, professor of law, Catholic University; John Payton, acting corporation counsel; Dr. Vincent Reed, vice president of communications, the Washington Post; Deanne C. Siemer, Pillsbury, Madison & Sutro; Linda Singer, Lichtman, Trister, Singer & Ross; Fred Souk, Crowell & Moring; Nathaniel Speights, Speights & Micheel; U.S. District Court Judge Aubrey E. Robinson, Jr.; U.S. District Court Judge Charles R. Richey; U.S. District Court Judge Royce C. Lamberth; U.S. District Court Magistrate Judge Patrick J. Attridge; Nancy Mayer-Whittington, clerk of the court; and LeeAnn Flynn Hall, administrative assistant to the chief judge.

There are many other districts that have also appointed advisory groups with similarly excellent membership. I do not have the time to mention them all. At this juncture, it does appear that the quality of the advisory groups that I, at least, have seen is indicative of the importance that the courts are giving to implementation of the act. I am encouraged by their actions.●

VICTORY AT DEVILS LAKE

● Mr. CONRAD. Mr. President, today I rise to pay tribute to a company that has made tremendous strides in the State of North Dakota. That company, the Sioux Manufacturing Corp., is owned 100 percent by the Devils Lake Sioux Tribe.

Forbes magazine recently published an article entitled "Victory at Devils Lake," which describes the success of Sioux Manufacturing and the exemplary efforts of the company's president, Carl McKay. I commend this article to my colleagues and ask that it be printed in the RECORD immediately following my remarks.

Mr. President, many tribal contractors, including Sioux Manufacturing, made vital contributions to our country's efforts in Operation Desert Storm. Yet they exist in remote locations that are typically overwhelmed with poverty—reservations where, despite their contributions to the economy, unemployment often exceeds 50 percent. Tribal companies like Sioux Manufacturing provide critical job opportunities that help tribes build a more stable economy on their reservations. And they help Indian people better determine their own futures.

Mr. President, we in North Dakota are proud of Sioux Manufacturing. We are proud of the company's management, its employees, and its mission. Not only did Sioux Manufacturing contribute to our Nation's success in Operation Desert Storm, but it helps the Devils Lake Sioux every day in their fight to build a better future for themselves and their children.

The Forbes article refers to Sioux manufacturing as "an unusually successful 100 percent tribally owned company." Among my greatest hopes is that 10 years from now, Sioux Manufacturing will not be so unusual.

The article follows:

[From Forbes magazine, Mar. 4, 1991]

VICTORY AT DEVILS LAKE

(By Joel Millman)

On the average winter's day in the community of Devils Lake, N.D. the temperature drops to minus 20. Adult unemployment on this reservation, home to 3,500 Santee Sioux, runs 45 percent. Alcoholism is endemic.

But there is another side to Devils Lake. Sioux Manufacturing Corp., a defense contractor owned by a tribe of the Santee Sioux, and the reservation's largest employer, is thriving. Last year the firm sold the Army $25 million of camouflage nets, anti-shrapnel armor and helmets, destined for Operation Desert Storm. Sioux Manufacturing has booked $40 million in business for 1991 and expects to earn $4 million this year. The company pumps over $125,000 in weekly salaries into the reservation's economy—three times the value of government assistance programs.

A few years ago none of this prosperity seemed likely. In the mid-1970s Washington began weaning reservations off welfare, urging new companies on reservations to do contract work for the government. Under the plan, orders would be guaranteed during a transition period while Indian managers learned the business.

The Devils Lake Sioux entered into a joint venture with Skokie, Ill.-based Brunswick Corp., whose defense unit is a big producer of camouflage fabric for the Army. Total capitalization of the joint venture came to $100,000—$70,000 put up by Brunswick, and $30,000 by the tribe. Brunswick also lent the new company $500,000; in addition, $2 million for plant and equipment came from banks and federal agencies. The idea was that the joint venture would buy camouflage fabric from Brunswick and cut it into appropriate sizes and shapes for shrouding tanks and other weaponry.

In 1974 the new Devils Lake Sioux Manfacturing Corp. shipped its first camouflage kits to the Army. But soon the partners began to bicker. The Sioux wanted to shop around for their basic raw material—the camouflage fabric—but other suppliers refused to sell to them because Brunswick, a competitor, was the Sioux's partner. The Sioux considered making their own fabric, but Brunswick vetoed that as uneconomical.

The business prospered. In 1983 the partners added lightweight armor made with Du Pont's tough Kevlar yarn to its product line. This high-margin product is used to make helmets and interior panels for tanks and armored personnel carriers.

But trouble was brewing. The tribe's executives felt left out. By 1978 the tribe had increased its stake in the joint venture to 51 percent, but Brunswick seemed to be calling all the shots. Relations went steadily downhill.

The nadir was reached in 1986. The joint venture had booked a record $70 million in

contracts. The Sioux wanted to stretch the work out over three years. This would lend stability to the reservation's economy. But Brunswick hired nearly 200 new employees—bringing the total to 500—and filled the orders in one year. When sales fell to a more normal level, there was no backlog and the company was forced to lay off hundreds.

The Brunswick proposed that the partners pay themselves a special $14 million dividend from retained earnings. This made tribal leaders suspicious that Brunswick was maneuvering to bail out before the company collapsed. Brunswick denies any such intent. But bad feelings were running so high that in 1987 the Sioux exercised their control and fired five key Brunswick employees, including the joint venture's general manager. Devils Lake Sioux Manufacturing lost money for the first time.

In the end, Brunswick got its dividend—and a surprise. The Sioux immediately imposed a tax on dividends. Lawsuits were launched from Skokie to Devils Lake, ending in 1989 when Brunswick agreed to sell its remaining stake in the venture as part of a $3 million leveraged buyout. Financed by Boston's State Street Bank, the deal was the first time an American Indian tribe had used financial leverage to buy out its corporate partner.

Once he was in absolute control, Carl McKay, 42, Sioux's president and chief executive officer and the tribe's former chairman, quickly mended fences between Brunswick and the renamed Sioux Manufacturing Corp. Brunswick, for example, is still one of the company's major suppliers of camouflage fabric.

As a tribally owned firm, Sioux Manufacturing pays no federal or state corporation income taxes. In addition, it benefits from mandates that government agencies buy from minority-owned firms when possible.

But the secret of its success, according to one Sioux Manufacturing customer, is that tribal ownership of the company has infused the workers with a determination to succeed. "There's no such thing as charity," says Glenn Staples, procurement director of BMY-Combat Systems, a divison of Harsco Corp. and maker of the M-109A6 self-propelled howitzer. The only keys to winning orders, he adds, are "quality and price."

To lessen Sioux Manufacturing's dependence on government work, McKay is trying to convince the auto and civilian aerospace industries to use his armor fabric. He is a hard man to turn down. "So many people were ready to include us in the category of failed Indian businesses," he says. "We just wouldn't let it happen." There's a powerful lesson in that for all struggling businesses.•

THE 36TH ANNUAL DETAILED FINANCIAL REPORT OF SENATOR PAUL SIMON

• Mr. SIMON. Mr. President, it has been my practice in each of the 36 years I have spent in public life to volunteer a detailed accounting of my finances.

I ask that my financial report for 1990 be printed in the RECORD.

The financial report and related announcement follow:

ANNOUNCEMENT

For the 36th consecutive year that he has held public office, U.S. Senator Paul Simon, D-Ill., has released a detailed description of his income, assets and liabilities.

Simon has been making the voluntary annual statements longer than any other national officeholder, according to his office. Simon set his policy when he entered public service as a state representative in 1955 from the world of business. He followed the practice during his eight years in the Illinois House of Representatives, six years in the Illinois Senate, four years as lieutenant governor, ten years in the U.S. House of Representatives, and now six years in the U.S. Senate. The listing predates disclosure requirements of state and federal law and continues to exceed those requirements. Senate rules today require only the listing of income in broad brackets. His practice also has set the standard for officeholders in Illinois. Simon also continues to exceed Senate requirements by listing detailed income for his wife, Jeanne.

The Illinois senator lists 1990 income for himself and Jeanne Simon totaling $161,263.72. The figure includes his Senate salary, honoraria and reimbursements for travel and other expenses and other items.

The Simons had assets of $391,327.14 and liabilities of $177,395.23 for a net worth of $213,931.91.

Income statement Paul and Jeanne Simon—1990

General income (Paul Simon):	
Salary, U.S. Senate	$97,658.32
State of Illinois, General Assembly System	19,220.28
University of Oklahoma, Book Royalties	250.00
U.S. Senate, Expense Reimbursement	19,271.24
Simon for Senate, Expense Reimbursement	2,485.09
Paul Simon Official Office Account, Expense Reimbursement	195.25
Blue Cross/Blue Shield, Reimbursement	225.47
U.S. West Communications (Phone), Reimbursement	5.80
State Farm Mutual Insurance, Reimbursement for chimney fire	950.00
Critic's Choice Video, Reimbursement	1.64
Sale of 1980 Chevrolet	1,100.00
Honoraria:	
Recording Industry Association of America, Talk	2,000.00
American Council on Education, Talk	1,000.00
CBS Records, Inc., Talk	2,000.00
Association of Independent Colleges & Schools, Talk	1,000.00
Carnegie Council on Ethics and International Affairs, Talk	2,000.00
National Agricultural Chemicals Assn., Talk	1,000.00
Grand Alliance for China Reunification, Talk	2,000.00
American Council on International Personnel, Talk	1,000.00
General income (Jeanne Simon):	
Washington Financial Group, Salary	900.00
Fund for Peace, Salary	250.00
Texas Library Association, Talk	200.00
Washington Financial Group, Expense Reimbursement	580.00
Fund for Peace, Expense Reimbursement	187.00
Northern Illinois University, Travel Reimbursement	114.12
Simon for Senate, Reimbursement	731.95
National Democratic Women, Postage Reimbursement	90.00
Interest income:	
U.S. Senate Employees' Credit Union	361.30
U.S. Savings Bonds	1,468.14
General American Life	210.68
Polish National Alliance of U.S.A.	23.49
Christian Church of Salem, IL.	147.63
Dividends:	
Adams Express	335.40
Bethlehem Steel	2.00
Paramount	1.40
Quaker Oats	57.60
Scott Paper	6.40
Pax World	259.83
Chock Full O'Nuts	2.51
Ralston Purina	23.67
Dreyfus Convertible Securities Fund	338.07
Franklin Money Fund	222.59
Dreyfus Bond Fund	1,373.46
American Express Daily Dividend	3.38
Lomas & Nettleton Mortgage Inv.	21.00
Wal-Mart Stores	6.36
Credit Union One	.15
Sale of assets:	
Loss on sale[1]	17.50
Net loss	−17.50
Total income	161,263.72

General assets:	
First Bank of Carbondale, Checking Account	10.93
Credit Union, Rantoul	12.27
U.S. Senate Federal Credit Union	1,149.01
Loan, Senator Paul Simon Official Office Account	2,000.00
American Express, Money Fund	160.00
U.S. Savings Bonds	1,838.00
Deposit, Harbour Square Apartments	50.00
General American Life Insurance, Cash Value and Deposit	7,380.72
Polish National Alliance Insurance, Cash Value and Deposit	2,161.65
Congressional Retirement System, Cash Value	61,590.80
Thrift Savings Plan	5,240.00
B & T Enterprises	322.00
11.8 Acres & Home, Makanda, IL. (Appraised in 1987)	204,000.00
Furniture and Presidential Autograph Collection	18,000.00
1991 Chevrolet	16,000.00
1983 Ford Mustang	2,000.00
Stock and bond holdings with number of shares:	
Adams Express, 212	3,127.00
Bethlehem Steel, 5	73.75
Chock Full O'Nuts, 10	58.88
Dreyfus, Bond Fund, 1,527.27	18,861.80
Dreyfus Convertible Securities Fund, 389	2,666.67
Franklin Fund, 371	370.99
Harcourt, Brace, Jovanovich, 200	188.00
Intergroup, Inc., 25	337.50
Jet-Lite, 120 (approximate)	300.00
Lomas & Nettleton Mortgage Inv., 100	275.00
Pax World Fund, 179.81	2,513.75
Quaker Oats, 40	2,115.20
Ralston Purina, 27	2,767.50
Rohr Industries, 6	98.28
Scott Paper, 8	303.04
United M&M, 8	1.00
Wal-Mart Stores, Inc., 48	1,452.00
IRA—Paul:	
American Express Funds	85.59
Adams Express Co.	6,563.75
Lands End, Inc.	235.88

Pacific Enterprises	2,177.00
Pacific Gas & Electric Co.	1,000.00
Pepsico, Inc.	260.00
Price Co.	942.00
Quaker Oats Co.	7,508.25
Ralston Purina Co.	1,025.00
Southwest Water Co.	1,376.00
Tootsie Roll Industries, Inc.	896.50
Total	22,069.97
IRA—Jeanne:	
American Express Funds	121.93
Adams Express Co.	7,212.75
Lands End, Inc.	305.25
Pacific Gas & Electric Co.	1,000.00
Pepsico, Inc.	520.00
Quaker Oats Co.	211.50
Ralston Purina Co.	2,460.00
Total	11,831.43
Total assets	391,327.14
Liabilities:	
Polish National Insurance, Loan	1,462.00
General American Insurance, Loan	3,021.00
Landmark Bank, Lebanon, IL, Mortgage	145,735.23
Bank of Illinois, Mt. Vernon, IL, Note	13,516.00
First Collinsville Bank, Note	13,661.00
Total liabilities	177,395.23
Total assets	391,327.14
Total liabilities	177,395.23
Net worth	213,931.91
Gifts, received of more than $25 value, outside immediate family:	
Historic newspapers from Stanford Glass, Chicago	(2)
Car emergency kit from Michelin Tire	(2)
Vase from Cultural Festival of India	(2)
Gift Certificate from Senate staff	100.00
Sand from Carbondale Ready Mix	(2)
Tablecloth from Ben Limjoco	(2)
Baltimore Oriole tickets from Tom Korologos	44.00
Flags from Korean War Veterans Memorial Board	(2)
Scarf from Myron and Pat Cherry	(2)
Quincy Jones record and book from Time Warner, Inc.	(2)
Grocery samples from R.J.R. Nabisco	(2)
Telephone/clock/radio from United Transportation Union	(2)
Metropolitan opera tickets (2) from Metropolitan Opera	202.00
Quilt from Dawn Mellott	(2)
Civil War tapes from Ken Burns (approximate)	180.00

[1] Sold two shares Paramount Communications. Purchased 6-11-75. Cost of shares $92.00. Sold, 11-1-90 for $74.50.

[2] Value unknown.●

THE DISPOSAL OF IRAQI CHEMICAL WEAPONS

● Mr. AKAKA. Mr. President, last September I introduced legislation prohibiting future shipments of chemical munitions to Johnston Island. Johnston is our Nation's first chemical munitions disposal site, and under my measure, it was limited to destroying only those weapons previously stored on the island, obsolete World War II weapons found in the Pacific, and weapons shipped from Germany under the European Retrograde Program.

The decision to ship United States chemical weapons from Germany to Johnston raised many deep concerns among those in Hawaii and with our neighbors in the Pacific. I shared their concerns and worked to ensure that the Pacific did not become the world's chemical dumping ground. My proposal, supported by the senior Senator from Hawaii, was included in the fiscal year 1991 Defense appropriations bill.

The enactment of this provision calmed the waters in the Pacific. However, once again, a specter has risen that threatens its tranquility. Under the cease-fire agreement proposed by the United Nations, Iraq is required to destroy all of its chemical and biological weapons. The U.N. Security Council established a special commission to address this destruction, but did not specify how this task was to be accomplished and what, if any, role the United States would play.

My legislation provided the President with the authority to suspend the prohibition in the event the United States engaged in a war. Some feared that the conflict in the Middle East would allow the President to ship Iraq's chemical weapons to Johnston. I want to assure the people of Hawaii and the Pacific that the President no longer has this authority.

I have asked the Congressional Research Service for their interpretation of the law and have received the following response:

> Given the conclusion of actual hostilities in the Gulf conflict, that construction would mean that the condition precedent to the existence of the President's authority to waive the restriction set in section 8017(a) no longer is met. As a consequence, the waiver authority would not currently be available.

Mr. President, the Pacific is doing its fair share in meeting its moral responsibility to destroy chemical munitions. We should not become the world's chemical dump because others will not share in this responsibility. I will continue to work with my esteemed colleague and senior Senator to safeguard the people and the environment of the Pacific.●

HONORING STEVENS POINT SMALL BUSINESS DEVELOPMENT CENTER AND THE WORTH CO.

● Mr. KASTEN. Mr. President, the small businesses of Wisconsin are the powerhouse of our State's economic growth. Over 62 percent of the new jobs created are directly attributable to these small businesses—ventures on the cutting edge of society, creating the products and services the American people desire.

I recently had the privilege of touring a number of successful small businesses in Wisconsin that have been assisted by Small Business Development Centers [SBDC's]. SBDC's are excellent incubators of small business growth.

On April 4, I visited the Worth Co. of Eau Claire, WI—a family-owned firm that produces fishing lure components, marine and boating products. the Worth Co. has created a lucrative niche for itself in a very competitive business.

The success of the Worth Co. is in large part due to the hard work of chairman of the board Bob Worth and president and CEO David Worth. Both Worth himself has been a great supporter of SBDC's. He helped found the SBDC Program in Wisconsin and fought to keep the Stevens Point Center open when its funding was threatened several years ago.

At a time when some are proposing drastic cuts in the Federal budget for SBDC's, it is important to note the support of successful entrepreneurs like the Worths for the program. I must also point out the hard work and dedication of Stevens Point SBDC Director Mark Stover.

Mr. President, let us keep this system of small business incubators alive—by supporting full funding for SBDC's.●

SMITHTOWN HIGH SCHOOL STATE WINNER OF NATIONAL BICENTENNIAL COMPETITION

● Mr. D'AMATO. Mr. President, it is my distinct pleasure to announce that Smithtown High School East is the New York State winner of the We the People * * * National Bicentennial Competition on the Constitution and Bill of Rights.

The National Bicentennial Competition is an outstanding education program developed by the Center for Civic Education, and cosponsored by the Commission on the Bicentennial of the U.S. Constitution. This program provides high school students with a course of instruction on the development of our Constitution and the basic principles of constitutional democracy. In both the instructional and competitive segments of the program, students work together cooperatively to deepen their understanding of the American constitutional system.

I would like to commend Mr. Robert Feeney, who is responsible for supervising and implementing the National Bicentennial Competition in my congressional district. Also deserving of recognition is the State coordinator, Mr. Michael Fischer, who is responsible for the administraton of the program at the State level.

I want to especially congratulate the teacher, Mr. Alan McKeeman, who did a superb job of preparing the class for the competition and devoted considerable time and effort to making these students constitutional scholars. The names of the winning class from Smithtown High School East are: Lorraine Adam, Heather Anderson, Andrea Bertone, Victor Chiu, Rocco Debonis, Leza DiBella, Kelly Diffily, Daniel Edelbaum, Jonathan Fields, Sean Flynn, Robert Gabriele, Paul Gadue, Kevin Gleason, Melinda Hough, Tamarra Matthews, Nicole McGraime, James Nyberg, Jeffrey Pettit, Jocelyn Pletz, David Podwall, Hiraku Shimoda, Kimberly Smith, and Stephen Smith.

This class will now go on to compete in the national finals to be held April 27–29, 1991, in Washington, DC. Competing teams will be judged on the basis of their understanding of the Constitution and their ability to apply constitutional principles to historical and contemporary issues.

Mr. President, the instructional materials developed by the Center for Civic Education which prepare students for the competition are being used in every congressional district in the Nation. While the competitive part of the program advances winning teams at various levels, the benefits of this excellent educational project are extended to all students who participate. In this respect, all the students are winners, because they gain valuable civic and intellectual skills enabling them to make informed and reasoned political decisions in today's society.

I am proud to congratulate these fine students on their victory. I wish them the best of luck in the final competition.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the most recent budget scorekeeping report for fiscal year 1991, prepared by the Congressional Budget Office under section 308(b) of the Congressional Budget Act of 1974, as amended. This report serves as the scorekeeping report for the purposes of section 605(b) and section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $0.4 billion in budget authority, and under the budget resolution by $0.4 billion in outlays. Current level is $1 million below the revenue target in 1991 and over the 5 years, 1991–95.

The current estimate of the deficit for purposes of calculating the maximum deficit amount is $326.6 billion, $0.4 billion below the maximum deficit amount for 1991 of $327 billion.

Note that while the President has signed legislation since the previous current level report, its effect was previously reflected in that current level report.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 23, 1991.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1991 and is current through April 19, 1991. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Budget Enforcement Act of 1990 (Title XIII of P.L. 101–508). This report is submitted under Section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated April 11, 1991, the President has signed H.R. 1281, Dire Emergency Supplemental Appropriations for 1991 (P.L. 102–27); H.R. 1282. Operation Desert Shield/Desert Storm Appropriations for 1991 (P.L. 102–28); S. 725, Persian Gulf Conflict Supplemental Authorization (P.L. 102–25); and H.R. 1285, Higher Education Technical Amendments (P.L. 102–26). These actions did not increase the current level estimates of budget authority, outlays or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 1ST SESS. AS OF APR. 19, 1991

[In billions of dollars]

	Revised on-budget aggregates [1]	Current level [2]	Current level +/− aggregates
On-budget:			
Budget authority	1,189.2	1,188.8	−0.4
Outlays	1,132.4	1,132.0	−.4
Revenues:			
1991	805.4	805.4	(3)
1991–95	4,690.3	4,690.3	(3)
Maximum deficit amount	327.0	326.6	−.4
Direct loan obligations	20.9	20.6	−.3
Guaranteed loan commitments	107.2	106.9	−.3
Debt subject to limit	4,145.0	3,341.4	−803.6
Off-budget:			
Social Security outlays:			
1991	234.2	234.2	
1991–95	1,284.4	1,284.4	
Social Security revenues:			
1991	303.1	303.1	
1991–95	1,736.3	1,736.3	

[1] The revised budget aggregates were made by the Senate Budget Committee staff in accordance with section 13112(f) of the Budget Enforcement Act of 1990 (title XIII of Public Law 101–508).

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. In accordance with section 606(d)(2) of the Budget Enforcement Act of 1990 (title XIII of Public Law 101–508) and in consultation with the Budget Committee, current level excludes $45.3 billion in budget authority and $34.6 billion in outlays for designated emergencies including Operation Desert Shield/Desert Storm; $0.1 billion in budget authority and $0.2 billion in outlays for debt forgiveness for Egypt and Poland; and $0.2 billion in budget authority and outlays for Internal Revenue Service funding above the June 1990 baseline level. Current level outlays include a $1.1 billion savings for the Bank Insurance Fund that the committee attributes to the Omnibus Budget Reconciliation Act (Public Law 101–508), and revenues include the Office of Management and Budget's estimate of $3.0 billion for the Internal Revenue Service provision in the Treasury-Postal Service appropriations bill (Public Law 101–509). The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[3] Less than $50,000,000.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 1ST SESS. SENATE SUPPORTING DETAIL, FISCAL YEAR 1991 AS OF CLOSE OF BUSINESS APR. 19, 1991

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			834,910
Permanent appropriations and trust funds	725,105	633,016	
Other legislation	664,057	676,371	
Offsetting receipts	−210,616	−210,616	
Total enacted in previous sessions	1,178,546	1,098,770	834,910
II. Enacted this session:			
Extending IRS Deadline for Desert Storm Troops (H.R. 4, P.L. 102–2)			−1
Veterans' education, employment and training amendments (H.R. 180, P.L. 102–16)	2	2	
Dire emergency supplemental appropriations for 1991 (H.R. 1281, P.L. 102–27)	3,823	1,401	
Higher education technical amendments (H.R. 1285, P.L. 102–26)	3	3	
Total enacted this session	3,828	1,406	−1
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory adjustments required to conform with current law estimates in revised on-budget aggregates	−8,572	539	
VI. Economic and technical assumption used by Committee for budget enforcement act estimates	15,000	31,300	−29,500
On-budget current level	1,188,802	1,132,016	805,409
Revised on-budget aggregates	1,189,215	1,132,396	805,410
Amount remaining:			
Over budget resolution			
Under budget resolution	413	380	1

Note.—Numbers may not add due to rounding.●

SENATOR MOYNIHAN'S PROPOSAL TO REDUCE THE PAYROLL TAX

Mr. SIMPSON. Mr. President, my remarks in morning business are directed at the proposal of Senator MOYNIHAN. I do want to commend him. He is a remarkable Member of this body. He is the person that helped salvage the Social Security reform in 1982. Without him it would not have been done. He was the linchpin in that. That is why the irony here is somewhat surprising to me because I think that even though I have this great personal admiration for him—he has been a great counselor, and a friend of mine in my time in the U.S. Senate—I am speaking in opposition to this proposal to reduce the payroll tax.

This idea is so very attractive. What tax cut is not, especially one which can be touted, as this one has, as relieving the tax burden on millions and millions of working Americans? That is a very powerful phrase, powerfully presented by the most articulate Senator from New York. He does it magnificently.

But, attractive though it may be, I believe that almost every effect of that

payroll tax cut is detrimental. In the first place, we have the history of the Social Security system itself. At one time it was pay-as-you-go. That is what it was. That resulted in a near bankruptcy of the system which had to be completely overhauled in 1982 as a result, and the senior Senator from New York was the major architect of that recovery.

There is a particular aspect of this whole situation which I think has to be mentioned. This is unavoidable. You cannot avoid this fact—that millions upon millions of retirees are going to be seeking to collect their benefits from the Social Security system in the early 21st century. Surely every one of us knows that. All of us know that. That means the benefits authorized those individuals are going to have to be paid regardless of any action which we take today or any other day.

I hope we all understand that. These benefits are not subject to an appropriation. We cannot decrease those benefits by some discretionary spending decision down the road. So calling this a tax cut is in every sense a misnomer, whether today or tomorrow, because we cannot avoid collecting the necessary payroll taxes to mete out those benefits, to pay our citizens who have always thought of this Social Security system as their pension. It is not a pension. It is not actuarially sound as a pension. It was an income supplement by Franklin Delano Roosevelt in a Democrat Congress. And it was very important to America at the time.

That is the rub, because this bill in its reduction of the payroll tax to 5.2 percent today will gradually increase the tax to 8.1 percent somewhere along the way after that.

Believe me, that is the very least it would do. I have received estimates that the long-range positive balance of the OASDI Program over the next 75 years—that is the old-age survivors disability insurance program—over the next 75 years would be 0.02 percent.

I am not an economist. I leave that arcane science to others. But I know that 0.02 percent is not much of a margin for error. Tax increases larger than what is called for here in this bill could therefore be highly likely.

The question here is not whether to leave this tax burden on the American taxpayer. That is unavoidable. Please hear that. Rather, it is which taxpayers to place it on. Either we do as we should under current law, and have the money paid in today by those who will be collecting it tomorrow, or we leave that burden to be borne by the taxpayers of tomorrow who, being fewer in number relative to the number of collectors, will each have to carry a far heavier burden than anyone carries today.

I cannot see how the American public can be duped in that way, and in a sense they are because the facts are unrefuted—that there were 16 people paying into this system in 1950 and 1 taking out and today there are 3.2 people paying into the system and 1 taking out. And in the year 2020, there will be 2 people paying in and 1 taking out.

I have seen the charts. I have been enamored at the debate. It shows what happens to its reserves. But nobody tells you what happens after the year 2030. After 2030 or in the year 2035, this whole system is headed for the bow out. It cannot miss because it cannot work. The reserves are going to go up.

I hope we will retain the reserve. That is why I am resisting my good friend's amendment. Those reserves could get to $2 trillion or $3 trillion. If they do get to that level it will give politicians what they need to do their work. It will give them cover. It will enable them to then go to work and do something with the system to make it work in the future. Right now we do not have the courage to do that; the political will, or the courage to do that. Who wants to touch that?

But when the great overhang of reserves is there in the year 2020, then let us do the work, because in the year 2030 or 2035, depending on which scenario you pick, the Social Security system will be in dramatic drawdown, and no one has ever said any different. No one. So there we are.

Are we going to put them on the taxpayers of tomorrow or are we going to put them on those today?

This is a relief on the taxpayers today, and it puts a heavier burden on those tomorrow. You pick your own tomorrow.

That does not strike me as fair or right or thoughtful.

According to the AARP—that is a group I have strongly disagreed with from time to time in the past—the average worker born in 1955 would receive a $6,000 tax cut over his or her life and the average worker born in 1995 would pay more than $19,000 higher taxes. This is in 1991 dollars.

Then under current law, we save some on the dollar today to charge $3 to their offspring tomorrow; really sock it to them, down the road. Not here, not now, because we are doing this one for the working guys now. The working guys in the year 2020 will have to pull up their socks and run for blocks to get out from under the deluge of what this is going to do for them.

We have done enough of that in America in Congress. That is effectively what we have done by creating a huge Federal deficit, a deficit which I remind my colleagues was created by the Congress, not by the President. He never got a vote on that; not so. He presented a budget. We did all the dirty work. Sometimes Republicans were in control, and sometimes the Democrats. That is the way that works. I know that is an appalling argument. Boulders will fall down from the gallery with regard to that, but you can show me where the President gets a vote, and then we will put it on him and stick it to him.

So by refusing to pay our way today, we have forced on our future heirs this issue, to be paid for with interest tomorrow. Again, according to the AARP, "Converting Social Security to a pay-as-you-go financing scheme would drain roughly $24 billion from the trust fund in 1992 and $170 billion by the end of 1996."

That is more debt, more borrowing by the Federal Government, meaning less credit, slower economic growth, and all of the other evils that ensue from debt. Thus, not only do we force our descendents to pay payroll taxes far in excess of anything which we would consider bearing today—and that is why we are doing this, apparently—this added debt would only add other conditions which would make meeting that debt payment ever more difficult, including a real slowdown in the growth of the economy. Any everyone tells us that a stable economy is necessary to enable us to extricate ourselves from these deficit woes. That is what we are always told on both sides of the aisle.

So I guess I conclude in saying that if we want to do a measure which says simply and colloquially, and in the vernacular of the people of America, keep your pinkies off the fund, and do not use it to fund your cockamamy ideas. I am ready to do that, if that is what they want to do.

But that is not what this is. This is not keep your hands off the Social Security and get out of the till, because you are using it and diverting it, and we are tired of it. We stopped ourselves from doing that several years ago. We made the big dipper move one night. It lasted about a day. The people went bananas, and we corrected it. That is not what this is about. I think it is very important to keep that in mind.

In sum, I see no palpable reason whatever why we can afford to take this step to reduce payroll taxes the way this amendment would require. It would do three swift things: Move the retirement obligations from the shoulders of those who will collect them onto others tomorrow who will be ever less able to meet them; it will increase the real deficits, the money the Government must borrow in order to function. It is not my idea that the Social Security reserve should be invested in Treasury securities, but that is the law. It will also slow the growth of our economy.

Well, I will conclude that no one argues—or I have not heard this argument—or has produced any figures which suggest that such a tax cut would increase savings, or spur growth, or produce any other desirable effect. I do not know what it is. It merely

transfers a tax burden from one group of taxpayers to another group, after magnifying that burden more than three times, all in the name of some misguided and, I think, misnamed notion of fairness or political activity, or doing something for the working man, or the rich versus the poor, or whatever you wish to do with it. Under those circumstances, I hope that we will reject the amendment.

I yield the floor.

AUTHORITY FOR SENATE COMMITTEES TO FILE CALENDAR BUSINESS ON THURSDAY, MAY 2, FROM 11 A.M. TO 2 P.M.

Mr. SASSER. Mr. President, I ask unanimous consent that during the recess or adjournment of the Senate, that Senate committees may file reported Legislative and Executive Calendar business on Thursday, May 2, from 11 a.m. to 2 p.m.

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. SASSER. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar No. 45, Melissa Foelsch Wells, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zaire.

Calendar No. 79, Raymond G.H. Seitz, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland; and all nominations placed on the Secretary's desk in the Foreign Service.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The nominations, considered and confirmed en bloc, are as follows:

DEPARTMENT OF STATE

Melissa Foelsch Wells, of Connecticut, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zaire.

Raymond George Hardenbergh Seitz, of Texas, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Foreign Service nominations beginning William John Connolly, and ending Frederick A. Mecke, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 11, 1991.

STATEMENT ON THE NOMINATION OF RAYMOND SEITZ

Mr. BIDEN. Mr. President, I am delighted that the Senate today confirmed Raymond G.H. Seitz as United States Ambassador to the United Kingdom of Great Britain and Northern Ireland.

I have had the pleasure over the past 18 months of working closely with Ambassador Seitz in his capacity as Assistant Secretary of State for European and Canadian Affairs. He held that post during one of the most exciting periods in postwar European history and, moreover, played a key role in many events that defined the period. Most notably, Ambassador Seitz was absolutely central to the planning and negotiating that led to the unification of Germany last October.

Ray Seitz is one of the finest State Department officials I have worked with, bringing to his job a quiet authority and sensitivity to delicate issues that have served and will continue to serve this Nation well.

President Bush recognized Ambassador Seitz's great abilities in selecting him for the prestigious post of Ambassador to the Court of St. James's. Perhaps the finest tribute to Ray Seitz, however, is that he will be the first career foreign service officer in modern history to assume that august post in London; his predecessors for decades were all political appointees.

Lastly, and critically, Delaware blood flows in this Ambassador's veins, Ray Seitz attended grade school in Delaware and still has many relatives there. They, along with this Senator, comprise a Ray Seitz fan club which is delighted to see one of our own succeed so well. Delaware is very proud today of its adopted son.

I wish the Ambassador all the best as he assumes his new duties in London.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

APPRECIATION OF THE BENEFIT BROUGHT TO THE NATION BY AMTRAK

Mr. SASSER. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of Senate Joint Resolution 98, a joint resolution to express appreciation for the benefit brought to the Nation by Amtrak, and that the Senate proceed to its immediate consideration.

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

The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 98) to express appreciation for benefit brought to the Nation by Amtrak during its 20 years of existence.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. EXON. Mr. President, I rise today to urge my colleagues to support Senate Joint Resolution 98, commemorating the 20th anniversary of the operation of Amtrak's first train. On October 30, 1970, Congress enacted the Rail Passenger Service Act in an attempt to salvage the Nation's rail passenger system. Now, nearly 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.

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. 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 not easy for Amtrak in the first decade as they 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 their most ardent supporters. Its on time performance today rivals that of the airline industry. Rolling stock, though still in short supply, is well maintained and in many cases state of the art. Earlier this week, Amtrak signed a contract with Bombardier Corp. to purchase 140 new doubled-decked, long-distance Superliner cars—the first new long-distance cars to be delivered since 1982. The contract also includes an option to purchase 39 additional cars. Amtrak currently has 282 Superliners, however the demand for reservations on these popular long-distance trains, particularly in sleeping cars, constantly outstrips the

available space and Amtrak must regularly turn passengers away.

In the area of track and track maintenance, Amtrak's 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 its 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.

Indeed, an announcement that would have seemed absurdly unrealistic under another CEO suddenly strikes anyone who knows Amtrak's President and Chairman, W. Graham Claytor, Jr., 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 service 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.

I believe Amtrak has a very bright future, and I further believe that the Nation will be better for it. Mr. President, I urge my colleagues to support passage of this commemoration of 20 years of service.

The PRESIDING OFFICER. Without objection, the joint resolution is deemed read a third time and passed and the preamble is agreed to.

The joint resolution (S.J. Res. 98), with its preamble, is as follows:

S.J. RES. 98

Whereas May 1, 1991, will mark the twentieth anniversary of the commencement of intercity rail passenger service by the National Railroad Passenger Corporation, better known as Amtrak;

Whereas Amtrak has dramatically improved both the quality and the economics of rail passenger service in the past twenty years and provides a marketable and highly desired national transportation service, with over two hundred and twenty trains each day operating over twenty-four thousand track miles through forty-four States;

Whereas Amtrak carries passengers more miles and longer distances than carried by all the passenger railroads in 1970 prior to the establishment of Amtrak, provides transportation to nearly twenty-two million intercity and eighteen million commuter passengers each year, and serves as a vital national transportation link to rural America, which increasingly is losing other modes of public transportation;

Whereas Amtrak employs nearly twenty-four thousand railroad employees, who cumulatively earn over $1,000,000,000 in annual taxable income, and procures over $350,000,000 in goods and services from domestic companies across the country;

Whereas the country is witnessing a remarkable resurgence in support for a national rail passenger system, reflected by trains that frequently are sold out far in advance of departure and by increasing demands across the country for additional Amtrak service;

Whereas Amtrak is now covering over 80 percent of its operating costs without Federal support compared to just 50 percent in 1981, and is committed to covering 100 percent of its operating costs by the year 2000;

Whereas rail passenger service increasingly is recognized as a critical element of a balanced national transportation system and as an energy efficient, environmentally benign alternative to growing highway and airport congestion;

Whereas Congress has repeatedly been required to preserve funding for a national rail passenger system in the face of proposals to eliminate Federal assistance for Amtrak, and is proud of the success Amtrak has achieved in providing increasingly better service at less cost to the Federal taxpayer; and

Whereas Amtrak has a critical role to play in the future of the Nation's surface transportation system, as the operator of both conventional and high-speed rail systems, new systems based on magnetic levitation, and contract commuter rail systems: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the creation of Amtrak has the important effect of preserving a national rail passenger system and of providing Americans with an energy efficient, environmentally preferable transportation alternative, and that the need for a balanced national transportation system in this country dictates that Federal and State transportation planners consider the many advantages of improved rail passenger service as they look to addressing national and regional transportation concerns.

Mr. SASSER. 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.

SENATE WORLD CLIMATE CONVENTION OBSERVER GROUP

Mr. SASSER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 110, which is now at the desk.

The PRESIDING OFFICER (Mr. BRYAN). The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 110) to establish a Senate World Climate Convention Observer Group.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Without objection, the resolution is agreed to.

The resolution (S. Res. 110) is as follows:

S. RES. 110

Resolved,

SHORT TITLE

SECTION 1. This resolution may be referred to as the "World Climate Convention Observer Group Resolution."

SEC. 2. (a) There is established a bipartisan group of Senators to be known as the Senate World Climate Convention Observer Group (hereinafter in this resolution referred to as the "Observer Group"), which shall consist of thirteen Senators as follows:

(1) The majority leader and minority leader of the Senate, each serving ex officio; and

(2) Eleven Senators appointed as follows:

(A) six Senators appointed by the majority leader from among the members of the majority party.

(B) five Senators appointed by the minority leader from among the Members of the minority party.

(b)(1) The chairman of the Observer Group shall be designated by the majority leader from among the individuals recommended for appointment under subsection (a)(2)(A).

(2) The cochairman of the Observer Group shall be designated by the minority leader from among the individuals recommended for appointment under subsection (a)(2)(B).

(c) Any vacancy occurring in the membership of the Observer Group shall be filled in the same manner in which the original appointment was made.

DUTIES

SEC. 3. The duties of the Observer Group shall be to monitor the World Climate Convention process.

SEC. 4. (a)(1) All foreign travel of the Observer Group shall be authorized jointly by the majority and minority leaders, upon the recommendation of both the chairman and cochairman of the Observer Group.

(2) In the event that either the majority leader or minority leader of the Senate does not travel on an official trip of the Observer Group, then that leader may designate one other Senator of his party who is not a member of the Observer Group to travel and participate in the activities of the Observer Group in his stead.

TERMINATION DATE

SEC. 5. The provisions of this resolution shall terminate upon the adjournment sine die of the First Session of the One Hundred Second Congress.

Mr. SASSER. 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.

AUTHORIZING REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. SASSER. Mr. President, on behalf of the majority leader and on behalf of the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on representation by the Senate legal counsel and authorization for testimony by a former employee and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 111) to direct the Senate legal counsel to represent a former employee in the case of United States v. Byron T. Brown, et al. and to authorize testimony and production of documents.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, the U.S. attorney for the district of Arizona has filed an indictment charging that an individual named Byron T. Brown participated in a money-laundering conspiracy in violation of Federal law. The indictment relates to allegations of bribery in connection with the sale of land to the Navajo Nation, which were a subject of investigation by the Special Committee on Investigations of the Senate Select Committee on Indian Affairs during the 100th and 101st Congresses. Mr. Brown was a witness before the special committee and testified under a grant of use immunity.

Both the U.S. attorney and the counsel for the defendant in this case have requested the Senate to authorize Kenneth Ballen, formerly chief counsel of the special committee and now an employee of the House of Representatives, to testify at a pretrial hearing about his communications with the parties concerning the grant of use immunity to Mr. Brown. Mr. Ballen's communications with the parties also may relate to issues before the court concerning the Government's agreement not to prosecute Mr. Brown for alleged offenses about which he provided information to the committee and the Government.

When the interests of justice so require, the Senate acts to authorize its employees and former employees to provide information acquired in the course of their Senate duties in court. Such authorization is appropriate in cases like this, where the Senate's grant of use immunity may affect a criminal prosecution. Accordingly, this resolution would authorize the former chief counsel to testify in this case.

The resolution also authorizes the Senate legal counsel to represent Mr. Ballen in connection with his testimony in this case in order to protect the privileges of the Senate. Importantly, counsel would communicate to the court, if necessary, the limited nature of this authorization, which is intended to permit examination only in the specific area requested by the parties; namely, communications between the parties and the committee, rather than to authorize an inquiry into the committee's internal investigative activities and decisions.

Finally, the resolution authorizes the committee's production of documents to the U.S. attorney.

The PRESIDING OFFICER. Without objection, the resolution is agreed to and the preamble is agreed to.

The resolution (S. Res. 111), with its preamble, is as follows:

S. RES. 111

Whereas in the case United States v. Byron T. Brown, et al., Cr. No. 90-353, pending in the United States District Court for the District of Arizona, the United States Attorney and the defendant have requested testimony from Kenneth Ballen, former chief counsel of the Special Committee on Investigations of the Senate Select Committee on Indian Affairs;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate;

Whereas pursuant to section 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2) (1988), the Senate may direct its counsel to represent committees, Members, officers, and employees of the Senate with respect to subpoenas or orders issued to them in their official capacity: Now, therefore, be it

Resolved, That the former chief counsel of the Special Committee on Investigations of the Senate Select Committee on Indian Affairs, Kenneth Ballen, is authorized to provide testimony in the case of United States v. Byron T. Brown, et al., Cr. No. 90-353 (D. Ariz.), except concerning matters for which a privilege should be asserted.

SEC. 2. That the production of documents by the Special Committee on Investigations of the Senate Select Committee on Indian Affairs is authorized.

SEC. 3. That the Senate Legal Counsel is directed to represent Kenneth Ballen in the case of United States v. Byron T. Brown, et al., Cr. No. 90-353 (D. Ariz.).

Mr. SASSER. 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.

ORDERS FOR TOMORROW

Mr. SASSER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:20 a.m., Wednesday, April 24; 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 9:35 a.m., with Senators permitted to speak therein.

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

RECESS UNTIL TOMORROW AT 9:20 A.M.

Mr. SASSER. Mr. President, if there is no further business to come before the Senate today, and if the acting Republican leader has no further business, I now ask unanimous consent that the Senate stand in recess, as under the previous order, until 9:20 a.m. Wednesday, April 24.

Mr. SIMPSON. Mr. President, I have no objection to that. I do thank the senior Senator from Tennessee for allowing me to proceed in morning business not taking time from the resolution, and I appreciate his courtesy.

There being no objection, the Senate, at 7:09 p.m., recessed until Wednesday, April 24, 1991, at 9:20 a.m.

NOMINATIONS

Executive nominations received by the Senate, April 23, 1991:

DEPARTMENT OF STATE

WILLIAM HARRISON COURTNEY, OF WEST VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS U.S. COMMISSIONER FOR THE BILATERAL CONSULTATIVE COMMISSION AND THE JOINT CONSULTATIVE COMMISSION ESTABLISHED BY THE THRESHOLD TEST BAN TREATY [TTBT] AND THE PEACEFUL NUCLEAR EXPLOSIONS TREATY [PNET].

EXPORT-IMPORT BANK OF THE UNITED STATES

CONSTANCE BASTINE HARRIMAN, OF CALIFORNIA, 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, VICE RICHARD C. HOUSEWORTH, TERM EXPIRED.

NATIONAL TRANSPORTATION SAFETY BOARD

JOHN A. HAMMERSCHMIDT, OF ARKANSAS, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR THE TERM EXPIRING DECEMBER 31, 1995, VICE JAMES EUGENE BURNETT, JR., TERM EXPIRED.

NUCLEAR REGULATORY COMMISSION

IVAN SELIN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE NUCLEAR REGULATORY COMMISSION FOR THE TERM OF 5 YEARS EXPIRING JUNE 30, 1996, VICE KENNETH M. CARR, TERM EXPIRING.

DEPARTMENT OF JUSTICE

DONALD R. BROOKSHIER, OF ILLINOIS, TO BE U.S. MARSHAL FOR THE SOUTHERN DISTRICT OF ILLINOIS FOR THE TERM OF 4 YEARS.

JOHN H. ROBINSON, OF NEVADA, TO BE U.S. MARSHAL FOR THE DISTRICT OF NEVADA FOR THE TERM OF 4 YEARS, VICE DENNY L. SAMPSON, RETIRED.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS COMMANDANT OF THE MARINE CORPS, HEADQUARTERS, U.S. MARINE CORPS, AND APPOINTMENT TO THE GRADE OF GENERAL WHILE SERVING IN THAT POSITION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5043:

TO BE COMMANDANT OF THE MARINE CORPS

To be general

LT. GEN. CARL E. MUNDY, JR. [redacted] USMC.

IN THE AIR FORCE

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. THOMAS J. HICKEY [redacted] U.S. AIR FORCE.

IN THE NAVY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. PETER M. HEKMAN, JR., U.S. NAVY [redacted]

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. RICHARD C. MACKE, U.S. NAVY [redacted]

IN THE NAVY

THE FOLLOWING-NAMED LIEUTENANT COMMANDERS IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICERS

To be commander

ROBERT DAVID ABEL
JAMES P. ADAMS
MARK K. ADRICK
DAVID J. ALAND
FREDERICK D. ALLARD, JR
BRADLEY K. ALLEN
DOUGLAS JAMES ALLEN
GREGORY J. ALLEN
ROBERT WILLIAM ANDERSEN
DONALD WILLIAM ANDERSON
ROBERT WILLIAM ANDERSON, II
WILHELM FREDRICH ANDERSON
R. A. ARELLANO
WILLIAM RAY ARGUELLO
THOMAS JOHN ARMINIO
DAVID MICHAEL ARMITAGE
PETER A. ARMSTRONG
DANIEL LLOYD ARNOLD
STEVEN P. ARTZER
JEFFREY SHEARS ASHBY
MARK M. ATKISSON
CRAIG KERMIT AUSTAD
ROBIN MARIE BABB
JOHN T. BADER
DENNIS ROBERT BAER
RANDAL LEE BAHR
DUANE MARTIN BAKER, JR
ERIC JOSEPH BALTRUSH
ROBERT DONEL BARBAREE, JR
EDWARD M. BARBER
JAMES ROBERT BARNETT
CLAUDE E. BARRON
GEORGE F. BARTON
DANIEL S. BEACH
DAVID CLYDE BEAM
MICHAEL C. BECK
GERARD LEE BECKER
THOMAS JOSEPH BEHRLE
JOHN S. BENNETT
THOMAS CHARLES BENNETT
JAMES CHRISTOPHER BISCHOFF
DAVID NAPIER BLAKE
JAMES A. BLASKO
DOUGLAS A. BLOCK
SUSAN J. BLUNT
BROOKS OWEN BOATWRIGHT, JR
EDWARD ALLEN BOHM
DONALD J. BOLAND
RALPH BARTLETT BOLGER
STEVEN RAY BOSTWICK
ERIKA ARLENE BOWLES
JAMES B. BOWLING, JR
STEPHEN A. BOYCE
ROBERT KEITH BOYD
FREDERICK P. BRACKETT, JR
STEPHEN CRAIG BRADLEY
LELAND HENRY BRADSHAW
JOHN JOSEPH BRANSON
MARTIN P. BRICKER
RONALD WAVERLY BRINKLEY
DAVID F. BRITT
FORREST E. BROOKS, III
GUY ARTHUR BRUBAKER
HENRY H. BRUS
JAMES THEODORE BRYSON
FRANK MARTIN BUERGER
BRUCE T. BURKETT
JOHANNA KATHARINE BURTON
JOHN C. BURTON
KIM VINCENT BUTLER
JAMES MICHAEL BUYSKE
JAMES C. BYER
GREGORY L. BYRD
CHRIS C. CAIN
NATHANIEL FRENCH CALDWELL
JOSEPH D. CAMACHO
MICHAEL CAPPONI
JAMES J. CARDOSI
WILLIAM HOWARD CAREY
SHARON L. CARRASCO
GARY E. CARTER
WILLIAM K. CARVER
WILLIAM HENRY CHEATHAM
EDWARD ALBER CHRISTOFFERSON
JAMES LONIAL CLARK
THOMAS WEIR CLARKE, JR
GUY B. COFIELD
WILLIAM WAYNE COLLIER
DAVID LIONEL COMIS
FREDERICK R. CONNIFF
STEPHEN L. CONNORS
DONALD PAUL COOK
THOMAS PHILLIP COOK
DAVID R. COOPER
DOUGLAS GORDON COOPER
GREGORY H. COOPER
GREGORY CORNISH
JOSE R. CORPUS
JAMES D. COULSON
DWIGHT LEE COUSINS
JEFFREY B. CRANE
LAWRENCE LAWSON CRAWFORD, JR
MARTHA LOUISE CRENSHAW
WILLIAM JOHN CULBERTSON
RICHARD CURRENT
PETER H. DALY
WILLIAM T. DAMICO
THOMAS RAYMOND DANIEL, JR
WILLIAM DWIGHT DANIELS
GEORGE D. DAVIS, III
LEGARE MCMAHAN DAVIS
DEBORAH ANN DEACON
JOHN JOSEPH DECAVAGE
PETER FRED DELLAVEDOVA
DAVID RAYMOND DEMMING
JOHN WILLIAM DENEALE
WILLIAM E. DEWES
EMMITT DAVIS DICKENS
GEORGE BYERS DOM
HENRY EWING DOSKER, JR
DERYL RAY DOWELL
TERRENCE M. DOYLE
FRANCIS KENNETH DROGOWSKI
ROBERT E. DROPPA
MARY ANN DUFF
CHRISTINE NMN EDWARDS
GLENN D. ELLIOTT
RONALD NORWOOD ELLIOTT
MARTIN R. ELSKEN
ELIZABETH ANN EMERSON
GLEN F. ERICSON
JUDD RYAN ESCHLIMAN
DANIEL NICHOLAS ESPOSITO
MICHELE LYNN FALKENAU
CHRISTOPHER E. FEENEY
MARK EDWARD FERGUSON, III
IAN PATRICK FETTERMAN
LINDA DAVIS FISHER
WILLIAM C. FITZGERALD
CHARLES ARTHUR FLEISCHMAN
DENNIS RAYMOND FLYNN
FRANCIS SEAN FOGARTY
DAVID J. FONTAINE
RANDALL JAMES FRANCIOSE
RICHARD F. FRANK
JACK EUGENE FRAZIER
DAVID LEE FREDERICK
THOMAS J. FREY
MICHAEL S. FRICK
STEVEN PETER FRISK
PETER J. FROTHINGHAM
DEBORAH BRANSON FRUMP
GEORGE FULLERTON
JOHN DALE FURNESS
GARY LEON GABRIEL
DIRK M. GALLAGHER
ALBERT J. GALLARDO, JR
WILLIAM PAUL GARLAND
LOUIS JAMES GEANULEAS
GEORGE FRANK GHIO, JR
JAMES RILEY GILBERT, II
JULIA FUTRELL GILBERT
MICHAEL LEE GILLIES
ROBERT J. GILMAN
EDWARD JAMES GILMORE
BRAD THOMAS GOETSCH
HENRY GONZALES, JR
CATHY LYNN GOOD
WILLIAM EVANS GORTNEY
DALE R. GOVAN
KENNETH A. GRABER
BRUCE ALAN GRAHAM
THOMAS RAYMOND GRANT
BRENDAN LAURENCE GRAY
FRANCIS JOHN GRECO
MICHAEL JESSE GREEN
CARTER MASON GREENWOOD
JAMES H. GREUNKE
GARY LYLE GRICE
GREG R. GULLETTE
MARK ROBERT GUTTENBERGER
EDWARD JOHN HAFNER
TERANCE E. HAID
DENNIS HAINES
JOSEPH BARRY HALL
JAMES DALE HANKINS, JR
TIMOTHY R. HANLEY
SEAN KEVIN HANRAHAN
MICHAEL PAUL HANSELL
DANIEL L. HANSEN
ROBERT CARL HANSEN, JR
CHRISTOPHER LEE HANSON
JAMES D. HARTIGAN
RICHARD W. HARTMAN, II
RICHARD NMN HASCUP
DAVID MICHAEL HASSETT
HAROLD G. HATCH, JR
THOMAS ARTHUR HAWKINS
RICHARD W. HEATHCOTE
MICHAEL GEORGE HEGLAND
THOMAS A. HEJL
GRETCHEN ANN HELWEG
RONALD HOLSTEI HENDERSON, JR
GORDON E. HENDRICH
LEON M. HENRY
ZACHARY A. HENRY
DONALD EDWARD HEPFER, II
LEENDERT R. HERING
KEITH G. HIGHFILL
ELIZABETH ANN HIGHT
JOYCE ANN HILL
MARK JOSEPH HIMLER
WILLIAM G. HIRKO
ALBERT HOCHEVAR
JOHN STEPHEN HOEFEL
THEODORE JAMES HOFFMAN
RICHARD T. HOLDCROFT
GARY MICHAEL HOLST
D. A. HOUSEHOLDER
DOUGLAS LYLE HOVLAND
MICHAEL R. HOWARD
STEPHEN RAYMOND HOWARD
MICHAEL L. HOYT
JOHN ALBERT HUCHOWSKI
PAUL JOSEPH C. HULLEY
JOHN DOBSON INGERSOLL
MARVEL TYRONE JACKSON
WILLIAM EDWARD JACKSON
CHARLES JAMISON
THOR K. JENSEN
DAVID FRANKLIN JOHNSON
DOUGLAS PAUL JOHNSON
MELLONISE JOHNSON
STEPHEN ELLIOT JOHNSON
GRIFFITH G. JONES
STEPHEN ROBERT JONES
STEVE VERNON JONES
STEVEN E. JONES
DAVID MICHAEL KASUN
MICHAEL A. KAUFMAN
THOMAS FRANCIS KEELEY
WILLIAM MICHAEL KEENEY
JERRY WAYNE KEESEE
STEPHEN W. KEITH
JAMES P. KELLY
BRIAN A. KELMAR
MARK W. KENNY
JOSEPH DEVEREUX KERNAN
DONALD FRANCIS KERRIGAN, JR
ANTHONY LEE KIGGINS
RICHARD V. KIKLA
JOSEPH F. KILKENNY
SPENCER HOWARD KING
STEPHEN STARR KING
GARY DAVID KLINK
THOMAS GERARD KOELZER
GARY STEFFEN KOLLMORGEN
MICHAEL J. KONKEL
KEITH F. KOON
JOSEPH KOVALCHIK
DONNA KAY LACKMAN
VINCENT EUGENE LAMBERT
LAWRENCE LEROY LANDIN
DAVID BRUCE LANE
KATHERINE SELBY LANES
CRAIG E. LANGMAN
EDWARD CHANG LAPATING
JOHN KAYLOR LARSH, II
CATHERINE ANNE LEAHEY
JILL ALISON LEARN
LEO ARTHUR LEDUC, JR
DIANE CATHLEEN LEE
PETER MATTHEW LEENHOUTS
MICHAEL ANTHONY LEMIEUX
THOMAS EDWARD LINDNER
DEBORAH ANN LOEWER
ALEXANDER LOPES
TIMOTHY LORENTZ
LINDA MARIE LYLE
ANDREW RUSSELL MACCONNELL
JOHN CAMERON MACKERCHER, JR
JAMES STANLEY MACKIN
STEPHEN M. MACONI
ROBERT C. MADSON
ROBERT H. MAGEE
JOHN PATRICK MAHONEY
TERENCE EDWARD MAHONEY
MICHAEL J. MAIR
GREGORY EUGENE MALINAK
MARTIN JAMES MALLEY
GEORGE MANASKIE
RONALD RICHARD MANLEY, JR
R. L. MARCANTONIO
JOSEPH BENJAMIN MARSHALL, JR
TANIA EUSTACIA MARSHALL
WILLIAM E. MARSHALL
DAVID WILLIAM MARTIN, JR
FRANK L. MARTIN, III
ROSENDO MARTINEZ, JR
GERALD ALAN MASON
RANDY JOE MATKOWSKI
FREDERICK THEODORE MATTHIES
MARY ELLEN MCADAMS
DAVID PATRICK MCALEER
ALAN LEE MCCOLLUM
KELLY EUGENE MCCOY
GREGORY CLYDE MCCRAY
TIMOTHY VICKERS MCCULLY
MICHAEL EDWARD MCDEVITT
BRADFORD NORBURY MCDONALD
JAMES ALLEN MCDONELL
THOMAS PATRIC MCGUINNESS, JR
JAMES F. MCISAAC
JAMES HORACE MCKINNEY, JR
ROBERT WILLIAM MCMEEKIN, JR
JOHN T. MCMURTRIE, JR
GREGORY THOMAS MCNEELY
WILLIAM C. MCWETHY
THOMAS JEFFREY MEEKER
JACK STEPHEN MENENDEZ
ROBERT RANDALL MERRITT
DAVID LOUIS METZIG
WILLIAM DELBERT MIANO
WILLIAM JOSEPH MICKLER, JR
KENNETH MILHOAN
CYNTHIA NMN MILLER
JAMES R. MILLER
JOHN W. MILLER
SAMUEL C. MILLER
ROBERT PATRICK MILLERICK
BARRY LYNN MILLS
WILLIAM HOWE MILLWARD
CHAUNCEY LAWRENCE MITCHELL
GEORGE ANTHO MONTGOMERY, III
VICTORINO MOTTA MONZON
DANIEL EUGENE MOORE, JR
JAMES LLOYD MOORE
DAVID MOREL
SHAWN MORRISSEY
ALAN CRAIG MOUDY
JOHN EDWARD MUNNIK
FRANK MICHAEL MUNOZ
LIESEL RAE MUTH
PATRICK D. MYERS
LINDA MARIE NAGEL
HOLLY HAZLETT NELSON
STUART A. NELSON
PATRICK OLIVER NEVITT
PETER TARA NOVICK
DEBORAH LYNN OAKES
PATRICK S. OBRIEN
MICHAEL S. OBRYAN
JOSEPH J. OCONOR
JOSEPH WILLIAM ODONNELL
MICHAEL JOHN OMOORE
ROBERT JOSEPH ONEILL
SUSAN MARIE ONGLEY
RICHARD JOHN ORCHARD
HARRY JUNIOUS OSBORNE, JR
R. W. OSULLIVAN
RONALD KEITH OSWALT
PETER H. OZIMEK
DONALD NORMAN PACETTI
MICHAEL DAVID PALATAS
FREDERICK A. PALKOVIC, II
JAMES HARRY PATRICK
NICHOLAS NEWLIN PAUL
STANLEY W. PEAKE
CHRISTOPHER ROBIN PERRY
GREGORY JAMES PITMAN
MICHAEL NICHOLAS POCALYKO
DEAN R. PODRACKY
EDGAR HILL POWELL, JR
ELLIOTT POWELL, JR
RICHARD WAYNE PRICE
ROBERT JOHN PRODOEHL
EARL ALLEN PROETZEL
CARLTON WINN PURYEAR, JR
DAVID C. PYLE
KEVIN M. QUINN
ROBERT J. QUINN
JOHN ALEXANDER READ
OLIVER M. READ
DAVID JOHN REIDY
JON ALAN REIVER
CAROL ANN RENGSTORFF
DANIEL M. RENWICK
PAMELA JOAN RHYNER
FRANK R. RICE, III
WILLIAM LEE RICHARDS
EARL A. RICHARDSON
DENNIS JOSEPH RINGLE
SUZANNE NMN ROBERTS
GARY EDWARD ROSE
JAMES L. ROWLEY
MARK STEVEN RUPPRECHT
RICHARD T. RUSHTON
JIM HOWARD RUSSEL
THOMAS A. RUSSELL
JOHN EDWARD RYAN
STEPHEN BERYL SALE
MARK JAMES SALONIA
CHARLES P. SALSMAN
KATHY CAMBRIDGE SAPP
STANLEY L. SAUNDERS
GREGORY R. SAWYER
THOMAS CRAIG SAXON
EDWARD WILLIAM SCHILLER
STEVEN SCHLIENTZ
CAROL JO SCHMIDT
DENNIS ARVIN SCHMIDT
CHRISTOPHER P. SCHNEDAR
ROBERT F. SCHNIEDWIND, JR
DAVID M. SCHUBERT
RICHARD NATHANIEL SCHWENK
WALTER GAMBIER SCULL, III
STEVE ALLEN SEAL
JONATHAN E. SEARS
WALTER DYWANE SEDLACEK
JOHN J. SELBERG
RICHARD E. SELF
JAMES RICHARD SHELBY
WILLIAM OLIVER SHEWCHUK
DANIEL R. SHINEGO
WOODY T. SHORTT
JOHN ALAN SILL
DENNIS L. SIMON
WALTER M. SKINNER
DAVID J. SKOCIK
KEMP LOUIS SKUDIN
C. D. SLACK
WAYNE DOUGLAS SLAUGHTER
DANIEL MARTIN SMITH
DAVID BRUCE SMITH
ROBERT BRUCE SMITH
WILLIAM M. SMITH
ROBERT M. SOUDERS
C. J. SPADA
KEITH NORMAN SPANGENBERG
FRANK W. SPENCE
GEORGE G. SPRUNG
MARK S. STAFIEJ
GARY GENE STARR
C. L. STATHOS
MARIANNE VALMER STEADLEY
JOHN GREGORY STEELE
THOMAS STENSTROM
DENNIS WILLIAM STEVENS
THOMAS STEVENSON
JOHN MARREN STEWART
WILLIAM M. STILES
DENNIS THOMAS STOKOWSKI
JAMES ROBERT STONE
JOHN W. STOTZ
MATTHEW STREETER
DAVID W. STRONG, JR
MICHAEL R. STURM
CLEVELAND GREGORY SULLIVAN
JOHN EDWIN SUTTON
DANE C. SWANSON
ANDREW BRIAN TAMAYO
ERNEST NORMAN TAYLOR, JR
MELVIN LEE TAYLOR, JR
XZANA METELLA TELLIS
RICHARD L. THAYER
JON ERIC THIELE
GEORGE JOSEP THIELEMANN, III
MARC JOSEPH THOMAS
ROBERT JOSEPH THOMAS
SCOTT MICHAEL THOMAS
DANIEL DIEMER THOMPSON
EDWARD KIMBALL THOMPSON
GRACIE LEE THOMPSON
ROBERT LEWIS THOMPSON
JOHN TOMKOVITCH
JAMES PATRICK TOSCANO
KENNETH R. TRASS
THOMAS W. TROTTER
GAIL BENDIG TRYON
LAWRENCE D. TUPPER
CRAIG WESTON TURLEY
WILLIAM TERRY TYLER
MICHAEL LEO TYMENSKY
JAMES PAUL USBECK
RICHARD DAVID UYAK
BILLY LEE VASQUEZ
WILLIAM H. VAUGHAN
STEPHEN R. VAUGHN, JR
WILLIAM R. VENOHR
CARLA ANN VILLARREAL
JOHN PAUL VINSON
LARRY DOMINIC VIRGALLITO
MICHAEL CRAIG VITALE
JOHN F. VUOLO
MARK GREGORY WAHLSTROM
MICHAEL ALBERT WAITE
JANE DALLAMURA WALSH
MICHAEL F. WANJON
JOHN RICHARD WARNECKE
ROBERT SAUNDERS WARNER
JAMES L. WARREN
TIMOTHY DAVID WARREN
MICHAEL K. WATERS
HENRY JOSEPH WATRAS
CHARLES ERNEST WATTAM, JR
STEPHEN GREGORY WEINGART
ROY EDWARD WEISERT
ROBERT SCOTT WELLS
MICHAEL HENRY WERNER
MICHAEL RAY WERTZ
GLENDA JO WETHERILL
BRUCE RICHARD WHITELY
ROBERT N. WHITKOP
ROBERT L. WILDE
CALVIN D. G. WILLARD
KENNETH A. WILLIAMS
STEVEN LEE WILSTRUP
JOHN WILLIAM WINKLER
JAMES ALEXANDE WINNEFELD, JR
JAMES P. WISECUP
JAMES D. WITHERS
ROBERT FRANCIS WOOD, JR
WAYNE T. WOOLWEBER
RICHARD ALLEN WRIGHT
TIMOTHY COURTNEY YANDLE
CYNTHIA DAWN YAROSH
WALTER YOURSTONE
BRYAN LEE YRI
DAVID ZIEMBA
LEONARD ALLEN ZINGARELLI

ENGINEERING DUTY OFFICERS

To be commander

DENNIS DAQUIL ANTONIO
PETER P. AYOTTE
JOSEPH M. BERNER
JOHN JOSEPH BRESLIN, JR
THOMAS MARTIN BUCKINGHAM
RICHARD F. BURNA
LARRY DEAN BURRILL
GARY W. CAILLE
FRANCIS JAMES CAMELIO
JEFFREY PAUL CAULFEILDJAMES
JOHN FRANKLIN COLE
PHILIP J. CORBETT
PATRICK FRANK CROMAR
DEBRA LEE DEACON
MICHAEL EDWARD DELANEY
KEVIN CLIFTON EBEL
RONALD LEE EDWARDS
WILLIAM D. ESCUE
JOHN ROBERT EXELL
DAVID B. FERGUSON
PETER C. FILKINS
EDWARD L. GARCIA
DANIEL ELLIOTT GEAR
ELTON RAY GIBSON, JR
WILLIAM ANTHONY GOODWIN
MICHAEL S. HAMNER
KEITH D. HANEY
PAUL MARTIN HERZIG, JR
MARK A. HUGEL

PHILIP N. JOHNSON
ERIC MERWIN JONES
DORSETT W. JORDAN
JOHN S. KAMEN
JONATHAN KIELL
KEVIN MICHAEL LEES
JOSEPH P. MARQUES
BENJAMIN NMN MARTINEZ, JR
BRENT WRIGHT MCDANIEL
PAUL DANIEL MUNZ
THOMAS JOSEPH MURPHY
KURT W. NELSON
LAWRENCE A. NEWTON
KURT D. OBERHOFER
ELIZABETH BRES OLBRYS
JAMES L. PERRY
JOHN J. POLCARI
STEPHEN R. PRICE
WILLIAM DRANE RODRIGUEZ
MICKEY V. ROSS
JIMMY DALE SAUNDERS
THOMAS E. SAUNDERS
JESSE B. SCHRUM
ROBERT LEONARD SEATON
THOMAS W. SEUBERT
MARC S. STEWART
DEBORAH REGINA STILTNER
RONALD DAVID THOMAS
JOHN M. TIERNEY
ROBERT LOUIS ULE
DAVID CHESTER WARNER
JOHN C. WATERS
RICHARD W. WHITE
JOHN R. WILSON

AEROSPACE ENGINEERING DUTY OFFICERS (ENGINEERING)

To be commander

THOMAS ANDREW CAHILL
RICHARD WILLIAM CUMMINGS
DOUGLAS JOHN DICKMAN
GEORGE D. DUCHAK
CARL ROBERT ENGELBERT
EDGAR R. ENOCHS
JOSEPH THOMAS GENGO
JAMES T. GLASS
DAVID ALLEN HARRINGTON
DONALD WAYNE HARTING
PATRICK G. HOGAN
JOHN NICHOLAS KOHUT
ALAN L. LOHMAN
ROBERT ANTHONY LOPEZ
KENNETH JAMES MILLS
JOEL STEVEN MORROW
RICHARD MONTGOMERY PREVATT
CHARLES RACOOSIN
DOUGLAS LEIGH ROBBINS
THOMAS F. SALACKA
MARTINUS MARIA SARIGULKLIJN
DAVE JEFFREY URICH
PAUL E. YOUNG

AEROSPACE ENGINEERING DUTY OFFICERS (MAINTENANCE)

To be commander

CHARLES ROOSEVELT BLEND
JAMES DELBERT BOONE, JR
DAVID PHILLIP FAUST
STEVEN LOUIS HANSON
PETER JAMES LASZCZ
RONALD WAYNE MARTIN
STUART L. PAUL
KEVIN K. RITTER
MICHAEL NED ROMERO
CHRISTOPHER JOHN ROUM
MARLENE ANN SIMMONS
FRANK JACKSON SMITH
GEORGE DANIEL WALKER
JAMES GILBERT WOOLWAY

AVIATION DUTY OFFICERS

To be commander

CROMWELL BOWEN CAMPBELL, II
PAUL ROBERT COX
THOMAS R. LITTLE
RICHARD P. MASON
LAURENCE WILLIAM NEAL
JACK LEE ZAWISZA

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be commander

EUGENE ROBERT ARBOGAST
DON BRUCE DECARIA
BRUCE LEE DRAKE
DOUGLAS NORMAN GANGLER
GERARD MICHAEL LAWTON
GUS KADERLY LOTT, JR
CURTIS EVERETT MITCHELL
DAVID VICTOR MORRIS
MARK NEWHAGEN
CHARLES J. NORWOOD
JOHN GORDON PESHINSKI
CHARLES LOWRY ROWE, JR
ANDREW MICHAEL SINGER
PAUL ADAM VOIGT, JR
DOROTHY EUGENIA WALIZER
BRUCE ROBERT WEISS
CHARLES A. WILLIAMS

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be commander

MICHAEL D. ANDERSEN
MARK GIBSON ANGLIN
DIANE LEE ARMSTRONG
LEROY THOMAS BORTMES
BARBARA JO BOWYER
JANICE MARIE DUNDAS
GARRON LEE ELDERS
BERNARD ANTHONY HAMM, JR
JOHN WILLIAM HEDLUND
VAN ALLEN HENLEY
JAMES MEREDITH HOEY, III
SUSAN JEAN HYDE
GREGORY ANTHONY KOUMBIS
KEVIN JAMES LATHAM
JAMES HENRY MCKEE, III
LEE MEADOWS
CYRUS MARK MERRITT
DONALD ALAN MEYER
JEFFREY DAVID MILLER
ROBERT JOSEPH PERANICH
STEPHEN ROY SADLER
STEPHEN FRANCIS SANTEZ, JR
STANLEY GENE STEFANSKY
GERALD ADAM STOLL
VIVIAN LEONARD TURNBULL
MICHAEL STANLEY VILLARREAL
DEAN MARTIN WHETSTINE
COLUMBUS WILLIAMS, JR

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be commander

WILLIAM DAVIS BARRON
CONINGSBY ESPIN BURDON, JR
GREGORY HARLEY HARTUNG
EDWARD H. LUNDQUIST
GARY EVERETT SHROUT
MICHAEL LAWRE THURWANGER
MICHAEL L. TODD

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be commander

JEFFREY LEE BARKER
TOD D. BENEDICT
ROBERT P. GARRETT
NICHOLAS DOUGLAS GURAL
THOMAS DONALD LAGE
ROBERT A. LAWSON
DAVID GREGORY MARKHAM
DAVID LAWRENCE MARTIN
M. C. OLOUGHLIN
DARRELL HENRY SMITH
BILLY BARTON STAMEY, JR
TERRANCE ALLAN TIELKING

LIMITED DUTY OFFICERS (LINE)

To be commander

GENE RUSSELL ALLEN
HERMAN G. BANCROFT, III
KENNETH RANDOLPH BASSETT
THOMAS J. BOTULINSKI
LONNY D. BROWN
EDWARD J. BUNKER
MICHAEL CARL BURKETT
JUAN LEROY CHAVEZ
RONALD J. CHRISTOPHER
BRUCE GREGORY CLARK
THOMAS ST CZULEWICZ
GUSTAV A. DENECAMP, III
WILLARD EUGENE DIXON
EDWARD L. DOTSON
ALBERT D. FERRIS, III
GARY LYNN FORGACH
BRUCE E. FOUNTAIN
WILLIAM EMMETT FOX, JR
JOHN WILLI GOLDBERG
ELLIS NMN HAMILTON
DEDRICH C. HOHORST
STEPHEN C. JONES, JR
GEORGE EDWARD KELL, JR
GARY L. LAUN
FREDERICK F. LINEBURG
THOMAS TYRREL LOGUE, JR
RAYMOND FRANCIS LOPEZ, JR
JAMES N. MAJORITY
FRANK A. MCKINNEY, III
THOMAS EARL METCALF
NEAL S. MILES
THEODORE GARTH MILLER
ROBERT C. MOCK
ROBERT L. MORGAN
CHARLES LESLEY MOSELY
RONALD CEBE PITTMAN
RAY RAMIREZ
DAVID ALLEN RINGERING
ROBERT WALTER RUPLE, II
RODNEY J. SALTS
DAVID COLIN SCHMITZ
FRANK R. SEVERANCE
THOMAS E. STEVENS
JOHN A. STONE
GEORGE M. SWEAR
JOHN FRANCIS SZAKAS
HARRY N. TENARO
MICHAEL CONNELL TURPEN
RAYMOND ALLAN VIAU
CLYDE QUINTON WEBB
RALPH CHESTER WELLS
JOHN WILLIAM WHITE
GEORGE K. ZANE

NOMINATIONS

Executive nominations received by the Senate April 23, 1991:

THE JUDICIARY

J. MICHALEL LUTTIG, OF VIRGINIA, TO BE U.S. CIRCUIT JUDGE FOR THE 4TH CIRCUIT, VICE A NEW POSITION CREATED BY PUBLIC LAW 101-650, APPROVED DECEMBER 1, 1990.

DEPARTMENT OF EDUCATION

DAVID T. KEARNS, OF CONNECTICUT, TO BE DEPUTY SECRETARY OF EDUCATION, VICE JOHN THEODORE SANDERS.

COMMODITY FUTURES TRADING COMMISSION

SHEILA C. BAIR, OF KANSAS, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION FOR THE TERM EXPIRING APRIL 13, 1994, VICE ROBERT R. DAVIS, RESIGNED.

JOSPEH B. DIAL, OF TEXAS, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION FOR THE TERM EXPIRING JUNE 19, 1996, VICE KALO A. HINEMAN, TERM EXPIRING.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

EUGENE PETERS, OF PENNSYLVANIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS FOR THE TERM EXPIRING OCTOBER 27, 1992, VICE WILLIAM F. SULLIVAN, TERM EXPIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate, April 23, 1991:

DEPARTMENT OF STATE

MELISSA FOELSCH WELLS, OF CONNECTICUT, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ZAIRE.

RAYMOND GEORGE HARDENBURGH SEITZ, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

FOREIGN SERVICE

FOREIGN SERVICE NOMINATIONS BEGINNING WILLIAM JOHN CONNOLLY, AND ENDING FREDERICK A. MECKE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 11, 1991.