

SENATE—Tuesday, June 30, 1992

(Legislative day of Tuesday, June 16, 1992)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable J. ROBERT KERREY, a Senator from the State of Nebraska.

PRAYER

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

Let us pray:

*And it shall be, if thou do at all forget the Lord thy God * * * I testify against you this day that ye shall surely perish. As the nations which the Lord destroyeth before your face, so shall ye perish; because ye would not be obedient unto the voice of the Lord your God.—Deuteronomy 8:19-20.*

God of the ages, we realize those words were spoken by Moses to Israel, but they apply to our Nation as well, born as it was out of Jewish-Christian tradition. Somehow, we must learn to distinguish between religious establishments and faith in God. Our forefathers mistrusted the establishment of religion, but they took God seriously as reflected in their prayers, their speeches, and their writings.

Give us mind to perceive that religious establishments are what humans do when they institutionalize religion. Even Jesus faced opposition from the religious establishment, but He lived to do the will of His Father in Heaven. God created man free to choose, even against Himself, but the consequence of such choice was self-destruction, so dramatically illustrated by the collapse of communism in the Soviet Union.

Save us from such demise, gracious God, renew in us the faith of our fathers, and restore in us the Judeo-Christian values which will strengthen and sustain us nationally. To the glory of God and the blessings of the people. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 30, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. ROBERT KERREY, a

Senator from the State of Nebraska, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

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

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, am I correct in my understanding that the Journal of the proceedings has been approved to date?

The ACTING PRESIDENT pro tempore. The majority leader is correct.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning the period for morning business will extend until 12:30 p.m. During that time, a number of Senators are to be recognized for specific time limits. Once the period for morning business closes at 12:30 p.m., the Senate will recess until 2:15 p.m. in order to accommodate the regular party conference luncheons.

At 2:15 p.m., the Senate will return to consideration of S. 2733, the Government-sponsored enterprises bill, with the bill to be considered under a unanimous-consent agreement reached on Friday. The details of this agreement are found on pages 2 and 3 of the Senate Legislative Calendar today, and I direct the attention of every Senator to that agreement.

Each of the amendments remaining in order to the bill will be considered under time limitations, with rollcall votes expected to occur, once the time is used or yielded back.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 12:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Illinois is recognized.

STANDARDS ON VIOLENCE

Mr. SIMON. Mr. President, I have mentioned this on the floor before, but I will give a little background of how I became involved with the topic I am about to mention.

I checked into a motel in the State of Illinois, something that you and I and all of us in the Senate do regularly. I turned on my television set, and all of a sudden in front of me in living color someone was being sawed in half by a chain saw. I am old enough to know it is not real, but it bothered me. I asked myself, what happens to a 10-year-old, what happens to a 12-year-old who sees this?

I returned and asked my staff to check whether anyone had done studies on this. I found, to my amazement, that there had been a series of studies, that the Institutes of Mental Health of NIH had issued studies saying violence on television is causing violence in our society. The Surgeon General twice has issued warnings on this. There have been a whole series of studies.

I do not believe in Government censorship, so I called representatives of the television industry to my office, and I said here is an area where clearly we have a problem and we ought to do something about it.

The representatives of NBC said, "Well, we have a study that shows violence on television does not do any harm."

I said, "You remind me of the Tobacco Institute people who come in here and say they have research that cigarettes do not do any harm." I said, "There is no question about the harm. The question is how are we going to deal with this problem in a free society?"

And then they said to me, "Well, we cannot deal with this because to get together and establish standards would violate the antitrust laws."

So I introduced legislation giving a 3-year exemption from the antitrust laws so the industry could get together and establish standards on violence.

First of all, it is interesting that we had the resistance at least privately, if

not publicly, of most of the television industry, not all of it, to even having an exemption from the antitrust laws. But it finally passed, and we are now at the midpoint of that 3-year period.

I think it is worthwhile asking what has happened in this period. The honest answer is not very much.

The National Association of Broadcasters hosted a meeting in which its statement of principles were distributed. The three networks have pledged to get together to compare standards. The meeting was to have occurred in April. It has now been postponed until July. They are inching forward, but I am not sure, candidly, whether they are just making motions so it looks like they are doing something so we do not pay any attention in Congress to what is occurring. And we continue to get statements from a few saying television violence does not do any harm.

It is very interesting: You have television industry saying to you that if you get 25 minutes of exposure of television violence, it does not do any harm. But if you will buy 30 seconds' worth of television time, that can have great influence. The reality is that those 30 seconds' worth of television do have an influence, and I am sure the Presiding Officer has purchased those 30 seconds' worth of time occasionally, as I have purchased those 30 seconds' worth of time because we believe it has influence. But there is no question that 25 minutes, or whatever the time period, also has influence.

Let me also say the cable industry, where they have been less hostile to the whole idea, to their credit, has hired Dr. George Gerbner of the University of Pennsylvania, who is one of the experts in this field, to do some studies. And I hope it is not just studies. I hope as a result of this the industry, whether it is on the production side, whether it is the networks, whether it is cable, can get something done. But up to this point it is not very significant.

Just recently, the June 10 issue of the *Journal of the American Medical Association*, Mr. President, has an article, and I ask unanimous consent to insert it in the *RECORD* at the end of my remarks.

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

(See exhibit 1.)

Mr. SIMON. It is titled "Television and Violence," written by Dr. Brandon S. Centerwall, who is with the Department of Psychiatry and Behavioral Sciences at the University of Washington in Seattle, and also has a private practice.

Let me just take a couple of quotes. Let me quote also, before I quote from him directly, what the American Medical Association said at their convention, their house of delegates. Their house of delegates, and I am quoting:

Declares TV violence threatens the health and welfare of young Americans, commits itself to remedial actions with interested parties, and encourages opposition to TV programs containing violence and to their sponsors.

The article by Dr. Centerwall says this among other things:

Whereas infants have instinctive desire to imitate observed human behavior, they do not possess an instinct for gauging a priori whether a behavior ought to be imitated. They will imitate anything, including behaviors that most adults would regard as destructive and antisocial.

So infants do imitate—not just infants, young children, and all of us to some extent imitate. But then listen to this. And this is as dramatic as anything I can present to this body. Listen to what Dr. Centerwall has to say in the *American Medical Association Journal*:

The epidemiologic evidence indicates that if hypothetically television technology had never been developed, there would be 10,000 fewer homicides each year in the United States, 70,000 fewer rapes, and 700,000 fewer injurious assaults.

Let me repeat that:

The epidemiologic evidence indicates that, if hypothetically, television technology had never been developed, there would be 10,000 fewer homicides each year in the United States, 70,000 fewer rapes, and 700,000 fewer injurious assaults.

Let me just make two other quotes from his article:

Issues of quality and social responsibility are entirely peripheral to the issue of maximizing audience size within a competitive market, and there is no formula more tried and true than violence for reliably generating large audiences that can be sold to advertisers.

We are talking about money, and just as drugs do great harm but make money for the people who sell them, violence on television does great harm but makes money for the people who sell it.

Children's exposure to television and television violence should become part of the public health agenda along with safety seats, bicycle helmets, immunizations and good nutrition.

Let me quote from two other articles. One is written by Fred Hechinger, a long-time friend who used to be with the *New York Times* editorial staff. He has written in *Fateful Choices*. He says:

An average of 83 percent of all television programs contain violent acts, and a typical program includes 5.21 such incidents.

He quotes Deborah Prothrow-Stith, an assistant dean of Harvard School of Public Health, in which she calls for—

A movement like that fueling the antismoking and drunk driving campaigns. Television and movies should portray the pain and suffering, the bad outcomes of violence.

Let me just add here there are people who say, well, if you are going to take off violence, then you are going to have to remove Bosnia from the television news.

The reality is that violence on the news does not glamorize violence. Entertainment violence glamorizes violence.

Those with whom we identify, the heroes or heroines on television, do not suffer as a result of this.

Finally, Mr. President, I want to quote from Dr. Carole Lieberman, who, as I recall, is a psychiatrist who wrote in the *Los Angeles Times*, "Violence: Merely Entertaining or Mainly Evil," and she has these two comments:

We readily accept that children learn the alphabet from "Sesame Street", why can't we accept that they learn the ABCs of murder and mayhem from gratuitously violent entertainment?

Violence sells. So does crack cocaine. Does that make it O.K.?

Mr. President, this is an area where we have to be sensitive. I do not want Federal Government censorship but I think we have to recognize that part of the violence in our society comes from violence that we see in our homes on television, and the industry has the opportunity and I think the responsibility to do something about it.

Congress has given them a 3-year window of opportunity to come together to establish standards. I think they ought to come together and establish those standards. There is some activity—not enough activity.

Mr. President, I hope we can get some more constructive action on the part of the television industry.

EXHIBIT 1

[From *JAMA*, June 10, 1992]

TELEVISION AND VIOLENCE—THE SCALE OF THE PROBLEM AND WHERE TO GO FROM HERE
(By Brandon S. Centerwall, MD, MPH)

In 1975, Rothenberg's Special Communication in *JAMA*, "Effect of Television Violence on Children and Youth," first alerted the medical community to the deforming effects the viewing of television violence has on normal child development, increasing levels of physical aggressiveness and violence.¹ In response to physicians' concerns sparked by Rothenberg's communication, the 1976 American Medical Association (AMA) House of Delegates passed Resolution 38: "The House declares TV violence threatens the health and welfare of young Americans, commits itself to remedial actions with interested parties, and encourages opposition to TV programs containing violence and to their sponsors."²

Other professional organizations have since come to a similar conclusion, including the American Academy of Pediatrics and the American Psychological Association.³ In light of recent research findings, in 1990 the American Academy of Pediatrics issued a policy statement: "Pediatricians should advise parents to limit their children's television viewing to 1 to 2 hours per day."⁴

Rothenberg's communication was largely based on the findings of the 1968 National Commission on the Causes and Prevention of Violence⁵ and the 1972 Surgeon General's report, "Television and Growing Up: The Impact of Televised Violence."⁶ Those findings were updated and reinforced by the 1982 report of the National Institute of Mental

Footnotes at end of article.

Health, "Television and Behavior: Ten Years of Scientific Progress and Implications for the Eighties," again documenting a broad consensus in the scientific literature that exposure to television violence increases children's physical aggressiveness.⁷ Each of these governmental inquiries necessarily left open the question of whether this increase in children's physical aggressiveness would later lead to increased rates of violence. Although there had been dozens of laboratory investigations and short-term field studies (3 months or less), few long-term field studies (2 years or more) had been completed and reported. Since the 1982 National Institute of Mental Health report, long-term field studies have come into their own, some 20 having now been published.⁸

In my commentary, I discuss television's effects within the context of normal child development; give an overview of natural exposure to television as a cause of aggression and violence; summarize my own research findings on television as a cause of violence; and suggest a course of action.

TELEVISION IN THE CONTEXT OF NORMAL CHILD DEVELOPMENT

The impact of television on children is best understood within the context of normal child development. Neonates are born with an instinctive capacity and desire to imitate adult human behavior. That infants can, and do, imitate an array of adult facial expressions has been demonstrated in neonates as young as a few hours old, ie, before they are even old enough to know cognitively that they themselves have facial features that correspond with those they are observing.^{9,10} It is a most useful instinct, for the developing child must learn and master a vast repertoire of behavior in short order.

Whereas infants have an instinctive desire to imitate observed human behavior, they do not possess an instinct for gauging a priori whether a behavior ought to be imitated. They will imitate anything,¹¹ including behaviors that most adults would regard as destructive and antisocial. It may give pause for thought, then, to learn that infants as young as 14 months of age demonstrably observe and incorporate behaviors seen on television (Fig 1).^{12,13} (Looking ahead, in two surveys of young male felons imprisoned for committing violent crimes, eg, homicide, rape, and assault, 22 to 34 percent reported have consciously imitated crime techniques learned from television programs, usually successfully.¹⁴)

[Tables not reproducible in the RECORD.]

As of 1990, the average American child aged 2 to 5 years was watching over 27 hours of television per week.¹⁵ This might not be bad, if young children understood what they are watching. However, up through ages 3 and 4 years, many children are unable to distinguish fact from fantasy in television programs and remain unable to do so despite adult coaching.¹⁶ In the minds of such young children, television is a source of entirely factual information regarding how the world works. Naturally, as they get older, they come to know better, but the earliest and deepest impressions were laid down when the child saw television as a factual source of information about a world outside their homes where violence is a daily commonplace and the commission of violence is generally powerful, exciting, charismatic, and efficacious. Serious violence is most likely to erupt at moments of severe stress—and it is precisely at such moments that adolescents and adults are most likely to revert to their earliest, most visceral sense of what violence is and what its role is in society. Much of this sense will have come from television.

Not all laboratory experiments and short-term field studies demonstrate an effect of media violence on children's behavior, but most do.^{17,18} In a recent meta-analysis of randomized, case-control, short-term studies, exposure to media violence caused, on the average, a significant increase in children's aggressiveness as measured by observation of their spontaneous, natural behavior following exposure ($P < .05$).¹⁹

NATURAL EXPOSURE TO TELEVISION AS A CAUSE OF AGGRESSION AND VIOLENCE

In 1973, a small Canadian town (called "Notel" by the investigators) acquired television for the first time. The acquisition of television at such a late date was due to problems with signal reception rather than any hostility toward television. Joy et al²⁰ investigated the impact of television on this virgin community, using as control groups two similar communities that already had television. In a double-blind research design, a cohort of 45 first- and second-grade students were observed prospectively over a period of 2 years for rates of objectively measured noxious physical aggression (eg, hitting, shoving, and biting). Rates of physical aggression did not change significantly among children in the two control communities. Two years after the introduction of television, rates of physical aggression among children in Notel had increased by 160 percent ($P < .001$).

In a 22-year prospective study of an age cohort in a semirural US county ($N=875$), Huesmann²¹ observed whether boys' television viewing at age 8 years predicted the seriousness of criminal acts committed by age 30. After controlling for the boys' baseline aggressiveness, intelligence, and socioeconomic status at age 8, it was found that the boys' television violence viewing at age 8 significantly predicted the seriousness of the crimes for which they were convicted by age 30 ($P < .05$).

In a retrospective case-control study, Kruttschnitt et al²² compared 100 male felons imprisoned for violent crimes (eg, homicide, rape, and assault) with 65 men without a history of violent offenses, matching for age, race, and census tract of residence at age 10 to 14 years. After controlling for school performance, exposure to parental violence, and baseline level of criminality, it was found that the association between adult criminal violence and childhood exposure to television violence approached statistical significance ($P < .10$).

All Canadian and US studies of the effect of prolonged childhood exposure to television (2 years or more) demonstrate a positive relationship between earlier exposure to television and later physical aggressiveness, although not all studies reach statistical significance.⁸ The critical period of exposure to television is preadolescent childhood. Later variations in exposure, in adolescence and adulthood, do not exert any additional effect.^{23,24} However, the aggression-enhancing effect of exposure to television is chronic, extending into later adolescence and adulthood.^{8,25} This implies that any interventions should be designed for children and their caregivers rather than for the general adult population.

These studies confirm what many Americans already believe on the basis of intuition. In a national opinion poll, 43 percent of adult Americans affirm that television violence "plays a part in making America a violent society," and an additional 37 percent find the thesis at least plausible (only 16 percent frankly disbelieve the proposition).²⁶ But how big a role does it play? What is the

effect of natural exposure to television on entire populations? To address this issue, I took advantage of an historical experiment—the absence of television in South Africa prior to 1975.^{8,25}

TELEVISION AND HOMICIDE IN SOUTH AFRICA, CANADA, AND THE UNITED STATES

The South African government did not permit television broadcasting prior to 1975, even though South African whites were a prosperous, industrialized Western society.⁸ Amidst the hostile tensions between the Afrikaner and English white communities, it was generally conceded that any South African television broadcasting industry would have to rely on British and American imports to fill out its programming schedule. Afrikaner leaders felt that that would provide an unacceptable cultural advantage to the English-speaking white South Africans. Rather than negotiate a complicated compromise, the Afrikaner-controlled government chose to finesse the issue by forbidding television broadcasting entirely. Thus, an entire population of 2 million whites—rich and poor, urban and rural, educated and uneducated—was nonselectively and absolutely excluded from exposure to television for a quarter century after the medium was introduced into the United States. Since the ban on television was not based on any concerns regarding television and violence, there was no self-selection bias with respect to the hypothesis being tested.

To evaluate whether exposure to television is a cause of violence, I examined homicide rates in South Africa, Canada, and the United States. Given that blacks in South Africa live under quite different conditions than blacks in the United States, I limited the comparison to white homicide rates in South Africa and the United States and the total homicide rate in Canada (which was 97 percent white in 1951). Data analyzed were from the respective government vital statistics registries. The reliability of the homicide data is discussed elsewhere.⁸

Following the introduction of television into the United States, the annual white homicide rate increased by 93 percent, from 3.0 homicides per 100,000 white population in 1945 to 5.8 per 100,000 in 1974; in South Africa, where television was banned, the white homicide rate decreased by 7 percent, from 2.7 homicides per 100,000 white population in 1943 through 1948 to 2.5 per 100,000 in 1974 (Fig. 2). As with US whites, following the introduction of television into Canada the Canadian homicide rate increased by 92 percent, from 1.3 homicides per 100,000 population in 1945 to 2.5 per 100,000 in 1974 (Fig. 3).

For both Canada and the United States, there was a lag of 10 to 15 years between the introduction of television and the subsequent doubling of the homicide rate (Figs 2 and 3). Given that homicide is primarily an adult activity, if television exerts its behavior-modifying effects primarily on children, the initial "television generation" would have had to age 10 to 15 years before they would have been old enough to affect the homicide rate. If this were so, it would be expected that, as the initial television generation grew up, rates of serious violence would first begin to rise among children, then several years later it would begin to rise among adolescents, then still later among young adults, and so on. And that is what is observed.⁸

In the period immediately preceding the introduction of television into Canada and the United States, all three countries were multiparty, representative, federal democracies with strong Christian religious influ-

ences, where people of nonwhite races were generally excluded from political power. Although television broadcasting was prohibited prior to 1975, white South Africa had well-developed book, newspaper, radio, and cinema industries. Therefore, the effect of television could be isolated from that of other media influences. In addition, I examined an array of possible confounding variables—changes in age distribution, urbanization, economic conditions, alcohol consumption, capital punishment, civil unrest, and the availability of firearms.⁸ None provided a viable alternative explanation for the observed homicide trends. For further details regarding the testing of the hypothesis, I refer the reader to the published monograph⁸ and commentary.²⁵

A comparison of South Africa with only the United States (Fig 2) could easily lead to the hypothesis that US involvements in the Vietnam War or the turbulence of the civil rights movement was responsible for the doubling of homicide rates in the United States. The inclusion of Canada as a control group precludes these hypotheses, since Canadians likewise experienced a doubling of homicide rates (Fig 3) without involvement in the Vietnam War and without the turbulence of the US civil rights movement.

When I published my original paper in 1989, I predicted that white South African homicide rates would double within 10 to 15 years after the introduction of television in 1975, the rate having already increased 56 percent by 1983 (the most recent year then available).⁸ As of 1987, the white South African homicide rate had reached 5.8 homicides per 100,000 white population, a 130-percent increase in the homicide rate from the rate of 2.5 per 100,000 in 1974, the last year before television was introduced.²⁷ In contrast, Canadian and white US homicide rates have not increased since 1974. As of 1987, the Canadian homicide rate was 2.2 per 100,000, as compared with 2.5 per 100,000 in 1974.²⁸ In 1987, the US white homicide rate was 5.4 per 100,000, as compared with 5.8 per 100,000 in 1974.²⁹ (Since Canada and the United States became saturated with television by the early 1960s [Figs 2 and 3], it was expected that the effect of television on rates of violence would likewise reach a saturation point 10 to 15 years later.)

It is concluded that the introduction of television in the 1950s caused a subsequent doubling of the homicide rate, ie, long-term childhood exposure to television is a causal factor behind approximately one half of the homicides committed in the United States, or approximately 10,000 homicides annually. Although the data are not as well developed for other forms of violence, they indicate that exposure to television is also a causal factor behind a major proportion—perhaps one half—of rapes, assaults, and other forms of interpersonal violence in the United States.⁸ When the same analytic approach was taken to investigate the relationship between television and suicide, it was determined that the introduction of television in the 1950s exerted no significant effect on subsequent suicide rates.³⁰

To say that childhood exposure to television and television violence is a predisposing factor behind half of violent acts is not to discount the importance of other factors. Manifestly, every violent act is the result of an array of forces coming together—poverty, crime, alcohol and drug abuse, stress—of which childhood exposure to television is just one. Nevertheless, the epidemiologic evidence indicates that if, hypothetically, television technology had never been devel-

oped, there would today be 10,000 fewer homicides each year in the United States, 70,000 fewer rapes, and 700,000 fewer injurious assaults.^{25, 31}

WHERE TO GO FROM HERE

In the war against tobacco, the tobacco industry is the last group from whom we expect any meaningful action. If someone were to call on the tobacco industry to cut back tobacco production as a matter of social conscience and out of concern for the public health, we would regard that person as being at least simple-minded, if not frankly degraded. Oddly enough, however, people have persistently assumed that the television industry operates by a higher standard of morality than the tobacco industry—that it is useful to appeal to its social conscience. This was true in 1969 when the National Commission on the Causes and Prevention of Violence published its recommendations for the television industry.³² It was equally true in 1989 when the U.S. Congress passed a television anti-violence bill that granted television industry executives the authority to confer on the issue of television violence without being in violation of antitrust laws.³³ Even before the law was fully passed, the four networks stated that they had no intention of using this antitrust exemption to any useful end and that there would be no substantive changes in programming content.³⁴ They have been as good as their word.

Cable aside, the television industry is not in the business of selling programs to audiences. It is in the business of selling audiences to advertisers. Issues of "quality" and "social responsibility" are entirely peripheral to the issue of maximizing audience size within a competitive market—and there is no formula more tried and true than violence for reliably generating large audiences that can be sold to advertisers. If public demand for tobacco decreases by 1 percent, the tobacco industry will lose \$250 million annually in revenue.³⁵ Similarly, if the television audience size were to decrease by 1 percent, the television industry would stand to lose \$250 million annually in advertising revenue.³⁵ Thus, changes in audience size that appear trivial to you and me are regarded as catastrophic by the industry. For this reason, industry spokespersons have made innumerable protestations of good intent, but nothing has happened. In over 20 years of monitoring levels of television violence, there has been no downward movement.^{36, 37} There are no recommendations to make to the television industry. To make any would not only be futile but create the false impression that the industry might actually do something constructive.

The American Academy of Pediatrics recommends that pediatricians advise parents to limit their children's television viewing to 1 to 2 hours per day.⁴ This is an excellent point of departure and need not be limited to pediatricians. It may seem remote that a child watching television today can be involved years later in violence. A juvenile taking up cigarettes is also remote from the dangers of chronic smoking, yet those dangers are real, and it is best to intervene early. The same holds true regarding television-viewing behavior. The instruction is simple: For children, less TV is better, especially violent TV.

Symbolic gestures are important, too. The many thousands of physicians who gave up smoking were important role models for the general public. Just as many waiting rooms now have a sign saying, "This Is a Smoke-Free Area" (or words to that effect), so likewise a sign can be posted saying, "This Is a

Television-Free Area." (This is not meant to exclude the use of instructional videotapes.) By sparking inquiries from parents and children, such a simple device provides a low-key way to bring up the subject in a clinical setting.

Children's exposure to television and television violence should become part of the public health agenda, along with safety seats, bicycle helmets, immunizations, and good nutrition. One-time campaigns are of little value. It needs to become part of the standard package: Less TV is better, especially violent TV. Part of the public health approach should be to promote child-care alternatives to the electronic baby-sitter, especially among the poor who cannot afford real baby-sitters.

Parents should guide what their children watch on television and how much. This is an old recommendation³² that can be given new teeth with the help of modern technology. It is now feasible to fit a television set with an electronic lock that permits parents to preset which programs, channels, and times they wish the set to be available for; if a particular program or time of day is locked, the set won't turn on for that time or channel.³⁸ The presence of a time-channel lock restores and reinforces parental authority, since it operates even when the parents are not at home, thus permitting parents to use television to their family's best advantage. Time-channel locks are not merely feasible, but have already been designed and are coming off the assembly line (eg, the Sony XBR).

Closed captioning permits deaf and hard-of-hearing persons access to television. Recognizing that market forces alone would not make closed-captioning technology available to more than a fraction of the deaf and hard-of-hearing, the Television Decoder Circuitry Act was signed into law in 1990, requiring that, as of 1993, all new television sets (with screens 33 cm or larger, ie, 96 percent of new television sets) be manufactured with built-in closed-captioning circuitry.³⁹ A similar law should require that eventually all new television sets be manufactured with built-in time-channel lock circuitry—and for a similar reason. Market forces alone will not make this technology available to more than a fraction of households with children and will exclude poor families, the ones who suffer the most from violence. If we can make television technology available that will benefit 24 million deaf and hard-of-hearing Americans,³⁹ surely we can do no less for the benefit of 50 million American children.³⁵

Unless they are provided with information, parents are ill-equipped to judge which programs to place off-limits. As a final recommendation, television programs should be accompanied by a violence rating so parents can gauge how violent a program is without having to watch it. Such a rating system should be quantitative and preferably numerical, leaving aesthetic and social judgments to the viewers. Exactly how the scale ought to be quantified is less important than that it be applied consistently. Such a rating system would enjoy broad popular support: In a national poll, 71 percent of adult Americans favor the establishment of a violence rating system for television programs.⁴⁰

It should be noted that none of these recommendations impinges on issues of freedom of speech. That is as it should be. It is not reasonable to address the problem of motor vehicle fatalities by calling for a ban on cars. Instead, we emphasize safety seats, good traffic signs, and driver education. Similarly, to address the problem of violence

caused by exposure to television, we need to emphasize time-channel locks, program rating systems, and education of the public regarding good viewing habits.

FOOTNOTES

¹Rothenberg MB. Effect of television on children and youth. *JAMA*. 1975;234:1043-1046.

²American Medical Association. Proceedings of the House of Delegates, June-July, 1976. Chicago, Ill: American Medical Association; 1976:280.

³Zylke JW. More voices join medicine in expressing concern over amount, content of what children see on TV. *JAMA*. 1988;260:1831-1832.

⁴American Academy of Pediatrics, Committee on Communications. Children, adolescents, and television. *Pediatrics*. 1990;85:1119-1120.

⁵Baker RK, Ball SJ, eds. "Violence and the Media: A Staff Report to the National Commission on the Causes and Prevention of Violence." Washington, DC: US Government Printing Office; 1969.

⁶Surgeon General's Scientific Advisory Committee on Television and Social Behavior. "Television and Growing Up: The Impact of Televised Violence." Washington, DC: US Government Printing Office; 1972.

⁷Pearl D, Bouthilet L, Lazar J, eds. "Television and Behavior: Ten Years of Scientific Progress and Implications for the Eighties." Rockville, Md: National Institute of Mental Health; 1982.

⁸Centerwall BS. Exposure to television as a cause of violence. In: Comstock G, ed. "Public Communication and Behavior." Orlando, Fla: Academic Press Inc; 1989;2:1-58.

⁹Meltzoff AN, Moore MK. Newborn infants imitate adult facial gestures. *Child Dev*. 1983;54:702-709.

¹⁰Meltzoff AN, Moore MK. Imitation in newborn infants: exploring the range of gestures imitated and the underlying mechanism. *Dev Psychol*. 1989; 25:954-962.

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Mr. SIMON. Mr. President, if no one else seeks the floor, I request the presence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Texas is recognized.

Mr. BENTSEN. I thank the Chair.

(The remarks of Mr. BENTSEN pertaining to the introduction of S. 2909 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. BIDEN. 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. BIDEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIDEN. Are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIDEN. Mr. President, I ask unanimous consent to be able to proceed in morning business for as much time as I may take or for an hour and half.

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

AMERICAN AGENDA FOR THE NEW WORLD ORDER: A CEMENTING THE DEMOCRATIC FOUNDATION; B. FORGING A NEW STRATEGY OF CONTAINMENT

Mr. BIDEN. Mr. President, yesterday, in the first of three addresses on the new world order, I sought to cast that concept in historical perspective.

Today I shall begin to describe a four-part American agenda that I believe can give meaning to this concept in the decade that will carry us into the 21st century.

The construction of a cooperative world order, I argued yesterday, is a quintessential American idea that traces to the grand vision championed by President Woodrow Wilson, whose revolutionary proposals were in turn rooted in the precepts of our Founding Fathers.

It seems appropriate for me that the Presiding Officer is the Senator from Pennsylvania, whom I have known for years as a practitioner, as an academic, as a university president, and now a U.S. Senator. He has labored long and hard in the vineyard of international relations in an attempt to lay out for this country what the world order should look like and what role the United States should play in it. So, I am particularly pleased that Senator WOFFORD happens to be in the chair today to give some assessment to what the Senator from Delaware has to say.

I hold that it falls to this generation of Americans to complete the task that Woodrow Wilson began.

Although President Bush introduced the phrase new world order into our vernacular some 2 years ago, he has behaved as if the concept is alien.

Our current President and his administration have shown neither the aptitude nor the will to infuse this idea with meaning through coherent agenda for action.

My theme is that we must rescue this concept from negligence and pursue an active new world order agenda.

For the opportunity America confronts today—to fulfill Wilson's vision of a world of cooperating democracies—comes to us not as a luxurious option we can forgo with impunity, but as an imperative without alternatives.

As mankind advances toward the third millennium, we face problems on a planetary scale, problems arising from the spread of industrial tech-

nology and the spread of humanity itself.

These problems—of daunting magnitude and complexity—pose a challenge that mankind can meet only through rigorous cooperation among nations.

The imperative to cooperate carries with it another imperative: that America lead the world into the 21st century as boldly as it led the West in a half-century of cold war.

In the decisive years ahead—years that will determine the very nature of life on our planet—international cooperation on the scale necessary will succeed only if the world's preeminent nation assume that mantle of visionary leadership.

Conservatives who are instinctively disdainful of the very idea of multilateral cooperation can be relied upon to contort the concept into the specter of a multinational, socialistic bureaucracy that would steal our sovereignty, regulate our lives, and depress our economies. These habitual distortions must be overcome.

The call for cooperation is precisely that, a call for intensified, global cooperation: in scientific research and education; in the establishment of agreed standards, incentives, and procedures relating to the preservation of animals, plants, and vital resources; in treaties to control dangerous arms and dangerous pollution; in international peacekeeping and the deterrence and defeat of military aggression; in the development and transfer of sound technologies for sustainable economic growth.

Cooperation does not mean the loss of American sovereignty. It means exercising our sovereignty in joint actions to protect our interests and ultimately American's survival as a flourishing society.

Where cooperation takes us on a difficult path, we must liken that choice to the decision to wage war when we choose sacrifice now so that our Nation may later be secure for its children.

Three-quarters of a century ago in the wake of the great war that devastated all of Europe, Woodrow Wilson advanced the concept of collective security not as a utopian ideal. But as the only practical means by which nations could in the modern age ensure their own security.

Wilson's predominant aim was to defend the principles of democracy and self-determination by enacting a multinational barrier against potential aggressors—those who would impose their will upon others by military force. President Wilson's warnings proved tragically prescient and his concerns remain relevant today.

But on the eve of the 21st century basic facts of life on Earth—alarming facts we may wish to deny but which are undeniable—require us to expand our understanding of security.

Collective security today must encompass not only the security of nations but also mankind's security in a global environment that has proven vulnerable to debilitating changes wrought by mankind's own endeavors.

Collective security today must mean security against direct assault—and security against indirect assault through environmental degradation.

Thus, in setting an American agenda for a new world order, we must begin with a profound alteration in traditional thought—in the habit of thinking embodied in the terms "political," "military" and "economic."

Politically, we must learn to gauge our national policies in their effect on global cooperation, and to evaluate our national leaders in their capacity to engender that cooperation.

Militarily, we must think of national defense as relying on strong American Armed Forces, but also, in equal measure, on our ability to generate actions of prevention and response by the entire world community.

And, most fundamentally, we must now see economics not only as the foundation of our national strength but also as embracing the protection of our global environment, for economics and the environment have become inseparable.

No longer can the world's environment be an afterthought for national leaders a rhetorical grace note embellishing themes of public policy, that are viewed wrongly—as more fundamental.

The concepts of ecosystem and biosphere, far from being esoteric, must become integral to all national policies and be accorded the highest priority on the international agenda.

Even if we cannot detect it in the behavior of the Bush administration, the conclusive litmus test of our success in achieving a new world order will be our ability to manage, through multilateral cooperation, the panoply of threats to the global environment.

With that preface, I propose today the outline of a four-part American agenda: directed, politically, at cementing the democratic foundation of a new world order; directed, militarily, at protecting world peace through a new strategy of containment designed to stop the proliferation of dangerous weapons; directed, again militarily, at fortifying this containment strategy with an expanded commitment to secure the peace by collective military action where necessary; and, finally, directed, in the economic-environmental realm, at launching a concerted, full-scale multilateral effort to promote and reconcile—the broadening of global prosperity and the preservation of our global environment.

CEMENTING THE DEMOCRATIC FOUNDATION

The first part of our agenda, "cementing the democratic foundation," consists primarily in overcoming the geopolitical legacy of communism.

The components of this central task are twofold: to buttress stable democracy in the former Soviet empire and to champion the cause of democracy in China.

To focus on the great Communist tyrannies is not to ignore, or even discount, the cause of democracy elsewhere.

Nor is it to accept the absurd conceit embraced by the Reagan administration: that rightwing dictatorships are more benign than those of the left and uniquely able to evolve toward democracy.

Perhaps the sturdy Reaganauts lacked a perspective they might have gained from closer exposure to the torture chambers of the world's military juntas and other bastions of the right.

The Reaganauts may even have reconsidered after witnessing the spontaneous collapse of the Soviet empire and its dissolution into 20 independent nations, most of them emerging democracies.

Priority attaches to the two great citadels of communism for the very reason that America waged the cold war: because that dangerous and debilitating ideology has controlled nations of tremendous geopolitical weight.

Today, with the Communist world engaged in, or on the brink of, democratic change, we must advance to the policy that was always implicit in our strategy of containment.

Whereas our goal over 40 years was to check and repel, our aim now must be to include and integrate.

If successfully accomplished, the integration of these states into the community of democratic nations would establish solid bedrock on which to build the new world order.

The joining of the second world to the first would complete the new order's foundation: Bringing the world's major nations into a concert of cooperating democracies.

As to China, global statistics underscore the potential significance of a democratic transition in that nation.

By the analysis of Freedom House, a widely respected source, the world's present population of 5.4 billion divides along a political fault line—between some 68 percent of people living in conditions that can be described as "free" or "partly free," and 32 percent who are unprotected by basic institutions of democracy.

Were China to undertake the democratic reforms that huge numbers of its citizens so clearly crave, the percentage of the planet's population living in full or partial democracy would rise to the historically unprecedented, almost astonishing, level just under 90 percent.

Until such change occurs, China will remain history's final bastion of the totalitarian idea.

Its pathetic gerontocracy, brutally in control of one-fifth of humanity, hov-

ers on the world scene as an anachronistic menace, possessed of a nuclear arsenal unconstrained by international commitment, unreliable as a diplomatic partner, and recklessly dispensing on the world market advanced weapons technology that may yet produce an international catastrophe.

For their part, the countries of the former Soviet empire—the eight nations of Central and Eastern Europe and the 12 former Soviet Republics—have already escaped the nondemocratic category defined by Freedom House.

But success in this transition is by no means assured. Plagued by decades of economic mismanagement and lacking strong democratic traditions, these countries remain vulnerable to relapse into tyranny. Their future is pivotal to our hope for a new world order and American security.

With a successful transformation to free-market democracy, these states will be joined in a fabric of European civilization extending from the Atlantic to the Urals and beyond, across the continental sweep of the Russian Republic.

If transformation fails, the world community faces not only lost opportunity, but also the direct danger of chaos and civil war—perils rendered incalculable by the same Soviet nuclear arsenal that for years has posed a threat to all humanity.

Our priority on democracy in the former Soviet empire and China does not, it bears emphasis, entail neglect of democracy's cause elsewhere.

Where America can be influential, we should employ that influence as a matter of principle as well as geopolitics—and with vigor, generosity, and confidence.

A prominent moral imperative is South Africa. There, the monstrous stain of apartheid has, at long last, begun to dissolve—

A process hastened by the economic sanctions imposed by Congress over the adamant objection of a Reagan administration that had adopted a collaborationist policy called constructive engagement.

Elsewhere in Africa, and in Asia and Latin America as well, the United States should never fail to align itself with, and help to propel, history's continuing winds of change.

With new democracies that have only tentatively taken root we should foster active partnership.

Against the world's remaining dictatorships, we should take our stand with none of the exceptions or equivocations of past realpolitik.

But Mr. President, if American foreign policy once compromised these principles in the name of cold war competition, such compromise no longer has any rationale.

In the Middle East, the cause of democracy warrants particular American concern.

There, our interest in regional stability—the kind of long-term stability only democracy can ensure—is both moral and practical, centering on a humanitarian interest in Israel's security and an economic interest in world oil supplies.

Great words, including new world order, were spoken as the United States went to war against Saddam Hussein, and in the war's aftermath, the administration undertook the grand objective of Arab-Israeli peace.

Yet, with Kuwait's Emir safely restored to his throne and notwithstanding its efforts to foster Arab-Israeli dialog, the administration has pursued a policy hardly more complicated than more pressure on Israel and more arms sales to the Arabs.

Having saved the oil monarchs the President has failed to exercise even the power of suasion to induce them to distribute their wealth more wisely or to introduce the most gradual democratic reforms.

Nor is the failure simply a matter of omission. It is a conscious and purposeful policy.

Last year I offered a modest proposal that would have required the President in connection with major arms sales to the Middle East, to certify to Congress that the purchasing country had made progress in the building of democratic institutions.

Although I included a so-called "national security waiver" that would have enabled the President to make sales even without progress, the White House threatened to veto this measure.

The Bush administration was adamant in opposing any effort to highlight the question of democracy in the very countries for which Americans had just been sent to fight and die.

So veiled have been our values, so perverse the aftermath of the war that Kuwaiti officials now dare to reproach the American Ambassador for his mere mention of democracy.

As this simple travesty symbolizes, we are—in the most volatile of the world's regions—engaged in the classic mistake of statecraft, and that is accepting the short-term status quo at the cost of our values and our long-term interests in stability.

But, Mr. President, it is in the central arena—American policy toward the former Soviet empire and China—that the Bush administration has been most glaringly weak in purpose and in action.

THE FORMER SOVIET EMPIRE

The collapse of the Soviet empire, beginning in central Europe and culminating in the disintegration of the Soviet Union itself, ranks among history's great watersheds—a moment that has challenged us to shape the future flow of world events.

As I hear some of my friends tepidly debate aid to Russia as if it is such a dangerous thing to suggest to the

American public I am reminded of all those in this Chamber who hailed the brilliant architects of our cold war strategy resulting in the collapse of the Soviet empire. I listen to those men and women on this Chamber floor who herald the brilliance of the creation of NATO, the Marshall plan, the world economic institutions and say therein were the seeds planted for the destruction of the Soviet empire and then lack the courage to come forward and make the case in stark terms that the interest of our children are at stake in the survival of democracy in the former Soviet Union.

I am reminded, Mr. President, only as a student of history, not a participant, in the late forties of a President, who, having great courage, stood before the American people and said: We are about to give massive amounts of aid to the country that just killed your son, your father, your brother, your daughter, your wife, your husband.

How popular must that have been? Where would the world have been had we had a President with the same conviction or lack thereof, that we have today, running the country in 1947, 1948, 1949, and 1950? How many of you think he would have gone back home to you and said, with only 16 percent of the American people supporting the Marshall plan, we must for the good of America and the safety of the world invest in the very nations we just spent billions of dollars decimating? Where would we have been but for the men and women, Republican as well as Democrat, with the courage to lead in a time of monumental change?

Mr. President, a half century ago, the Roosevelt and Truman administrations responded to such a moment with greatness; they were "present at the creation" as architects of a new era. The Bush administration, if not absent, has been little more than an onlooker. The administration's indecision in the face of historical challenge cannot be attributed to outside resistance. On the contrary, there has been a virtual consensus, within the United States and among our allies, as to the ends and means of a sound Western policy in the former Soviet satellites and the former Soviet State.

The central and agreed premise is that the great engine of transformation must be private initiative, and that our goal must be to foster the conditions and institutions necessary for a free economy and a free body politic to thrive.

In this task, there has been unanimity among western governments to rely primarily on the multilateral financial institutions. Led by the International Monetary Fund, and including the World Bank and the new European bank for reconstruction and development.

But reliance upon these agencies will leverage the American contribution,

draw upon valuable technical expertise, and help integrate the aid-recipient States within Western economies.

There is also consensus that the United States and others should supplement multilateral aid with direct assistance, primarily educational and professional exchanges, which can be cost-effective in building democratic institutions, and accelerating privatization through such fundamentals as the establishment of legal codes governing business practice, taxation, and property ownership.

The problem is one of implementation: Despite much talk of action, little has been done. Belying his claims to acute foreign policy skill, the President has been negligently slow—slow to see the revolution that Mikhail Gorbachev had begun.

The President was slow, once he did see it, to conceive and implement programs of transitional support for Eastern Europe and later the Soviet Republics.

Finally, this administration was slow to disengage from its embrace of Mikhail Gorbachev once it became clear that others, not Gorbachev, sought full democracy.

Only by sheer inadvertence, it seems, did President Bush possibly help to accelerate constructive change, when he delivered what one pundit dubbed as his "chicken kiev" speech. This speech to the Ukrainian Parliament, aimed at discouraging centrifugal forces, could only have inspired the reactionaries who just days later led the failed coup of August 1991.

It was the coupmakers' effort to prevent the independence of the Republics that brought Boris Yeltsin to the top of a tank and yielded the full and sudden collapse of the entire Soviet empire.

Meanwhile, both multilaterally and bilaterally, the administration has presented a portrait of listlessness, invoking prudence as a mask for lethargy and bureaucratic gridlock.

On the multilateral front, where the United States can pool its contribution with others for such key purposes as currency stabilization, the President has failed to exhibit the leadership simply to elicit congressional approval—including a majority in his own party—for our now 2-year-old pledge to the IMF to support that organization's basic functions.

The American share is a reasonable 19 percent of \$60 billion in world contributions, much of which could be used for post-Soviet aid. Rather than leading the IMF, the United States is the only major Nation now deficient, an embarrassing impediment at the very moment this organization is being called upon to perform a critical role in undergirding the post-Soviet democratic governments.

Bilaterally, the administration has been equally dilatory, not least in its near-paralysis in getting organized.

Consider this, from a Nation spending \$300 billion each year on national defense: as recently as February 1992, the United States had no diplomatic presence, formal or informal, in any of the former Soviet republics except Russia—none of the 11 others—with the sad exception of two lonely Foreign Service officers assigned to an apartment in Kiev.

Not until this spring did the President finally appoint a full-time coordinator for U.S. policy on the post-Communist transition.

The administration's frail response to Soviet collapse is evident also in its bilateral programs.

For 2 years, the Foreign Relations Committee has tried to grant the President authority to run low-cost exchanges throughout the crumbling Soviet state—to expand human contacts and knowledge of free-market democracy.

Yet, Mr. President, the administration steadily resisted, apparently in thrall to its two most dreaded fears: rightwing criticism and congressional initiative.

Even after submitting his own belated aid request this year, the President has only tepidly called for enactment.

Meanwhile, our only serious bilateral undertaking thus far—a program proposed by Senators NUNN and LUGAR to subsidize the dismantlement of Soviet nuclear weapons targeted on the United States—was enacted last fall in the face of determined indifference on the part of the administration.

Although the President later chose to claim credit for this initiative, the administration's actual implementation has been plodding.

Ultimately, in the emerging post-Soviet states, our most compelling purpose is to foster job-producing commerce—to prevent economic free-fall in the short term and to promote economic partnership in the long term.

To these ends, I have for 2 years urged creation of a network of American business centers, beginning in central Europe and extending eastward, as a cost-effective means to facilitate trade and investment in a challenging new environment.

Yet not until March of this year did the first American business center open in Warsaw.

Whereas the President reportedly plans no more, a vital administration would create a dozen in Russia alone.

CHINA

But if the Bush administration's post-Soviet policy has lacked energy, its China policy has lacked principle.

For the last 3 years, the Butchers of Beijing have had little to fear from Washington.

Seeking to keep open channels of communication, the President has opposed serious congressional effort to impose serious sanctions—or even to

link trade to more reasonable Chinese policies on human rights and the sale of dangerously destabilizing arms to the Middle East.

In resisting what could be a rewarding use of American economic leverage, the administration has rekindled a rare passion.

One it displayed earlier in opposing similar congressional efforts to enact sanctions against Saddam Hussein during the 2 years before the gulf war.

Future historians may well observe that opposition to sanctions against tyrants was the one subject that excited the Bush administration as much as its obsession with a cut in the tax on capital gains.

No one can expect that trade sanctions against Beijing would yield a sudden transformation of that regime.

But American foreign policy should leave no doubt, and the Bush administration has left much doubt, that the United States stands squarely on the side of China's brave and aspiring democrats.

Eventually, they will prevail—the democratic idea today is too powerful to resist—and we should do all possible to promote their early accession to power.

Our means may be limited, but this is a purpose we can well advance by helping to spread awareness of democratic values, and accurate news of contemporary events, among a vast Chinese public now denied such basic knowledge.

It is to this end that I wrote legislation creating the commission that is now studying the logistics of launching a Radio Free China.

In Europe, Freedom Radios played a historic role as instruments of information and inspiration, a role extolled by Vaclav Havel, Lech Walesa, and other champions of liberation, as they attest, that a constant current of reliable reporting—the steady breath of truth—helped to fan the flame of democracy in the hearts and minds of citizens throughout Eastern Europe and the Soviet Union, a flame that suddenly in 1989 became a torch and then a wildfire.

The China Commission's report to Congress this summer will set the stage for the enactment of legislation I will introduce this week—the Radio Free China Act—that will commence similar broadcasts into the People's Republic of China.

(Mr. LIEBERMAN assumed the chair.)

Modeled on Radio Free Europe and unlike worldwide networks such as the BBC and the Voice of America, the new radio will emphasize factual reporting about events within China.

Support for these broadcasts will place us where we belong:

On the right side of history, and unequivocally on the side of those Chinese democrats who will ultimately ac-

cede to power and with whom we must hope to cooperate in the building of a new world order.

Although we cannot cement the foundation of a new world order until democracy is secure in both China and the former Soviet Empire, we need not wait in beginning to shape the structure that will rest atop that foundation.

For even as they struggle to consolidate democracy, Russia and its neighbors have demonstrated a genuine interest in upgrading and mobilizing the institutions of the United Nations system.

Within the United Nations, the center of gravity has shifted dramatically in favor of cooperation.

For its part, as the sole remaining nondemocracy on the Security Council, China seems disinclined to highlight its status by acts of conspicuous obstructionism—and, where it is obstructionist, China should be challenged.

We therefore have both incentive and latitude to advance now on the three other parts of our new world order agenda.

FORGING A NEW STRATEGY OF CONTAINMENT

In the military realm, our agenda for a new world order is twofold:

To impose strict worldwide constraints on the transfer of weapons of mass destruction and to regularize the kind of collective military action the United Nations achieved ad hoc against Saddam Hussein.

Both items on this agenda—more effective prevention and more effective response—are rendered feasible by the close of the cold war.

The end of the expansionist Soviet threat enables us to refocus our energies on forging a new strategy of containment.

Directed not against a particular Nation or ideology, but against a more diffuse and intensifying danger—the danger that nuclear, chemical and biological weapons, and ballistic missiles to propel them, could pass into the hands of rogue-states or terrorists.

At the same time, Moscow's reincarnation as the capital of a democratic Russia raises the prospect of systematic big-power cooperation, under United Nations auspices, in deterring and defeating threats to world peace.

In short, the kind of expanded commitment to collective security envisaged by the United Nations' founders but blocked heretofore by cold war polarization.

Our pursuit of the first of these goals—a new strategy of containment—must begin with a concerted effort to be rid of the enormous nuclear arsenals the cold war begot.

Soviet nuclear warheads are perhaps best understood as more than 10,000 potential Hiroshimas.

Until they are safely dismantled or placed under new controls, the risk that civil strife in the former Soviet

Union could lead to a diversion or misuse of even a few of these devices will pose a severe hazard to the world.

Acting boldly to cope with this risk can yield dual benefit.

By joining with Moscow to demonstrate a post-cold war will to curtail our own immense armaments.

The United States can acquire added moral authority to lead others to accept the unprecedented constraints that a new strategy of containment will entail.

For both reasons—to reduce the threat that still inheres in the Soviet arsenal and to set an example that enhances the stature of American leadership in arms control worldwide—we must act decisively.

Curtailling existing arsenals of devastation must underpin a containment strategy aimed at preempting the menace of new arsenals.

The framework for this effort is the START Treaty, on which the Bush administration has for several months been engaged in clarifying obligations of the former Soviet Republics where nuclear weapons are currently deployed: Russia, Ukraine, Belarus, and Kazakhstan.

The outcome of these discussions—embodied in the so-called Lisbon protocol—has been satisfactory, assuming it can be implemented:

Russia will become the only nuclear power of the four Republics, and the other three are pledged to join the Nuclear Nonproliferation Treaty and thereby forswear nuclear weapons acquisition.

The question, then, is how Russia and America will handle their cold war nuclear arsenals.

As both sides recognize, the START Treaty is only what this acronym connotes, for the treaty's ceiling, limited each side to some 7,000-9,000 nuclear warheads, are as obsolete today as a statue of Lenin on a square in St. Petersburg, Budapest, or Prague.

Over recent weeks, both Russia and the United States called for further reduction, with the Bush administration proposing common ceilings of 4,700 and Moscow offering 2,500.

At the Yeltsin-Bush summit this month, the two Presidents compromised by agreeing to a second START Treaty. This new treaty—START II—would lower the two arsenals to levels of some 3,000-3,500 by the year 2003.

This step was constructive and, on the American side, much-heralded, since President Yeltsin agreed to ban land-based ICBM's with multiple warheads.

These missiles, the heart of the Soviet arsenal, have long been regarded as highly destabilizing because they combine extreme lethality with vulnerability to preemptive attack.

But the compelling issue is whether this scope of reduction—and this pace of reduction—are adequate.

Is it wise, in the post-cold-war era, to maintain this level of nuclear armament? And is it wise to set an entire decade as a timetable for reduction?

By placing ourselves now on this positive but modest path of reduction, are we incurring an avoidable danger and surrendering the opportunity for much more dramatic and valuable progress in curtailing the worldwide nuclear threat?

On the question of timing, it is true that the task of nuclear reduction is complicated by sheer technical difficulty.

Massive nuclear dismantlement has never before been on our agenda, and we lack the technology to accomplish it quickly.

But the principal barrier to deep cuts—the ideological animosity and distrust that characterized the cold war—has disappeared, yielding virtually unlimited opportunity if we will seize it.

For their part, Russian leaders seem willing to negotiate far deeper reductions than the President has yet been willing to contemplate.

They, more than the Bush administration, appear open to the kind of drastic cuts that would represent a fundamental reorientation away from excessive military expenditure and away from an illusory concept of power—a reorientation by which Moscow and Washington could together lead the world toward a more rational focus on mankind's truly menacing problems.

Unfortunately, the Bush Pentagon appears driven by an unreconstructed desire for unilateral advantage and a conviction that—even in a post-cold war world and regardless of whether others are willing to cut—the United States will have good use for literally thousands of nuclear warheads.

As a consequence, the new obstacle we face in achieving truly deep cuts in the Soviet nuclear arsenal, and containing the growth of other arsenals, is the Pentagon's rigid attachment to its own.

While this phenomenon was perhaps predictable, we cannot afford complacency while Pentagon planners develop new post-cold war rationales for maintaining what they will undoubtedly call a "robust U.S. nuclear arsenal for the 21st century."

Instead, our actions should be as revolutionary as the circumstances in which we find ourselves.

Seen from this perspective, the agreement to cut the START levels to a combined total of 7,000 warheads within a decade seems more a defense of existing arsenals than a radical change: The creation of a high floor rather than a low ceiling.

Our goals, I submit, should be far more ambitious:

We should seek a steady, mutual drawdown to a common ceiling of no

higher than 500 warheads, a goal we should waste no time in announcing.

We should propose the elimination not just of ICBM's with multiple warheads but most or all ballistic missiles, based on land and sea.

We should cut the gordian knot of difficult dismantlement by acting immediately to sequester all warheads to be eliminated.

We should act promptly to include Britain, France, and China in negotiations directed toward codification, under U.N. auspices, of a multilateral treaty stipulating limits and obligations for all nuclear states.

And we should announce our willingness to join in a comprehensive test ban treaty and a global ban on the production of weapons-grade fissile material.

As to the size and composition of the American and Russian arsenals, neither side should now hesitate to embrace the concept of minimum deterrence—that is, maintaining only the nuclear forces necessary to inflict a devastating retaliatory strike on any nation that might use weapons of mass destruction.

One of the saddest and costliest truths of the past half-century has been the systematic exaggeration of the utility of nuclear weapons. How else can one explain to a child the size of our current Armageddon arsenals?

American possession of a nuclear monopoly could not prevent the Soviet takeover of Eastern Europe in the 1940's, and nuclear weapons proved of no avail through our long agony in the Korean and Vietnam wars.

In the Cuban missile crisis, we prevailed not due to our so-called nuclear superiority, but because we held the upper hand in conventional force in our own hemisphere.

The definitive demonstration of nuclear impotence was the collapse of the Soviet Union.

Veritably brimming with missiles and warheads, the Soviet Army could not prevent the total dissolution of the very nation that had generated the world's most extravagant nuclear arsenal.

Indeed, it was the grand distortion of priorities embodied in that arsenal, as much as the inherent inefficiencies of the Communist economic system, that hastened the break-up of the Soviet empire.

Weapons that were presumed to confer strength instead contributed to fatal national weakness.

Ultimately, nuclear arms have a single value: Deterrence. But, for both America and Russia, this legitimate function clearly requires far fewer weapons than the vast arsenals we have accumulated.

Many of our nuclear theologians will be quick to denounce the notion of only 500 nuclear warheads on each side as a capitulation to naive thinking.

But I am not prepared to concede that the capacity to create 500 Hiroshimas in a single day is inadequate for retaliation.

What, I might ask, would they have us do on the second day, if we had more?

The elimination of most or all ballistic missiles would support the move to minimum deterrence, depriving both sides of a lightning-strike offensive capability but depriving neither side of the ability to retaliate using advanced aircraft.

In the past, the major rationale for a very large number of warheads was the danger that a ballistic missile attack could preempt many of our missiles and aircraft before launch or takeoff.

Sharply reducing the role of ballistic missiles would enable each side to be confident of its retaliatory capacity—and accomplish the aim of minimum deterrence—at even lower warhead levels.

Full elimination of ballistic missiles would almost surely require a multilateral treaty and global compliance.

But if the question is whether the United States would be better off in a world with no ballistic missiles capable of reaching our shores—the cost being the elimination of our own—surely the answer in principle is a resounding "Yes."

The safe sequestering of Russian and American warheads in special repositories could speed the arms reduction process.

This isolation of nuclear warheads could be accomplished by designating special sites on Russian and American territory, sponsored by the United Nations and guarded by U.N. forces including troops from both Russia and the United States.

The creation of these neutral holding points for weapons slated for dismantlement would not mean endangering sensitive technology.

These sites could be designed to give the host country full control over access to its own weapons during the dismantlement process.

Nor would it mean acting on trust. U.N. inspectors would join Russian and American inspectors in monitoring the pace of dismantlement, and U.N. troops would join Russian and American troops in acting, in effect, to quarantine the warheads so that they could never be removed, at least not without a use of force by the host government constituting a blatant act of treaty abrogation that would signify a total breakdown in relations.

With the innovation of U.N.-sponsored neutral storage, we would eliminate any argument, from Moscow or our own Pentagon, that prompt, deep reductions are technically impossible; we would hasten by years the transfer into safe hands of vulnerable Soviet warheads; and we would more quickly empower ourselves to insist that all

other nuclear states become parties to a multilateral regime of strict controls.

Unfortunately, such boldness seems a stranger to the Bush administration, which still rejects the idea of any agreement on warhead destruction.

Ebullient in cold war victory, the Bush Pentagon is so determined to deny Russian inspectors even a look at United States facilities that the American position now constitutes the major obstacle to an agreement on verified warhead dismantlement.

In the same vein, the administration insists, even now, on continued nuclear tests and continued production of the material of which nuclear weapons are made.

By traditional argument, testing helps to perfect the reliability and safety of our weapons. But at this juncture, what is our need for more reliable nuclear warheads?

Surely our safety lies not in maximizing the utility of our own arsenal but in minimizing the dangers posed by nuclear weapons in the hands of others.

Can anyone seriously argue that the United States would derive greater benefit from further nuclear testing than from seeing all other nations cease to do so?

As to fissile material, we have more than we know what to do with—a surplus that can only increase as weapons dismantlement proceeds.

Beyond the budgetary benefits, an American willingness to ban production would yield both valuable symbolism and the practical ability to challenge nations now on the edge of nuclear-weapons status to fulfill longstanding pledges to join in an enforceable global ban.

Achieving such agreement could begin with India, which has already pledged to join, and Pakistan, which has pledged to participate if India agrees.

Israel has made a similar pledge, as have most of the moderate Arab States.

Thus, simply by stating our readiness to forgo the production of fissile material for which we have no need, we could begin a diplomatic process of immense potential value.

The President of the United States should delay not a day in making two major announcements:

That America stands ready to join in a comprehensive test ban, and in a global ban on production of weapons-grade fissile material.

A demonstration of American leadership in sharply cutting our own arsenal, and forgoing further nuclear testing and further production of fissile material, would set the stage for a new nuclear era of cooperation and collective restraint, in which we could build on the notable achievements of recent years.

During the cold war, nonproliferation was deemed a second-order priority,

and its institutions have been little known or appreciated.

But now, with the containment of proliferation as our top national security priority, we must raise the profile of these efforts and reallocate resources from the building of weapons to preventing their spread.

The Nuclear Nonproliferation Treaty, the Nuclear Suppliers Group, the Missile Technology Control Regime, the Chemical Weapons Convention, the Biological Weapons Convention, the Coordinating Committee on Export Controls, and the Australia group that has imposed curbs on the sale of chemical and biological technology.

These dry names represent potent purposes. They are the essential tools of a global strategy of containment.

Intensification of these regimes—backed by teams of inspectors and a will to impose sanctions against violators—constitutes our best defense against the appearance of a new Saddam Hussein or the nightmare of terrorist blackmail.

Erecting this defense will require multiplying our financial support for such institutions as the International Atomic Energy Agency, whose inspectors we must regard as the front-line troops in a campaign of weapons containment as critical to our new era as was the containment of communism during the cold war.

But financial support is not enough. IAEA inspectors must be confident that the U.N. Security Council will take whatever action is necessary to enforce their inspection demands.

Most important, if containment fails, we must be prepared to use force to stop rogue nations like North Korea from presenting the world with a nuclear fait accompli.

The reality is that we can slow proliferation to a snail's pace if we stop irresponsible technology transfer, and fortunately nearly all suppliers are finally showing restraint.

The maverick is China, which has persisted in hawking highly sensitive weapons and technology to Syria, Iran, Iraq, Libya, Algeria, and Pakistan—while pledging otherwise.

While a nondemocratic China is unlikely to cooperate voluntarily in a strategy of containment, we have at hand the necessary lever to induce satisfactory Chinese behavior.

We may safely surmise that the Beijing government will not dissolve itself in response to a threat of economic sanctions.

But a targeted approach—tying continued Sino-American trade specifically to more responsible Chinese behavior in the sale of advanced weapons and weapons technology—would be a linkage that works.

This linkage would force Beijing to choose: between a third world arms market worth millions of dollars, and open trade with the United States from

which China will enjoy as much as a \$20 billion surplus this year.

Although we have convincing intelligence evidence that China's leaders fear, and would respond to, such leverage, President Bush has refused to challenge Beijing.

Until that policy is reversed, our strategy of containment will be vulnerable to dangerous leakage.

To buttress a new strategy of containment, we also need multilateral restraint in the conventional arms market.

Advanced technology has blurred old distinctions by rendering even so-called conventional weapons ever more lethal.

Recognizing this, Congress mandated the Bush administration in the aftermath of the gulf war to pursue negotiations toward a multilateral arms suppliers regime, an objective consistent with the President's rhetoric.

But what Congress cannot mandate is success, or even sincerity, in negotiations.

Talks among major suppliers—specifically, the U.N. Security Council's five permanent members—have thus far yielded no more than a trivial pledge to share information about sales already made, and a further demonstration of China's refusal to cooperate.

Meanwhile, what appeared after the gulf war as an opportunity to reduce transfers of armament to the Middle East has been converted by the international arms industry into an opportunity to sell even more.

The Bush administration itself is manifestly conflicted on conventional arms.

Directly amid American-sponsored talks on curtailing the sale of advanced conventional arms, the Pentagon began to subsidize the marketing of such weapons by U.S. industry.

In the past year alone, American arms sales to non-NATO countries totaled some \$38 billion, as government-to-government sales nearly doubled from the previous year.

This schizophrenia is plainly incompatible with the coherent United States leadership necessary if the world is now to rein in the proliferation of arms.

On advanced conventional arms as well as weapons of mass destruction, our concept of a rigorous containment strategy has far exceeded the Bush administration's actual conduct of policy.

Although largely a matter of will, this deficiency is in part a matter of organization.

Combating proliferation has never held priority in American foreign policy, as it now must.

Accordingly, the responsibility to promote, as well as the power to thwart, a concerted policy is dispersed among various agencies.

In hope of rectifying this defect, I will this week introduce the Weapons Proliferation Containment Act—legislation to consolidate central authority in the executive branch in what will amount to a nonproliferation czar.

Having first established central coordination and authority within the U.S. Government, this legislation then gives teeth to our nonproliferation policy by mandating that the American representative in each major multilateral organization vote to deny assistance to any nation that has violated specified standards or prohibitions in the supply or acquisition of weapons of mass destruction, ballistic missiles, and advanced conventional arms.

Our goal must be to imbue in American foreign policy—and to instill in the international community—a pervasive principle: that proliferation-supporting behavior by companies or nations is anathema, and subject to rigorous measures of detection and punishment.

Tomorrow, I shall describe another military dimension of America's new world order agenda: The need to organize more effectively to sustain an expanded commitment to collective military action—an idea first introduced to the world by Woodrow Wilson and rejected first by this Congress at the end of World War I, then put on hold by a cold war that made its implementation impossible, but now as a consequence of that cold war holds great promise for the future of the world.

And then, the final and most expansive part of our agenda: the launching of a worldwide economic-environmental revolution.

I thank my colleagues for listening. I thank my friend from Massachusetts, Senator KERRY, for waiting.

I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized to speak for up to 5 minutes.

Mr. KERRY. Mr. President, I ask unanimous consent that I be permitted to proceed in morning business for such time as I may need.

The PRESIDING OFFICER. Hearing no objection, that will be the order.

Mr. KERRY. Mr. President, I begin by congratulating my friend and colleague, the Senator from Delaware and colleague on the Foreign Relations Committee, for his very thoughtful analysis of a real new world order. The Senator has been leading the effort really to analyze the START agreement, and in his role as chairman of one of our subcommittees has long been watching and interested in the issue of an appropriate arms balance and a distribution of forces.

I think his statement is a very thoughtful one about the terrible inconsistency and almost hypocrisy of our current policy, at one time talking

about arms proliferation but engaging in the very policies that undercut it.

He is absolutely correct in having laid on an agenda for arms limitation, as well as control, as well as non-proliferation, as well as for peacekeeping. I congratulate him on his thoughtful speech.

Mr. BIDEN. Mr. President, I thank my colleague for his comments. I appreciate them very much.

LAWRENCE WALSH

Mr. KERRY. Mr. President, I rise to discuss another matter that has come to my attention yet again in the course of the last few weeks in a way that, frankly, bothered me personally, but just bothered me as a Senator and as a citizen.

I have been amazed that last week's indictment of former Defense Secretary Caspar Weinberger has led to a renewed barrage of criticism and even for some a kind of ridicule of the independent prosecutor, Lawrence Walsh. He has been accused of character assassination and of wasting large amounts of Government money on a scandal that the American people allegedly just do not care about. And because the polls do not show that this is a popular issue, I suppose some interpret immediately that it ought to go away.

Some people seem to want to choose all the issues in this country according to the polls. That appears to be one of the problems that we face in terms of leadership, or the lack thereof, at a time when this country is desperately crying out for leadership.

Many Congressmen and Senators alike have gone to the floor and made speeches criticizing Mr. Walsh and drawing conclusions about the accusatory process in ways that I think do not reflect well on this institution or on our real understanding of constitutional obligation in this country.

Critics particularly delight in pointing out that two principal convictions that have been obtained by the special prosecutor, those of Oliver North and John Poindexter, were subsequently overturned. I might point out there have been a total of 10 convictions, 2 of which were overturned on technical bases, which were totally out of the control of the special prosecutor.

But it seems to me that Mr. Walsh should not be the object of criticism. He ought to be the object of praise and of gratitude from this country.

Now I can guarantee you that Mr. Walsh does not need me or any other Senator to come to the floor and defend him for his defense of the Constitution and of the rule of law. But I am personally concerned about the growth of an attitude—a cynical attitude—that seems to indicate that independent counsel prosecutions must all be open and shut, quickly wrapped up, politically popular prosecutions or, if

not, somehow they are not worth pursuing.

If prosecuting the Iran-Contra affair were easy, we would not have needed a special prosecutor in the first place. But it is not easy. And I think that perhaps the principal reason it has not been easy is that there has been a concerted effort, from the beginning, right up until today, to deny information, documents, and facts to Congress and to the American people.

So, when Senators and Congressmen go to the floor to criticize Mr. Walsh, and they ask why has this taken so long? Why have we spent so much money? They ought to ask for the real answer to that question. The real answer to that question is because officials of the U.S. Government were unwilling to cooperate, unwilling to tell the truth, unwilling to produce information, and because our own system conspired to make it difficult for the special prosecutor.

I must say, I have never had anything but respect for the former Secretary of Defense, Mr. Weinberger. And he is innocent until proven guilty. I have always been treated cordially by him, and he is, clearly, a great public servant. It is my hope, perhaps for the country and for him, that he would be found not to have done that which he is accused of. And I hope for his family and for his sake that would be true.

But if it is not true—if it is not true, and if the charges were to stand up, then that would be one more documentation of a long series of documentation of precisely why this special prosecutor is still struggling and why he deserves the gratitude of the Nation for placing his convictions and his reputation beyond what is the quickly and easily popular in favor of standing up for principle and for obligation and for duty.

The fact is, Mr. Walsh has had to fight each and every step of the way to get information and documents from the executive branch. We know in documentation of how difficult this has been. Three individuals: Mr. Alan Fiers, Clair George, and Elliot Abrams, pled guilty to lying to investigators, including congressional investigators. Including, I might add, to this Senator.

When Government officials lie, they may be lying in response to a question from a Senator or a prosecutor. But in the end they are lying to the American people who we represent. And they are deceiving the entire system.

I have recently reread the testimony of Elliot Abrams, Clair George, Alan Fiers, and others to me and other Senators on October 10, 1986, in the wake of the Hasenfus crash. I was again impressed with the dissembling, obfuscation, and outright lies from them in response to straightforward questions from us.

For example, I asked the simple question—have you had contact with

General Secord? At the time, Secord was in operational charge of both Contra supply operations and the Iranian arms for hostage deal.

Elliot Abrams's reply was "I never met him."

Clair George's reply was "I know his name well * * * but I do not know the man."

This answer came at a time when Secord's involvement in running Contra supply operations had already been the subject of extensive discussion by officials of the State Department, CIA, and National Security Council.

I then asked the question, "Max Gomez, do you know whether or not he reports to or was hired by the Vice President of the United States?"

The truth, as we all know now, was that Max Gomez—a *nomme de guerre* for Felix Rodriguez—was indeed placed in Central America by the Vice President's office. In fact, on August 8, 1988, Felix had gone to Donald Gregg in Vice President Bush's office to complain about the state of the Contra supply efforts he was involved with. At the time, Felix warned Gregg that General Secord was ripping off the contras, and if they kept General Secord in place, it would, to quote Felix, be "worse than Watergate."

Felix's warning to Gregg was of sufficient concern that 4 days later, Gregg met with six other Government officials representing the National Security Council, the State Department, and the CIA—including Alan Fiers of the CIA—George's deputy—to discuss the problem between Max Gomez a.k.a. Felix Rodriguez and Richard Secord.

Yet in response to my question about whether Felix was reporting to the Vice President's office—Fiers did not say, oh yes, I discussed Felix with Don Gregg of the Vice President's office a few months back, instead, Fiers said:

Max Gomez * * * is an alias for an individual who was previously employed with us. But I don't know * * * I don't know who he is reporting to.

I asked the question again: "you don't know whether or not [Felix] reports to the Vice President of the United States?"

George's response was: "The Vice President? I don't know."

I asked again: "You don't know anything about that?"

Elliot Abrams replied, "I have never heard any suggestion of that." Elliot then added, "It really stretches credibility."

As North's notebooks showed, as notes taken by the Vice President's Security Advisor, Donald P. Gregg demonstrated, as Fiers later admitted, they all knew who Max Gomez was—his real name was Felix Rodriguez, formerly of the CIA. They knew he was sent to Central America by the Vice President's office. And they knew he was engaged in Contra supply operations. But instead of telling us what

they knew—given where it might lead—they lied.

Last week, Judge Walsh wrote a letter to the Congress setting out the terms of the final phase of his investigation. He told us that he is:

"Attempting to determine whether officials at the highest level of Government, acting individually or in concert, sought to obstruct official inquiries into the Iran initiative by the Tower Commission, the Congress, and independent counsel by withholding notes, documents and other information, by lying, and by supplying a false account of the 1985 arms sales from Israeli stocks and their replenishment by the United States."

Judge Walsh then set out the means by which his investigations to date have been frustrated, impeded, and stymied and stopped by officials in the Reagan and the Bush administration both.

In the letter, Judge Walsh advised us that he has not been able to prosecute—this is extraordinary, Mr. President—the independent counsel has advised the Congress of the United States that he has not been able to prosecute the basic operational crimes committed in the course of the Iran-Contra affairs due to National Security claims. For example, the Reagan and Bush administrations insisted on keeping documents classified that referred to matters that were already fully known in public—with the result that criminal cases had to be thrown out, as Judge Walsh explained, because you simply did not have the documents and the evidence to put into evidence, even though the evidence had been reported publicly previously.

Let me just read from Judge Walsh's letter to the Congress. "Classified information problems"—this is reading from page 5—"have also complicated Independent Counsel's prosecutions and consumed enormous time and energy."

So, when colleagues wonder why this has taken so long, they can look down the street to Pennsylvania Avenue and the agencies, and they will get their answer as to why this took so long.

Every line of every page of the thousands of pages of classified documents that might be used in trial by either the prosecution or the defense has had to undergo review by a group of declassification experts from several agencies. Claims of national security led to the dismissal of the central conspiracy charge against North, Poindexter, Secord, and Hakim. Attorney General Thornburgh's refusal to declassify publicly known but officially secret information forced the dismissal of the Government's entire case against former CIA Costa Rican station chief Joseph Fernandez, and more than a year's litigation was wasted.

Mr. President, we hear this tale again and again and again. In the POW-MIA that we are now investigating, we have the same problem of the fox guarding the chicken coop. The

very people that you are investigating have the right to be able to say whether or not a particular document is going to be made available to you.

In this particular case the very Government that was being investigated for crime was able to deny the person investigating them the information that would have allowed them to prosecute those crimes. So they were dismissed and there is barely a ripple, barely a ripple.

It seems to me that the blame for the length and the cost of this investigation does not fall at the feet of the special prosecutor; it falls at the feet of a system, a Congress, and an executive that have been unwilling to grapple with the issue of how we make classified information available and what the American people are really entitled to know.

I believe that the fault for the length of this investigation and the reason that we should praise the special prosecutor is that there are those who have stonewalled and stonewalled on this issue in the hopes that it will simply go away. And the blame, I believe, rests with those who, from the beginning, have sought to minimize the scope and seriousness of what the Iran-Contra affair was all about.

In last week's letter, Judge Walsh warned that he has now developed what he termed "new and disturbing evidence" regarding who participated in the Iran-Contra coverup. He warned that further indictments of high-level officials are possible over the rest of this summer.

Mr. President, Watergate brought down a Presidency, but I must say that Watergate was trivial compared to Iran-Contra. Iran-Contra was nothing less than an effort to subcontract the foreign policy of the United States of America to a bunch of professional arms smugglers, including notorious terrorists like Manzer al-Kassar, drug dealers like Manuel Noriega, and nut cases like polygraph-failing Manchuer Ghorbanifar. It revolved around a scheme to sell weapons to a government responsible for murdering hundreds of American Marines, holding Americans hostage and supporting international terrorists around the world. It involved a specific, planned effort within the White House to evade both the letter and spirit of U.S. law, and it betrayed publicly stated American commitments to isolate terrorist States and to punish—not reward—those who take hostages.

A Democratic government simply cannot survive without public trust and we are increasingly seeing public trust challenged in our own country. From Vietnam to Watergate, to Iran-Contra, to Noriega, to HUD scandals, to S&L scandals, to Iraq and some now believe POW-MIA's, our Government does not deal squarely with us.

Our Government deceives, our Government prevents us from knowing the

truth in many cases indirectly and in many cases directly through concealed information, through phony claims of national security or through clever evasions that are the moral equivalent of lies, although they may not always be convictable as lies.

Judge Walsh noted last week, that "It is not a crime to deceive the American public, as high officials in the Reagan administration did for 2 years while conducting the Iran and Contra operations." Well, it may not be a crime to lie to the public, Mr. President, but we have to set a higher standard of behavior, of public behavior, where we do not feel adequate or even congratulatory about our behavior because it is something just above the level of a crime.

Mr. Walsh's dogged pursuit of the truth in the Iran-Contra affair is a profile in courage. Judge Walsh is trying to preserve and protect our Constitution from those who would shred the law anytime the law is inconvenient.

Law enforcement is not a popularity contest. The issue is not whether what Mr. Walsh is doing is making some people uncomfortable; the issue is whether it is right and whether under the Constitution, the law and the long-term demands of a democratic society, there is no question that Mr. Walsh has chosen the right path. He deserves not our criticism, but our praise and I believe he has already earned history's respect.

I ask unanimous consent that a copy of his letter to the U.S. Congress be printed in the RECORD.

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

THIRD INTERIM REPORT TO CONGRESS BY INDEPENDENT COUNSEL FOR IRAN/CONTRA MATTERS, JUNE 25, 1992

The Independent Counsel statute provides that an "independent counsel appointed under this chapter may make public from time to time, and shall send to the Congress statements or reports on the activities of such independent counsel."

Under the governing statute, Independent Counsel's responsibilities are threefold. First, he has an investigative role, 28 U.S.C. Section 594. Second, he has a prosecutorial role, 28 U.S.C. Section 594. Third, he has a reporting role, 28 U.S.C. Section 595.

The purpose of this report is to inform the Congress of the status of Independent Counsel's investigation and prosecutions in the Iran/Contra matters.

STATUS OF THE INVESTIGATION

The criminal investigation of Iran/Contra is in its final phase. We are attempting to determine whether officials at the highest level of government, acting individually or in concert, sought to obstruct official inquiries into the Iran Initiative by the Tower Commission, the Congress and Independent Counsel by withholding notes, documents and other information, by lying, and by supplying a false account of the 1985 arms sales from Israeli stocks and their replenishment by the United States.

The indictment of former Defense Secretary Weinberger by the grand jury on June 16, 1992, stemmed from that investigation. A

copy of the Weinberger indictment is attached. Independent Counsel has yet to determine whether additional proposed indictments will be presented to a Grand Jury. That investigation should be completed this summer.

While pursuing the final phase of the investigation, the Office of Independent Counsel will proceed with the trial of three pending cases, *United States v. Clair E. George*, *United States v. Duane R. Clarridge*, and *United States v. Caspar W. Weinberger*. The *George* case is set for trial on July 13, 1992, before U.S. District Judge Royce Lamberth. No trial date has been set for the *Clarridge* case, but U.S. District Judge Harold Greene has stated that he hopes the trial can be held in October 1992. U.S. District Judge Thomas Hogan has set a November 2, 1992, trial date for the *Weinberger* case. In addition, Independent Counsel has been prepared to seek leave to appeal to the Supreme Court the reversal of the conviction of John M. Poindexter, but is awaiting an appeals court ruling on Poindexter's petition for rehearing in that Court.

Independent Counsel is sensitive to concerns expressed by Members of Congress and others as to the length and the resulting cost of the investigation. The investigation has continued for five and one-half years and has cost \$31.4 million. This highly complex investigation posed unique problems and circumstances that stretched out our work, which I will explain in more detail later.

To speed up the completion of our investigation, I announced last December the appointment of Craig A. Gillen as Deputy Independent Counsel to direct the continuing investigation and the remaining trial work of the office, while I undertook to complete the final report of our long period of activity. I have nevertheless maintained overall responsibility for the supervision and direction of prosecutorial matters, spending one third of my time in Washington and returning to Washington full time in April for the final consideration of the Weinberger indictment. Much of the report has been drafted, but in order to complete the final phase of our investigation, and particularly while Mr. Gillen is trying cases in court, I shall continue full time in Washington where we hope to complete our investigative work by the end of this summer.

LENGTH OF INVESTIGATION

In evaluating the cost and time involved in the effort of Independent Counsel to carry out this assignment by the Appointing Panel, it is important to understand that the Iran/Contra matters posed a number of highly complicated circumstances for a prosecutor. The Iran/Contra operations were intended by the Reagan Administration to remain hidden. Because they were conducted in tandem with or in the course of covert activities, once exposed, they could not be readily explored in open court because of the national security claims.

The operations were executed by high Reagan Administration officials in support of presidential foreign policy objectives. They occurred in a broad geographic setting over a period of years. Their investigation required a thorough sifting of hundreds of thousands of documents from some of the most sophisticated and secretive agencies of government. And, although there were many witnesses to various aspects of these operations, the most central figures were not cooperative. There were few government officers who volunteered information willingly.

It was imperative for Independent Counsel to focus first on the facts that might be the

subject of immunized testimony, including the diversion of funds from the proceeds of the Iranian arms sales to assist the Contras. It was necessary to gather as much material as possible before Congress granted immunity to the most central figures in the affair. After immunity was granted, it was necessary to shield our potential prosecutions from contamination by the highly publicized congressional testimony of Oliver L. North, Poindexter and others who testified under immunity grants.

Once the first major indictment was brought in March 1988, Independent Counsel turned to trial work. In the *North* case alone, 108 pre-trial motions were filed, thirty-two of which challenged the validity of charges in the 23-count indictment brought against North, Poindexter, Richard Secord, and Albert Hakim.

The decision by U.S. District Judge Gerhard Gesell to sever the four defendants in the case to preserve the right of each of the defendants to use the immunized testimony of others to exculpate himself necessitated separate trials and added more than a year to the anticipated schedule. The immunity issues ultimately brought about the reversal of North and Poindexter's convictions on appeal.

Classified information problems have also complicated Independent Counsel's prosecutions and consumed enormous time and energy. Every line of every page of the thousands of pages of classified documents that might be used in the trial by either the prosecution or the defense has had to undergo review by a group of declassification experts from several agencies. Claims of national security led to the dismissal of the central conspiracy charge against North, Poindexter, Secord and Hakim. Attorney General Thornburgh's refusal to declassify publicly known but officially secret information forced the dismissal of the government's entire case against former CIA Costa Rican station chief Joseph Fernandez—and more than a year's litigation was wasted. I have previously reported to Congress at greater length on these problems.

CRIMES CHARGED AND TRIED

Independent Counsel has not been able to prosecute the basic operational crimes committed in the course of the Iran/Contra affair due to national security claims. For instance, Count One in the North-Poindexter-Secord-Hakim indictment was dismissed due to claims that material information could not be declassified. It charged a conspiracy to defraud the United States by obstructing congressional oversight; by illegally supporting the Nicaraguan Contras; by depriving the government of the honest and faithful services of employees free from conflicts of interest, corruption and self-dealing; and by exploiting and corrupting for their own purposes a government initiative involving the sale of arms to Iran rather than pursuing solely the government objectives of the initiative, including the release of hostages in Lebanon.

Independent Counsel has been able to prosecute the crimes committed in the course of the Iran/Contra cover-up. These have included lying to and withholding information from Congress, lying to other official investigations, and withholding and destroying documents.

Criminal charges have been brought against 14 persons in three venues, including three cases that have not yet come to trial. Ten convictions have been obtained. The North and Poindexter convictions were reversed on appeal. The Fernandez case never

came to trial due to classified information problems.

The Office of Independent Counsel could not complete its work without questioning all significant witnesses and pursuing all important leads related to the mandate issued by the Appointing Panel, a copy of which is attached. Because of the need to try North and Poindexter separately, these two principals did not become available for questioning until mid-1990.

Since then, the continuing investigation was fueled by newly discovered documents, including the personal notes of key officials, CIA cables and tapes, and other records previously withheld from Independent Counsel and other investigative bodies. These were obtained by renewed emphasis on the fulfillment of longstanding document requests, originally made in 1987 to the National Security Agency, the National Security Council, the CIA, the White House, the Office of the Vice President, and the State and Defense Departments. Also of critical importance were changes in witness testimony.

CONCLUSION

In the past two years, the continuing investigation has developed new and disturbing evidence that made it necessary to reinterview many of the witnesses first questioned in 1987. This was not merely a clean-up chore—it has provided a significant shift in our understanding of which Administration officials had knowledge of Iran/Contra, who participated in its cover-up, and which areas required far more scrutiny than we previously believed.

It is not a crime to deceive the American public, as high officials in the Reagan Administration did for two years while conducting the Iran and Contra operations. But it is a crime to mislead, deceive and lie to Congress when, in fulfilling its legitimate oversight role, the Congress seeks to learn whether Administration officials are conducting the nation's business in accordance with the law.

Respectfully submitted,

LAWRENCE E. WALSH,
Independent Counsel.

OFFICE OF INDEPENDENT COUNSEL FACTSHEET

Expenditures by the Office of Independent Counsel were \$31.4 million as of May 31, 1992, which are the latest figures available. The staff includes 9 full-time attorneys and 33 support staff. Since Independent Counsel Lawrence E. Walsh's appointment in December 1986 there have been ten convictions; two have been dismissed on appeal.

PENDING CASES

Caspar W. Weinberger—Indicted June 16, 1992, on five counts of obstruction, perjury and false statements in connection with congressional and independent counsel investigations of Iran-contra. The maximum penalty for each count is five years in prison and \$250,000 in fines. U.S. District Judge Thomas Hogan has set a Nov. 2, 1992, trial date.

Duane R. Clarridge—Indicted Nov. 26, 1991, on seven counts of perjury and false statements about a secret shipment of U.S. HAWK missiles to Iran. The maximum penalty for each count is five years in prison and \$250,000 in fines. U.S. District Judge Harold Greene has not set a trial date.

Clair E. George—Indicted Sept. 6, 1991, on 10 counts of perjury, false statements and obstruction in connection with congressional and grand jury investigations of Iran-contra. On May 18, 1992 three of the obstruction counts against George were dismissed with

Independent Counsel's consent; George was indicted on May 21, 1992 on two additional obstruction counts, bringing the total number of charges against him to nine. The maximum penalty for each count is five years in prison and \$250,000 in fines. U.S. District Judge Royce Lamberth has set a July 13, 1992, trial date.

COMPLETED TRIALS AND PLEAS

Elliott Abrams—Pleaded guilty Oct. 7, 1991, to two misdemeanor charges of withholding information from Congress about secret government efforts to support the Nicaraguan Contra rebels during a ban on military aid. U.S. District Judge Aubrey Robinson sentenced Abrams Nov. 15, 1991, to two years probation and 100 hours community service.

Alan D. Fiers, Jr.—Pleaded guilty July 9, 1991, to two misdemeanor counts of withholding information from Congress about the diversion of Iranian arms sales proceeds to the Nicaraguan Contras and about other military aid to the Contras. U.S. District Judge Aubrey Robinson sentenced Fiers Jan. 31, 1992, to one year probation and 100 hours community service.

Thomas G. Clines—Found guilty Sept. 18, 1990, of four tax-related felonies. U.S. District Judge Norman Ramsey in Baltimore, Md., on Dec. 13, 1990, sentenced Clines to 16 months in prison and \$40,000 in fines. He was ordered to pay the cost of the prosecution. The Fourth U.S. Circuit Court of Appeals in Richmond, Va., on Feb. 27, 1992 upheld the convictions. Clines began serving his jail sentence May 25, 1992.

Richard V. Secord—Pleaded guilty Nov. 6, 1989, to one felony count of false statements Congress. Sentenced by U.S. District Judge Aubrey Robinson on Jan. 24, 1990, to two years probation.

Albert Hakim—Pleaded guilty Nov. 21, 1989, to a misdemeanor of supplementing the salary of Oliver North. Lake Resources Inc., in which Hakim was the principal shareholder, pleaded guilty to a corporate felony of theft of government property in diverting Iranian arms sales proceeds to the Nicaraguan Contras. Hakim was sentenced by U.S. District Judge Gerhard Gesell on Feb. 1, 1990, to two years probation and a \$5,000 fine; Lake Resources was ordered dissolved.

Robert C. McFarland—Pleaded guilty March 11, 1988, to a four-count information charging him with withholding information from Congress. Sentenced by U.S. District Judge Aubrey Robinson on March 3, 1989, to two years probation, \$20,000 fine and 200 hours community service.

Carl "Spitz" Channell—Pleaded guilty April 29, 1987, to a one-count information of conspiracy to defraud the United States. Sentenced by U.S. District Judge Stanley Harris July 7, 1989, to two years probation.

Richard R. Miller—Pleaded guilty May 6, 1987, to a one-count information of conspiracy to defraud the United States. Sentenced by U.S. District Judge Stanley Harris on July 6, 1989, to two years probation and 120 hours of community service.

REVERSED ON APPEAL

John M. Poindexter—Found guilty April 7, 1990, of five felonies: conspiracy (obstruction of inquiries and proceedings, false statements, falsification, destruction and removal of documents); two counts of obstruction of Congress and two counts of false statements. U.S. District Judge Harold Greene sentenced Poindexter June 11, 1990, to 6 months in prison on each count, to be served concurrently. A three-judge appeals panel Nov. 15, 1991, reversed Poindexter's convictions. Independent

Counsel plans to appeal to the Supreme Court.

DISMISSALS

Oliver L. North—U.S. District Judge Gerhard Gesell dismissed the case Sept. 16, 1991, at the request of Independent Counsel following hearings on whether North's immunized congressional testimony tainted the testimony of trial witnesses. A three-judge appeals panel on July 20, 1990, vacated for further proceedings by the trial court North's three-count conviction for altering and destroying documents, accepting an illegal gratuity, and aiding and abetting in the obstruction of Congress. The appeals panel reversed outright the destruction-of-documents conviction. The Supreme Court declined review of the case May 28, 1991. North, who was convicted May 4, 1989, had been sentenced July 5, 1989, to a three-year suspended prison term, two years probation, \$150,000 in fines and 1,200 hours community service.

Joseph F. Fernandez—U.S. District Judge Claude Hilton dismissed the four-count case Nov. 24, 1989, after Attorney General Dick Thornburgh blocked the disclosure of classified information ruled relevant to the defense. The Fourth U.S. Circuit Court of Appeals in Richmond, Va., on Sept. 6, 1990, upheld Judge Hilton's rulings under the Classified Information Procedures Act (CIPA). On Oct. 12, 1990, the Attorney General filed a final declaration that he would not disclose the classified information.

Mr. KERRY. I yield the floor.

Mr. HEFLIN addressed the Chair.

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

Mr. HEFLIN. Mr. President, I believe I have a 10-minute order.

The PRESIDING OFFICER. The Senator is correct. Under the previous order, the Senator from Alabama is recognized to speak for up to 10 minutes.

COLUMBUS' VOYAGE TO AMERICA: LESSONS FOR INVESTMENT IN OUR FUTURE

Mr. HEFLIN. Mr. President, " * * * to explore strange new worlds, to seek out new life and new civilizations, to boldly go where no man has gone before," so said the announcer to open each episode of the "Star Trek" series. We might say that the "Star Trek" announcer was echoing Christopher Columbus' sentiments of 500 years earlier. Where would we be today if Columbus' quest for riches had not uncovered the new continent? Although his stated goals were to find gold, spices, and a new route to India, his voyage led instead to a remap of the world as it was known in his day.

This great journey was not simply a matter of hopping on a ship and setting sail for the vast unknown. Columbus faced much criticism, derision, and open skepticism for his idea of a western voyage to India. He needed funding to equip three vessels for a year of Atlantic exploration. He spent many years lobbying in the royal courts of both Portugal and Spain, much like we see today in Washington.

After being turned down by the King of Portugal, the Italian explorer took his ideas to Spain. He presented his plan to Isabella I in 1486. Her advisers argued against it, claiming, correctly as it turned out, that Asia had to be further west than Columbus supposed.

Despite the negative report of the royal advisers, Isabella and Ferdinand were fascinated by the plan and supported the future admiral with a royal pension, but not instantly. With the Christian Spanish reconquest of the Iberian Peninsula, Columbus had to endure 6 years of frustration. He even threatened to leave Spain in 1491 and submit his project to Charles VIII of France. On January 2, 1492, he was finally given the necessary papers and financing.

The *Santa Maria*, the *Nina*, and the *Pinta* were made ready for the voyage. Columbus captained the *Nina* while two other experienced sailors commanded the *Pinta* and the *Santa Maria*. With 88 men and enough provisions for a year, the ships sailed on August 3, 1492.

On September 6, they ventured along the 28th parallel passing the north fringe of the northeast trade belt. Columbus was fortunate to have had fair winds during the first stage. But toward the end of September, however, the crew faced unfavorable winds, dropping morale to the point of mutiny.

At 2 o'clock a.m., on October 12, 1492, under an almost full moon, land was spotted by a lookout on the *Nina*. Columbus named this small island in the Bahamas "San Salvador," meaning Holy Savior.

Arawak Indians on the beach received the Europeans courteously. But, no gold or spices were found, so the fleet sailed on, landing on Cuba October 28. Again, no gold, but a substance known as tobacco was discovered.

Not giving up on the opportunity to find gold, Columbus then sailed to Haiti where the *Santa Maria* was grounded on a reef and smashed to pieces on Christmas Eve. Natives helped the Spaniards save the crew and most of the cargo. The good nature of the Indians so impressed Columbus that he decided to leave part of his crew at the spot to found the settlement of La Navidad. He instructed his men to explore the island for gold.

On January 16, 1493, the *Nina* and the *Pinta* began the journey home to report their discoveries. The return voyage was long and miserable because of storms, but the party finally reached Palos on March 15, 1493.

Columbus was welcomed triumphantly at Barcelona by Ferdinand and Isabella. He received the title "Admiral of the Ocean Sea" and was made "Vice-King and General Governor of the Islands and Terra Firma of Asia and India."

He made three more voyages to the lands he had discovered, though he would never admit that he had found

not Asia, but a new continent. In this period, the many flaws of his personality and the limitations of his genius were made obvious through his actions and writings. But these imperfections cannot belittle the perseverance and raw determination of the "enterprise of the Indies." Columbus died in 1506, oblivious as to how his maiden voyage would ultimately lead to the complete restructuring of the political landscape and alteration of world history.

The successes enjoyed by this ambitious young maverick were not those he had intended. Columbus did not know exactly what he would encounter when he started out, but he knew his findings would be important to future generations. And so it is with the young researchers and scientists of today.

Columbus was not a perfect individual and by no means did he enjoy a fairy tale voyage. But, as Frank Donatelli, chairman of the Christopher Columbus Quincentenary Jubilee Commission, said, "What else is new?" Donatelli tells us not to forget "the fact that what Christopher Columbus accomplished was possibly the most important thing that had happened to the world since the birth of Christ."

I offer the story of Columbus not only because this is the year of its quincentenary, but, aside from the controversy surrounding its celebration, because it offers us so many lessons and instructions about the research and exploration of today. For example, Columbus' adventures are much like today's adventures in space. We may not know what is out there, but we know we must continue to explore. As we saw with the dramatic Endeavor rescue mission, dangers and costs of bold exploration are justified by what the operation taught us about working in space and by the fire it has lighted in young people.

One of the greatest journeys ever to take place could be with the space station *Freedom*, which is being built by the United States, Japan, Canada, and 10 European nations. This international manned space laboratory will allow astronauts to learn how to live and work in the hostile environment of weightless space.

If everything goes on schedule, a shuttle will hoist the first section of space station *Freedom* into an orbit 250 miles above the Earth in November 1995. Four astronauts will take up residence in a lab designed to circle the Earth for the next 30 years beginning in 1999.

Once it is flying, space station *Freedom* will be a workshop for life science and microgravity experiments that may benefit people on Earth in the form of new drugs and other materials. Building the space station will be the largest technological endeavor ever undertaken among nations, and will make *Freedom* a prototype for massive

future international projects in science and technology on the ground and in space. It will also be a test for NASA. But, endeavor shows that NASA is up to the test, just as Columbus was up to the test.

Collecting medical data needed for long manned space flights is the primary mission, but there could also be a scientific payoff in biotechnology research and in developing new ceramics, glasses, metals and other novel materials. Research could also help scientists learn how to develop drugs to attack diseases.

Experiments in the space station will help explain what happens to animals, including humans, when they are removed from the natural gravitational environment in which the species evolved. Scientists will be able to do life-science studies that run for years.

From the moment President Reagan proposed the space station in 1984, however, the project has been engulfed in controversy, as was the plan proposed by Columbus. Skeptics are not shy about decrying the space station as a flagrant misuse of tax dollars in a time of fiscal constraint. Many prominent scientists have maintained that the cost of \$30 billion or more to the United States, plus additional billions invested by our international partners, far outweighs potential scientific benefits. Social critics have argued that the money would be better spent at home, shoring up fractured urban ghettos and investing in better schools.

Congress repeatedly has voted by substantial bipartisan margins to continue projects such as the space station, superconducting super collider, and SDI. But in a time of tight budgets, more attempts to kill sound investments in our future are expected. It seems to me, however, that we cannot back away from a strong investment in public investment and research, any more so than parents can decide to not fund their children's college education just because they might still have a mortgage on their home or a large balance on their credit card accounts.

At the same time, we cannot ignore our fiscal dilemma. I have long been in the forefront of efforts to inject responsibility and discipline into the Federal budget process. Any public investment must be cost-effective.

With that goal as a priority, space station *Freedom* already has been scaled back and its crew cut from eight to four in order to save money. It has also been redesigned to make it much easier to construct and maintain in orbit. But its basic mission remains that of finding out if humans can live and work for long periods in the absence of gravity. The answers will determine if our long-held dream of being a spacefaring species can ever become reality.

The American people know that if we are to adequately prepare for the fu-

ture, we must make the right investments today. Recent surveys focusing on Federal spending show that 74 percent of us want funding levels for NASA to be increased or at least remain at current levels.

When I hear some of my colleagues rail against the space station, the superconducting super collider, and other projects designed to propel us into the future, I cannot help but wonder what they would have said had they been around in 1492. Certainly had these political pundits been in Spain, the news headlines would have read: "Columbus voyage disaster, ship lost, India not found."

We never know what benefits research and development will ultimately yield. Some of the most important discoveries in medicine and other fields have been accidental in nature, just as Columbus' arrival in the New World was 500 years ago. Could any of us argue, with a straight face, that the cost of that long-ago voyage, which at that time was astronomical, has not been outweighed many, many times over by the benefits that were bestowed upon mankind?

As we reflect upon that journey during 1992, it would serve us well to think of and focus on the miraculous technological advances and discoveries—many of which have benefited the human race immeasurably—that would never have been possible had the naysayers got their way.

In his inaugural address to the Nation over 30 years ago, President Kennedy told Americans that they stood "on the edge of a New Frontier." In describing the phrase that has become synonymous with his short administration, he inspired an entire generation by saying, "Let both sides seek to invoke the wonders of science instead of its terrors. Together let us explore the stars, conquer the deserts, eradicate disease, tap the ocean depths * * *"

Those words are no less profound today than they were in Kennedy's time, for as long as man is on this Earth, and as long as we are able to move forward with scientific and technological advances, we will always be on the brink of a New Frontier.

The PRESIDING OFFICER (Mr. KERRY). The Senator from Washington is recognized under the previous order for not to exceed 10 minutes.

PLANNED PARENTHOOD VERSUS CASEY

Mr. ADAMS. Mr. President, it is painfully clear that yesterday's decision by the Supreme Court in Planned Parenthood of Southeastern Pennsylvania versus Casey has seriously eroded the most basic and fundamental constitutional right held by the women of this Nation, a right to make their own individual decisions, free from intrusive meddling by Government on

this decision of whether to choose to have an abortion.

Although five Justices rejected the call to overturn the Roe decision outright, a solid bloc of four men—Chief Justice Rehnquist and Justices White, Scalia, and Thomas—are committed to the total elimination of the right of choice for American women. We are just one Justice away from a Court that will overturn Roe and allow criminal penalties to be established, or other type of regulations denying women the right to choose.

So it is a terribly important time for all of us to discuss this decision and future actions of the Congress. The Rehnquist Court has brought this Nation to the brink of taking away a fundamental right, and the next appointee to the Supreme Court is certain to determine the outcome of this struggle.

Yesterday's majority decision rejecting the radical minority opinion gives no cause for rejoicing, for the Roe decision has been seriously eroded. The Court majority invites other States to follow the example of the Commonwealth of Pennsylvania in placing obstacles between a woman and the exercise of her constitutional rights.

This decision took one step forward by rejecting the spousal notification provision, and four steps back in upholding the provision of Pennsylvania's law that had been found unconstitutional by the lower court.

States are now free to meddle in the decision in the decisionmaking process, and to interfere in the abortion decision at all stages of pregnancy. This decision steers the women of this Nation in the direction of forced pregnancies, illegal abortions, and those terrible operations performed by back-alley butchers.

Nearly 20 years after Justice Blackmun so aptly characterized the majority decision in Roe versus Wade as "a landmark of liberty," that very liberty referred to in the Constitution today stands severely eroded and in danger of elimination.

Those of us in Congress who cherish the protection of individual liberties and view the Constitution as a shield between arbitrary Government action and the individuals of this Nation—which it is—want to prevent an unwanted and unjust intrusion of Government. And we must act to stop that erosion; we must move immediately to pass the Freedom of Choice Act and codify the "strict scrutiny" standard established in Roe.

I also want to state an admission and a compliment, Mr. President. In September 1990, I voted against Justice Souter, and indicated here on the floor that if he proved sensitive to the constitutional protection enjoyed by American women under the Roe decision, I would return to the floor and express my gratitude that my concerns had been misplaced. I do so today. And

I shudder with horror at what alternative we might have had if the fifth vote had made criminal penalties under Roe possible for the States.

I am more convinced than ever that no future Supreme Court nominee should be confirmed without a clear and unequivocal stated commitment to the right of privacy that is essential to the protection of the many individual rights of our citizens including the right to choose or not to choose an abortion, an intimate, personal right.

I can think of almost no right more intimate or more personal than the decision to have an abortion; it is a decision that should be made by the woman involved, and not by the Government. That is what the Constitution is there for—to protect individuals from intrusion by the Government into their most private matters.

Opponents have argued that the Congress does not have the constitutional authority to protect the woman's right to choose. I sat in those Labor Committee hearings when we had constitutional scholars from this Nation's best universities to testify. Time after time, they stated that Congress clearly has the power to enact a statute to protect a woman's right to choose. Yet time after time, opponents come to the Senate floor to fight to restrict access to abortion: They want to require parental notification, prohibit Federal funding of abortion, forbid the District of Columbia to pay for abortions with its own funds, and cut off aid to foreign countries based on abortion policy. But when those who wish to protect the rights of women introduce legislation like the Freedom of Choice Act, they have the temerity to say that we cannot do that.

That is ridiculous: Congress has the power to enact the Freedom of Choice Act under the commerce clause of article I, section 8, and under section 5 of the 14th amendment.

This is very important because before the Roe decision, 85 percent of the abortions in the United States were conducted in New York or California. And 65 percent of those in New York were from out of State. Today, 85 percent of the counties in the United States have no abortion facilities available. Women must travel great distances to obtain an abortion.

So we certainly have the right to see that those who must travel from rural areas, or areas without any abortion facilities, have an opportunity to move freely to exercise their constitutional rights.

The 14th amendment is a basic constitutional right-to-privacy doctrine, and it provides for fundamental constitutional protection of individuals against arbitrary Government action. This protection is applied to the States under the 14th amendment.

Finally, Congress must act because it is abundantly clear that women can no

longer rely on the highest Court of the United States to give them their constitutional rights and to protect them. We therefore must pass the Freedom of Choice Act. It is within Congress' power to safeguard the fundamental right to choose. More than that, Congress has a responsibility to protect the women of America from unnecessary interference of the Government.

Now that the Supreme Court decision has been announced it is time for the Congress to act.

And I hope that we shall do so promptly.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent to speak for 20 minutes as in morning business.

The PRESIDING OFFICER. Without objection it is so ordered.

AID TO PANAMA

Mr. LEAHY. Mr. President, when I saw the pictures of President Bush trying to keep the tear gas out of his eyes during his recent stop to Panama, I was reminded of a debate we had on this floor just over 2 years ago.

In March 1990, 3 months after Operation Just Cause and just a month after the Congress approved the President's request for \$550 million in emergency credits and guarantees to Panama, the President sent up another request for an additional \$500 million in grant aid for Panama, and \$300 million for Nicaragua.

The House cut the Panama aid request to \$420 million, and sent it to the Senate, where a difficult and lengthy debate ensued in April 1990.

Although there were only 6 months remaining in the fiscal year, we were told that this aid—roughly equivalent to one-third of Panama's entire national budget—was needed immediately to jump-start the Panamanian economy. In fact, every administration official went over every talk show they could and said, "We jump-start the Panamanian economy."

The administration was breathless in its urgency to get the Senate to pass that emergency aid package without any change from the House-passed level and without adding any controls on how the money could be used.

Some here may remember that as chairman of the Foreign Operations Subcommittee I said at the time that Panama's shattered economy was simply not capable of absorbing so much money so fast, without a lot of it being misused or wasted. Far too much of it was going to end up right in the same corrupt banking system, and far too little would go to the people who needed it most.

That is not to say I was against giving aid to Panama after the overthrow of the dictator and convicted drug lord

Gen. Manuel Noriega. I made clear on this floor at the time, that the United States had a responsibility to help Panama recover from Noriega, particularly after all those years the Reagan and Bush administrations had supported him and told him what a great job he was doing fighting drugs.

But I argued that this was too much money, too fast, with too little preparation. It was obviously politically motivated. The White House wanted to demonstrate U.S. support for the new government there, and the administration did not want to take the time to develop a carefully thought out program, and they said just send American taxpayers money down there in foreign aid, because it is going to look good.

I went to Panama to discuss the President's request. The Panamanians told me frankly they had no serious economic plan, only a set of goals. They wanted the cash now and would figure out what to do with it later. They, too, wanted a signal to the Panamanian people that a lot of American money was coming.

When I got back to Washington, some administration officials, privately of course, confirmed that there was no economic recovery plan. I also found that the administration did not have a credible budget justification for its request. Basically, the administration's budget argument was "give us the money and trust us to use it right."

When floor debate in the Senate began, I pointed out that while the American taxpayer was being asked to provide over \$1 billion in aid of one kind or another to Panama and Nicaragua with a combined population of 6 million people, the President was proposing only \$300 million for all of Eastern Europe, with 120 million people and enormous economic potential for American trade and investment, which means incidentally jobs right here in the United States.

I wanted to discuss whether we had not gotten our priorities mixed up. With an immense opportunity for United States trade and investment in Eastern Europe, with major economic payoff for the United States as well as for the Eastern European nations, it seemed to be worth debating whether some of this money ought not to go to support our national interests in that area as well, instead of simply shoveling money down to Panama and Nicaragua for the sake of shoveling money down to Panama and Nicaragua.

For daring to raise questions about what this money was supposed to accomplish in Panama—because I dared ask whether it would not be possible to cut the amount to meet genuine emergency needs and come back to Panama's longer term needs after a real recovery plan was prepared—I was vilified by the White House for blocking this urgent program. I was made to

look like an isolationist yahoo because I wanted to take the time to work out an aid program that really would respond to the needs of Panama, and in the meantime, shift a part of the aid to helping expand our economic stake in Eastern Europe.

Notwithstanding all the abuse heaped on me and others in this Chamber, the distinguished chairman of the Appropriations Committee and I proposed an amendment in the committee shifting some of the Panama aid to higher priority areas.

Mr. President, you should have seen the administration twisting arms on that one, and we were finally defeated in the committee by a single vote.

But I was successful in adding a requirement that the GAO and the AID Inspector General monitor how the Panama aid was spent. I predicted serious problems would occur in the Panama program, and I am sorry to say, Mr. President, that my fears appear to have been justified. I said there would be serious problems if we just threw all this tax money down there. The White House said do not worry about it. It will all work out. It turns out I was right, and they were wrong; there are serious problems.

On June 13, the Washington Post reported that according to a copy of the GAO's draft report required by my provision, our aid has had no significant impact on the economy or on the underlying causes of political instability there. That draft report has not been released, nor have I seen it, but I believe that is what it says. However, I and my staff have had several briefings from AID, the GAO and the AID/IG on the Panama program over the last 2 years. We were briefed on the draft GAO report after it was described in the Washington Post and other newspapers.

According to our briefings, the GAO has found that a year after Congress rushed through the dire emergency supplemental, the administration had disbursed only one-sixth of the money for Panama. After 1½ years, over 50 percent was still unspent. Only within the last 6 months has the bulk of the money finally been disbursed, a full 2 years after the dire emergency in Panama that we heard in all these speeches coming from the administration.

This is precisely what I warned would happen.

And having had everybody from the administration tell me my fears were groundless, Mr. President, I do want to speak on this floor about what happened, because precisely what I said would happen did, and exactly what the administration said would not happen did happen.

We locked up over \$400 million of the American taxpayers' money many months before the money could actually be used to help the people of Panama.

Rather than going to the people who are in need, GAO staff tell us over \$100 million went into the banking system to increase liquidity. AID has no idea what was done with that money. Of the \$65 million development projects which actually might have done something that we could have traced much of it was not used. Only \$18 million had been disbursed by February of this year. Much of our emergency aid was deposited to the account of the Panamanian Government and sat there earning interest, over \$1½ million, not for the American people, but for the Panamanians.

That is money, incidentally, that we in the United States had to borrow to give to them to put in the bank where they could earn interest on it, because they did not need to use it. It does not make an awful lot of sense. So the American taxpayer took a double hit. He or she paid taxes so we could give the aid to Panama in the first place, and he or she paid more taxes so the Treasury could borrow the money sooner than it had to—and on top of that Panama got more aid than Congress actually appropriated.

What a deal, not for the American taxpayers but what a deal for the Panamanians.

My briefings indicate that GAO experts believe that AID misjudged the economic situation in Panama. GAO economists believe the Panamanian economy had already begun to rebound before significant amounts of our aid ever got there. The problem in Panama was, and still is, long-term reform of underlying structural weaknesses of the Panamanian economy, not short-term, jump-start economic stabilization.

In short, according to the GAO, aid was needed, but of a different kind—not to shore up the banking system—but to address the fundamental problems of poverty, unemployment and structural distortions in the Panamanian economy. That is exactly what I argued 2 years ago in trying to reduce the so-called emergency aid package to meet genuine emergency needs in the aftermath of our invasion, and to require a long-term economic development plan before we provided the whole aid package.

Just as I tried to tell the Senate, we really did have time to do this program right if we had not been stampeded by the rhetoric out of the White House. Instead of listening to everybody who in the aftermath of snatching Noriega all those running to talk shows, now let us send down a whole lot of money to fix up the problems that were created during the time we were all supporting Noriega, if we just stopped and said wait a minute, this is our money, this is not the Panamanian money, it is nobody else's, it is our taxpayers' money, let us at least if we are going to spend it on this or any other kind of

foreign aid, let us at least spend it so we get what we say we are going to get out of it.

In case anyone thinks this is just the opinion of the GAO, the AID inspector general recently published his own audit of the Panama program, an audit required by the provision I put into the emergency aid bill, because I thought this money was going out far too fast. He found that need for the Private Sector Revitalization Program, which accounts for \$108 million, one-fourth of the entire aid package, has never been analytically established. In plain words, Mr. President, this means it was thrown together by AID bureaucrats in an effort to shovel money down there as fast as they could with no thought of how the money was going to be used. Most of us would not spend our own money in our household this way; we should not spend the American taxpayers' money this way in foreign aid.

Moreover, the IG reports that the Private Sector Revitalization Program was not being implemented as authorized. The inspector general found that AID simply injected the entire \$108 million into the Panamanian banking system without any effort to monitor how the money was used to reactivate the economy.

They simply said why use it for new loans to the private sector. AID merely required that the \$108 million be used for new loans to the private sector, with the definition of new loans being those that occurred after July 24, 1990. While it is next to impossible to link our aid to any specific uses, it appears the bulk of these new loans did not create jobs, did not help the people displaced by the invasion. What it did was it refinanced home mortgages for the Panamanian middle class, and loans to a handful of large corporations.

But this was not a mistake or the result of weak management. AID deliberately chose not to know how the loans were to be used. Good soldiers, they jumped in line, and a political judgment was made at the White House to shovel American taxpayers' money down there; do not ask where it is going to be used. Now, hear no evil, see no evil. Well, let us speak a little bit of the evil because of the inspector general found the original authorization documents for this program were amended to drop the requirement that the Panamanian banks produce a loan program in advance of disbursement of the United States funds, in other words, simply thinking of saying before you give the money tell where you are going to use it for. We even dropped that. Mr. President, who is running this operation? The same people that ran the savings and loans. This is remarkable.

Let me quote from the IG audit.

There was no way to assess whether the participating banks would have made the loans in the absence of the program, nor was

there a way to determine whether the funds received under the program resulted in increased lending for the specific types of activities the program was intended to support.

We are not playing Monopoly here, it is not funny money.

Now, Mr. President, the inspector general says AID has agreed that these loan repayments to the Panamanian banks can be used to pay Panama's debts to the United States.

Let me make sure everybody understands this. Panama owes the United States money, so we give them foreign aid so they can pay us back so we can say see they paid their bills, send them more money aid.

Mr. President, I have a mortgage on my home in Vermont. I have a mortgage on the home I use down here in Washington. God, I would love to find out how somebody gets a program like this. You know, borrow money; then get the people you borrow the money from to send you money to pay back the money you borrowed. What a deal, Americans cannot get help. Those who get foreign aid can.

As crazy as it sounds, we are letting Panama use our emergency foreign aid to pay its debts to us. The IG seconded the GAO's findings about the Economic Recovery Program, which accounts for \$243 million of the total \$420 million package. Both found that it took far longer to disburse this money than planned—or than we were told when immediate Senate action was being demanded. If this sounds like I am saying I told you so, the fact is I did. And all the hoopla, and we ought to keep in mind when foreign aid bills come up here, all the hoopla of the moment of how necessary it is; let us stop for a moment: it is American taxpayers' dollars. Let us make sure where it is going to be used. Let us think about that in any package that comes up. This is where we had a chance to really do something to help American taxpayers in Eastern Europe, but, no, we have to shovel this money down to Panama and Nicaragua immediately, because they need it desperately and then we find out that it was not used that way. The IG audit states that AID planned to disburse the Economic Recovery Program money within 9 months, or by March 1991. Again, let me quote the IG audit report:

However, as of November 30, 1991, seventeen months after the program began, only \$29.85 million, or 12 percent of the program's funds, had been disbursed by A.I.D.

The GAO briefers told us that as of May 31, 1992, a full 2 years after Congress approved the dire emergency supplemental, only 79 percent of the funds had been spent. Over 20 percent, one-fifth, of that emergency aid to jumpstart the Panamanian economy still remained unspent as of that date.

Here is another finding that particularly grates on me. Do it right now,

hurry up jump start the economy, in fact, it took Panama over 20 months to complete all the necessary actions to use the \$130 million we appropriated to help them clear their arrears with the multilateral development banks.

When I was being blasted by the Treasury Department early in 1990 for questioning the need for this \$130 million right away, they were saying these arrears would be cleared before the end of that year. I said "baloney." I had taken the trouble to go to Panama and meet their political leaders and their economists. I knew it would take far more than a year to get through that politically difficult process, plenty of time for the administration to work out a realistic plan and for Congress to provide the money in a timely manner.

Still the political appointees ought to cool the rhetoric a little bit and spend just as much time doing their job and try to protect American taxpayers' dollars.

But we went ahead and did what the White House wanted. We appropriated that \$130 million of the taxpayers' money, and it sat there for nearly 2 years before it could be used. The Treasury had to borrow that money. It was not a free item to dangle in front of the Panamanians. There was a cost, both to other urgent foreign aid programs like Eastern Europe or export promotion, and in interest paid by the Treasury.

Mr. President, through gritted teeth, I will reserve final judgment on AID's management of this program until I see the report myself. But right now I am putting the GAO, the IG and AID on notice. The GAO and IG have made serious allegations which, if true, have profound implications not only for our aid program in Panama, but in many other countries. If false, they have done a great disservice to AID.

In fairness, I want the record to show AID vigorously rejects the GAO and IG's criticisms. AID claims that had it not been for our aid program, Panama's economy would never have grown 9.3 percent in 1991. Although unable to prove it was because of our aid, AID says unemployment has been cut from over 30 percent to less than 16 percent in 2 years, and that the feared run on the banks never occurred.

AID also says it used its leverage to get Panama to cut tariffs for agriculture and industry, begin eliminating price controls, privatize the national airline, and commit to privatizing the telephone company, and sign an investment treaty with the United States. AID says it provided \$20 million for community projects and \$13 million to repair and build schools and health clinics, supported scholarships for Panamanian students, and helped modernize the courts and legislature.

AID officials characterize the Panama Emergency Aid Program as a great success.

Maybe AID is right and the GAO and the IG are wrong. I intend to get to the bottom of it. After I get the GAO final report I will decide whether to convene a hearing in the Foreign Operations Subcommittee on the Panama program. If so, I will invite AID, the GAO, and the IG to give their sides of the story.

If the GAO and the IG are accurate, there are some powerful lessons to be learned here. Without the GAO and the IG to do independent evaluations there is no way we would ever know whether our aid was going to waste.

I wish Senators would also heed this lesson. Just because the administration says there is an emergency somewhere does not mean throwing a pile of money at it is going to solve anything.

Foreign aid is in deep trouble. Its constituency is all but gone. A large part of the reason is politically driven programs like the so-called emergency aid package for Panama in the spring of 1990. We cannot turn our back on the world—whether Russia or Panama. But if there is one thing we should have learned a long time ago it is that throwing money at a problem does not always help. Foreign aid, just like all Federal programs, has to be carried out responsibly and with a spotlight on management, implementation, and results.

Mr. President, we are the remaining superpower in the world. We cannot turn our back on the rest of the world, whether it is Russia or Panama. But we also have to understand that if we are going to remain that superpower, if we are going to have these worldwide interests, we have to keep faith in the American people themselves or there will not be a constituency for it.

Mr. President, I ask unanimous consent that the Washington Post article of June 13, 1992, a letter in response to the editor of the Post by James Michel, AID's Assistant Administrator for Latin America and the Caribbean, and an exchange of letter between Mr. Michel and the AID inspector general relating to the Panama program be printed in the RECORD.

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

[From the Washington Post, June 13, 1992]

**\$420 MILLION PANAMA AID FOUND
INEFFECTUAL BY GAO**

(By Dana Priest)

A \$420 million U.S. aid package to Panama meant to jump-start the economy and create goodwill after the U.S. invasion in December 1989 has had "no significant impact on the economy" or the underlying causes of political instability there, according to a draft of a year-long government study.

The report by the General Accounting Office, the investigative arm of Congress, concludes that too much money has been spent on bolstering the banking sector after U.S. officials "overstated" the threat of a post-invasion run on the banks that never occurred. It also finds that 70 percent of the money

earmarked to aid the poor and promote democratic institutions has not yet been disbursed.

Speaking in Panama City Thursday, President Bush said the U.S. community in Panama "must take great satisfaction in Panama's accomplishments" and added, "We will continue to help the Panamanians build on their progress, in strengthening democracy and developing their economic system so that future generations can share what you have helped start."

U.S.-Panamanian tensions flared this week when a U.S. soldier riding in an Army vehicle was shot and killed in Wednesday and Bush on Thursday was forced to flee an open-air public event in Panama City after U.S.-trained riot police fired tear gas at nearby protesters.

Bush blamed the incident on a "tiny little left-wing demonstration," but witnesses to the violence said U.S.-trained riot police may have fired excessive volleys of U.S.-supplied tear gas that drifted toward the president.

As of March, the United States had spent or committed \$13.2 million of what is expected to be a \$60 million, five-year program to help equip and train Panama's new National Police Force. The new force replaced the brutal and corrupt 22-year-old Panama Defense Forces (PDF), many of whose members remained loyal to former Panamanian leader Manuel Antonio Noriega during the invasion and fought U.S. troops.

Over 90 percent of the new police force are former PDF members, according to another GAO report released this month. Poor pay (\$318 a month), low morale and high turnover in leadership positions are serious roadblocks to developing a professional force, the report said.

Since the invasion, Panama has received \$1.28 billion in grants, credits and trade guarantees from the United States. The draft GAO report has studied only the \$420 million in "dire emergency" assistance that Congress, at the request of the administration, provided Panama in May 1990. The Agency for International Development (AID) is responsible for planning how to spend the money and negotiating with the Panamanian government over disbursements.

The report is also critical of the Panamanian government for taking 20 months to pass economic reform legislation that the United States had set as a condition for spending the money. Lengthy talks with Panamanian officials also slowed disbursement for programs to improve police and justice systems, develop electoral and legislative procedures and support free press and labor unions.

Of the \$420 million, \$352 million was to help Panama cover debts with international financial institutions, fund infrastructure improvements and expand credit to businesses.

About \$108 million of the \$352 million was infused into the banking system to avert what AID officials believed could have become a liquidity crisis caused by a post-invasion run on banks. Another \$65 million of the total package was to be spent on development programs. AID had disbursed only \$18 million of the development money as of Jan. 31.

"AID perceived the economy to be in a state of emergency, and viewed its role as injecting an immediate stimulus into the economy," the draft states. "GAO found that, while Panama's economy was certainly in a state of crisis, the cause *** was more political than economic." The economy improved before significant amounts of foreign assistance were disbursed, the study notes.

AID's plan, the report goes on to say, "generally overemphasized the need for short-term stabilization in Panama at the expense of dealing more comprehensively with the acknowledged obstacles to Panama's long-term growth and development"—notably, trade protectionism and bad government policy. AID officials declined comment yesterday, saying they had not read the draft, but noted that Panama's Gross Domestic Product grew 9.3 percent last year, in part because of U.S. assistance.

The draft was written by GAO analysts who conducted interviews with officials from the U.S. Embassy and AID in Panama and Washington, the State Department and the Panamanian government. The analysts also reviewed relevant aid program documents. The request for the study came from Sen. Patrick J. Leahy (D-Vt.), chairman of the Appropriations subcommittee on foreign operations.

The draft is not expected to be released for another two months, after GAO editors and State and AID officials in Washington have a chance to respond. It is not unusual for this review process to result in language changes that soften the findings of analysts who conduct the on-site work.

[From the Washington Post, June 16, 1992]

INDEPENDENT PANAMA AID STUDY SOUGHT

(By Dana Priest)

A senior official at the Agency for International Development called yesterday for outside investigators to evaluate the economic impact that \$420 million in U.S. assistance authorized for Panama has had there.

Analysts at the General Accounting Office, the investigative arm of Congress, have concluded in a draft report that the aid package, appropriated by Congress after the U.S. invasion in December 1989 and meant to jump-start the economy, has had "no significant impact on the economy." It also says that 70 percent of the money earmarked to aid the poor and promote democratic institutions has not yet been disbursed.

"The allegations are so serious and damaging, so contrary to what I strongly feel is a well-designed and -managed program," said James Michel, assistant administrator at AID for the Latin America and Caribbean bureau. "I want to know if this is right. Can we be so wrong? If it's so, get rid of us all."

In the draft, which The Washington Post wrote about Saturday GAO analysts said AID had "over-stated" an expected post-invasion run on the banks. Expectation of such a run was the agency's justification for infusing nearly \$352 million into the banking sector.

Michel said in an interview yesterday the money did help build the business confidence necessary to avert a banking crisis and better Panama's standing among international financial institutions.

The GAO draft said that "AID officials blame their own lengthy project design, approval and development process for" the delay in disbursing money for the development projects. Yesterday, Tom Stukel, AID's mission director in Panama, said it has taken time to develop projects to reform Panamanian institutions. "These are not solved overnight or formula kind of solutions," he said.

Although AID routinely evaluates its own programs, Michel said he will ask the agency to hire outside analysts to review the aid package to Panama. "I want to find out if we're as awful as this says we are."

AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, DC, June 15, 1992.

The EDITOR,
The Washington Post, Washington, DC.

THE EDITOR: The Agency for International Development has again come under attack—this time in the Post's front-page story of Saturday, June 13, entitled "\$420 Million Panama Aid Found Ineffective by GAO."

The lengthy Post article appears to be based entirely on an early draft of a report still being prepared by the General Accounting Office and not yet seen by A.I.D., but made available to your reporter. The Post article is highly critical of A.I.D.'s program with respect to the following:

The significance of its impact on the economy and the underlying causes of political instability in Panama;

The amount of money spend on bolstering the banking sector;

The speed of disbursement of the money earmarked to aid the poor and promote democratic institutions;

The balance of emphasis between the need for short-term stabilization in Panama and the obstacles to Panama's long-term growth and development—notably, trade protectionism and bad government policy.

As the A.I.D. official who approved the Panama program and chaired annual reviews of its implementation in 1991 and 1992, I can claim some personal knowledge of what A.I.D. regards as a major success. The total failure described by the Post is a far cry from the impressive accomplishments I have observed both from Washington and from two reviews of the program in Panama.

With respect to the four areas of criticism identified in the Post article, my understanding is as follows:

IMPACT ON THE ECONOMY

During the period January 1990 to January 1992 A.I.D. disbursed \$368 million in grant funds for assistance to Panama. The size of Panama's economy is about \$5 billion. There is no way that we could have spent \$368 million in an economy of that size for activities such as housing construction, rehabilitation of public infrastructure, repair and restocking of commercial establishments and credit for new investments without making a significant impact. A principal purpose of our activities was to foster a rapid return of economic growth. In fact, Panama's economy grew an impressive 4.6 percent in 1990 and a remarkable 9.3 percent in 1991. It is incomprehensible how any informed analysis could conclude that this extraordinary recovery, unmatched anywhere in the Western Hemisphere, would have occurred without or without the A.I.D. program.

BOLSTERING THE BANKING SECTION

When the A.I.D. program was initiated in 1990 bank deposits in Panama were frozen. There was a broad consensus, shared by Panamanian officials and the business and financial communities, that unfreezing accounts would present two risks: first, there might be a run on the banks by depositors; second, bankers fearing a possible run might be reluctant to make new loans needed to revitalize the economy and create new employment. Accordingly, A.I.D. developed an innovative program that made available \$108 million to the Government of Panama to buy certificates of deposit from private banks that were prepared to make investment loans.

We are convinced that the confidence given by this program contributed significantly to the fact that the feared run on the banks did

not occur, and that deposits actually increased as new loans were made. The full \$108 million has been disbursed. According to the program design, the participating banks were required to contribute matching funds. The results—3,200 new investments totaling \$243 million were financed and deposits in the banking system increased from \$7.8 billion in December 1989 to \$12.1 billion in March 1992. We cannot be certain that without A.I.D.'s program a run on the banks would have occurred. Nor can we state with certainty that tight credit would have constrained new investment. We are sure that it would have been irresponsible for us to have ignored those risks and are proud of the results of our program.

SPEED OF DISBURSEMENT FOR DEMOCRACY AND POVERTY ALLEVIATION

The A.I.D. program can be characterized as being made up of two kinds of activities—quick disbursing contributions to the "jump start" of the economy and long-term efforts to strengthen Panama's capacity for sustaining credible and accountable democratic institutions and broad opportunities for participation in the economic and political life of the country. Of the 23 projects managed by the A.I.D. Mission in Panama, 12 will extend into fiscal year 1994 and 9 will continue into fiscal year 1995. It is inherent in this project mix that a high percentage of the funds committed to the long-term projects will not be disbursed during the first two years of the program. Any inference that a faster rate of disbursement for long-term projects would represent a wiser or more efficient use of funds would be erroneous.

Rather than look to a false indicator of accomplishment, it would seem useful to recount some of the achievements of the past two years. The single greatest benefit to the poor has been the reduction in unemployment from more than 30 percent to less than 16 percent as a result of the economic reactivation which A.I.D. has supported. In addition:

A.I.D. provided \$20 million for a social emergency fund which has financed over 800 community projects, particularly in long-neglected rural areas, employing more than 8,000 persons.

A.I.D. provided \$13 million for repair and construction of schools and health facilities.

A.I.D. delivered more than 43,000 textbooks to public and private universities.

A.I.D. provided financial support for 378 scholarships for agricultural and technical training for disadvantaged rural youth, as well as more than 100 scholarships for study in U.S. universities.

A.I.D. support to the judicial system has improved court administration and permitted an increase in the number of public defenders and the creation of nine new courts, contributing to the initial declines in the backlog of cases and the number of pre-trial detainees.

A.I.D. is assisting in the modernization of the legislative assembly's operations and management information system.

A.I.D. financed technical assistance to the newly reconstituted Electoral Tribunal supported free and fair local elections in January 1991 and will help the Tribunal to administer a proposed constitutional referendum in 1992 and national elections in 1994.

A.I.D. technical assistance to the Comptroller General is achieving significant improvement in the accountability of public institutions to Panama's citizens.

A.I.D. financed training for 535 community leaders, 372 journalists and media owners, and 445 labor leaders in democratic values and participation.

BALANCE BETWEEN SHORT-TERM STABILIZATION AND LONG-TERM GROWTH AND DEVELOPMENT

A.I.D. attention to policy reform and elimination of obstacles to broadly-based and sustained growth has been a central tenet of our program. A total of \$130 million of appropriated funds was set aside for a U.S. contribution to a multi-donor support group for clearing Panama's arrears to the World Bank and the Inter-American Development Bank. Clearing of arrears was necessary to gain renewed access to financing by those international financial institutions (IFI's) for long-term development needs. In addition, A.I.D. conditioned \$84 million of the \$113 million allocated for public investment by the Government of Panama on reduction in trade barriers, improvements in governmental efficiency and agreement with the IFI's. These measures operated to combine the incentives of A.I.D. resources and those of the IFI's to encourage policy reforms necessary for long-term growth and development.

Conditioning of more than \$200 million on policy reform, together with an ongoing dialogue and technical assistance, has contributed to the following:

Tariffs have been reduced to 90 percent for agriculture and 60 percent for industry, with a commitment to further reductions and the elimination of quotas by 1993.

The Government is eliminating price controls and is closing its office of price regulation.

Panama has applied for membership in the GATT and is participating in the liberal economic integration deliberations underway in Central America.

The Government has reduced the public civilian payroll by 9,000, and is committed to reducing an additional 19,000 public sector jobs by the end of 1993.

The Government has privatized the national airline and two hotels, and is committed to privatize the telephone company.

A reform of the social security system has been legislated.

Legislation has been passed that permits the creation of privately owned export processing zones and provides incentives for investors to establish operations therein.

Panama entered into a bilateral investment treaty with the United States in May 1991.

While much remains to be done, Panama's economic plan and its program loans with the IFI's, supported by A.I.D., represent a good beginning to setting the basis for broadly-based and sustained growth.

In conclusion, from my perspective, your story represents an undeserved and devastating condemnation of outstanding work by A.I.D.'s dedicated and highly competent professional staff. I do not expect you to publish this long and detailed letter. Indeed, if you were to do so that would not remedy the harm that has been done. Instead, I want to offer you an independent evaluation of A.I.D.'s Panama program and ask that you publish its findings.

At my request, the Director of A.I.D.'s Center for Development Information and Evaluation has agreed to commission a study by a term of disinterested experts of the effectiveness of our Panama program. The study, of course, will be made available to the public. If the study confirms the grave allegations of your June 13 story—in effect, that A.I.D. has wasted \$420 million of the taxpayer's money without benefit to the people of Panama—that should be made known. If, on the other hand, we have been responsible stewards of the resources that have

been entrusted to us; simple justice should compel you to mitigate the damage your story has done to the reputation of this Agency and its personnel.

Sincerely,

JAMES H. MICHEL

AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, DC, April 27, 1992.

Memorandum for: AA/LAC, James H. Michel
From: IG, H.L. Beckington.

Subject: Audit of the Panama Assistance
Program Funded by Public Law 101-302
as of November 30, 1991.

This report once again describes a disagreement between the IG and the A.I.D. Mission in Panama which I want to bring to your attention. The disagreement focuses on the \$107.9 million Private Sector Reactivation Program and involves A.I.D.'s lack of assurance that program funds have contributed to the reactivation of Panama's private sector.

The auditors believe that the A.I.D. Mission in Panama did not follow the provisions contained in the A.I.D./W-approved authorization document which would have linked U.S. assistance dollars to new bank lending and to the subsequent purchase of interbank certificates of deposit (ICD's). Rather, the Mission allowed the entire \$107.9 million to be disbursed based on past versus prospective lending activity by Panama's banks. Accordingly, there was no way to assess whether the participating banks would have made the loans in the absence of the program, nor was there a way to determine whether funds received under the program resulted in increased lending for the specific types of activities the program was intended to support. In short, the question remains—what were A.I.D. dollars used for?

The Mission fundamentally disagreed with us concerning the need to follow the original authorization document and to establish a direct linkage between program funds and prospective new lending. The Mission defined the term "new" to be any loans made after the date of the agreement with the Government of Panama, and assuming banks met that criteria, it was not concerned about the use of funds by the banks. It considered the program a success because the funds were fully disbursed and were a source of medium-term deposits available to Panama's banking system.

The issue is still pertinent today because reflows from the repayments of ICD's are now being disbursed and we continue to believe it inappropriate to continue providing funds to reimburse old lending activity by the banks. We are again recommending that the original requirement be adhered to which will result in a more direct linkage between program funds and eligible new private sector activities.

Since we are not making any headway with the Mission in resolving this recommendation, I would like you to consider the issue from your perspective.

AGENCY FOR INTERNATIONAL
DEVELOPMENT,
Washington, DC, June 17, 1992.

Memorandum to: IG, H.L. Beckington.
From: AA/LAC, James H. Michel.

Subject: Audit of the Panama Assistance
Program Funded by Public Law 101-302
as of November 30, 1991.

Ref: Your Memo of April 27, 1992; Same Subject.

In consultation with our Mission in Panama and with our staff here in the LAC Bu-

reau, I have carefully reviewed the issues raised in your April 27 memorandum regarding the implementation of the Private Sector Reactivation Program (PSRP) financed under Public Law 101-302. As you are aware, this program assistance was unique in several aspects, as it responded to the urgent recovery needs of Panama in the wake of Operation Just Cause. Because of this, the Mission consulted with the then Regional Inspector General in Honduras on program design issues to ensure that the program's conceptual framework adequately addressed the issue of accountability. I understand the Regional Inspector General concurred in the approach proposed by the Mission before the Program was authorized.

After carefully reviewing the implementation of the PSRP in Panama, I believe the data demonstrate that: (1) the program was the single most important source of domestic medium term deposits in Panama in 1991; (2) deposits under the program provided an important incentive to the participating banks to increase their medium-term lending activities; (3) participating banks substantially increased their medium-term lending to the private sector after the agreement was signed and the program was made known to them; and (4) the amount of resources made available by the participating banks to the private sector through this program was highly significant in comparison to overall private investment. These facts indicate strongly that PSRP program funds contributed importantly to the reactivation of Panama's private sector, and thus to the current high rate of growth of Panama's gross domestic product.

Disagreement between the Mission and the RIG appears based on two questions:

Did the Mission follow the provisions contained in the A.I.D./W-approved authorization document in implementing the Program?

Was the PSRP program successful in achieving its stated purpose; i.e. were the A.I.D. dollars used effectively?

CONSISTENCY WITH AUTHORIZATION DOCUMENT

The authorized Program Assistance Approval Document (PAAD) for the PSRP states that the purpose of the program is "to assist the GOP to provide immediate liquidity to reactivate the banking system and to permit an increase in credit to the private sector in Panama". Program funds were to be used for the purchase of interbank certificates of deposit (ICD's) to provide liquidity to participating private banks, increasing their medium-term assets and thus enabling them to increase their medium-term lending. Your memorandum indicates your view that there are provisions of the authorization document which would have linked U.S. assistance dollars directly to new bank lending. But the issue of "direct linkage" was explicitly dealt with in the original review of the program in Washington and in pre-approval conversations with RIG/Tegucigalpa, as well as in the authorizing document itself. The PAAD states clearly that A.I.D. intended to track and monitor the dollars only to the point of purchase of ICD's, and made explicit that dollars were not to be tracked to any individual loans or groups of loans. The suggestion in the audit report that the Mission establish a "direct linkage between program funds and prospective new lending," is not consistent with the authorization document, nor with the very concept of program assistance deliberately employed to meet Panama's urgent needs.

As noted in your memo of April 27, a key issue in determining whether the Mission acted consistently with the authorization in

implementing the program is whether the Mission allowed funds to be disbursed based on "past", as opposed to "new", lending by participating banks. As the authorization documents note repeatedly, A.I.D. funds were not to be linked to specific new loans or to new groups of loans, but were to enable an overall expansion of medium-term lending by banks after the initiation of the program. Relevant "new" lending is thus lending by participating banks which occurred after the start of the program. Both the authorization document and the program agreement state that "... program success will be measured on the basis of the annual increase in loans outstanding to the private sector. The baseline for comparison will be June 30, 1990." Thus, lending occurring after this date is, by definition, "new lending" for purposes of this program. The audit report's concern that such lending was not "prospective" relates only to an initial design element of the project, a preview by BNP of 30 days of planned lending by participating banks prior to the disbursement for the ICDs. This preview was dropped during implementation as being unnecessary, given the availability of a much stronger "control" technique, i.e. a review of actual new loans made, to assure they met program criteria prior to disbursement for the ICDs. The implementation decision not to require a preview of prospective lending under these circumstances is not a material deviation by the Mission from the authorization document.

PSRP PROGRAM EFFECTIVENESS

The Program grant agreement stipulates that "... program success will be measured on the basis of annual increases in (medium term) loans outstanding to the private sector." It is on this basis that the success of the program was independently evaluated. Bank resources for domestic medium-term lending are largely a function of domestic medium-term time deposits, such as the interbank ICDs purchased with program funds. As of the pre-program baseline date in June, 1990, total medium-term deposits in participating banks amounted to \$179.7 million. As of March, 1992, such deposits in the same banks amounted to \$329.3 million, or an increase of \$149.6 million. Of this increase \$107.7 million, or 72%, is directly attributable to the PSRP. Over this same period, the value of medium-term loans of these banks increased from \$708.7 million to \$1,124.8 million, an increase of \$416.1 million in lending to the private sector. Of this increase, \$215.4 million, or 52% is attributable to medium-term deposits made under the program. Even when compared to estimates of total private investment, approximately \$600 million, the investment resulting from the program can be seen as highly significant, constituting over 35% of the total.

The LAC Bureau believes that the Mission carried out the Program in accordance with the original authorization document provisions that the program was successful in achieving its purpose. The essential purpose of the Program was to provide an injection of liquidity to general license banks to support the GOP's decision to unfreeze bank deposits and to permit an increase in the funds available for medium-term lending. Because USAID/Panama did not intend and was not obliged to trace its funds to specific loans, it is not accurate to say that A.I.D. does not know how these funds were used. The funds were used to buy medium term certificates of deposit which enabled Panama's private banks to increase their medium-term lending to the private sector. This was, by definition, the end use of the A.I.D. funds.

Along with the Government of Panama (GOP), I believe that the Program made a significant contribution to the recovery of the banking system, the reactivation of medium term lending by general license private banks, and in turn to productive investment by the private sector. Therefore, consistent with the Grant Agreement, the GOP and USAID/Panama have decided that effective June 15, 1992, reflows from the program will be used exclusively to pay non-military U.S.G. bilateral debt. Reflows are no longer needed to support new private sector lending activity, which has recovered significantly and now appears quite healthy.

I hope the above information is helpful in clarifying apparent misunderstandings of the intent of this Program. Our Mission in Panama is separately providing the RIG with a detailed response to these and other audit issues contained in the final audit report. If there is any additional information we can provide you, please let me know.

Mr. LEAHY. Mr. President, I would just end by saying, you do not solve a problem by throwing money at it. Let us forget the political rhetoric and do what is right.

I thank the Chair.

Mr. MOYNIHAN addressed the Chair. The Senator from New York.

Mr. MOYNIHAN. May I ask unanimous consent that the time for routine morning business be extended for 5 minutes.

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

Mr. MOYNIHAN. I yield 30 seconds to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I thank the Senator from New York.

A POLITICIAN'S DREAM IS A BUSINESSMAN'S NIGHTMARE

Mr. STEVENS. Mr. President, quoting Justice Felix Frankfurter, former Senator George McGovern stated, "Wisdom too often never comes, and so one ought not to reject it merely because it comes late."

He wrote an article, entitled "A Politician's Dream Is a Businessman's Nightmare," which appeared in the Wall Street Journal on June 1.

I missed it. I think other Senators may have.

I ask unanimous consent that Senator McGovern's article be printed in the RECORD.

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

A POLITICIAN'S DREAM IS A BUSINESSMAN'S NIGHTMARE

(By George McGovern)

Wisdom too often never comes, and so one ought not to reject it merely because it comes late.—JUSTICE FELIX FRANKFURTER.

It's been 11 years since I left the U.S. Senate, after serving 24 years in high public office. After leaving a career in politics, I devoted much of my time to public lectures that took me into every state in the union and much of Europe, Asia, the Middle East and Latin America.

In 1988, I invested most of the earnings from this lecture circuit acquiring the leasehold on Connecticut's Stratford Inn. Hotels, inns and restaurants have always held a special fascination for me. The Stratford Inn promised the realization of a longtime dream to own a combination hotel, restaurant and public conference facility—complete with an experienced manager and staff.

In retrospect, I wish I had known more about the hazards and difficulties of such a business, especially during a recession of the kind that hit New England just as I was acquiring the inn's 43-year leasehold. I also wish that during the years I was in public office, I had had this firsthand experience about the difficulties business people face every day. That knowledge would have made me a better U.S. senator and a more understanding presidential contender.

Today we are much closer to a general acknowledgement that government must encourage business to expand and grow. Bill Clinton, Paul Tsongas, Bob Kerrey and others have, I believe, changed the debate of our party. We intuitively know that to create job opportunities we need entrepreneurs who will risk their capital against an expected payoff. Too often, however, public policy does not consider whether we are choking off those opportunities.

My own business perspective has been limited to that small hotel and restaurant in Stratford, Conn., with an especially difficult lease and a severe recession. But my business associates and I also lived with federal, state and local rules that were all passed with the objective of helping employees, protecting the environment, raising tax dollars for schools, protecting our customers from fire hazards, etc. While I never have doubted the worthiness of any of these goals, the concept that most often eludes legislators is: "Can we make consumers pay the higher prices for the increased operating costs that accompany public regulation and government reporting requirements with the reams of red tape." It is a simple concern that is nonetheless often ignored by legislators.

For example, the papers today are filled with stories about businesses dropping health coverage for employees. We provided a substantial package for our staff at the Stratford Inn. However, were we operating today, those costs would exceed \$150,000 a year for health care on top of salaries and other benefits. There would have been no reasonable way for us to absorb or pass on these costs.

Some of the escalation in the cost of health care is attributed to patients suing doctors. While one cannot assess the merit of all these claims, I've also witnessed firsthand the explosion in blame-shifting and scapegoating for every negative experience in life.

Today, despite bankruptcy, we are still dealing with litigation from individuals who fell in or near our restaurant. Despite these injuries, not every misstep is the fault of someone else. Not every such incident should be viewed as a lawsuit instead of an unfortunate accident. And while the business owner may prevail in the end, the endless exposure to frivolous claims and high legal fees is frightening.

Our Connecticut hotel, along with many others, went bankrupt for a variety of reasons, the general economy in the Northeast being a significant cause. But that reason masks the variety of other challenges we faced that drive operating costs and financing charges beyond what a small business can handle.

It is clear that some businesses have products that can be priced at almost any level. The price of raw materials (e.g., steel and glass) and life-saving drugs and medical care are not only easily substituted by consumers. It is only competition or anti-trust that tempers price increases. Consumers may delay purchases, but they have little choice when faced with higher prices.

In services, however, consumers do have a choice when faced with higher prices. You may have to stay in a hotel while on vacation, but you can stay fewer days. You can eat in restaurants fewer times per month, or forgo a number of services from car washes to shoeshines. Every such decision eventually results in job losses for someone. And often these are the people without the skills to help themselves—the people I've spent a lifetime trying to help.

In short, "one-size-fits-all" rules for business ignore the reality of the marketplace. And setting thresholds for regulatory guidelines at artificial levels—e.g., 50 employees or more, \$500,000 in sales—takes no account of other realities, such as profit margins, labor intensive vs. capital intensive businesses, and local market economics.

The problem we face as legislators is: Where do we set the bar so that it is not too high to clear? I don't have the answer. I do know that we need to start raising these questions more often.

Mr. MOYNIHAN addressed the Chair. The PRESIDING OFFICER. The Senator from New York.

JUDICIAL NOMINATIONS

Mr. MOYNIHAN. Mr. President, I rise to call attention to a serious matter that the Senate ought to concern itself with, which is the hold that has been placed on the nomination of four Federal judges, reported out of the Judiciary Committee unanimously early in June, and yet not acted upon, held at the desk as a consequence of the wishes of individual Senators who really are not involved with the judicial districts concerned and who do not come forward, even, and say who they are.

On June 11, the Judiciary Committee by unanimous vote reported four Federal court nominees for Senate confirmation: Susan H. Black for the 11th Circuit Court of Appeals; Irene M. Keeley for the Northern District of West Virginia; Loretta A. Preska, and Sonia Sotomayor, each for the Southern District of New York. Each of these nominees has a distinguished background and their nominations were accompanied not only by no controversy but by the most emphatic support from bar associations and the like. Yet they are held at that desk. In the case of Ms. Black, a Democratic Senator has a hold. In the other three cases: Ms. Keeley, Ms. Preska, Ms. Sotomayor, Republican Senators have said they may not be called up.

I understand this takes place in the context of a dispute over the nomination of Edward E. Carnes for the 11th Circuit Court of Appeals. That pattern has been seen here before. But, last Thursday, four—shall I say it—white

male Republicans were reported out of the Judiciary Committee and the next day confirmed by the Senate under a unanimous-consent request.

If all nominations were to be held up, that is something that we learn to live with and accommodate and work out. But I hope we do not find a situation in which, if you happen to be a white Republican male you go right through, and if you are, as in the case of the two judges to be from the Southern District of New York, if you happen to be female, and in one case happen to be recommended by a Democrat, you just stay up there.

The Southern District of New York, I might add, has a judicial emergency, so declared by the Judicial Conference.

Sir, I will conclude by simply saying those two judges-to-be, Loretta Preska and Sonia Sotomayor, are being held up by Republican objections from the other side. I do not wish to be partisan in this matter. I hope I typically am not. But that is inescapably the fact. I hope, sir, those facts might change before we leave for the Fourth of July weekend.

Mr. President, I thank you for your courtesy and thank the Senate for allowing me to extend morning business.

I yield the floor, sir. I believe the time for routine morning business has ended?

ARMED FORCES RECRUITING

Mr. HEFLIN. Mr. President, I am deeply concerned by statements made here on the Senate floor and in the media that suggest that with the end of the cold war, the Armed Forces should greatly scale back their recruiting efforts. At first, the logic of these critics seems clear: Smaller forces means fewer recruits; fewer recruits equals a proportionately smaller recruiting budget. Unfortunately, as is usually the case, the truth is more complex.

Though all of the services are caught in the recruiting budget crunch, today I will speak about the problems of my own branch, the U.S. Marines. In my opinion, 25 percent of the corps personnel are exceptional, 60 percent are average, and 15 percent are performing below average. The same is probably true of GM or Ford. But unlike these private companies, the Marines experience a turnover of approximately 30 percent per year. Even though this level of turnover would easily put a company like GM out of business, the Marines are expected to be ready to defend the country at any moment.

If they are to maintain this level of readiness, the key to effective downsizing for the Marines will be to identify the below average 15 percent and replace them with high-quality recruits. These top notch recruits are not going to just walk in off the streets and ask the join the Marines. The only

way to find these high quality men and women is to have an outstanding recruiting program that includes mass media advertising.

The draft is gone. To fill their quotas, the Marines have to win hearts and minds, which all parents know is no easy task. I can remember a time when young people fled the country rather than enter the military. Bright young men and women are more likely to dream of becoming a billionaire like Ross Perot than of spending time in the military serving their country. Even the once promised job security is no longer guaranteed. But if the services fail to attract high quality American youth, if they do not have an effective recruitment program, they will be forced to lower their standards. Perhaps certain community activists would see it as a service to communities for the corps to again begin to accept high school dropouts, but I doubt these activists ever spent any time in the military.

General Mundy, Commandant of the Marine Corps, recently wrote me describing his experiences during the seventies, a historic low point for the Armed Forces. He graphically presented what we can expect from our Marines if we backtrack and lower the entry requirements to what they were during those days. I would like to share some of his experiences:

Of the 1,100 Marines in his battalion in 1974, only 37 percent were high school graduates. Another third were either drug abusers, law offenders, or manifested other forms of social maladjustment. Three of the eight mortars in his battalion were operable at any given time; only forty percent of his vehicles functioned; the majority of his communications equipment did not work; and the supply accounts were mismanaged. They had riots in the mess halls, gangs roamed the streets of our military camps, and officers were assaulted by enlisted men.

Mr. President, we simply cannot allow our military to regress back to this level. We have to keep standards high. To do so will cost significant amounts of money, but I see this money as an insurance policy that will guarantee the future security of our great country.

In the House of Representatives fiscal year 1993 Defense authorization bill, the Marine Corps recruiting budget request was cut by \$7.2 million. The House also increased the Marine Corps Reserve end strength by 3,600 positions. In effect, the Marines are being told to do more with less at a time when people are not exactly beating down the doors to enlist.

Marine reservists learned in Desert Storm that they had committed themselves to much more than just one weekend a month.

These men and women had pledged to travel around the world to fight for their country should they be called upon by their Commander in Chief. They went to the desert bravely, but

none will deny that their decision to join the Reserves caused both personal and family hardship. Some returned to find their businesses lost, others lost their marriages, and most tragically, some lost their lives. This experience may well cause many to leave the Reserves, and cause many to think again before joining.

Recruiters for the active duty corps are experiencing similar problems. While young people have always shown some degree of fascination with the military, it is the top career choice of very few. They certainly do not, as a body, seek to join the military. In fact, the latest DOD Youth Attitude Tracking Survey shows a statistically significant decline in propensity to enlist. We all know, however, that bright young Americans are attracted by quality advertisements. Historically, Department of Defense surveys indicate that those who have seen their advertising are twice as likely to consider serving with the corps than those who have not. The Marine Corps ads create this attraction, then backs it up by having a carefully trained, highly effective sales force in the area. Recruiting is one of the hardest jobs in the military, but it is one vital to our national security. We simply must give the services the resources they need.

Again, to quote General Mundy:

In the final analysis, the expenses involved with an effective recruiting program, to include national advertising, pales in significance when compared with the expense involved with a low quality military personnel structure.

I urge my colleagues to take this message to heart and not rush to make funding cuts that we well may regret for years to come.

Thank you, Mr. President.

RETIREMENT OF GEN. JOHN R. GALVIN

Mr. WARNER. Mr. President, I rise today on the occasion of the retirement of Gen. John R. Galvin, since June, 1987 our commander in chief, U.S. Forces, Europe and Supreme Allied Commander, Europe.

General Galvin's illustrious career spanned the years of the cold war. He joined the Massachusetts National Guard in 1948 as a private and will retire today, June 30, 1992—44 years later—as a four-star general. General Galvin is an infantryman and a soldier's soldier. He spent the early years of his career in Vietnam, Latin America, and Germany. He went on to command the 3d Infantry Division Support Command, the 24th Infantry Division at Fort Stewart, GA, and the 7th U.S. Corps in Europe. In addition, he was commander in chief of the United States Southern Command in Panama, commander in chief United States European Command in Germany, and the Supreme Allied Commander, Europe.

Perhaps one of General Galvin's greatest achievements came while serving as Supreme Allied Commander, Europe. It was during this memorable period that the Treaty on Conventional Forces in Europe was negotiated, that the Berlin Wall came down, and that the Warsaw Pact and the Soviet Union ceased to exist.

Without missing a beat, General Galvin adjusted brilliantly to the new strategic environment. He managed the reduction of intermediate-range nuclear weapons and the retrograde of U.S. chemical weapons from Europe. He provided expert military advice during the negotiations, and later the implementation of the Conventional Forces in Europe Treaty. General Galvin also contributed immeasurably to the adjustment of NATO's evolving strategy, force structure, and command arrangements and concentrated his extraordinary personal energy on ensuring the successful development of the military-to-military contacts program with the nations of the former Warsaw Pact. In short, General Galvin has been instrumental in guiding NATO toward a new European security structure.

Mr. President, in last Thursday's Washington Post, there was an article about General Galvin which provides some keen insights into the character of this distinguished military leader. I ask unanimous consent, Mr. President, that this article be included in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. WARNER. In December of last year, I had the opportunity, while on a visit to Europe, to be accompanied by General Galvin on a tour of the Waterloo battlefields. General Galvin's knowledge and expertise in military history, strategy, and tactics, made our tour extraordinarily enjoyable and educational. I will always appreciate his taking the time to walk the terrain of those historic fields of battle with me.

General Galvin's advice has been sought by American Presidents and by Heads of State and Ambassadors of numerous other countries. The testimony General Galvin has given this body over the years has been remarkable for its clarity and its vision. He is truly one of the most able, energetic, and thoughtful military leaders of our generation. He will be sorely missed.

We extend to General Galvin and his wife, Ginny, our sincere best wishes for a long and happy retirement. And to this wonderful army family, including his daughters Mary Jo, Beth, Kathleen, and Erin, our gratitude for the contributions and sacrifices you have made over these many years for our Nation.

Good luck and Godspeed.

EXHIBIT 1

[From the Washington Post, June 25, 1992]

RETIRING NATO CHIEF SURVIVED ROCKY START

(By Barton Gellman)

For the third time in as many years, the maverick lieutenant colonel was at the brink of being fired.

The scene was a Vietnam fire base in 1970. Though he had buffaloed his way to command of a battalion, John R. Galvin figured he was in the twilight of an undistinguished Army career. He had been relieved of one important job as a major and eased out of another the following year.

Now, his brigade commander had ordered up what Galvin regarded as a suicide mission, and Galvin responded with another career-defying leap.

"I said, 'Colonel, I am not about to do what you just said because I think it's stupid and it'll get a bunch of people killed,'" Galvin recalled in a recent interview, the substance of which was confirmed by two contemporaries, "And so if you don't like my plan, then you find somebody else to run the battalion."

Galvin, 63, who stepped down yesterday as NATO's supreme commander, survived that imbroglio and many others in a 44-year career that probably could not be repeated in today's unforgiving military culture. He departs with a stature that leaves him arguably without peer among living generals.

In Europe and in the national security establishment, Galvin will be remembered not only as the last Cold War SACEUR (Supreme Allied Commander, Europe) but also as a man who anticipated and helped shape a new era.

Galvin came into the job in 1987 with the reputation of a fierce anti-communist. He spent his first months in the Mons, Belgium, headquarters fighting for new short-range nuclear weapons to deter a Soviet thrust across the Central German plains. He is leaving as a consummate diplomat who more than any other Westerner gave Moscow's generals the confidence to let their war machine unravel, and who engineered a new role and structure for NATO.

Galvin's own memories were more personal in the interview in the Pentagon's sealed-off Joint Staff corridor, where he recounted stories of early- and mid-career adventures that aides said he has not told before.

Son of a Massachusetts bricklayer, Galvin was not born to the Army, nor did he come to it—or take to it—right away. In quick succession in 1947, the young Galvin dropped out of Boston University and then Merrimac College's pre-medical program. He went to art school, dreaming of a career as a cartoonist.

He even sold a cartoon once, "which gave me a great deal of ambition," he said. It showed an organ grinder with a big mustache, "and instead of having a monkey, he had a gorilla. And this gorilla had a guy, and he was shaking him upside down and all the guy's coins are falling out his pockets." The caption: "I make a lot more money since he grew up."

But Galvin also joined the Massachusetts National Guard as an enlisted soldier, "basically because the money came in handy," he said. His sergeant persuaded him to take the test for West Point, and he became the first in his family to obtain a college degree.

William A. Boucher, a West Point roommate who retired as an Air Force colonel, said Galvin's academy career was distinguished mainly by his cartoons in the

monthly "Pointer and the Howitzer" yearbook. Ben Schemmer, another classmate, said Galvin helped steal the Naval Academy's mascot goat in 1953 and "almost set a record" for "walking the area," a form of punishment for minor campus infractions.

"There was certainly nothing outstanding in his academic career," said Boucher, who remembers Galvin nonetheless as a man to whom others naturally listened. "Let's just say we had many late night discussions on how to handle math problems."

Galvin said he had few thoughts of making a career of the Army, but "right from the beginning they gave me something that absolutely fascinated me and that was responsibility."

Galvin took it seriously, setting a pattern early on of doing what he thought was right, whether or not it tended to please his superiors.

In 1968, after one too many clashes, Maj. Gen. William DePuy fired him as a brigade operations officer in the 1st Infantry Division in Vietnam. It was a "devastating kind of thing" for a young major, Galvin said. "The way I was doing things wasn't what you'd call career-enhancing."

After a brief stint in Washington, Galvin volunteered to return to Vietnam. He landed at Cam Ranh Bay, ignored orders to wait for an assignment, and hitched a ride to the headquarters of the 1st Cavalry Division.

Lt. Gen. H.P. Taylor, who now commands the Army's III Corps in Texas, remembers Galvin's arrival.

"He was a kind of shrimpy looking, rumped little guy, you know, and I says, 'I wonder what I got here,' but as soon as he opened his mouth and asked a few questions, I knew I had something a lot more than his initial appearance indicated," Taylor said.

Galvin marched up to Col. Joseph Kingston, the division chief of staff, and told him he wanted command of a battalion. Six months later, improbably, he got it.

The day that Galvin nearly lost that job began with a carefully crafted plan to ambush the Viet Cong at three chokepoints along an extensive trail system. Galvin briefed Col. Carter W. Clarke, Jr. on his next morning's ambush plans, and by several accounts the brigade commander insisted that Galvin instead assault the enemy frontally—at once. (Galvin did not refer to Clarke by name, but other officers confirm division records of his identity.)

"I said, 'Well, see, it's getting dark now and they're out of artillery range,'" Galvin said. "He said, 'I told you to do it now . . .'" So this guy had told me some dumb things before, so I said to him, 'Colonel, could we just take a walk outside for a minute.'"

In defying Clarke's orders, Galvin recalled being confident the colonel "wouldn't dare to fire me because he didn't have the guts."

But Clarke, according to Galvin and retired Gen. Edward C. Meyer, then the division chief of staff, took out his ire on Taylor, who had become Galvin's battalion operations officer. In Taylor's next fitness report, Clarke "just wiped him out," Galvin said. Galvin led a successful campaign to reverse Clarke's verdict, which would almost certainly have driven Taylor out of the Army.

Galvin often took great personal risks for his soldiers and officers, according to many who served with him. In turn he has inspired extraordinary warmth and loyalty.

Vice Adm. Leighton W. "Snuffy" Smith Jr., among the most irreverent of officers, told a Navy War College audience last week that "I will revere him—is that the right

word? I will love him for the rest of my life." Smith served as Galvin's director of operations for the U.S. European Command.

Never a chest thumper, Galvin has avoided the muscular rhetoric, much in vogue at the Pentagon, that speaks of "winning" and "victory" in the Cold War. Galvin is said to regard those terms as inflammatory, and speaks only of "mission accomplished."

He is much the same in his personal bearing, leaving most of his decorations and badges—including the Silver Star for valor—off his uniform except on formal occasions.

"I've always asked him, 'How did you get your medals?'" said Schemmer, until recently editor of the Armed Forces Journal International. "He'll never tell me."

TODAY'S BOXSCORE OF THE NATIONAL DEBT

Mr. CRAIG. Mr. President, Senator HELMS is in North Carolina recuperating following heart surgery, and he has asked me to submit for the RECORD each day the Senate is in session what the Senator calls the congressional irresponsibility boxscore.

The information is provided to me by the staff of Senator HELMS. The Senator from North Carolina instituted this daily report on February 26.

The Federal debt run up by the U.S. Congress stood at \$3,946,125,992,881.32, as of the close of business on Friday, June 26, 1992.

On a per capita basis, every man, woman, and child owes \$15,363—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to \$1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to \$4,511.40 per year.

MEMORIAL FOR CAPT. THOMAS WADSWORTH

Mr. SYMMS. Mr. President, among the important resources the State of Idaho has access to, its great patriots often receive the least amount of recognition. To many, Idaho has been branded "the Potato State," which often leads to the belief that potatoes are our only export.

In truth, past leaders of Idaho have played an active role in helping our Nation develop into a thriving world power. Statesmen such as former Senator William Borah, past Gov. George Shoup, and recently deceased diplomat Phil Habib dedicated exemplary service throughout their careers to Idaho and to the United States.

On June 8, another great Idaho leader passed away.

Many who knew Capt. Thomas J. Wadsworth felt he had the leadership ability, knowledge, and courage to be characterized as a true patriot. In his days, he surpassed even those lofty expectations, for he succeeded in keeping strong ties with his family, home, and church, as well as his country.

Captain America, as many people called him, accomplished such a number of things throughout his career, an exhaustive list of his achievements is nearly impossible. Among his most noteworthy feats:

Civil Defense Director, Bonneville County, ID, for 19 years.

President of the National Coordinating Council on Emergency Management in region X.

President of the American Society of Professional Emergency Planners.

President of the Idaho Civil Defense Association.

Recipient of the Idaho Falls Kiwanis Distinguished Citizen Award.

Served as both chairman and initiator of the Idaho Falls Independence Day Parade.

Invited to join the American emergency management team to visit China.

Chairman of Vietnam War Veterans' Welcome Home Parade.

Member of the advisory board, Teton Peaks Council of the Boy Scouts of America.

Recipient of the Boy Scouts' Silver Beaver Award.

In honor of Thomas Wadsworth, and in honor of his wife, Frances, and his daughter, Debbi Sue, I ask unanimous consent that an article which appeared in the Idaho Falls Post Register be printed in the RECORD following my remarks.

Mr. President, it has been said society should learn from the past. I cannot tell you how beneficial a firm grasp of the motivation and character of Capt. Thomas Wadsworth would be on the impressionable youth of our Nation. He stood as a true American patriot and as a perfect representative of what our forefathers believed in.

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

[From the Idaho Falls Post Register]

CEREMONY HONORS T. J. WADSWORTH

(By Loren Petty)

A Flag Day ceremony Sunday at the Bonneville County Courthouse was dedicated to the memory of former county Civil Defense director Capt. Thomas J. Wadsworth, who died June 8.

The ceremony also celebrated the 100th birthday of the pledge of allegiance and the 216th anniversary of the stars and stripes.

"We dedicate this ceremony to Captain Wadsworth, our friend and leader and great American," said Delbert Groberg, chairman of the Bonneville Tricentennial Commission.

Bonneville County Commissioner Clifford Long said the county planned to replace the present flag pole, in front of the courthouse, with a new three-flag system that would be dedicated to Wadsworth.

Francis Wadsworth said the greatest tribute her husband could have would be the new flagpole. She said he had mentioned to her several times the need for a new flagpole.

Lisa Hansen, who worked as Wadsworth's secretary in the office of Civil Defense, called Wadsworth "a perfect gentleman—and a perfect civil defender too."

Hansen listed a number of awards Wadsworth received and read a letter from Idaho Gov. Cecil Andrus.

Andrus said Wadsworth was the personification of patriotism, justice, strength, fairness and compassion. "He devoted his life to making the country strong."

Rep. Richard Stallings, D-Idaho, recalled accompanying Wadsworth to the 1991 national Civil Defense meeting in Las Vegas, where he was impressed by the respect others there had for Wadsworth and the fact that many of them sought him out for advice.

Dixie Richardson, representing Sen. Steve Symms, R-Idaho, said Wadsworth was "perhaps the greatest patriot we have ever had the privilege to know."

Jeff Sehrade, representing Sen. Larry Craig, R-Idaho, said Wadsworth was known to some as "Captain America, a complete American patriot."

Don Larsen, with the Teton Peaks Boy Scouts, spokes of the Cedar Badge leadership training program Wadsworth originated, and a group of Cedar Badge Scouts presented replicas of the 12 flags which have flown over the United States. The national anthem was played, and participants recited the pledge to the flag as part of a nationwide, synchronized event in honor of its 100th anniversary.

CONGRESS/BUNDESTAG STAFF EXCHANGE

Mr. BURDICK. Mr. President, this is the 10th year that the U.S. Congress and the German Bundestag have had a staff exchange, and I would like to welcome 10 staff people from the German Bundestag and Bundesrat who recently arrived in Washington, DC. The 1992 German delegation consists of Joerg Altkemper, Rainer Dornseifer, Walter Greite, Dr. Astrid Henke, Dr. Lothar Kolbe, Gabriele Lenz-Hrbek, Ute Mueller, Wolfgang Mueller, Dr. Andreas Pinkwart, and Dr. Uwe Stehr. They will be attending a wide range of meetings in the next 3 weeks as they study our system of government.

Nine staff people from the United States House, Senate, and Congressional Research Service recently spent 2 weeks in Germany studying their system. This year's U.S. delegation attended briefings at the Chancellor's Office, the Foreign Ministry, the Economics Ministry and the Defense Ministry. They also met with Georg-Berndt Oschatz, Secretary-General of the Bundesrat, and other high-level officials in both Eastern and Western Germany.

This exchange provides a valuable opportunity for staff people in the legislative branches of two of the world's leading democracies to compare notes on topics ranging from abortion to parliamentary procedure, from economic problems to German-American cooperation. I would like to take this opportunity to commend the U.S. Information Agency for this worthwhile program to improve understanding and relations between our two countries.

RECOGNIZING THE DISTINGUISHED SERVICE OF MR. WILLIAM THOMAS HENZE

Mr. DIXON. Mr. President, I would like to take this opportunity to recognize the hard work and the outstanding contributions of a great Illinoisan and American, Mr. William Thomas Henze.

Bill Henze has recently retired from 44 years in the steel industry, the last 19 years spent with Jorgensen Steel and Aluminum in Schaumburg, IL. During those 44 years Bill's quick wit and vibrant attitude was never spared on any one individual. He is an exceptional example of business and civic leadership.

Bill has served his customers and his fellowman with great distinction over the years, and should be very proud of his fine accomplishments. He will be hard to replace.

I would like to join my voice with those of his family and many friends in wishing Bill the very best for a job well done.

RETIREMENT OF LT. GEN. ROBERT HAMMOND

Mr. SHELBY. Mr. President, I rise to pay tribute to an outstanding officer, Lt. Gen. Robert D. Hammond, who will retire today after 36 years of service to our Nation and the U.S. Army.

Since receiving a bachelor of science degree in 1956 from the U.S. Military Academy, General Hammond has held a wide variety of important command and staff positions culminating in his current assignment as Commanding General of the U.S. Army Strategic Defense Command. His service in Vietnam, first as the assistant fire support coordinator, division artillery, 101st Airborne Division and then as commander of the 2d Battalion, 319th Field Artillery, as well as command positions such as Chief, Studies, Analysis and Gaming Agency of the Joint Chiefs of Staff and Commanding General, VII Corps Artillery, U.S. Army Europe provided General Hammond a strong foundation for the sometimes difficult, but always rewarding experience as head of the Strategic Defense Command.

I believe that this country owes a debt of gratitude to General Hammond for the honest, forthright way in which he has been an advocate for strategic defense. As program executive officer for all Army SDI programs, General Hammond has put our Nation on a course toward the deployment of a ground-based strategic missile defense and theater missile defenses. His thorough knowledge of all strategic programs and management expertise will be sorely missed.

General Hammond received many awards and decorations during his 36 years in the Army. These awards include the Defense Superior Service Medal, the Legion of Merit with oak leaf clusters, the Distinguished Flying

Cross, Bronze Star, Air Medals, and the Army Commendation Medal.

Bob Hammond tried to retire back in February. However, he has stayed on to provide a firm foundation for the Army during the implementation of the Missile Act of 1991. He acted courageously in his attempt to carry out the wishes of Congress.

I wish General Hammond well in all his future endeavors and thank him on behalf of the people of Alabama and our great Nation for a life of service to America.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, at 12:43 p.m., the Senate recessed until 2:17 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. ADAMS].

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, morning business is closed.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2733, which the clerk will report.

The bill clerk read as follows:

A bill (S. 2733) to improve the regulation of Government-sponsored enterprises.

The Senate resumed consideration of the bill.

Pending:

Seymour (for Nickles) Amendment No. 2447, to propose an amendment to the Constitution of the United States to require that the budget of the United States be in balance unless three-fifths of the whole of each House of Congress shall provide by law for a specific excess of outlays over receipts and to require that any bill to increase revenues must be approved by a majority of the whole number of each House.

Byrd Amendment No. 2448 (to Amendment No. 2447), to require the President to submit by September 2, 1992, a 5-year plan to balance the budget not later than September 30, 1998.

Byrd Amendment No. 2449 (to Amendment No. 2448), in the nature of a substitute.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. KASTEN] is recognized to offer an amendment on which there shall be, under the previous order, 2 hours of debate.

AMENDMENT NO. 2453 TO AMENDMENT NO. 2447

(Purpose: To provide for a taxpayer protection clause)

Mr. KASTEN. Mr. President, I call up amendment No. 2453 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] for himself, Mr. BROWN, Mr. LOTT, Mr. COATS, Mr. SYMMS, Mr. BURNS, Mr. SMITH, Mr. HELMS, Mr. D'AMATO, Mr. MACK, Mr. GARN, Mr. MURKOWSKI, Mr. MCCAIN, Mr. PRESSLER, Mr. ROTH, Mr. SEYMOUR, Mr. NICKLES, Mr. GRASSLEY, Mr. DOLE, Mr. GRAMM, Mr. MCCONNELL, Mr. WALLOP, Mr. SIMPSON, and Mr. COCHRAN proposes an amendment numbered 2453.

Mr. KASTEN. 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 amendment is as follows:

Strike section 4 of the proposed amendment to the Constitution and insert the following:

"SEC. 4. Total receipts for any fiscal year shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directly solely to approving specific additional receipts and such bill has become law."

The PRESIDING OFFICER. The Senator is recognized.

Mr. RIEGLE. Will the Senator yield to me for one moment?

Mr. KASTEN. I will be happy to yield.

Mr. RIEGLE. Mr. President, I ask unanimous consent that during the course of the management of time on this side of the aisle on the amendment of the Senator from Wisconsin that any Democratic Senator who wishes to speak and draw down that time be authorized to do so. I do that because at some point I must go and chair a hearing in the Finance Committee on health care. I just want to have that understanding in place.

The PRESIDING OFFICER. The Chair, though, will have to be very careful, I hope the manager understands, in recognizing who is for and against of the Democratic Senators. I will recognize trying to alternate the time, but I cannot be sure that I am alternating the argument. Is that understood by the manager?

Mr. RIEGLE. Yes, and that is agreeable to the Senator. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered. We will proceed on that basis. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, this amendment is a taxpayer protection amendment. It will require a supermajority vote to raise taxes beyond the rate of economic growth.

Let me start out by saying that this is not a vote that is a procedural vote. This, in fact, is a vote on the substance of the tax limitation balanced budget amendment.

It is not a vote on a procedural motion. It is not a vote on a budget point of order. It is not a vote on cloture. It is a vote on the substance. We have not

had a vote on the substance of a balanced budget amendment since 1986. The last time we were successful in winning this vote was 1982.

As we have all agreed now under a unanimous consent agreement, this will be the only substantive vote on a constitutional balanced budget limitation, the only one we will have in the Senate, unfortunately, for the remainder of this session.

I think it is important to recognize that we need a strong taxpayer protection clause to the balanced budget amendment. We simply cannot allow the Congress to use the balanced budget, in effect, as a Trojan horse for tax increases. This taxpayer protection provision would require Congress to muster a three-fifths supermajority vote to let the Federal Government's income grow faster than the paychecks of American workers.

Let me say why this is important. First of all, it is a matter of basic fairness. We should not let Government income grow faster than the income of America's families.

Second, some Members of Congress still cling to the notion that tax increases will solve our problems. But every time we raise taxes, the deficit has gone up instead of down. Over the last 30 years, Congress has raised taxes 56 times but balanced the budget only once, one time, and that was in 1969.

Let me repeat. Congress raised taxes 56 times but balanced the budget only once over the past 30 years.

Mr. President, I yield 2 minutes to the Senator from Texas, Mr. GRAMM.

The PRESIDING OFFICER. The Senator from Texas [Mr. GRAMM] is recognized for 2 minutes.

Mr. GRAMM. Mr. President, you do not have to be a rocket scientist to figure out this amendment. This amendment says that we want a constitutional provision to mandate that Congress balance the budget and we want them to do it by controlling spending. It says that raising taxes represents the last option and not the first option. And basically, it does so based on the fact that the last time we balanced the budget was 1969. We have raised taxes 37 times since 1969, and we have yet to balance the budget, again as a result of those tax increases.

So if people vote against this amendment, what they are doing is saying: First, they do not want to mandate a balanced budget amendment to the Constitution; or second, if they do want to mandate it, they want to raise taxes rather than control spending to balance the budget; or third, they do not want to mandate it and they do not want to make it harder to raise taxes.

So I think this is a very clear amendment. I doubt this amendment has much chance of being adopted, but I think, if the American people could write the balanced budget amendment to the Constitution, they would write

it exactly the way Senator KASTEN has offered it.

I am proud to support this amendment. I am proud to vote for it. The people who vote against it are the people who do not want to balance the budget, or, if they want to balance it, they want to do it by raising taxes. I do not agree with them on either count.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 2 minutes to the Senator from Idaho [Mr. SYMMS].

The PRESIDING OFFICER. The Senator from Idaho [Mr. SYMMS] is recognized for 2 minutes.

Mr. SYMMS. Mr. President, I guess the right way to view this amendment is, if you love Government, big spending regulations, big deficits, then vote against the Kasten amendment.

This is a litmus test issue, and I would like to compliment the distinguished Senator from Wisconsin for his ability to focus and bring an issue to the floor that is easily defined and easily understood by the American people. This is, Mr. President, no question about it, a litmus test issue.

As the Senator from Texas said, you do not have to be a rocket scientist to understand what this is all about. If you want to raise taxes and have a bigger Government and worship at the continued shrine of an ever-growing Federal Government in the United States of America, vote against the Kasten amendment.

Mr. President, I am reminded of the political satire of the great author and columnist P.J. O'Rourke when he made some comparisons between Democrats and Republicans. I smiled when I read in his book:

The Democrats are like Santa Claus, non-threatening, cheerful, generous, he knows who's been naughty and who's been nice, but never does anything about it; he gives everyone everything they want without a quid pro quo. Santa Claus is preferable to God in every way but one: There is no such thing as Santa Claus.

Before that in the book, I might add, Mr. President, he compared Republicans to be more like God:

Middle-aged, patriarchal rather than parental, a great believer in rules and regulations, and he holds men strictly accountable for their actions.

I realize all Democrats are not like Santa Claus, and I compliment them. But I urge my colleagues on the majority side to vote for the Kasten amendment. This would be a chance for the National Democratic Party to take a stand for something that I think will be good for the country. It would be good for the country if both parties in the Senate stood together and voted for the Kasten amendment and said what we want is a balanced budget and we want to do it by the restraint in the growth of spending of Government.

The bottom line is, do you think that people can better spend their hard-

earned dollars themselves in their own sphere of influence, in their own family, in their own decisionmaking process, or do you think a huge, gargantuan, gigantic Government bureaucracy can better spend that money?

The PRESIDING OFFICER. The Senator has used his 2 minutes.

Mr. SYMMS. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. The majority leader.

ABBY SAFFOLD'S 25TH ANNIVERSARY OF PUBLIC SERVICE

Mr. MITCHELL. Mr. President, it is with a great deal of pleasure that I join with the distinguished Republican leader to call to the attention of the Senate an anniversary that deserves our notice.

Today marks a quarter-century of public service by Abby Saffold, secretary for the majority in the Senate. Abby is one of the most dedicated and hardworking officers any institution could have. We in the Senate are fortunate that she pursued her career here.

Every Member of the Senate, regardless of political party affiliation, knows Abby's unflinching good humor and courtesy are a major factor in making our long days on the Senate floor tolerable.

Abby's help and advice to me began when I first entered the Senate in 1980. She was a valuable floor staff member, reliable, a resource to every new Senator. I know that, in the years since, many other newly elected Senators have been the beneficiary of Abby's help.

She is the first woman in the history of the Senate to hold the post of secretary of the majority, a post to which Senator BYRD appointed her. Her ability in discharging the duties of her office demonstrate why we should all look forward to the arrival of more women in this body.

I appreciate the opportunity to extend my sincere congratulations to Abby, to express the warm friendship I feel for her. Abby has been a real help and a real friend to me and many of our colleagues. I look forward to her continued service.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. MITCHELL. Yes, certainly, I yield.

Mr. DOLE. Mr. President, let me join the majority leader in his comments about Abby Saffold. She has been, without exception, candid, courteous, fair, and honest with Members on this side of the aisle, working with members of our staff, both Elizabeth and Howard Greene. And I guess, maybe starting as a teacher, where she started her career, and knowing that today Senator MITCHELL would be majority leader, she went to school at Bates Col-

lege in Lewiston, ME, which is not bad insurance. But having that ability to look forward is an asset certainly she has.

I join with the majority leader on behalf of all Republicans because, from time to time around here, we forget about those who help us through these difficult days and difficult time agreements and difficult debates; and more often than not it is some one, or two, or three, or maybe half a dozen staff members who do most of the work and get very little credit.

Abby Stafford never asked for credit, but she deserves it today after 25 years. I want to extend our thanks and appreciation to her and other members of our staff on this very special day.

The PRESIDING OFFICER. The Chair joins the two leaders.

FEDERAL HOUSING ENTERPRISES REGULATORY REFORM ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who seeks recognition?

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 2 minutes to the Senator from Florida.

Mr. MACK. Mr. President, I thank the Senator for yielding. I want to indicate my support for the amendment that is being offered by Senator KASTEN. At this point, people should understand that increasing taxes slows down economic growth. It puts people out of work. And if anyone wants a clear example of how that works, I would just say go back and take a look at the impact of the passage of the luxury tax a couple of years ago. It was passed for the stated political purpose of being able to say we were raising taxes on the wealthy.

However, it is clear the wealthy are not paying that luxury tax. The people who were employed are paying the most significant tax of all; that is, the loss of their jobs.

Raising taxes does not solve the deficit problem. Reducing spending will solve the deficit problem.

There was a study done by Professor Galloway which looked over a 40-year period and concluded that for every dollar in taxes raised, Congress spent \$1.58.

The last point I would like to reiterate is the perception that the problem is Congress failed to raise enough taxes. My colleagues have mentioned that 56 times in the last 30 years taxes have been increased; 37 times alone since 1968-69. I point out that since 1982 there have been 14 separate tax increases.

We cannot solve the deficit problem by raising taxes. We ought to make it more difficult for the Congress to raise the taxes. We ought to focus ourselves on reduction in spending.

Again, with that thought in mind, I support the Senator's amendment and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. I yield 2 minutes to the Senator from Iowa [Mr. GRASSLEY].

The PRESIDING OFFICER. The Senator from Iowa [Mr. GRASSLEY], is recognized for 2 minutes.

Mr. GRASSLEY. Mr. President, I am pleased, very pleased in fact, to support the amendment offered by the Senator from Wisconsin. We need a balanced budget amendment, and we need to ensure that that balanced budget amendment does not have a built-in bias in favor of tax increases.

Our persistent budget deficit is not caused because the Government does not tax our citizens enough. Indeed, as a percentage of gross national product, total Federal revenues exceed the average for the period since 1970. Rather, our budget deficit exists because the Government spends too much money. Holding the line on spending, not raising taxes, is the way to reduce our budget deficit. Higher tax revenues would be spent, not used to reduce the deficit. The Government has a long track record of spending much more than the additional revenue received from tax increases.

The adverse effects of higher taxes go beyond their failure to reduce the deficit. High levels of taxation stunt our economic growth, impair our competitiveness—particularly that of American industry—and they also reduce savings.

I am confident that the American people prefer reduced spending to increased taxes as a means of reducing the deficit. It may be that tax increases will be necessary to comply with some balanced budget amendment. But if so, I think the American people would agree that we must ensure to our hard-working taxpayers that the money really is used for deficit reduction, and does not get lost in that big black hole of the Federal Treasury, end up in further Government expansion, and the expansion of those programs. The Kasten amendment will ensure that the process of balancing the budget will be based on deliberate choice, and not on built-in incentives to raise taxes. So that is why I urge its adoption.

Mr. SIMON. Mr. President, I yield myself 5 minutes.

Mr. President, I join the Senator from Wisconsin in favoring a balanced budget amendment. I do not join in favoring this amendment, which I think is unrealistic and would put a real barrier in the direction of the Government operating effectively.

I think it is worthy of trying it in the Constitution so that we cannot pass from one generation to another the debts, as we are doing right now. I believe that should be in the Constitu-

tion. I join the Senator from Wisconsin in that. But to say that to have a revenue increase you have to have a three-fifths majority is skewing how we balance the budget, that ought to be left to the details of Members of Congress to work out.

Let me just add that I think it is unrealistic. I would love to stand here and say we can balance the budget just by making some little modest cuts in spending. It cannot happen. This next fiscal year the present estimate is if you take away defense spending, you take away foreign aid, you take away interest, and take away entitlements, all the rest totals \$235 billion. That is discretionary, domestic, nondefense spending.

Next year we are going to spend \$316 billion, current estimate, on interest. You know, that is \$81 billion more than the discretionary nondefense. If you knock out the total discretionary nondefense, we would still have an unbalanced budget. The deficit is going to be over \$300 billion.

I think it is unrealistic to expect that we can balance the budget, without having some revenue increases. I would love to tell you differently. I think one of the reasons for cynicism in the public today is they understand we are not leveling with them. We are not telling them the truth. And I think one of the things that we have to tell them is we cannot continue to borrow from our children and our grandchildren. And if we are going to stop that with a balanced budget amendment, which I favor, it is going to take some cuts in spending, which I happen to think ought to be coming primarily out of the defense area, and it is going to take some revenue increases. I think it is going to have to have both.

There is a remote chance you could do it without revenue increases. When we talk about revenue increases, we are not talking about significant revenue increases—modest ones.

We still have, and I know most people do not believe this, the lowest tax rate of any Western industrialized democracy with a possible exception of Greece. But we spend less of our taxes on human services than any other Western industrialized democracy. We spend more on defense, or on space, more on interest than the other countries do. We have to face reality.

We also have the most inequitable tax structure of any other major industrialized westernized democracy. If you are wealthy in Japan, you pay twice the tax rate than you do here.

I favor, as my colleague who is presiding knows, a balanced budget amendment. But I do not think we should fool people that it is not going to require sacrifice. That sacrifice will have to include modest increases in revenue also. That is precluded by the Kasten amendment. If the Kasten amendment is adopted, much as I think

we need a constitutional amendment, much as I agree with Thomas Jefferson, I am going to have to vote against the proposal for a constitutional amendment. I think this too drastically impairs the future operation of Government.

I yield the floor.

Mr. KASTEN. Mr. President, I think it is important to point out while the Senator from Illinois is here that we do not preclude tax increases. We simply make it more difficult. You need a supermajority in order to get a tax increase. That is all. If the circumstances are such that it is impossible any other way, then a supermajority would vote for a tax increase in this body.

We simply make it more difficult to increase taxes than to reduce or control the rate of growth of Government spending. I believe that is as it should be.

Do we have a plan? You bet we do. No. 1, we can work to balance the budget by 1997 without tax increases, and we can also protect Social Security. We can move forward.

How are we going to do that? The peace dividend—the Bentsen bill—yields peace dividend savings in Defense of \$75 billion over 5 years. I am a cosponsor of that bill. We can use that money.

A 5-year freeze in international spending, \$5.5 billion. That is an amendment I offered in March. A 5-year freeze in domestic discretionary spending, \$79 billion, again is an amendment I offered in March.

Eliminate wasteful spending. We have estimates right now. We found \$53 billion that can be identified to date that we can save as we reduce this deficit.

As spending goes down, interest payments go down, interest on the debt is reduced by an estimated \$50 billion over this 5-year period. By eliminating the interest payments we save we can work toward that zero deficit.

We can finally enact a progrowth tax agenda. And that is what the Senator from Florida was speaking about a moment ago.

Capital gains tax, repeal the Social Security earnings limit, repeal the luxury tax, improve depreciation, expand IRA's—all I am talking about here produces a revenue gain, \$130 billion over 5 years is an estimate made by economist Gary Robbins of Fiscal Associates.

The fact is we can do it. I believe we can do it. And we can do it without tax increases, but this does not preclude tax increases. This simply makes it more difficult for this body to pass tax increases. We still would do it if we needed to. We put the pressure I believe where it belongs. We put the pressure on reducing the rate of growth of Government spending.

I yield 4 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 4 minutes.

Mr. MCCAIN. Mr. President, I would like to add that if the Senator from Illinois believes that raising taxes will somehow balance the budget, I would like to remind him that in the last 30 years Congress has raised taxes 56 times and has only balanced the budget once. Why? Because this body always finds ways to spend the money, and we continue to spend money even from an empty pocket. Something has to be done about it.

Again, we note, Mr. President, that States such as Oklahoma, which has enacted tax limitation and my State of Arizona, that has tax limitation initiative on the ballot in November, that there will be this kind of tax limitation enacted. Again, we find the leadership from the States rather than from the Federal Government where it belongs.

Mr. President, I would like to begin by thanking Senator KASTEN for bringing this issue before the Senate for debate and consideration. I have twice offered statutory tax limitation amendments here on the Senate floor. We will be back again and again until we persuade our colleagues to enact tax limitation.

There have been many successful attempts to enact tax limitation at the State level, including most recently in Oklahoma. In my home State of Arizona, there is a strong tax limitation movement which I am confident will be successful this fall.

I feel that a tax limitation amendment to the Constitution should be an intrinsic part of any balanced budget amendment. As Chief Justice John Marshall stated in 1819:

The power to tax involves the power to destroy.

Constitutionally requiring a supermajority for tax increases is both appropriate and necessary, especially if we constitutionally require a balanced budget.

If the last 30 years alone are a prologue to our fiscal future, our Nation will be in dire straits without balanced budget and tax limitation amendments to the Constitution.

Mr. President, in the last 30 years, Congress has raised taxes 56 times and balanced the budget once. I am confident that if Congress raised taxes for the 57th time, that the budget will not be balanced as a result.

The problem in Washington is excessive spending. Congress lives beyond its means at the expense of future taxpayers.

Just look at the pork-barrel spending that has become a matter of laughter and tears to the American people. The latest example we saw in the Washington Post last week, a \$41 million line-item appropriation to Wheeling Jesuit College which has a \$14 million annual budget.

A balanced budget amendment will require that the budget be balanced. A tax limitation amendment will focus attention on the real problem in Washington—excessive spending.

Mr. President, I would like to discuss the present level of taxation, and put it in historical context. In 1948, a family of four earning the median income paid 2 percent of its income in tax to the Federal Government.

Now, a family of four earning the median income pays an obscene 24 percent of its income in Federal tax.

Is it any wonder families are finding it more and more difficult to provide for their children?

In 1929, the average American worked 40 days that year to meet all his or her tax obligations.

In 1992, the average American will work 126 days this year to meet all his or her tax obligations.

Mr. President, I feel we have reached the Orwellian state that then Democratic President Grover Cleveland warned of in 1886. He stated:

When more of the people's sustenance is exacted through the form of taxation than is necessary to meet the just obligations of government and expenses of its economical administration, such exaction becomes ruthless extortion and a violation of the fundamental principles of a free government.

In 1991, the Federal Government collected \$1.054 trillion in taxes. How much is enough? When does taxation become a violation of the fundamental principles of a free society?

Mr. President, I am not certain that there are exact answers to those questions. But I am certain that on our present path, Congress will certainly continue to engage in "ruthless extortion" to feed its inexorable expansion.

I would like to continue my remarks by commenting on the mood of the Nation. It is surly, but I feel justifiably so. We are experiencing a political upheaval that will quite likely result in fundamental political change. It can be attributed to many different factors, but I feel that it stems mostly from anxiety over our future.

Mr. President, can we continue on our present course and succeed?

I think that many Americans have serious doubts that we can continue to run enormous budget deficits, exact trillions of dollars of taxes, and remain free and prosperous.

The great turmoil that started a revolution in 1776 was the product of angry taxpayers. Thomas Paine captured the essence of colonial anguish and captures today's great disaffection with Government in this comments on England in 1792. He stated:

There are two distinct classes of men in the Nation, those who pay taxes and those who receive and live upon taxes. * * * When taxation is carried to excess, it cannot fail to disunite those two, and something of this is now beginning to appear.

Mr. President, I think the Congress and the President have driven the tax-

paying American to the edge. In fact, I am certain many Americans have "dis-united" from their Government. I am also confident that they will work assiduously to bring about great changes at the ballot box this fall.

The power to tax is truly the power to destroy. It is a power that should be constitutionally limited. That is why I support the Kasten amendment and urge all of my colleagues to favorably consider tax limitation.

I would like to conclude with one more quote from Chief Justice John Marshall. In 1821, he stated:

The people made the Constitution, and the people can unmake it. It is the creature of their own will, and lives only by their will.

Mr. President, it is time that Congress begin representing the will of the people. Let us pass the balanced budget and tax limitation amendments.

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

Mr. KASTEN. I yield 3 minutes to the Senator from Mississippi [Mr. LOTT].

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. LOTT. Mr. President, I thank the Senator for yielding me this time.

Mr. President, I certainly support the balanced budget amendment to the Constitution, but at this point I rise to support the amendment by the Senator from Wisconsin which would require a three-fifths vote of both Houses to raise taxes above the growth in national income.

We should balance the budget by reducing spending, not by raising taxes. That is the thrust of this whole debate, and that is what this amendment would encourage. It does not say that we could not have a vote to raise taxes, as the Senator from Wisconsin just pointed out. It does put an extra burden on the Congress, both the House and the Senate, to have strong and overwhelming support for a tax increase and to make sure that we have tried everything else before we get to that point.

Let me emphasize—have no doubt about it—the intent around here is to raise taxes. You can call it revenue enhancement. You can call it whatever you want to, but with or without the balanced budget amendment that is what is intended to happen around here. That is why the opponents of the Kasten amendment are going to fight against it. Without this amendment, you are certainly going to have tax increases.

If you have any doubt, you can read it in the media. Some people say, "oh, well, we will just raise taxes on the rich." Do not believe it. The June 22 issue of Time magazine reports that the Joint Committee on Taxation estimates that a change in the marginal income tax rate from the present rates of 15, 28, and 31 percent to 16, 30, and 33, would increase revenue by 18.3 billion

in 1993. This indicates that bracket. Everybody will be hit.

The problem is not insufficient revenue; the problem is that we are still spending too much. Let me give you some statistics. Some of these have been mentioned, but they are worth repeating. We have not had a balanced budget since 1969. Yet, we have raised taxes 56 times. So we keep raising taxes, but the deficit keeps going up. We need to control spending. Tax Freedom Day this year was May 5, 1992. You have to pay taxes until May 5 in order to pay what you owe. The average worker will spend 2 hours and 45 minutes per day working to pay Federal, State, and local taxes.

Finally, every American already has a \$16,000 debt. For a family of four, this is like having a mortgage on a second house—without the house. If we do not limit the ability to raise taxes, we will add an additional tax burden on top of the \$16,000 debt every American shoulders.

As I pointed out in the Budget Committee, there are three ways you can reduce the deficit. You can reduce spending. You can raise revenue. The best way, really, is to encourage economic growth. And the fear of tax increases now, without the balanced budget amendment or with it, is a threat to economic growth. Capital investment is being retarded by the fact that there are those that are concerned there will be another tax increase this year or in the future with or without a balanced budget amendment.

If you have any doubt about the intent of the Congress in terms of controlling spending, all you have to do is look at the recent record.

On May 21, I offered an amendment to strike the \$1.45 billion in non-emergency spending from the disaster relief supplemental appropriations bill. That amendment got 37 votes.

Additionally, on June 3, I offered an amendment to the corporation for public broadcasting authorization bill to freeze funding at current levels. That amendment only got 22 votes. It is clear that Congress lacks the political will to cut spending.

So I urge support for the Kasten amendment and urge my colleagues not to always go forward by raising taxes in each and every instance.

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

The Senator from Wisconsin [Mr. KASTEN].

Mr. KASTEN. I yield 3 minutes to the Senator from Colorado [Mr. BROWN].

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

Mr. BROWN. Thank you, Mr. President.

I rise in strong support of the Kasten amendment to the Nickles-Seymour balanced budget amendment.

Mr. President, this balanced budget amendment is all about trust in the American people. Let the American people vote on this amendment through the State ratification process.

Those who oppose the balanced budget amendment are saying that the American people should not have the opportunity to vote on this issue. I believe they ought to have the opportunity.

So the first real issue that comes to mind on this debate is whether or not we trust the American people to take up the issue. I trust them. I think they ought to have a chance to vote on it.

So I am going to vote for the Kasten amendment and for the balanced budget amendment.

Second, it is about trust with regard to spending and taxing. If the balanced budget amendment is adopted without the Kasten amendment, only 51 votes will be required to increase taxes and 60 votes to deficit spend. It should not be easier to increase taxes.

We must have fair evenhanded rules.

The Kasten amendment would require 60 votes to increase taxes. The result would be 60 votes to deficit spend and 60 votes to increase taxes. This is an evenhanded approach. I think that makes sense. We should not bias the system in favor of tax increases.

Third, Mr. President, I think this is about trusting the American people with regard to spending their own money. Are taxes too low? Absolutely not. All you have to do is ask the working men and women of this country. Ask the people who wash the dishes, change the tires, grow the crops, and those who work in the factories. They will tell you whether or not taxes are too low.

Our problem is not that taxes are too low. Our problem is that Congress continues to waste the taxpayers' money. Let us give the working men and women of this country a chance. Let us establish the same requirements to increase taxes as we have for deficit spending. Let us also say that we trust the American people to make decisions about their own lives. We should not impose on them a form of government that takes away from them the products and the fruits of their own labor.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. I yield 3 minutes to the Senator from California, the distinguished Senator, who is the author of the original balanced budget amendment to which this is an amendment to, and who has been a leader in this issue.

The PRESIDING OFFICER. The Senator from California [Mr. SEYMOUR] is recognized for 3 minutes.

Mr. SEYMOUR. Mr. President, I thank you, and my commendations to

Mr. KASTEN for his leadership on this most important amendment and the most important vote to follow.

Mr. President, I thank you for the 3 minutes you have allocated, and take the opportunity to point out that during these 3 minutes, our national debt will have risen over \$2 million, and for every minute that takes place beyond these 3 minutes, it will continue to grow at a rate of \$720,000 each and every minute.

Some have said we really do not need a balanced budget amendment. Some have said we do not need this supermajority vote to raise taxes and curtail deficits. Why then do we not just do it? Let's just do it.

Well, Mr. President, based upon our record of performance in Congress over the last 30 years, raising taxes 56 times, balancing the budget only once—1 year out of 30, I ask a question: Does this body have the courage to do what's right? In fact, I ask the question of those who are in the Gallery today and those that may be viewing the proceedings here in the U.S. Senate, do you really think this institution has the fortitude?

I think the answer to that is a resounding no, a resounding no based upon our record of performance. The U.S. Congress has become addicted to raising taxes and increasing deficits, we need some self-restraint. We do not have the self-discipline; we do not have the ability to just say no. And so how can we develop that ability?

Well, we can develop it by making it more difficult to say yes to increased spending. And that is the magic of Senator KASTEN's amendment. It will require a supermajority to raise taxes or raise deficits. And so to cure ourselves of this addiction, the first step to withdrawal is to admit we are addicted, and second, to set up some discipline, some self-restraint. And that is what this amendment does. That is what the balanced budget amendment to our Constitution will do.

So, Mr. President, I think this matter is so vital now. We do this not for us, but for the next generation. We will be long gone shortly. This is for our children and our grandchildren.

I was flying back from California with the youngest of our six children, our youngest son Barrett, who is 9 years old. I got to thinking about him and I got to thinking that he will be 10 soon. And by the time he is 10 the national debt will have doubled. Is that a legacy that I want to leave our children? No. Is that a legacy that America wants to leave its grandchildren? Absolutely not.

So I will vote aye on Senator KASTEN's amendment, and when we proceed to the cloture vote on the balanced budget amendment, I will ask for the same.

The PRESIDING OFFICER. The Senator has yielded the floor.

The Senator from Wisconsin [Mr. KASTEN].

Mr. KASTEN. Let me repeat a point that has been brought up a couple of times in this debate. Over the last 30 years, Congress has raised taxes 56 times. Congress has balanced the budget once. Tax increases simply do not work. They destroy economic incentives. They lead to fewer jobs, they lead to fewer small business starts. And history shows over this same period of time for every \$1 the Congress raises in new taxes, it spends \$1.59.

So we raise taxes a buck and increase spending \$1.59.

The first way to get out of a hole is to stop digging. What we have been doing is digging and digging and digging. Let us at least stop digging and start to work ourselves out of this hole.

Specifically, let us look at some recent examples in legislation: The 1982 TEFRA budget deal, for example. In that one, Congress promised \$3 in spending cuts for every \$1 in tax hikes. In the final analysis, spending went up \$2.

Or another example, the so-called budget summit agreement of 1990. It supposedly raised taxes by \$165 billion to reduce the deficit. That was the goal, raise taxes by \$165 billion to reduce the deficit.

I voted against it. A majority of the Senators on this side of the aisle voted against it because we knew when taxes went up, spending would rise even faster, and the economy would go down. That is exactly what happened. The deficit now has exploded to a record \$400 billion, the kind of numbers the Senator from California is talking about in terms of ticking away, minute by minute, 3 minutes, 4 minutes, 5 minutes, tick, tick, tick, more and more and more spending, more and more deficits, deficits, deficits.

In order to protect the family budgets of working Americans and preserve their jobs, we have to make it tougher for Congress to raise taxes. We ought to make sure that when we put together a plan to balance the budget, spending restraint is at the top of the list and tax increases are at the very bottom.

The Senator from Illinois said tax increases would be precluded. That is not true. A three-fifths supermajority to raise taxes is not at all unreasonable. It would ban tax increases altogether. It would simply require a strong national consensus to raise revenue. If the American people understand and support raising revenues for an important purpose, for a specific purpose, then Congress would be able to muster the three-fifths supermajority vote.

Second, we have a supermajority requirement to increase spending, as the Senator from Colorado just pointed out, and to reduce taxes in the current Budget Act. A supermajority require-

ment to raise taxes would not be an unreasonable requirement.

Mr. President, there are a number of other people who want to participate. I am pleased to yield to the Republican leader for such time as he may desire.

The PRESIDING OFFICER. The Senate Republican leader is recognized.

Mr. DOLE. Mr. President, I know the Senator from Wisconsin has a number of requests. May I have 3 minutes?

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

Mr. DOLE. Mr. President, I want to express my strong support, as others have, for the amendment by my distinguished colleague from Wisconsin, Senator KASTEN.

There is no doubt about it, we need a balanced budget amendment. We have tried everything else. It has not succeeded. But we do not need an amendment that is nothing more than a smokescreen for the big spenders and for huge tax increases.

That is why I am a cosponsor of the Kasten balanced budget bill, and why in previous years I have introduced my own balanced budget bill with a similar tax limitation provision in it.

Time and time again, the American people have seen big tax increases swallowed up by even bigger new spending. As exhibit 1, I offer the Clinton economic proposal. After increasing taxes by \$150 billion, Governor Clinton proposes spending increases and tax expenditures totaling \$220 billion. If you include the cost of a pay or pay health care package, the tab for all his new spending rises to \$337 billion. Granted, Governor Clinton claims to offset some of the deficit increase with \$150 billion in spending cuts, but many of these cuts are as phony as phony can be.

Governor Clinton clearly understands that it is a lot easier to quietly slip a tax increase into a deficit reduction package, than it is to make the tough votes to cut someone's favorite program. But if you ask me, we cannot afford to take the easy way out—the American people cannot afford it, and future generations who will get stuck with the deficit tab cannot afford it, either. The time for making the tough choices is long overdue.

The Kasten amendment is the taxpayers' best insurance policy against a hefty new tax bill from Uncle Sam. The Kasten amendment does not ban revenue increases, it merely prevents receipts from growing faster than national income. In any emergency, even that requirement could be waived by a three-fifths majority. So, let no one be swayed by those in this Chamber who claim we would be forever bound and tied by this amendment. The Kasten amendment provides the budget discipline we need, but allows for commonsense flexibility.

Mr. President, let us face it. If the big taxers and big spenders are so seri-

ous about disciplining themselves, we had better get it in writing—in the U.S. Constitution.

I hope my colleagues will join me in voting for the Kasten amendment today. This is a real test of whether we in this Chamber are committed to controlling the spiraling cost of government or whether some intend to hide with their big taxes behind the balanced budget smokescreen.

So I congratulate my colleague from Wisconsin for his leadership and his efforts and I urge my colleagues to support the effort.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. I yield 3 minutes to the Senator from Indiana [Mr. COATS].

The PRESIDING OFFICER. The Senator from Indiana [Mr. COATS] is recognized for 3 minutes.

Mr. COATS. Mr. President, I thank my colleague from Wisconsin for offering this amendment. I think it is extremely important. I am pleased and proud to be a cosponsor of it because I do believe we need to make it more difficult for the Congress to increase taxes.

Over the past 30 years I think the estimate is that Congress has increased taxes 56 times, yet only accomplished a balanced budget on one occasion.

Clearly, the bias in this body has been to raise taxes, not cut spending. I think instinctively, 80, 85, 90 percent of the American people understand the problem with our deficit is not lack of revenue flowing into Washington, DC; the problem is a Government that has no restraint on its spending and an inability to place any reasonable controls on the growth in spending.

Every new idea that has come down the pike in the last 20 or 30 years has been looked at as an idea that, well, let us try it. We do not have to go to the American people to ask them to raise taxes; we will just get deficit financing and then at a certain point we get a tax bill up in order to cover that deficit. Yet it never does cover that deficit.

Since 1948 we have seen the proportion of income covered by taxes increase. It increased 130 percent for single taxpayers and 150 percent for childless couples and a whopping 2,600 percent for a median family of four. Do you know who gets penalized the most in this country? The people who marry and have children and try to raise that family. Under our tax system, under our Tax Code, that family is penalized more than any other single entity in America.

It is not just Federal taxes. But when you add together Federal and State and local and excise and sales and personal property taxes and Social Security and Medicare and all the other taxes that the American public is asked to pay today, is it any wonder why we find people saying "I am squeezed; I do not have any extra

money left over; I need help in sending my children to college; I need help in buying a home; I need help in paying for a car; I need help in meeting the very basic necessities of life because no matter how hard I work, or no matter how many people in my family work, it just seems like our net take-home pay either holds level or decreases every year"?

This is a burden our Founding Fathers never could have imagined, and would not have tolerated. In fact, when the Federal income tax was approved early in this century, there was a proposal to cap it at 10 percent, and that proposal was rejected because the opponents said it would encourage Government to raise taxes to that level. Oh, that we would have that problem today. Oh, that our problem would be that we would be concerned about raising the tax burden to 10 percent.

We have a chance to take a step to remedy that problem. We have a chance to, today, adopt the Kasten amendment which would make it harder for Congress to increase taxes on the American people. I think the constitutional amendment, which we are debating, ought to include a requirement that revenues could not be increased unless three-fifths of the Members of this body vote to do so on an up or down recorded vote.

Mr. President, I am proud to support this amendment. I hope my colleagues do. I thank the Senator for yielding the time and yield back any time I might have remaining.

The PRESIDING OFFICER (Mr. REID). Who yields time?

Mr. BENTSEN. Mr. President, the managers for the majority have yielded to me 10 minutes.

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

Mr. BENTSEN. Mr. President, the problem we have with this particular amendment is it does have a fatal flaw in it because the amendment could lead our economy into a period of severe inflation and high interest rates if it is added to the Constitution. What we have to look at is how it could affect our economy, in trying to comply with it. Unless this situation was overturned by supermajorities of three-fifths in both Houses, the amendment would require this: "Total receipts for any fiscal year shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year."

So, let us look at what that language would do.

Suppose that 2 years ago the economy was in a recession and that you had a zero growth. If you had that, after 2 years, after that economy recovers, and it grows, let us say at a 7-percent annual rate—since revenue growth parallels economic growth, generally, revenues would also be growing at about a 7-percent rate as well.

What the amendment would do, as I understand it, would require us to enact a huge tax cut so that we could reduce the growth rate in revenues from 7 percent to zero percent. That kind of a huge tax cut coming at a time like that would overheat the economy. That could well cause very substantial inflation.

What would the Federal Reserve do in a situation like that? They would react by kicking up interest rates. I can recall that toward the end of the Carter administration the Federal Reserve finally kicked the interest rate up to about 22 percent. That was the reaction that it had taken at that time. No one really wants to risk high inflation and high interest rates such as we had at that time.

That result could be even worse if the economy, for example, had experienced a negative growth just 2 years earlier rather than a zero growth rate. In that kind of case you would have to have a tax cut that would be even larger.

We ran into this kind of situation last time, before the balanced budget amendment was voted on back in 1982.

The distinguished Senator from New Mexico [Mr. DOMENICI] offered a technical amendment to it. Under the Domenici amendment, the growth rate of revenues in the current year would have been limited to the growth rate of the economy over a period of several years or longer in the recent past. The appropriate length of this period would be determined by the Congress, as Senator DOMENICI noted in the colloquy with Senator HATCH. Therefore, if the economy had been in recession during a particular year in the past, and we can just choose a longer period of time for comparison, then under those conditions a three-fifths-vote majority would not be necessary.

Unfortunately, the language of the Kasten amendment today does not reflect Senator DOMENICI'S technical correction. In other words, we are not voting on the same thing that we voted on last time. Under the Kasten language, the rate of revenue growth this year must be limited to the rate of growth of the economy 2 years ago. So again, if the economy was in recession 2 years ago, there is no alternative period of comparison unless a supermajority agrees to it.

So I do not think we should be supporting what I believe to be a technically flawed amendment to the Constitution.

Some Senators may make the argument that these economic problems will not occur because the revenue limitations can be overturned by a three-fifths majority of both Houses.

I think the distinguished Senator from West Virginia [Mr. BYRD] indicated to us the dangers of that approach quite clearly last week. He pointed out that a determined minority, or even a single Senator, can ran-

som the Senate on other issues in turn for adding their vote to complete a supermajority. That kind of thing is a prescription for legislative disaster. Senators could even ransom the Senate for new or higher Federal spending, causing the budget to go further out of balance.

Speaking of unbalanced budgets, I think that the amendment of the Senator from Wisconsin is particularly troublesome in that regard. So if we are going to mandate a balanced budget, the last thing we should do is make it difficult for us to use one our weapons to reduce the deficit. That is exactly what would occur as a result of this amendment.

Under this amendment, for example, you could put in new tax loopholes that would add to the deficit, but could be legislated, for example, with only 51 votes in the Senate. But the elimination of the tax loopholes to reduce the deficit, as was done in the situation in 1986, would require 60 votes. I think that leads us in the wrong direction at a time when we are experiencing record-setting deficits.

In 1982, when the debt was only \$1 trillion, we might have been able to afford the luxury of requiring 60 votes for a tax increase to reduce the deficit. But today, that debt is nearly \$4 trillion, and that luxury no longer exists.

So I urge my colleagues to oppose the amendment.

The PRESIDING OFFICER. Who yields time?

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

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, let me very simply say what we have just heard is basically a Keynesian argument. And I think, without getting into economics 101 or 301, or Samuelson versus different textbooks we might have studied at different times, I believe the 1980's proved the fallacy of the argument that tax cuts fuel inflation. Inflation went down; we had a growing economy and increased jobs. Instead it was the high-tax policies of the Carter administration in the late 1980's that increased inflation.

It was not under the low-tax policies of the early 1980's that we had a 21-percent prime rate. It was not under the low-tax policies in the 1980's that we had inflation at 13 percent. That was under the high-tax policies of the Carter administration that we had inflation at 13 percent and the prime rate going to 21 percent.

So this is an argument that we can make among economists. But recent history simply shows that inflation is not caused by high taxes.

Mr. President, I yield 3 minutes to the Senator from Wyoming [Mr. SIMPSON].

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

Mr. SIMPSON. Mr. President, I commend the Senator from Wisconsin. He does a splendid job on this issue and he has for many years, all the years I have known him. He has worked so diligently on this issue.

I am a cosponsor of the pending Kasten amendment as I am of the underlying Nickles amendment. That amendment, originally drafted by Senator SIMON, was a simple amendment, nothing to be feared, even though the interest groups went out and said: If you adopt this amendment, you will have your Social Security check lopped off by \$52 or \$92. And we have never cut a Social Security check in the history of the Senate—not once.

So we have to go through all that same stuff from these interest groups each time. All we ever tried to do once, and we got our fingers shot off, was to try to do something with the cost-of-living allowance on Social Security. Those are the entitlement programs. We will deal with that separately, if we ever can. And if we do not, then the American public will be getting about what they deserve if they will not let us touch it with any sensitivity or honesty.

The amendment originally drafted by Senator SIMON was, if you will, intended to be a kind of umbrella—something under which all supporters of balanced Federal budgets could unite, regardless of their specific policy preferences as to how that should be achieved. The language of that amendment is very broad and very general. It merely requires that total outlays and receipts of this Government be kept in balance. It was the belief of Senator SIMON, Senator THURMOND, Senator CRAIG, and myself and many others that the only way to give this important language a chance of being added to the Constitution was to draft language sufficiently general—language that would simply elevate our obligation to balance the Federal books to the status of a constitutional duty.

I supported that effort, as I still do. But I also believe that there are very real, uncompromising, economic facts that dictate how we must go about balancing the Federal budget. It is, perhaps necessary to draft neutral language as part of a strategy for attracting enough votes to amend the Constitution but we don't have the luxury of being similarly neutral when it comes to implementing the mandates of a balanced budget. If we are talking about the real, substantive work of balancing the books, we must have a limitation on the growth of taxes and expenditures. There is no other way to make it work.

This Kasten amendment is the proposed legislation that recognizes that reality. I will put it very simply: If we do not change the way we spend the public's money in this Chamber, and simply attempt to raise revenue to

keep up with expenses, we will very directly take more and more of the public's money until there is eventually and actually nothing left.

According to the Congressional Budget Office, mandatory spending will approach \$1 trillion per year by 1997; it won't even take us until the end of the century to top \$1 trillion in mandatory spending. That does not even include mandatory interest payments on the debt, which will be wholly unavoidable.

The CBO projects that we will spend \$977 billion in mandatory entitlement spending in fiscal year 1997, which is a nearly \$300 billion increase over what we are spending now. These are the programs that the vast American public understands to be reserved for the needy, the poor, the disabled, or the veteran who has "borne the battle." That is the way that we—and they—think of these programs, and that is precisely why we have never controlled our spending on them.

How much of that \$977 billion in spending in fiscal year 1997 will actually be means-tested? Based on net worth and ability to pay, very little, proportionally—a whopping \$750 billion of it, over three-quarters of the total, will be non-means-tested. Left unchecked, that way of doing business is going to lay a staggering tax burden on working Americans.

It is very simple: Working America simply cannot keep up with that—especially while we siphon out of the American economy hundreds of billions of dollars in interest payments each year. If we want working America to produce the growth necessary to alleviate the deficit, we simply cannot suck up ever more and more of its resources.

Some of the projected increases are truly staggering. Medicaid, \$68 billion in fiscal year 1992, projects to \$126 billion 5 years later—almost doubling. That is a means-tested program. Not so of Medicare—\$128 billion in fiscal year 1992, projecting to \$218 billion in fiscal year 1997.

These programs and others like them add up to increases of hundreds of billions of dollars over the next few years. And then there are the increases many would like to see in discretionary spending, spending on education, on roads, on the environment. And the interest payments will continue to grow as well, until we are able to balance our books.

I ask my colleagues to consider what will happen if we adopt a revenue-increasing strategy of balancing the Federal books. Suppose, in a massive 1-year tax hike—soaking the rich even—we brought the Federal budget into balance in a given year. Would we have finished the job? Not by a long shot. Federal revenues as a function of GNP would thereafter stay roughly constant from year to year, but the mandatory increases on the spending side would mean another tax increase a few years

later. And then, too, any balancing of the budget would be only temporary. Another tax hike would soon be required. Even if we restrained discretionary spending—even if we increased taxes mightily every few years—the problem would persist. That is the future built into the current system.

I can think of no basis for the argument that this budget is out of balance because Americans are insufficiently taxed. They are providing well over \$1 trillion per year in revenue to the Federal Government. That is enough to conduct the business of this Government or any government in the world today. We must balance the Federal budget, and we must attempt to do so in a way that recognizes the real sources of our current and projected deficits—uncontrolled, mandated spending—entitlement spending.

I commend Senator KASTEN for this proposal. It recognizes the obligation of this Congress not to burden future generations, and it recognizes that the existing generation of taxpayers is burden enough. It is high time that the burden of restraining spending be taken up by this Congress. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from New York [Mr. D'AMATO].

Mr. D'AMATO. Mr. President, I rise to strongly support Senator KASTEN's proposal to require a three-fifths supermajority vote to raise taxes above the growth rate of the economy. It is long overdue. We absolutely need that discipline.

Let us look at the record, and we do not have to go back too far to see what the impact would have been had we had this kind of legislation in force. Had a supermajority been in effect as a requirement to get at least 60 votes in the Senate for the 1990 tax bill, the American people would have been spared one of the largest tax increases in history.

You see, Mr. President, only 53 percent of the House and 54 percent of the Senate supported the 1990 tax bill, not the 60 percent that would be required by the Kasten amendment.

Too bad it was not in force because one of the largest tax increases in history went into effect. It was also one of the most divisive, because then we had the same type of businesses going on: Let us get the rich guy. Oh, they imposed that luxury tax; 10 percent on the price of automobiles that cost over \$30,000; 10 percent on the boats, and on the planes, jewels, and furs. We did not get the rich guy. What we wound up doing was throwing thousands of working middle-class Americans out of work, the people who make and maintain those boats, planes and cars, and sell those jewels and furs. We just do not know when to stop.

Let me suggest something else. It is rather divisive, and it is a bad kind of thing that I hear taking place, and that one of the Presidential candidates is also bringing up: Tax the rich. You could increase the taxes to the point that you take every single penny from everyone making over \$200,000, and take ever single dime that corporate America is making, and you still would not be able to balance the budget. That is the wrong kind of divisive business. When we begin to target people because they are successful, it flies in the face of what this country is about.

I think that this is an absolutely essential element of any effort to get spending under control. Do we need a constitutional amendment to force a balanced budget? You better believe it, because this institution does not have the guts or the courage to stand up to the special interest groups; it caves in every single time. Do not let this one or that one send out a letter to their constituents saying you would not authorize the expenditure of more moneys for a laudatory program. In the meantime, the deficit grows and grows and grows.

So I urge my colleagues to support Senator KASTEN's proposal as an integral part of the constitutional balanced budget amendment.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be allocated to neither side.

The PRESIDING OFFICER. Time will be allocated to neither side. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURENBERGER. 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. DURENBERGER. Mr. President, I ask unanimous consent that I might proceed for 6 minutes with the time charged to the opposition to the amendment.

The PRESIDING OFFICER. It is my understanding that there is now 45 minutes controlled by the Senator from Michigan and about 13½ minutes controlled by the Senator from Wisconsin. Without objection, 6 minutes will be charged to the Senator from Michigan.

Mr. DURENBERGER. Mr. President, as a proponent of the constitutional amendment which is before us, I want to take a few moments to speak in opposition to the amendment of my distinguished colleague and good friend from Wisconsin, Mr. KASTEN.

What the Senator from Wisconsin is proposing is that the Constitution be further amended to preclude raising

revenues and taxes above the annual growth in national income unless such a revenue proposal garners the support of a supermajority; that is, three-fifths of Senators and Representatives. I believe that is a step away from the balanced budget we are trying to reach. And I will try to prove to you and my colleagues why.

Mr. President, while we are debating this constitutional amendment today, in this 24-hour period we will add \$1.111 billion to the national debt. Shortly we will exceed \$4 trillion in debt, and that is over \$16,000 for every man, woman, and child in America.

This wanton fiscal irresponsibility has two consequences.

First, we cannot do what we need to do today. We are constantly confronted with crises in this city: the education crisis, the health crisis, the urban crisis, and it goes on and on. But national debt is the crisis which destroys our capacity to deal with any of the others.

That is the first reason to pass a constitutional amendment.

Second, we are compromising the freedom of future Americans. Thirteen generations of Americans have passed on to their children a land of choices greater than those they inherited. Ours is the first to fall short of that standard, which Jefferson called the supreme moral test of each generation of Americans.

I do not take lightly the consequences of making a change in the most remarkable political document the world has ever seen, the U.S. Constitution. I do not believe there is a procedural substitute for political leadership to balance the budget. And I do not vote for this amendment to abdicate my responsibility for this debt.

But I do know that our choice now is between slow and certain strangulation of everything America stands for, or a change in the way we do things in this Government. I swore an oath to protect and defend the Constitution against enemies foreign and domestic. Debt is our Constitution's greatest enemy, and the underlying balanced budget amendment is our best defense.

I oppose the Kasten amendment before us simply because it would make it far more difficult for us to achieve our end, a balanced budget. The reason is that it puts a minority of the House and Senate in charge of how we achieve deficit reduction.

Mr. President, when we collectively reach the day that we become serious about balancing the budget, and I pray it is soon, then everything is going to be on the table: entitlements, discretionary domestic and defense spending and, yes, taxes.

Why should all the pressure be placed on elderly beneficiaries of Medicare? Why should all of the pressure be placed on the poorest members of our society? Why should all the pressure be placed on rural communities and farm

families? It is not just spending that must be addressed; taxes must be placed on the table.

This amendment effectively takes taxes off of the table. It puts in the hands of a minority—40 Senators—the ability to upset any bipartisan agreement that heads us down the path of reducing our \$4 trillion debt. Tax loopholes would be harder to close under this amendment and the tax base would be harder to broaden, because it would take 60 votes in the Senate and 292 in the House to accomplish closing the loopholes or broadening the base.

The amendment would further bias the system against deficit reduction. How can we justify a 60-vote majority to raise taxes in order to reduce the deficit but allow a bare 51 votes to cut taxes and exacerbate the deficit?

This amendment certainly feels good right now in that it would allow us to return to our States and tell our citizens that we are going to balance the budget, but you do not have to worry that your favorite tax provision will be taken away.

Mr. President, how did we get to this point today where our Nation is the largest debtor in the world? We got there because we spent the last decade expanding entitlements and domestic spending without having the will to pay for them with tax revenue. Since we did not have the will to say no to spending increases, the national debt has grown to \$4 trillion, and interest on the debt has jumped more than 400 percent from \$52.5 billion in 1980 to more than \$215 billion this year.

Mr. President, it is the rare elected official who wants to go back home and tell his constituents either that they cannot have services they want or that their taxes have to be raised to pay for spending. All of us prefer to promise more services and lower taxes, and yet that is precisely why we face this extraordinary national debt.

The proposal before us will make it far more difficult for this body to adopt fiscally responsible tax legislation, and it will diminish our ability to control the deficit. I urge my colleagues who support the constitutional amendment to balance the budget, and those who oppose the constitutional amendment, to oppose this amendment.

Mr. President, I yield the floor.

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

Who now yields time?

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from Idaho [Mr. CRAIG].

Mr. CRAIG. I thank my colleagues for yielding.

The Senator from Wisconsin has certainly been an extraordinary leader on this issue of fiscal responsibility. I have worked very closely with him and others on the broad issue of a balanced budget amendment to our Constitution. He brings a portion of that debate

today in his amendment that would require the extraordinary vote on the raising of taxes which becomes a critical and necessary consideration in an overall debate on a balanced budget.

If you hear it once, you will hear it many times from the hinterlands, that one of the great concerns American citizens have who believe in a balanced budget amendment is that Congress will do what they have historically done when such requirement is once thrust upon them; they will simply balance it by raising taxes, because they do not believe Congress will have the political will to go against special interest groups and reduce spending or the rate of spending correspondent to an increase in revenue. That is why such an amendment is before us.

Let me broaden the issue in discussing with you, in the few moments that I have, why a balanced budget amendment to our Constitution is appropriate and necessary and why such a high percentage of the American people are now demanding that of us and, more importantly, why, therefore, is the Congress of the United States refusing to resolve this issue and deal with a balanced budget amendment to our Constitution directly instead of trying the political subterfuge that has gone on in this body for many decades and that is attendant in the House of Representatives.

There is an old hue and cry—we heard it in the House a few weeks ago and now and then it is uttered but in somewhat whispered tones in the Senate—why not pass a law; we really do not need a constitutional amendment.

Well, in 1978, we passed a law, Public Law 95-435, which said we would balance the Federal budget. That was the law of the land in 1978. That is when our deficit was \$776.6 billion. It did not work. Why? Because Congress did not have the willpower to adhere to its own law. So in 1 year they bypassed it.

So in 1979, Public Law 96-5 said we will balance the budget and they tied it to a debt limit vote. The Federal debt by then was \$828.9 billions of dollars.

The story goes on right through Gramm-Rudman, the passage of that law in 1985, when it worked, oh, but for a short time and the—

The PRESIDING OFFICER. The time has expired.

Mr. CRAIG. Could I have 1 more minute?

Mr. KASTEN. I yield 1 more minute to the Senator.

Mr. CRAIG. I thank my colleague for yielding.

For a short time the deficit and debt slowed.

Then in 1990 we had the great 1990 budget agreement in which debt was going to stop, the deficit was going to come down, but in doing so some voted for a major tax increase. That was nearly \$1 trillion ago.

The debt is now \$393.946125 trillion. That is as of Friday last, and the clock

is ticking very loudly to Members of the Senate. The debt now to the average citizen stands at \$15,363.

That is why the Senator from Wisconsin has brought forth this amendment. That is why he stands on the floor today fighting for fiscal integrity and trying to force this body to be politically responsible.

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

Who yields time?

Mr. WIRTH. Mr. President, I rise for recognition in opposition to the amendment.

The PRESIDING OFFICER. The Senator may proceed under the previous order.

Mr. WIRTH. I thank the Chair.

Mr. President, the amendment before us is what I would call a politician's delight. The amendment to require a constitutional amendment to balance the budget is truly political posturing, at its worst. That is the background against which we debate this constitutional amendment.

I understand what the Senator from Wisconsin is attempting to do, but I think, unfortunately, that his amendment plays also into this whole fabric of what is the ultimate, in this Senator's opinion, fiscal irresponsibility.

We already have the tools to do the job that I believe the American public wants us to do. We have the tools to balance the budget anytime we want to do it. We do not need a constitutional amendment to balance the budget. We do not need a two-thirds vote or a 60-percent vote or supermajority here or superminority over there. We do not need all of those things. We have all the tools that are necessary.

The one thing that is lacking is political will, and political will is a combination of both sides working one with the other. That is what political will is all about—each of us locking arms and striding forward. Those who have one view and those of us with a different view on the composition of Federal revenues and on expenditures getting together and determines that it is in our national interest to reduce the deficit, to spend less in some areas and to invest our national resources in a different way.

We do not need all of these artificial constructs such as a balanced budget amendment. We should not, by the way, as an aside, set up more supermajorities that encourage congressional gridlock. Should we have a supermajority related to changes in Social Security? Should we have a supermajority related to changes in the space program? Should we have a supermajority related to changes in the milk support program? Of course not.

But what we have to do is find 50 percent plus 1 of the votes to accomplish what we all know we must do. It is dif-

ficult enough to get 50 percent plus 1 of the votes to do anything around here, much less to say you have to have 60 percent of the votes to accommodate one group in the Senate. It is ridiculous.

What the Senate needs is again to lock arms, to ask our leadership to get together with the White House and lock arms, to support the proposal offered by the distinguished senior Senator from West Virginia, to ask the President to submit to us a budget that he would like us to pass that is balanced. That is a perfectly reasonable proposition. He is the Chief Executive Officer of the land. He is the natural leader of these efforts. Presumably, he is an individual who has at his command these vast resources in the bureaucracy. He has an OMB that does not stop. He has Mr. Darman as the head of the OMB who has a vast amount of experience and been through this drill for a long, long time.

The President should send down a proposal that he thinks is an appropriate way to balance the budget on a very short term or a longer period of time, whatever he thinks is the right thing to do, and then we should ask the leadership of ours, on both sides, to get together and figure out how to accomplish that goal specifically sent down to us by the President of the United States.

That is the way this process is supposed to work and it has not worked for all of those reasons. It has not worked because we have not received from any President that I can remember anything resembling, first, the template and, second, the support for arriving at that template or arriving at that goal. That has not been forthcoming.

And we, certainly, in this Chamber have not been of the mode to cooperate under some kind of a national umbrella of national goals and national purpose. It does not exist.

Why is the public out there so frustrated and angry? Because we have not had that direction coming down from Pennsylvania Avenue, and because when there has been from time to time that direction, we have not gotten together to figure out how to harness it in a constructive fashion.

We do not need a constitutional amendment. I thought the statement made by the former Senator from Connecticut, the current Governor, Lowell Weicker, that the constitutional amendment for a balanced budget was about like a football team running off the field, running up in the stands, and starting to chant, "We want a touchdown." The football team has all the tools it needs to do the job—it has the equipment, the field is lined out in 10 yard stripes. It is 100 yards long. There are 11 players on each team. There are specialists out there to do the job. There is a coach and assistant coaches.

There are some cheerleaders out there doing their job. The football team has everything necessary to score its touchdown. They do not have to run up into the stands and say, "We want a touchdown." They would be laughed off the field if they did.

We are effectively running up in the stands, looking down to the bare field which we left empty, by the way, for the last 11 years, because of stupid chanting, "We want a touchdown," "We want a balanced budget."

Like the football players we have all the tools that are necessary. We have the committees to do the job. We have the ability to write the laws that are necessary to achieve our goals. We do not need a constitutional amendment that might or might not lock us in one way or another. We do not need a constitutional amendment to delay the operation for another 3 or 4 years. We do not need a constitutional amendment that may write into the Constitution a particular kind of destructive economic doctrine.

We do not need a supermajority. This country does not have anything in the Constitution that relates to supermajorities if the Senate's day-to-day business. If the Founding Fathers thought supermajorities were a good idea and we had to have 55 or 60 or 65 percent to act, they would have put this in the Constitution.

This country runs by a majority. Our job is to find that majority to achieve the national goal of economic health. We do not need bigger majorities to do the job. We do need two things: First, leadership from the White House and, second, the kind of joint political will of locking arms here.

I can guarantee you if we decided we had to sit down and do that job and get from here to there, the chances are that the distinguished other westerner Senators that are here on the floor—and we disagree on a lot of things and have over a long period of time—but if we sat down for a period of time and said how are we going to get from here to there, and we have managed to do that on issue after issue, and we can certainly do that on this.

Why do we have to set up a lot of these artificial barriers to jump over? It does not make any sense. It just compounds the problem and creates more goldlock. It may be good politics. We have a lot of good politics around here, presumably such good politics that we are going to see a storm of voter disapproval. I think the politics are lousy. I think the politics of the constitutional amendment are the kind that sounds good if you say it fast enough. Politics make lousy policy.

The real issue is: Are we going to sit down and do the job? We cannot pretend any longer, Mr. President. Let us stop pretending. Let us get out there and do the job we were elected to do and the American public asked us to do.

Finally, Mr. President, I would point out that—and I have been on the Budget Committee in the House for 6 years and the Budget Committee in the Senate for 6 years, a real Chinese water torture duty—that Senator CONRAD, our distinguished colleague from North Dakota who has decided not to come back to the Senate, unhappily, Senator CONRAD has headed up the deficit reduction caucus. He founded it and headed it up the whole 6 years he has been here. Senator CONRAD over in the Senate Budget Committee offered the most aggressive deficit reduction package of anybody, the most aggressive package. And everybody was sitting there doing their posturing in one way or another. And, as I remember, it got three votes, and more from the other side. There was no political will there. There was no joining of hands there. We had the tools available, but something as truly ambitious as Senator CONRAD's package was not able to receive the votes.

Would the constitutional amendment have changed that? No. Would a 60-percent supermajority of one kind or another have changed that? No. What would have changed that is the installation of a certain amount of political cooperation and will here and a certain modicum of leadership coming down Pennsylvania Avenue from the White House. That, it seems to me, is what the American people are asking for and should be asking for. They are not saying to us do your job by ducking the job. They are saying do the job you were elected to do.

I would hope that my colleagues will have the wisdom, and the judgment, and the perspective to vote down this amendment, vote down all the other nonsense that is in front of us related to the balanced budget amendment, and let us get on with the real business of what is before us.

The real business is all those appropriations coming down. The real business is, are we going to work with the Soviet Union and try to nurture along that fragile experiment in democracy? The real business is getting this urban aid package done so we can at least have some small response to what happened in south-central Los Angeles. The real business is finishing these education bills that are here. The higher education bill is not done. The elementary and secondary education bill has to be done. The real business is doing what everybody knows the President will sign, and that is an energy bill, and we cannot get that out of the way either.

Let us get on with the real business of this institution. Those are the things that are important, not all of this kind of posturing and "sounds good if you say it fast enough" politics.

Mr. President, I appreciate your recognition and I yield the floor.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, the question has been raised about the justification for a supermajority requirement, and the Senator said the Constitution does not prescribe supermajorities for a number of different things.

But I think it is important for us to point out that right this moment there is ample evidence, I believe, that the political system has become biased in favor of higher taxes and in favor of deficits. The special interests of those who want more government are better represented, very frankly, than the general interests of the taxpayers. The supermajority requirement offsets those biases.

But the Constitution does prescribe supermajority votes for a number of important decisions. A two-thirds rule exists, it is in the Constitution, to approve treaties. A two-thirds rule exists to overturn a Presidential veto. A two-thirds supermajority exists to approve the impeachment of a Federal official, and a two-thirds supermajority exists to expel a Member. New amendments to the Constitution must be ratified by three-quarters of the States and then pass Congress by a two-thirds vote. So this is not some new idea.

The idea of a supermajority is in our law, it is in the Constitution. What we are simply saying is, let us extend it so that we are able to move and stop shifting the tax burden to future generations. It is important enough, I believe, to warrant a higher vote, a supermajority, than routine decisions, routine choices of this body. That is why we are calling for a supermajority to increase taxes and that is why I hope that our amendment may succeed.

I yield 3 minutes to the Senator from Montana [Mr. BURNS].

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

Mr. BURNS. I thank the Chair and I thank my friend from Wisconsin.

My good friend from Minnesota and my friend from Colorado make very strong arguments. I will not speak on the merits of a balanced budget amendment to the Constitution, as I addressed it last week. It seems like this debate keeps going on and on and on and there would be those who would say that there are other important things to do. This is not keeping those important things off the floor. The American people should know that.

I would rather focus today on trying to find ways that we can get to the balanced budget amendment and make it work and be ready to deal with it without any impact upon the American people both in taxes and in spending.

The Federal budget must be balanced. There is no question about that.

We had to have a two-thirds majority—I guess you could figure it out—

when I was a county commissioner. There was only three of us. And it took two to one to raise taxes or to lower the taxes.

But I think this amendment would place a safeguard against Congress' propensity to raise taxes by requiring tax increases that exceed the growth of the national income to pass by a supermajority or a three-fifths majority of the whole number of both Houses of Congress.

Now, it does not say Congress will not raise taxes. We can. And we will probably prove that it can be done. It just makes it more difficult to do so. It makes it a little more difficult to waive the rule, as we say, and to get it down.

As I said last week, the only way we will ever bring the Federal budget to balance is by limiting the growth of spending.

I am starting to feel like a broken record. I have said it so many times. History has shown us time and time again the deficit reduction based on increased taxes does not work. And I would cite what those who would argue against this amendment have said. The Federal Government has always spent more than it takes in. In fact, the last time the Federal budget was balance was in 1969. Yet over the past 30 years Congress has raised taxes 56 times, 56 tax increases, and no balanced budget. It does not leave much reason to believe that a tax increase is the answer.

I guess what I am saying, it is nice to give the speech that says we have the tools but we lack the will power.

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

Mr. BURNS. Mr. President, I ask unanimous consent that I could have 3 minutes more.

The PRESIDING OFFICER. The Senator from Wisconsin controls 4½ minutes.

Mr. KASTEN. I yield 1 additional minute to the Senator from Montana.

Mr. BURNS. The point is, real quickly, we had Gramm-Rudman; we have had all these laws; and we have had tax increases and say we are going to balance the budget. We did not do it because for every \$1 we brought in, we spent \$1.56. And if you are going to use any wisdom and I am a freshman in this body and I look at the track record, I would have to say our track record is not very good and my wisdom tells me if we do not have the will then we must put into law what we cannot do.

So in 1992, with a 317 billion dollar deficit—and it looks like it could go to \$400 billion—I would take a strong look at this and put this into place where we can handle it and do business knowing that our primary objective is to protect the financial viability of generations to come.

Mr. President, I am pleased to be an original cosponsor of the Kasten bal-

anced budget tax limitation amendment to the Constitution and commend Senator KASTEN for his leadership on this issue.

I will not speak to the merits of having a balanced budget amendment to the Constitution as I addressed that issue last week, but rather I will focus on the necessary element of such an amendment that is included in this proposal—tax limitation.

The Federal budget must be balanced—there is no question about that—but it must not be balanced on the backs of the American taxpayer.

This amendment would put in place a safeguard against Congress' propensity to raise taxes by requiring tax increases that exceed the growth of the national income to pass by a supermajority of a three-fifths majority of the whole number of both Houses of Congress.

It does not say Congress cannot raise taxes—it just makes it more difficult for them to do so.

As I said last week, the only way we will ever be able to bring the Federal budget into balance is by limiting the growth of spending. I am starting to feel like a broken record, I have said this so many times, but history has shown us time and time again that deficit reduction based on increased taxes does not work.

The Federal Government always spends more than we can bring in. In fact, the last time the Federal budget was in balance was 1969. Yet over the past 30 years, Congress has raised taxes 56 times. Fifty-six tax increases and no balanced budget—it does not leave much reason to believe that tax increases are the answer.

The Budget Agreement of 1990 is not working to reduce the deficit as was promised. The agreement raised \$175 billion in taxes over 5 years and was supposed to reduce the deficit by \$500 billion over the same period. The projected deficit for fiscal year 1992 was \$317 billion. But it hasn't worked out that way. Instead taxes went up, the economy went down and we're nearly \$400 billion in the hole.

I voted against the 1990 agreement because I believed then, as I believe now, that increasing the taxes will not balance the budget.

It is my hope that this amendment will pass and that a balanced budget/tax limitation amendment to the Constitution will be enacted into law and sent to the States for ratification. It is only then that Congress will get serious about the need to control Federal spending.

I urge my colleagues to vote for the Kasten amendment. It is the right thing to do.

I thank the Chair and I yield the floor.

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

Mrs. KASSEBAUM. Mr. President, I rise in opposition to the Kasten amendment.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. I ask 2 minutes from the opposition.

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

Mrs. KASSEBAUM. Mr. President, I rise in opposition to the Kasten amendment, not because I am an advocate of raising taxes. In fact, I certainly believe that we need to cut spending before we look to any other avenue of addressing our budget deficits. I do not support the Kasten amendment because I do not support a constitutional amendment to balance the budget, and I believe this may be the only opportunity to have a recorded vote on this issue.

Mr. President, to repeat, I rise today in opposition to the Kasten amendment because it will likely be the only RECORD vote on a constitutional amendment requiring a balanced Federal budget. As such, I believe this amendment represents more than technical refinement of, or an improvement to the bill originally introduced by Senator SIMON. In my opinion, the Kasten amendment represents an up or down vote on the very issue of a balanced budget amendment.

But Mr. President, I certainly view this measure with a sense of double frustration. I share the American people's deep concern that Congress has found no effective means of taming the deficit. Despite Gramm-Rudman, budget summits, and other such tactics, we have become only more inventive in dodging self-imposed spending limits. However, I am very wary of the adverse consequences that may result from amending the Constitution to require a balanced budget.

In considering the balanced budget amendment, Congress is once again debating procedures for dealing with the deficit instead of taking the concrete steps necessary actually to deal with the deficit. We all want to talk about the goal but not how to achieve it.

During my service in the Senate, I believe I have compiled a record as a fiscal conservative who is willing to make tough choices on the budget. In both 1984 and again in 1987, I helped lead the fight for a 1-year freeze on all Federal spending. If the freeze had passed in either of those years, the cumulative savings to date would be on the order of \$500 billion by now.

In just the past few weeks, I have cast other votes to hold the line on spending. For example, I supported a plan to cap entitlement spending—the so-called mandatory or uncontrolled programs that make up nearly half of the Federal budget. And I voted for an amendment to freeze spending for the Corporation for Public Broadcasting for 3 years.

Entitlements and public broadcasting are worthy and even necessary programs, ones I strongly support. But I

could not support writing blank checks on an empty Treasury even for the most worthy of these programs. At some point, we have to pay our bills.

The striking and, to me, the frustrating thing about these votes—the budget freezes, capping entitlements, or freezing public broadcasting—is that none of them ever gained more than 32 votes in the Senate. In other words, at least 68 Senators voted against these spending restraints.

Now we are debating a proposed constitutional amendment that requires a balanced budget unless 60 Senators vote to allow continued deficit spending. Perhaps I am missing something, but I fail to see how this new requirement will provide any real restraint on the budget.

Many of my colleagues who support the constitutional amendment argue that it will provide the necessary straitjacket for them to cast difficult votes on the budget. Their rallying cry seems to be: "Stop me before I spend again."

If I genuinely believed the constitutional amendment would work, I would support it in a minute. But the language of the amendment seems as riddled with loopholes as all our past procedural gimmicks. In addition to the 60-vote loophole, it says: "The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts."

Who will estimate outlays and receipts? What happens if the estimates turn out to be wildly off the mark, as they often have been in the past? Will the Federal courts have the power to enforce the amendment by making decisions on taxes and spending? The earliest the amendment could take effect is fiscal year 1998—what happens in the meantime?

These fundamental questions suggest the deep flaws of this approach. It is essentially a promise to think about the deficit later and to work out the details some other time. In short, the Constitution would become a pawn in our budget games and increase cynicism about Government.

The only reason I even think twice about voting against this amendment is that Kansans have asked me some simple and sincere questions in recent weeks. Would it hurt to pass a constitutional amendment? Why not try it? Can it be worse than what we have now?

Frankly, there are no clear answers to those questions. However, I am concerned that enactment of this amendment may have grave consequences. As I have stated earlier, the amendment has a number of loopholes which could make a mockery of the Constitution. In addition, it is quite possible that the amendment will give the judicial branch the power of the purse our Founding Fathers intended to be the responsibility of the legislative branch.

I do not believe that these potential results should be taken lightly, and therefore, I will vote against the balanced budget amendment.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum and ask unanimous consent the time be charged equally to both sides.

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

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

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

The PRESIDING OFFICER. The Senator is recognized for up to 3 minutes and 15 seconds.

Mr. KASTEN. Mr. President, we are now about to conclude the debate on this amendment. One of the points that has come up, some say we can balance the budget by raising the taxes and particularly taxing the so-called rich. I say the middle-income American families better watch their wallets. Even if we confiscate all of the income of the millionaires, we would still run the Federal Government for a very short time, as has been pointed out by my colleagues. In 1990, they said they wanted to tax the rich, my colleagues will remember, by taxing certain luxuries. What happened instead was over 19,000 boat building workers lost their jobs, many of them in Wisconsin.

When they say "tax the rich," the small business men and women of this country better watch their wallets, too. Just this March we voted on a tax package that would have raised taxes on small unincorporated businesses. I think it is important for my colleagues to recognize that 9 out of 10 small businesses pay taxes on the individual tax rate schedules, not on the corporate tax rate schedule. So when we say "tax the rich," we are saying tax successful small businesses. Let me repeat, 9 out of 10 small businesses pay taxes on the individual tax rate schedule, not the corporate schedule.

We have been holding a series of meetings throughout Wisconsin, small business committee field hearings. I discovered that those statistics are true for Wisconsin's small businesses across the board.

I ask unanimous consent that a letter from one of Wisconsin's small businesses be printed in the RECORD.

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

KIEFFER & CO., INC.,
Sheboygan, WI, March 11, 1992.

Senator ROBERT KASTEN,
U.S. Senate, Washington, DC.

DEAR BOB: As I've been following the news, first with the President's Income Tax proposal's, and more recently the Democrat's proposals I have become very concerned.

Great emphasis is being placed on income shifting. Statistics are cited about the number of people making over \$100,000 and how they are not paying enough income tax.

I believe one important fact is being missed. Many of those people, myself included, are owners of Sub S corporations and report all of the company's income on our personal tax return. My personal income is certainly not excessive for someone managing a \$10 million company, however, when you add our modest profit (3-5 percent) and report it as personal income it sounds like a lot. I never "see" that income. It stays in the business to help finance our growth. Like many small businesses, we're under capitalized, we've utilized SBA loans to the maximum, and we need every dollar we earn.

If the Democrat's proposed tax increases occur I will be looking at a 25 percent increase in our business tax plus the possible loss of most of my personal tax deductions. That additional cost will have to come out of the business' income. This will have a dramatic negative impact on our ability to pay our suppliers and bank, provide pay increases to our current employees, grow and add jobs.

I often read that new jobs in our country occur because of the growth of small business. I know we have grown from 5 employees to 92 employees since 1980. If the economy is dependent on small business growth, then the Democrats' proposal will stop and reverse any chances that we are going to end the current recession this year, and perhaps for the next several years.

Perhaps you and your staff can expand this thought and gain the country's, and the Senate's attention before this business tax is passed.

Sincerely,

STEPHEN G. KIEFFER,
President.

Mr. KASTEN. Mr. President, these are the small businesses, the sole proprietors, the subchapter S corporations that our economy has relied on to create the new jobs. That is why the National Federation of Independent Business, NFIB, has made the vote on the Kasten amendment, this vote, a key small business vote. So a vote for the Kasten amendment is a vote for the small business men and women of America.

It is time for Senators to decide whose side they are on, the side of high taxes and status quo and the special interests or on the side of the American taxpayers, the families, the farmers, the small business people who pay the taxes, who pull the wagon and create the jobs. This is a vote on the substance. It is not a procedural vote that can be blurred or explained away. It is a record vote on taxpayer protection. You are either for taxpayer protection or you are against it. I thank my colleagues and I urge their support for this amendment to protect the American taxpayer. I ask unanimous consent that letters of support and a num-

ber of news articles be included at the end of my statement along with a list of tax increases since 1962.

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

MAKE IT MORE DIFFICULT TO INCREASE TAXES

DEAR SENATOR: On behalf of the over 550,000 members of the National Federation of Independent Business (NFIB), I urge you to support the Kasten tax limitation amendment to the balanced budget amendment to the Constitution, which is pending in the Senate.

Small business owners have long been concerned about the size of our nation's debt, but higher taxes are not the answer to it. The federal deficit is not the result of too little taxation. The deficit is the result of federal spending that is out of control. The Kasten amendment would force both Congress and the President to make the tough spending choices that have been repeatedly put off for the last decade. NFIB members strongly support tax limitation language to any amendment to the Constitution to balance the budget.

Sincerely,

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

**COALITION FOR FISCAL RESTRAINT,
May 6, 1992.**

OPEN LETTER TO MEMBERS OF THE UNITED STATES SENATE

The undersigned members of the Coalition for Fiscal Restraint (COFIRE) understand that later this month the Senate may take up the subject of an amendment to the Constitution which would require a balanced federal budget.

As a result, we are writing to indicate our support for the balanced budget/tax limitation amendment (S. J. Res. 182) which will be offered by Senator Kasten.

To contain spending growth, the Kasten resolution would require a three-fifths vote in both houses of Congress in order to permit federal outlays to exceed receipts but with an escape clause in the event of a declaration of war.

In addition, it would require the same super-majority vote in both houses in order to increase taxes at a rate greater than the rate of increase in national income.

Continued growth of a national debt approaching \$4 trillion caused by massive deficit spending is not only a threat to the nation's present and future economic strength but a legacy for future generations of debt unworthy of a responsible society.

For these reasons, we join together in this endorsement of S. J. Res. 182 when it comes before the Senate.

American Farm Bureau Federation.
American Furniture Manufacturers Association.
American Legislative Exchange Council.
American Rental Association.
Americans for Tax Reform.
Amway Corporation.
Automotive Service Association.
Baroid Corporation.
Chamber of Commerce of the United States.
Citizens Against Government Waste.
Citizens Against a National Sales Tax/VAT.
Citizens for a Sound Economy.
CNP Action, Inc.
Commercial Weather Services Association.

Committee for Private Offshore Rescue and Towing.

Consumer Alert Advocate.
Dairy and Food Industries Supply Association.

FMC Corporation.
Helicopter Association International.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National-American Wholesale Grocers' Association.

National Association of Charterboat Operators.

National Association of Convenience Stores.

National Association of Manufacturers.
National Cattlemen's Association.
National Cheese Institute.
National Food Brokers Association.
National Grange.
National Independent Dairy-Foods Association.

National Tax Limitation Committee.
New England Machinery, Inc.
The Seniors Coalition.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Business and Industrial Council.
United States Federation of Small Businesses.
Valhi, Inc.

[From the Washington Times, May 26, 1992]
BALANCED BUDGET EXPRESS TO WHAT DEPOT?
(By Bob Kasten)

The U.S. Senate is expected to vote next month on a constitutional amendment mandating a balanced budget. Sen. Paul Simon, Illinois Democrat, and Rep. Charles Stenholm, Texas Democrat, are proposing one approach that would not work because it would not limit taxes.

Along with Reps. Joe Barton, Texas Republican, and Billy Tauzin, Louisiana Democrat, I have introduced another approach that would require a three-fifths vote of Congress to approve tax increases beyond the rate of growth of the economy, as well as a three-fifths vote to spend more than revenues allow.

My balanced budget amendment—which I call the Taxpayer Protection Amendment—would not just eliminate the deficit—it would also break the cycle of escalating federal spending and taxation.

The basic problem is a federal government that's too big and spends too much. Congress runs up huge deficits and debt because every special interest has a voice when it comes to spending, but there are very few lobbyists for the U.S. taxpayer.

Under the Simon-Stenholm amendment, Congress could always find the money for extra spending it wants by raising taxes—and they could escape the wrath of voters by claiming the Constitution made them do it.

In fact, the sponsors of this non-tax limitation amendment have already come out of the closet. According to a recent article in The Washington Post, Mr. Stenholm said he favors an "automatic mechanism" to enforce the balanced budget mandate that would reduce spending and raise taxes. Mr. Simon said, "We're not talking about huge tax increases."

I don't think we ought to be talking about tax increases at all. I think Mr. Simon's idea of what constitutes a "huge" tax increase is somewhat different from mine—and most American taxpayers.

While this automatic mechanism may begin with \$2 in spending restraint for \$1 in

tax increases, the final result will not even be close. History shows that the tax increases arrive quickly, while spending cuts are nowhere to be found.

In the 1982 budget deal, Congress promised President Reagan \$3 in spending cuts for every \$1 in tax increases, but in the final analysis spending went up by \$2!

Look at the so-called "budget summit" of 1990. It supposedly raised our taxes by \$165 billion to reduce the deficit. I voted against it because I knew that when taxes went up, spending would rise even faster. And that's exactly what happened. The deficit has exploded to a record \$400 billion.

Over the last 30 years, Congress has balanced the budget only once, but raised taxes 56 times.

We cannot allow them to use a balanced budget amendment as a Trojan Horse for tax increases. The Kasten Taxpayer Protection Amendment would require Congress to muster a three-fifths supermajority vote to let the federal government's income grow faster than the paychecks of U.S. workers.

Limiting both taxes and spending would help put our economy back on track. Without a growing economy that is generating new jobs and the necessary tax revenues, we will never balance the federal budget. In the low-tax, high-growth years of 1983-89, the budget deficit as a share of the economy declined from 6.5 percent of gross domestic product (GDP) to 3 percent. The high-tax, recessionary policies of the past three years have pushed the deficit back up to 7 percent of GDP.

So let's get a vote on the Kasten Taxpayer Protection Amendment. Let senators decide whose side they are on—the side of high taxes, the status quo, and the special interests, or the side of the U.S. taxpayers.

[From the Wall Street Journal, Apr. 29, 1992]

SIMON'S TAX INCREASE

Faster than you can say "House Bank scandal," Congress is suddenly enamored of a constitutional amendment to balance the federal budget. We know what you're thinking, and yes, it's too good to be true.

The House Budget Committee, heretofore uninterested in the amendment, plans to hold hearings. House Speaker Tom Foley predicts the amendment will pass this year, despite his personal opposition. Texas Democrat Charles Stenholm's amendment bill has 268 co-sponsors, including 110 Democrats. In the Senate, Democrat Paul Simon of Illinois declares, "I think we have a real chance of passing it." The last time the Senate even allowed a vote on the amendment was 1986, the year before George Mitchell's liberal Democratic faction took over.

We suppose it's healthy that the Members are feeling enough political pressure to do something, anything, about a runaway federal budget. Yet this Beltway groundswell has all the sincerity of a trial lawyers' convention. Mr. Simon, who ran for President as the only true New Deal heir in 1988, wants us to believe he's worried about federal spending.

Mr. Simon's political camouflage would allow Members to tell angry voters that they're really champions of fiscal probity because they support a "balanced budget." Yet it contains no restraint on the real problem, which is spending and taxes.

The Simon propaganda on the bill stresses "the deficit," never *spending*. He frets about "staggering deficits year after year," and "sending the bill to our grandchildren," but he can't find anything but defense spending to actually cut. Mr. Stenholm has a much

better personal record on spending, but his amendment also lacks a tax-and-spend limitation.

The Simon-Stenholm approach would in effect create an automatic tax-increase mechanism. Every time the budget would go into deficit, Congress and the President would have to close the gap. The choices would be lower spending or higher taxes. But spending cuts never pass because the Members are in political hock to active, vociferous lobbies (such as public-employee unions).

Higher taxes may be unpopular, but a balanced-budget amendment would create a political "necessity" that makes it easier for politicians to justify more new taxes. This has more or less been the experience in states that have balanced-budget laws. Just ask California's Republican Governor Pete Wilson, who had "no choice" but to sign a record tax hike in 1991.

By contrast, Republican Senator Robert Kasten of Wisconsin is offering a balanced-budget amendment that has real teeth. It'd require a three-fifths supermajority in Congress to deficit-spend. But it also requires a three-fifths vote to increase taxes above the rate of economic growth. In short, if voters had to tighten their belts in a recession, so would the federal government.

The Kasten amendment is supported by the various groups that care about the size of government, such as the American Farm Bureau Federation. President Bush has said that any balanced-budget amendment "should include safeguards against a resort to higher taxes," presumably of the Kasten sort. Because it's for real, Mr. Kasten's bill has only 16 Senate co-sponsors. Mr. Foley may not let a similar bill even get a vote in the House.

As we've argued here for nearly two decades, the deficit boom began with the Budget Act "reform" of 1974. Passed over a Watergate-weakened President, that bill stripped the executive of the impoundment power and made Congress's 535 logrollers the dominant budget force.

This is obvious from the cynical way Congress is now lobotomizing the \$7.9 billion in spending "rescissions" (cuts) that President Bush has proposed. Speaker Foley's Democrats have stripped them back to \$5.7 billion, and replaced many of Mr. Bush's proposals with their own cuts, which punish Members who've had the temerity to support rescissions. Republican Harris Fawell of Illinois has seen funding for the renowned Fermi National Laboratory in his district gutted. The status quo Congress punishes its heretics.

The solution is to make someone besides the logrollers accountable again. Our belief has been that the best way to do this is to put the President back into the process with a line-item veto. Maybe President Bush should propose a deal: He'll sign a phony balanced-budget amendment if Congress will pass a real item veto.

[From the Washington Times, May 7, 1992]

WHITE HOUSE BACKS AMENDMENT ON BUDGET

(By Joan Lowy)

White House Budget Director Richard Darman yesterday threw the Bush administration's weight behind a constitutional amendment that would make it more difficult for Congress to raise taxes in addition to forcing a balanced budget.

In testimony before the House Budget Committee, Mr. Darman said the White House supports constitutional amendment proposals in the House and the Senate that would require both a balanced budget and a three-fifths "supermajority" vote of Congress to raise taxes.

"I think that if we don't have that kind of protection, the temptation will be to solve the problem without solving the problem—to keep raising taxes," Mr. Darman said.

The leading proposals for a balanced budget amendment do not include a requirement for a supermajority vote to raise taxes. Supporters believe that, for the first time, they have the necessary votes to pass a balanced budget amendment, but they worry the tax issue could sink the entire effort.

"It's my observation that while we can pass a balanced budget amendment, it would be very difficult to get the voters to pass a balanced budget amendment with a supermajority for a tax increase," said Rep. Lewis F. Payne Jr., Virginia Democrat.

Mr. Darman sidestepped questions from Mr. Payne on whether the administration would still support a constitutional amendment requiring a balanced federal budget if it doesn't include a provision making it more difficult to raise taxes.

"We very, very, very strongly would prefer the supermajority," Mr. Darman said. "I would say this: If in the effort to get that we do not succeed, then I think it becomes all the more important to assure" actions are taken to reduce spending so that a constitutional amendment doesn't "drive the system to go try to increase taxes."

He added: "I stand on what I said, which I know is not the world's clearest answer."

A two-thirds majority of Congress—67 votes in the Senate and 290 votes in the House—is required to approve a constitutional amendment.

Sen. Paul Simon, Illinois Democrat and chief sponsor of the leading balanced budget amendment in the Senate, has said he believed he has the necessary votes for approval. But Mr. Simon has made it clear he will work to defeat any balanced budget amendment that also requires a three-fifths vote to raise taxes.

Sen. Robert Kasten, Wisconsin Republican, is sponsoring an alternative amendment that includes a requirement for a three-fifths vote to raise taxes. Mr. Kasten has said he will support Mr. Simon's proposals if his own fails.

But some supporters of Mr. Kasten's amendment have made it clear that if they can't make it more difficult to raise taxes, they'd rather see no balanced budget amendment at all.

In the House, there are 276 cosponsors for the leading balanced budget amendment proposal sponsored by Rep. Charles Stenholm, Texas Democrat. Another 20 or so members have privately told Mr. Stenholm they will vote for his proposal if it's brought to the floor.

An alternative amendment sponsored by Rep. Joe Barton, Texas Republican, that includes a three-fifths vote to raise taxes has also been introduced. But it doesn't appear to have enough support to supplant Mr. Stenholm's proposal.

A test of support for the issue is expected today, when the House is scheduled to vote on a motion by Rep. Willis Gradison Jr., Ohio Democrat, instructing House negotiators to accept Senate-approved language in the annual budget resolution urging adoption of a balanced budget amendment to the Constitution.

Any constitutional amendment approved by Congress would still need to be ratified by 38 states, a process most experts believe would take a minimum of two years.

[From the Washington Post, May 15, 1992]

BALANCED-BUDGET CLOUD

An Administration-backed effort to make it more difficult for Congress to raise taxes

in the future suddenly has clouded the previously bright prospects of passage this year of a proposed balanced-budget constitutional amendment.

The Senate is expected to vote next month on the proposed amendment to constitutionally mandate that Congress and the administration eliminate the federal deficit, which will reach an estimated \$400 billion this year.

However, proponents of the amendment said the measure would fail if Sen. Robert W. Kasten Jr. (R.-Wis.) succeeds in adding a rider that would require a three-fifths vote in the House and the Senate to enact a tax increase larger than the growth rate of the economy.

Sen. Paul Simon (D-Ill.), the chief sponsor of the balanced-budget amendment, said the Kasten provision would leave government with inadequate flexibility in choosing between spending cuts and tax increases to balance the budget. The Senate and House versions of the balanced-budget amendment require only a simple majority vote to raise taxes.

President Bush had insisted that a balanced-budget amendment include "safeguards against a resort to higher taxes as the means to complying with the constitutional amendment."

An administration official conceded after Bush met with a bipartisan congressional delegation to discuss strategy for passing the amendment that Kasten's proposal potentially was a "poison pill" but that Bush intends to support the rider.

Proponents of the constitutional amendment predict that Kasten's rider will be defeated, but Kasten aides cite a U.S. Chamber of Commerce survey of its members indicating that, by 3 to 1, they would oppose enactment of a balanced-budget amendment without a strong limitation on tax increases.

[From The Wall Street Journal, May 26, 1992]

HOW TO MAKE A BALANCED BUDGET AMENDMENT WORK

(By James C. Miller III)

Many on Capitol Hill believe that a balanced budget amendment is a bad idea whose time has come. It's not a new idea. Thomas Jefferson opposed granting the federal government the power to borrow money, and in 1798 advocated a constitutional amendment to take away this power. While Jefferson's amendment was not needed during the early years of the Republic—between 1789 and 1930 the federal government ran substantial deficits only in wartime—the Keynesian Revolution made deficits respectable. Since 1930 the federal government has balanced its budget only eight times.

The various balanced budget amendments on offer today would not outlaw deficits, as Jefferson wanted, but merely make them more difficult. At present, it takes a majority of those present and voting in each house of Congress plus the president's approval (or two-thirds of those present and voting in each House to override a presidential veto) to enact appropriations—that exceed total revenues. The proposed amendments would require that to run a deficit three-fifths of the entire membership of each house must approve.

A balanced budget amendment has some attractions. When the fiscal histories of the states are compared, it appears that a balanced budget amendment in state constitutions trims the rate of growth in state spending by about one-half a percentage point. But the amendment also has some dangers, and these must be addressed.

An amendment must not be an excuse for Congress to raise taxes. The balanced budget amendments sponsored by Sen. Paul Simon (D., Ill.) and by Rep. Charles Stenholm (D., Texas) would require a majority of the membership of each house (instead of a majority of those present and voting) to approve any bill to increase revenue. The more stringent amendment sponsored by Sen. Bob Kasten (R., Wis.) and Rep. Joe Barton (R., Tex.) would limit the rate of increase in tax receipts to the rate of increase in national income, unless a law authorizing a greater increase is enacted by a three-fifths vote of the membership in each house.

A second danger is that none of the proposals gets at the other ways the federal government gains command over resources. For example, a recent study by Professor Thomas D. Hopkins of the Rochester Institute of Technology concludes that the annual cost of federal regulation to the economy is about \$400 billion, nearly one-quarter as much as the cost of direct federal spending, \$1.5 trillion. If some sort of balanced budget amendment is added to the Constitution, Congress will be tempted simply to substitute regulation for taxation.

This is quite easily accomplished. For example, recently the House of Representatives held hearings on a bill to add to the Strategic Petroleum Reserve—not by having the government purchase the oil, but by requiring petroleum companies to contribute oil to the reserve in proportion to their purchases of crude (though they would still retain title).

Congress can also circumvent restraints on deficits by moving its activities "off budget." Instead of subsidizing farmers directly, for instance, Congress could expand crop insurance. Congress's unfunded liabilities stemming from federal insurance programs—Medicare, hospitals, pensions, aviation, war risk and so forth—already total more than \$4.4 trillion. Guarantees of one form or another—from bank deposits to student loans—already total more than \$1.6 trillion.

There is no way to prevent Congress from regulating and moving expenses off-budget. But a regulatory budget—one that shows the costs of proposed federal rules—would help. And the savings and loan debacle seems to have made Congress a little more cautious about extending federal guarantees to the private sector.

A third danger of a balanced budget amendment are the loopholes likely to show up in it. For example, the Simon amendment requires that a bill to increase revenue be approved by a rollcall vote of the membership of each house or by unanimous consent. Of course, unanimous consent is the means Congress often uses to pass controversial bills, such as last year's pay increase. ("A tax increase? What tax increase? I wasn't there!")

Likewise, the Stenholm version of the amendment requires that Congress and the president pass a law memorializing their agreement over the revenue estimate for the coming year before the fiscal year begins. This agreement would then become the ceiling for outlays unless three-fifths of the membership of each house says otherwise. But what if Congress and the president don't agree? Rep. Stenholm has addressed that problem in the latest version of his amendment by subjecting any vote to authorize an increase in the national debt to a three-fifths rollcall vote of the total membership in each house. But what if that provision falls out in the negotiations?

The fourth, and by far the biggest danger, in a balanced budget amendment is enforce-

ability. That is, how do we make sure that Congress and the president abide by the amendment's provisions? Ordinarily, U.S. citizens do not have standing to seek court enforcement of constitutional requirements. Why not give taxpayers standing to enforce the amendment within the amendment's own text?

Alternatively, why not state that all debts incurred by the U.S. in contravention of the amendment are not redeemable? (Presumably, no one would purchase federal debt instruments in such a situation, and thus deficit spending could not take place.) In any event, some means must be employed to make the amendment enforceable.

A true balanced budget amendment would indeed help to relieve our progeny of the cost of our own irresponsible behavior. But an effective and enforceable balanced budget constitutional amendment is not going to be easy to achieve.

[From the Washington Post, June 4, 1992]

RIVAL AMENDMENTS TO BALANCE THE BUDGET

Recent editorials against a balanced budget amendment [May 12, May 20, May 27, June 1] disregard some critical points.

If the legislative history of the past three decades proves anything, it is that the institutional bias of Congress toward tax-and-spend policies cannot be overcome without a new budget mechanism.

On the state level, this mechanism usually takes the form of a constitutional requirement that the budget be balanced annually. Sen. Paul Simon (D-Ill.) is proposing that we translate this approach directly to the federal level.

In our opinion, this approach would not succeed in lowering the federal government burden on the productive economy. In fact, it might even discourage job creation and economic growth.

The Simon amendment would practically mandate tax increases by making it essential that the budget be balanced no matter what level of spending Congress approves.

It's easy to see how this would lead to abuse. Special interests would line up at the trough, each demanding federal dollars for their own budget priorities. Their demands would be met, leaving us with a deep deficit. Congress would then have to raise taxes automatically.

If the tax increase is indeed mandated by the Constitution, members of Congress can no longer be held accountable for this most basic budget decision.

We believe that process should be going in the opposite direction—toward greater congressional accountability. Our amendment would require a three-fifths vote of Congress to approve tax increases beyond the rate of growth of the economy, as well as a three-fifths vote to spend more than revenues allow or to increase the public debt.

This would not just eliminate the deficit—it would also break the cycle of escalating federal spending and taxation.

In the 1980s, thanks to a high rate of economic growth, federal revenues rose by 72 percent. Congress—compelled by its institutional bias—raised spending by 85 percent. Under the Simon proposal, whether by economic growth or—more likely—through punishing tax increases on American working families, Congress would always find the money for the extra spending it wants to approve.

Under our proposal, federal taxes could not grow faster than the growth in national income, and actual outlays could be no more than anticipated outlays.

The current hijacking of one-quarter of our annual wealth from productive investment by the federal government is one of the chief causes of the recent economic downturn.

To attempt to solve the deficit problem in a vacuum—with no concern about the repercussions on the real economy—would be irresponsible in the extreme. What we need is a comprehensive overhaul of the system.

This is what our amendment would accomplish—and the Simon alternative would not.

ROBERT W. KASTEN, Jr.,

U.S. Senator (R-Wis.)

JOE L. BARTON,

U.S. Representative

(R-Texas).

WASHINGTON.

[From the Milwaukee Journal, June 6, 1992]

Your editorial on balanced budget proposals, "US debt can't be wished away," May 11, is seriously off-target in leveling an attack against any constitutional amendment.

It is true that some of the proposed amendments to the Constitution—particularly the one sponsored by Sen. Paul Simon (D-Ill.)—might well lend themselves to budget gimmickry instead of a balanced budget. That's why I am proposing my own alternative—a Constitutional amendment that would not only require a balanced budget on paper, but also includes a solid enforcement mechanism.

My amendment would require a three-fifths vote of Congress to approve tax increases beyond the rate of growth of the economy, as well as a three-fifths vote to spend more than revenues allow or to increase the public debt. The economic history of the 1980s demonstrates why this is the superior approach. In the 1980s economic boom, federal revenues rose by 72%. Congress, compelled to spend every cent that came in and more, raised spending by 85%.

With one exception in 1969, Congress has failed to balance the budget in each of the last 30 years. Over the same period, taxes have been raised 56 times. Clearly, the institutional bias of Congress is to spend more and tax more. The Simon Amendment would merely "lock in" a continually increasing level of both taxes and spending.

My approach would break this cycle completely by helping close off the tax-increased avenue favored by the federal bureaucracy.

One of the chief causes of the recent economic downturn is the diversion of national resources from the productive sector to Congress. Federal spending keeps on increasing—from 20.7% of our national output in 1979 to more than 25% today.

A country that spends fully one-fourth of its annual wealth to finance its federal government can not long remain competitive in the global economy. That's why it's irresponsible to argue—as you do—that we need to raise taxes again. Taxes are more than high enough already. The economically rational course of action is to restrain government spending and that's what my proposal would do.

BOB KASTEN,

U.S. Senator.

[From the Washington Times]

BALANCED BUDGET VERITIES

(By Paul Craig Roberts)

Conservatives can't believe their luck that liberals like Sen. Paul Simon, Illinois Democrat, are pushing a balanced budget amendment to the U.S. Constitution.

For years, a balanced budget amendment has been the conservatives' panacea for

spending control. Now the Democrats in both houses apparently have enough sponsors to pass such an amendment.

Conservatives think it doesn't matter whether the liberals are using the issue to deflect public anger over the House banking scandal. What if liberals save their seats with our issue, ask the conservatives, as long as they deliver themselves into our hands on the issue of spending control.

That's far from a likely outcome. Liberals usually outfox the conservatives, as in the case of the Darman budget deal that cost President Bush his credibility with voters. Mr. Bush signed a tax increase, and both spending and the deficit went up.

Another example of conservative miscalculation was the Budget Control Act of 1974. Conservatives believed that spending was out of control, because big spenders could indirectly legislate big deficits by voting in favor of many separate appropriation bills. Conservatives believed that if liberals had to vote on the size of the deficit itself, there would be lower and firmer limits to spending. The Budget Control Act, conservatives thought, was a way of putting the big spenders on the spot.

However, it did not work out that way in practice.

The economic policy of the time justified budget deficits as a full employment policy. Liberals structured the vote on the budget in terms of employment vs. unemployment and not in terms of red ink vs. a balanced budget. The budget act further worsened the deficit by stripping away the president's impoundment power.

A similar backfire is likely from a balanced budget amendment that does not contain a tax limitation amendment. Without strong protection against higher taxes, a balanced budget amendment will simply serve as a ramp for more taxes. Members of Congress will pass many appropriation bills and then discover at the end of the year a looming deficit. "Sorry," they will tell us, "we are against raising your taxes, but the U.S. Constitution requires it."

Alternately, off-budget items will increase in number until the only thing left on-budget is the payroll for federal employees.

Mr. Simon has said he will withdraw his support from the balanced budget amendment if a tax limitation measure is attached. That should make the purpose of the balanced budget amendment clear to conservatives. Why would big spenders such as Democratic Reps. Jim Moody of Wisconsin and Joe Kennedy of Massachusetts be supporting any measure designed to curtail their spending proclivity?

If a real balanced budget amendment could be passed and enforced, it would be passed and enforced, it would be a good thing. The growth of government spending hurts the economy because the government uses resources far less efficiently than the private sector.

The charge that a balanced budget requirement would leave the federal government unable to respond to emergencies and natural disasters, such as floods and earthquakes, is false. There is nothing to prevent government from having a contingency fund for such purposes.

Modern economists no longer believe that deficits are necessary for full employment. With this economic rationale for their existence gone, there is really no reason to keep deficits around.

It is surprisingly easy to get rid of budget deficits. Rather than undertake to amend the constitution and wait three or more

years for the 50 States to ratify the amendment, the politicians could simply freeze the budget for one year. No one would be materially harmed by receiving the same amount of money next year as this year. No political revolution would result, and no one would starve in the streets.

The budget deficit would, however, be substantially reduced. If the budget were frozen two years while the economy grew, it would be the end of the deficit. It is as simple as that.

ORGANIZATIONS SUPPORTING A BALANCED BUDGET/TAX LIMITATION AMENDMENT (KASTEN VERSION, S.J. RES. 182)

U.S. Chamber of Commerce.
National Federation of Independent Business.

National Tax Limitation Committee.
Coalition for Fiscal Restraint.
Citizens for a Sound Economy.
American Farm Bureau Federation.
National Cattleman's Association.
Americans for Tax Reform.
U.S. Business and Industrial Council.
American Legislative Exchange Council.
Consumer Alert Advocate.
Seniors Coalition.
Americans for a Balanced Budget.
American Rental Association.
Amway Corporation.
Automotive Service Association.
Barold Corporation.
Council for Citizens Against Government Waste.
Citizens Against a National Sales Tax/VAT.

CNP Action, Inc.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National American Wholesale Grocers' Association.

National Association of Charterboat Operators.
National Association of Convenience Stores.

National Association of Manufacturers.
National Cheese Institute.
National Food Brokers Association National Grange.
National Independent Dairy-Foods Association.

New England Machinery, Inc.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Federation of Small Businesses.

Valdi, Inc.
Associated Builders and Contractors.
Competitive Enterprise Institute.
Irrigation Association.
National Taxpayer Union.
American Furniture Manufacturers Association.

Commercial Weather Services Association.
Committee for Private Offshore Rescue and Towing.

Consumer Alert Advocate.
Dairy and Food Industries Supply Association.
FMC Corporation.
Helicopter Association International.
National Grange.

THE WHITE HOUSE,
Washington, June 9, 1992.

HON. ROBERT H. MICHEL,
Republican Leader, House of Representatives,
Washington, DC.

DEAR BOB: Three years ago, in my first address to the Congress as President, I urged

adoption of a balanced budget amendment to the Constitution. This is an amendment that many have sought for a long time. It is not radical. It rests on common sense. It would bring to the Federal Government the fiscal discipline that forty-four States have applied to themselves. Now, at last, there is a realistic opportunity to move this needed proposal forward.

The House will vote on the balanced budget constitutional amendment this week. This vote will bear directly on the quality of Americans' lives for generations to come.

I strongly support the Barton-Tauzin amendment. This amendment would prevent the debt limit or taxes from being raised without the consent of three-fifths of both Houses of Congress. If the Barton amendment fails to gain a two-thirds majority, I will also support the Stenholm-Smith-Carper-Snowe amendment. The Stenholm amendment requires that three-fifths of both Houses of Congress must vote to approve any increase in the limit on the Federal debt held by the public.

The issue of overriding importance is whether we can secure a balanced budget constitutional amendment. This issue is not partisan, it is moral. What is at stake is the future economic security of the American people.

Throughout the history of this great nation, amendments to the Constitution have been adopted when needed to protect fundamental rights that ordinary political processes may not adequately respect. The Bill of Rights is the earliest and best-known example. A balanced budget constitutional amendment is both necessary and appropriate to protect the interests of a group of Americans who are not yet able to represent themselves: the citizens of future generations.

I urge the Congress to adopt promptly a balanced budget constitutional amendment.

Sincerely,

GEORGE BUSH.

TAX LIMITATION/BALANCED
BUDGET COALITION,
Arlington, VA, May 11, 1992.

DEAR SENATOR: We, the members of the Tax Limitation/Balanced Budget Coalition, strongly urge you to vote for the Kasten Tax Limitation/Balanced Budget Amendment, S.J. Res. 182, which may well come to the floor for a vote later this year.

It is high time the federal government live within its means. This amendment requires a three-fifths vote to raise taxes above the rate of economic growth. In addition, it would also set a permanent limit on the national debt, unless increased by a three-fifths vote.

The federal fiscal record over the last several decades is depressing—higher taxes, higher spending, higher deficits. Please help put an end to this pattern by voting for the Kasten Tax Limitation/Balanced Budget Amendment.

Sincerely,

ROBERT B. CARLESON,
Chairman, Coalition
Steering Committee.

Coalition members:
Americans for Tax Reform.
American Farm Bureau Federation.
American Legislative Exchange Council.
Associated Builders & Contractors.
Chamber of Commerce of the United States.

Citizens for a Sound Economy.
Competitive Enterprise Institute.
Consumer Alert Advocate.

Council for Citizens Against Government Waste.

Irrigation Associations.
National Association of Manufacturers.
National Cattlemen's Association.
National Tax Limitation Committee.
National Taxpayers Union.
U.S. Business and Industrial Council.
Citizens Against a National Sales Tax/VAT.

Citizens for a Sound Economy.
CNP Action, Inc.
Commercial Weather Services Association.
Committee for Private Offshore Rescue and Towing.

Consumer Alert Advocate.
Dairy and Food Industries Supply Association.

FMC Corporation.
Helicopter Association International.
International Ice Cream Association.
Koch Industries.
Marriott Corporation.
Milk Industry Foundation.
National-American Wholesale Grocers' Association.

National Association of Charterboat Operators.
National Association of Convenience Stores.

National Association of Manufacturers.
National Cattlemen's Association.
National Cheese Institute.
National Food Brokers Association.
National Grange.
National Independent Dairy-Foods Association.

National Tax Limitation Committee.
New England Machinery, Inc.
The Seniors Coalition.
Sybra Corporation.
Truck Renting and Leasing Association.
United States Business and Industrial Council.

United States Federation of Small Businesses.
Valhi, Inc.

STATE OF WISCONSIN,
May 12, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR SENATOR KASTEN: I would like to take this opportunity to express my support for your Balanced Budget/Tax Limitation amendment (S.J. Resolution 182).

It is vital to the economic health of our nation that the federal government follows the lead of states like Wisconsin and begins balancing its budget. Your proposal offers the best solution on how to accomplish this.

Unlike a similar proposal offered by Senator Paul Simon (D-Illinois), your version calls for a balanced budget without giving Congress an excuse to raise taxes.

By requiring a three-fifths vote of both houses in Congress in order to allow deficit spending and raise taxes, your amendment requires Congress to exercise fiscal restraint when voting on federal budgets.

Our national debt is approaching \$4 trillion. It is imperative that we stop this outrageous growth in federal spending and start taking responsibility for actions that could severely harm the future of this country. Your amendment is a step in the right direction.

I strongly endorse the Kasten version of the balanced budget amendment.

Sincerely,

TOMMY G. THOMPSON,
Governor.

WISCONSIN FARM BUREAU FEDERATION,
Madison, WI, June 11, 1992.

Hon. ROBERT KASTEN,
Hart Office Building, Washington, DC.

DEAR SENATOR KASTEN: I would like to express my support for your Balanced Budget/Tax Limitation amendment (S.J. resolution 182). Your active involvement in trying to pass this vital legislation in the past has been appreciated.

Farm Bureau has recognized the need for a constitutional amendment to balance the federal budget for more than two decades. Because of Congress' inability to enact meaningful and effective deficit reduction legislation, it is clear the balanced budget amendment is sorely needed.

Agriculture is willing to work with Congress and the administration to reduce all federal spending. Farmers have already contributed greatly to deficit reduction over the last five years, reducing outlays by half. If other programs would undergo similar budget scrutiny, it would be possible to reduce and hopefully eliminate our federal deficit.

Cutting federal spending and eliminating our budget deficit is the quickest way to restore America's and agriculture's financial integrity.

Sincerely,

HOWARD (DAN) POULSON,
President.

WISCONSIN MANUFACTURERS &
COMMERCE ASSOCIATION,
Madison, WI, June 11, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Senate Hart Building, Washington, DC.

DEAR SENATOR KASTEN: Wisconsin Manufacturers and Commerce strongly supports your Balanced Budget/Tax Limitation Amendment, S.J.R. 182.

As Wisconsin's largest business association, we are acutely aware of the effects a heavy debt can have on a business' bottom line. Government must follow the lead of business and shed the heavy debt load that it has forced upon itself. The first step is to balance its budget.

By requiring a three-fifths vote on both Houses in Congress in order to allow deficit spending and raise taxes your amendment requires Congress to exercise fiscal restraint when voting on federal budgets. Then intended result is a balanced budget.

It is imperative that we stop the outrageous growth in federal spending and start taking responsibility for actions that could severely harm the future of this country. Your amendment is a step in the right direction and therefore we heartily support your efforts.

Sincerely,

NICK GEORGE, Jr.,
Director of Legislative Relations.

METROPOLITAN MILWAUKEE
ASSOCIATION OF COMMERCE,
Milwaukee, WI, June 10, 1992.

Hon. ROBERT W. KASTEN, Jr.,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR KASTEN: I am writing to express the support of the Metropolitan Milwaukee Association of Commerce for your Balanced Budget/Tax Limitation Amendment, S.J.R. 182.

In survey after survey, our members have told us that balancing the federal budget and reducing the deficit are top priorities. The economic growth of this country depends on our ability to live within our means. That means a balanced budget without raising taxes!

Our national debt is approaching \$4 trillion. This year's budget deficit will be \$400 billion. We need a tough balanced budget amendment to curb the congressional appetite for further spending growth.

A number of balanced budget proposals have been submitted. However, it is vital that an amendment be passed which encourages spending restraint, not a tax increase, as the means of balancing the budget. Your amendment does this.

Thank you for your efforts to keep spending and taxation under control in this country. If there is anything we can do to assist your efforts to pass this resolution, please contact me.

Sincerely,

JOHN DUNCAN, CCE,
President.

NATIONAL RESTAURANT ASSOCIATION,
Madison, WI, May 28, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: The 6,000 members of the Wisconsin Restaurant Association have long supported the concept of balancing the federal budget. However, we are alarmed by Senator Simon's efforts to pass a balanced budget amendment, S.J. Res. 18. It is obvious that if such an amendment were passed with the present make-up of Congress, the budget would undoubtedly be balanced through increased taxes. Small business and their employees are already burdened by overly oppressive state and federal taxes.

The Senator Kasten approach embodied in S.J. Resolution 182 answers the concerns of the members and employees of the Wisconsin Restaurant Association. It makes it more difficult to increase taxes as a means of balancing the budget and encourages spending restraint as the main vehicle. Senator Kasten we applaud you once again for bringing reason into the political process.

If a balanced budget amendment were ratified without encouraging spending restraint the public (which supports balancing the federal budget) would feel betrayed as they saw their taxes escalate out of sight at all levels of government as a result.

Thank you very much for taking a lead on this issue.

Sincerely,

ED LUMP,
Executive Vice President.

FOX CITIES, CHAMBER OF
COMMERCE & INDUSTRY,
Appleton, WI, May 27, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: Please find attached a copy of the position statement adopted by the Fox Cities Chamber of Commerce and Industry at their May 27th Board meeting.

Time and time again, Congress has demonstrated an inability to come to terms with either living within their (our) means on an annual basis or effectively reducing the national debt.

As unappealing as a Constitutional Amendment mandating fiscal responsibility may seem initially, it is quite evident that there is no real alternative.

The Chamber supports S.J. Res. 192, a Balanced Budget/Tax Limitation Amendment and encourages you to continue your efforts in this regard.

Warmest regards,

WILLIAM J. WELCH,
President.

BALANCED FEDERAL BUDGET AMENDMENT

THE PROBLEM

The Federal Government spends more than it "earns." That is not only possible, it may be necessary in times of extraordinary national need. However, it must not, indeed it can not, continue indefinitely.

The U.S. economy is being ravaged by interest payments on a national debt that consume 25 cents on the dollar. Without changes in fiscal and regulatory policies, there is little chance that this cataclysmic trend can be reversed. As a result of mistaken economic policies during the 18 months prior to the onset of the recession, the U.S. Chamber of Commerce projected that the average "costs" per month of continuing current economic policies between now and the end of 1992 would be:

Increased Unemployment Rate, 0.1 percent.
Rise in Budget Deficit, \$5 billion.
Number of Jobs Lost, 170,000.
Decline in Family Income, \$204.
Lost Output, \$15 billion.
People Added to Poverty, 225,000.

The United States is in the throws of the worst three-year economic period encompassing a recession since the 1930's with consumer confidence at an 18-year low.

Despite the record tax increase and promised spending restraint of the 1990 "deficit reduction" agreement, the federal deficit will reach a record \$400 billion in the current fiscal year. Entitlement and other mandatory spending continue to grow uncontrolled and now account for over half of the total budget.

THE POSITION

The answer is not increased taxation. The federal government has demonstrated its inability to control spending by spending \$1.50 for every new tax dollar collected. The answer is clearly on the expenditure side of the ledger, therefore,

The Fox Cities Chamber of Commerce & Industry supports S.J. Res. 192, a Balanced Budget/Tax Limitation Amendment which would require a supermajority vote (three-fifths) of both Houses of Congress in order for outlays to exceed receipts. The same supermajority vote would be required for tax revenues to grow at a rate greater than the rate of growth in national income.

The Fox Cities Chamber's endorsement of S.J. Res. 192 is made with the understanding that the federal government will not attempt to circumvent the resolution's intent by either increasing government regulation as a substitute for increasing taxation or by moving selected items "off budget." This country's future and that of our children depends on Congress' swift enactment of this vital piece of legislation.

INDEPENDENT BUSINESS ASSOCIATION
OF WISCONSIN,
Madison, WI, May 19, 1992.

Hon. ROBERT W. KASTEN, Jr.,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR KASTEN: The Independent Business Association of Wisconsin supports your efforts to cure what we consider to be the largest problem ever faced by our great nation—the annual Federal Government deficits which are growing at an alarming rate. Your proposed Balanced Budget/Tax Limitation Amendment is an outstanding measure to address the issue.

The current budget is over \$1.4 trillion, and \$400 billion, or 29%, will be financed with borrowing. This deficit, added to our previous borrowings, will mean the United

States of America will have a national debt approaching \$4 trillion. This is outrageous, however, it doesn't tell the whole story.

This year gross interest on the national debt will, for the first time, exceed the amount spent on Social Security benefits. Next year gross interest will be higher than the defense budget. Annual deficits will only get larger because of interest costs. Furthermore, in the next five years, entitlement programs are projected to grow by 8.1% annually for a five year cumulative increase of \$800 billion. As a result, the share of the Federal budget consumed by direct payments to individuals—Social Security, Medicare, Federal and Veterans pensions, etc., will increase from 49% to over 60% in 1997. Consequently, larger entitlement expenses and greater interest costs will increase the annual deficit to \$700 or \$800 billion by the end of the decade. As you correctly point out, we can't let this happen or we're going to destroy this nation. We simply won't be able to continue borrowing money as the rest of the world will lose confidence in our ability to control financial affairs.

During my recent trip to Washington, I was pleased to learn many of your colleagues also believe we need a balanced budget amendment. Between the two balanced budget proposals being offered for consideration, yours has the most merit because it has real teeth. It would require a three-fifths super majority of Congress to deficit spend as would the other proposal. But yours also requires a three-fifths vote to increase taxes above the rate of economic growth. In short, your proposal addresses the real problem—spending.

We join your 21 Senate co-sponsors and your broad-based coalition of small business, farm and taxpayer organizations in support of S.J. Res. 182. We independent business people must run our businesses on a prudent fiscal basis, so we encourage your efforts to bring sense back to Federal Government spending.

Since the Balanced Budget/Tax Limitation Amendment will take time to enact, we applaud your other efforts to slow spending. Using savings from reductions in defense spending to reduce total government expenditures, adopting an across-the-board budget freeze on domestic and international discretionary spending, and granting the President line item veto authority all make eminent sense. We encourage you to continue pursuing these items.

Senator Kasten, thank you for your tireless efforts to resolve the greatest of problems. We independent business people know that controlling government spending will allow us to remain competitive, not only in this country but in others as well.

Sincerely,

WILLIAM N. GODFREY,
President.

WISCONSIN BUILDERS ASSOCIATION,
Madison, WI, May 20, 1992.

Hon. ROBERT KASTEN,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR KASTEN: On behalf of the 4600 member firms of the Wisconsin Builders Association, we are writing to express our strong support for Senate Joint Resolution 182, the Balanced Budget/Tax Limitation Amendment.

WBA members feel that this type of fundamental action is long overdue and critical to the long-term economic health of our nation. Constitutional constraints may be the only realistic way to rein in the runaway

federal spending that leads to annual massive budget deficits.

In particular, we support the provisions in S.J. Res. 182 that would require a three-fifths "supermajority" to deficit spend and raise taxes in excess of the level of economic growth. Our members agree that this element is needed to prevent future budget balancing on the backs of the taxpayers.

We applaud your introduction of Senate Joint Resolution 182 and we are hopeful that Congress will act quickly to adopt this important proposal.

Sincerely,

STEPHEN J. SCHOEN,
WBA President.

GERALD J. DIEMER,
WBA Executive Vice-
President.

[EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET]

A BALANCED BUDGET CONSTITUTIONAL
AMENDMENT

(TESTIMONY PRESENTED TO THE HOUSE
COMMITTEE ON THE BUDGET BY RICH-
ARD DARMAN, DIRECTOR, OFFICE OF
MANAGEMENT AND BUDGET, MAY 6,
1992)

THE SOLUTION

In order to reduce the deficit and balance the budget, three basic elements are essential. They comprise a set—in that the elements reinforce each other:

(1) The Congress should enact the President's Comprehensive Agenda for Growth. This was proposed in January, and still awaits Congressional action. (The agenda is summarized at chart 7 on the following page. The favorable effects of growth are displayed on charts 3-6.)

(2) The Congress should enact a balanced budget constitutional amendment. Such an amendment should require a supermajority vote for any tax increase—in order to prevent counterproductive action from the standpoint of economic growth.

(3) The Congress should enact some variation of the President's proposed cap on the growth of mandatory programs. Because this is a fundamentally important point that is not yet widely appreciated, it is discussed at length in the pages that follow.

CITIZENS FOR A
SOUND ECONOMY,

Washington, DC, September 3, 1991.

Hon. ROBERT KASTEN, Jr.,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR KASTEN: On behalf of the 250,000 members of Citizens for a Sound Economy (CSE), I am writing to thank you for your sponsorship of S.J. Res. 182, the Balanced Budget/Tax Limitation Amendment legislation.

We applaud your efforts because S.J. Res. 182 requires a three-fifths super-majority vote to authorize a deficit. Even more importantly, it requires that Congress muster an equivalent super-majority to increase federal receipts at a rate faster than growth in national income. If this proposal becomes law, Congress will find it harder to use higher taxes to balance the budget.

The Balanced Budget/Tax Limitation Amendment recognizes the record-high tax burden in the United States. This year Tax Freedom Day, the date on which the average American stops working to pay taxes and starts working for himself, fell on May 8, the latest date in American history. The tax limitation component of this legislation limits

Congress' ability to push Tax Freedom Day to an even later date next year.

CSE hopes Congress passes a balanced budget amendment with strong tax limitation provisions, and we look forward to working with you to make that dream a reality.

Sincerely,

PAUL BECKNER,
President.

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,

May 5, 1992.

The PRESIDENT,

The White House, Washington, DC.

DEAR MR. PRESIDENT: I understand that your Administration will soon be testifying on the issue of attaching a balanced budget amendment to the Constitution. I wanted to let you know how the small business community views this issue.

In April, the National Federation of Independent Business (NFIB) conducted an informal poll of our membership on the balanced budget amendment issue. They strongly support a balanced budget amendment which includes tax limitation language. Small business owners are very concerned that without the Kasten/Barton tax limitation language, Congress will balance the budget on the backs of small businesses. It is important that your Administration take a position in strong support of the Kasten/Barton tax limitation language.

Over the last decade, NFIB members have repeatedly expressed their concern over the inability of the federal government to live within its means. Their concern over the budget deficit was made extremely clear during a poll we did in January of this year. When NFIB members were asked whether Congress should cut taxes or focus on reducing the deficit, 72% responded that Congress should focus on reducing the deficit.

The federal deficit is severely impairing our competitiveness and limiting our ability to respond to economic downturns. In prior recessions, the federal government has been able to boost its spending to soften the blow of a recession. Unfortunately, it is hard to boost spending when we are already spending \$400 billion more than we have.

Purely legislative attempts to curb federal spending have failed miserably. The federal deficit has continued to skyrocket. Interest payments on the national debt now exceed what we pay for national defense.

The federal deficit is not a result of too little taxation. The deficit is a result of federal spending that is out of control. Tax limitation language forces both Congress and the Administration to make the tough spending choices that have been repeatedly put off for the last decade.

I urge you to strongly support the Kasten/Barton version of the balanced budget amendment.

Sincerely,

S. JACKSON FARIS,
President and CEO.

AMERICANS FOR TAX REFORM,

Washington, DC, May 13, 1992.

Hon. BOB KASTEN,
U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: The Senate will soon vote on the proposed balanced budget amendment to the United States Constitution.

The proposal offered by Senator Paul Simon (D-IL) contains no provision for spending limitation and has no strong, supermajority tax limitation element.

In the May 13 Washington Post, Congressman Charlie Stenholm (D-TX), the principal sponsor of the House companion to the Simon bill, is quoted proposing as the mechanism for bringing the budget into balance a \$1 tax increase for every \$2 dollars of spending reductions.

Without accounting for the anti-growth elements of this approach, Stenholm is proposing a \$150 billion tax increase. This would be a violation of the Taxpayer Protection Pledge you make to the people of your state and to all American taxpayers.

In fact, the Simon-Stenholm approach to a balanced budget amendment is a vital guarantor of regular tax increases on the American people—all of which would violate your pledge.

I strongly urge you to oppose the Simon-Stenholm approach and to support, instead, the Kasten approach which includes strong tax limitation and which fits within the parameters of the Taxpayer Protection Pledge.

I strongly urge you to vote for and to co-sponsor the Kasten amendment.

Sincerely,

GROVER NORQUIST.

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,

Washington, DC, May 15, 1992.

Hon. ROBERT KASTEN, Jr.,
U.S. Senate, Washington, DC.

DEAR BOB: On May 13, it was reported widely in the press that some supporters of Senator Paul Simon's balanced budget proposal (S.J. Res. 18) are seriously considering an automatic enforcement provision that would require \$1 in new tax increases for every \$2 in spending cuts to reduce the deficit. Some Members are promoting a variation of this idea that would provide for a 50-50 mix of spending cuts and tax increases.

Employing optimistic growth assumptions, the Congressional Budget Office estimates that the federal budget deficit will average \$288 billion annually between 1992 and 2002. Assuming an average annual deficit of \$300 billion and a five-year cumulative deficit of \$1.5 trillion, the enforcement proposals suggested above would guarantee a 5-year tax increase between \$500 billion (\$1,500 billion X .333) and \$750 billion (\$1,500 billion X .5). A tax increase of this magnitude would dwarf the \$160 billion tax increase of 1990, which was the largest ever, and would crush the economy.

The Chamber opposes any enforcement provision that would automatically produce a tax increase.

In light of these recent developments, I wanted to share the enclosed information with you. Enclosed are the results of the "Where I Stand Poll," by Nation's Business Magazine. This poll is not like many radio and television polls which are based on the responses of a few hundred participants. These "Where I Stand" results represent the opinions of 3,795 small business respondents to a nationwide poll. If you are interested in what small business thinks about balanced budget amendments and tax limitation proposals, this poll is revealing. By more than two to one, small business respondents do not favor a balanced budget amendment without strong tax limitation.

The results of the poll are unambiguous. The small business community respondents favor a balanced budget amendment only if it is coupled with a strong tax/spending limitation provision. Otherwise, they fear a balanced budget amendment means automatic tax increases. Talk of up to \$750 billion of tax increases in connection with the bal-

anced budget amendment heightens this fear among small business people and tends to confirm their belief that Congress will not make the difficult spending choices unless constrained to do so by the Constitution itself. On behalf of the 195,000 members of the U.S. Chamber of Commerce Federation, we strongly urge you to support a balanced budget amendment that includes tax or spending limitations rather than using the growing support for a balanced budget amendment as an excuse to raise taxes once again.

Sincerely,

RICHARD L. LESHNER.

MAY "WHERE I STAND" POLL BY NATION'S BUSINESS ON A BALANCED BUDGET

1. Should the U.S. Constitution be amended to require the president and Congress to balance the annual federal budget?

Yes, 96%.
No, 2%. Undecided, 2%

2. If you answered "yes" to No. 1, do you think the budget should be balanced primarily by spending restraint, tax increases, or both?

Spending restraint, 81%.
Tax increase, 1%.
Both, 18%.

3. Should a balanced-budget amendment include a strong limit (such as a requirement for a 60 percent majority vote of both houses of Congress) on Congress' ability to raise taxes?

Yes, 91%.
No, 6%.
Undecided, 3%

4. Would you favor a balanced budget amendment that does not include a strong limit on Congress' ability to raise taxes?

Yes, 19%.
No, 70%.
Undecided, 11%.

Company size:
1 to 10, 34%.
11 to 25, 23%.
26 to 99, 24%.
100 to 249, 9%.
250 to 499, 3%.
500 plus, 7%.

Based on 3,795 respondents.

Note: The results of the Where I Stand poll reflect only the opinions of the respondents and do not necessarily reflect the policy of the U.S. Chamber of Commerce.

COUNCIL FOR CITIZENS
AGAINST GOVERNMENT WASTE,
Washington, DC, June 29, 1992.

DEAR SENATOR: I am writing in reference to balanced budget amendment proposals which will be taken up in the Senate this week.

CCAGW strongly urges your support of S.J. Res. 182, the Balanced Budget Tax Limitation amendment, which has been introduced by Senator Robert W. Kasten (R-WI). Senator Kasten intends to offer this legislation as an amendment to the Nickles balanced budget amendment on Tuesday, June 30.

S.J. Res. 182 requires Congress to balance the federal budget and impose a 3/5 supermajority vote in both chambers before a tax increase can be approved. CCAGW strongly supports this essential tax limitation provision as the only means to achieve a balanced budget while protecting taxpayer pocket-books.

Adoption of a balanced budget amendment without a tax limitation provision will do

nothing to address the nation's most crucial problem of wasteful government spending, and will only give Congress one more excuse to raise the already staggering level of taxation in this country.

Your support of the Kasten Balanced Budget/Tax Limitation Amendment will prove your commitment not only to balancing the federal budget but also protecting the American taxpayers.

Vote YES on the Kasten Balanced Budget/Tax Limitation Amendment. CCAGW will record this vote as a key anti-waste vote for the 102nd Congress.

Sincerely,

THOMAS A. SCHATZ,
Acting President.

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, May 11, 1992.
MEMORANDUM

To: Honorable Robert W. Kasten, Jr., Attention: Michael Potemra.

From: Louis Alan Talley, Research Analyst in Taxation, Economics Division.

Subject: Listing of Tax Laws Which Increased Revenues from 1962 to the Present.

The listing of tax laws is in response to your request for a listing of tax laws which increases revenues from 1962 to the present. The listing of tax laws with public law numbers follows:

Tax Rate Extension Act of 1962, P.L. 87-508. Prevents scheduled reductions—Revenue Increase.

Tax Rate Extension Act of 1963, P.L. 88-52. Prevents scheduled reductions—Revenue Increase.

Excise Tax Rate Extension Act of 1964, P.L. 88-348. Continued Korean War excise taxes an additional year—Revenue Increase.

Interest Equalization Tax Act, P.L. 88-563. Revenue Increase.

Interest Equalization Tax Extension Act of 1965, P.L. 89-243. Prevents scheduled expiration—Revenues Increase.

Tax Adjustment Act of 1966, P.L. 89-368. Revenue Increase.

Excise Taxes on Tires and Tubes, P.L. 89-523. Revenue Increase.

Interest on Income Tax Refunds, P.L. 89-721. Revenue Increase.

Investment Credit Suspension, P.L. 89-800. Revenue Increase.

Interest Equalization Tax Extension Act of 1967, P.L. 90-59. Revenue Increase.

Revenue and Expenditure Control Act of 1968, P.L. 90-364. Revenue Increase.

Federal Unemployment Tax; Employment Security Administration Account; Income Tax Surcharge, P.L. 91-53. Revenue Increase.

Interest Equalization Tax Extension Act of 1969, P.L. 91-128. Revenue Increase.

Tax Reform Act of 1969, P.L. 91-172. Revenue Increase.

Airport and Airway Revenue Act of 1970, P.L. 91-258. Revenue Increase.

Excise Tax Rate Extension, P.L. 91-605. Revenue Increase.

Excise, Estate, & Gift Tax Adjustment Act of 1970, P.L. 91-614. Revenue Increase.

Interest Equalization Tax Extension Act of 1971, P.L. 92-9. Revenue Increase.

Bows and Arrows; Tax on Sales, P.L. 92-558. Revenue Increase.

Interest Equalization Tax Extension Act of 1973, P.L. 93-17. Revenue Increase.

Amortization Extension; Accrued Vacation Pay; Class Life System for Realty; Real Es-

tate Investment Trusts; Interest on Tax Deficiencies; Student Loan Funding; Exclusion of Interest by Non-Resident Aliens; Interest Equalization Tax; Tax Treatment of Political Organizations, P.L. 93-625. Revenue Increase.

Excise Tax Reductions; Postponement, P.L. 94-280. Revenue Increase.

Unemployment Compensation Amendments of 1976, P.L. 94-566. Revenue Increase.

Tax Treatment of Social Clubs and Other Membership Corporations; Tax Incentives for Recycling, P.L. 94-568. Revenue Increase.

Inland Waterways Revenue Act of 1978; Taxation of Proceeds from Bingo Games, P.L. 95-502. Revenue Increase for Inland Waterway Revenue Effect. Revenue Decrease for Bingo Effect. Overall effect is an increase in revenues.

Highway Revenue Act of 1978, P.L. 95-599. Revenue Increase.

Revenue Act of 1978, P.L. 95-600. Revenue Increase.

Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. Revenue Increase.

Deep Seabed Hard Mineral Resources Act, P.L. 96-283. Revenue Increase.

Airport and Airway Trust Fund, P.L. 96-298. Revenue Increase.

Omnibus Reconciliation Act of 1980, P.L. 96-499. Revenue Increase.

Omnibus Budget Reconciliation Act of 1981, P.L. 97-35. Revenue Increase.

Black Lung Benefits Revenue Act of 1981, P.L. 97-119. Revenue Increase.

Tax Equity and Fiscal Responsibility Act of 1982, P.L. 97-248. Revenue Increase.

Debt Collection Act of 1982, P.L. 97-365. Revenue Increase.

Surface Transportation Assistance Act of 1982, P.L. 97-424. Revenue Increase.

Payment-in-Kind Tax Treatment Act of 1983, P.L. 98-4. Revenue Loss in first two FYs estimated at \$404 million. Revenue Increase in third FY estimated at \$404 million.

Railroad Retirement Solvency Act of 1983, P.L. 98-76. Revenue Increase.

Deficit Reduction Act of 1984, P.L. 98-369. Revenue Increase.

Repeal of Contemporaneous Record-keeping, P.L. 99-44. Revenue Loss of \$150 million in FY 1985. Revenue Increase of \$270 million in FYs 1986-1990.

Simplification of Imputed Interest Rules, P.L. 99-121. Revenue Loss of \$97 million in FYs 1986 & 1987. Revenue Increase of \$144 million in FYs 1988-1990.

Comprehensive Omnibus Budget Reconciliation Act of 1986, P.L. 99-272. Revenue Increase.

Superfund Amendments and Reauthorization Act of 1986, P.L. 99-499. Revenue Increase.

Tax Reform Act of 1986, P.L. 99-514. After an initial revenue increase the overall effect is a revenue loss.

Omnibus Budget Reconciliation Act of 1987, P.L. 100-203. Revenue Increase.

Technical Corrections and Miscellaneous Revenue Act of 1988, P.L. 100-647. Revenue Increase in 1989 & 1991 of \$421 million. Revenue Loss in 1990 of \$414 million.

Omnibus Budget Reconciliation Act of 1989, P.L. 101-239. Revenue Increase.

Revenue Reconciliation Act of 1990, P.L. 101-508. Revenue Increase.

Tax Extension Act of 1991, P.L. 102-227. Revenue Neutral.

TABLE 2.A2.—SCHEDULED CONTRIBUTION RATES, 1935–2000 AND THEREAFTER

Act and effective year	Contribution rate (percent)							
	Employer and employee, each				Self-employed person			
	Total	OASI	DI	HI	Total	OASI	DI	HI
1935 Act:								
1937	1.0							
1940	1.5							
1943	2.0							
1946	2.5							
1949	3.0							
1939–47 Act:								
1940	1.0	1.0						
1950	1.5	1.5						
1952	2.0	2.0						
1950 Act:								
1951	1.5	1.5			2.25	2.25		
1954	2.0	2.0			3.0	3.0		
1960	2.5	2.5			3.75	3.75		
1965	3.0	3.0			4.5	4.5		
1970	3.25	3.25			4.875	4.875		
1954 Act:								
1970	3.5	3.5			5.25	5.25		
1975	4.0	4.0			6.0	6.0		
1956 Act:								
1957	2.25	2.0	0.25		3.375	3.0	0.375	
1960	2.75	2.5	.25		4.125	3.75	.375	
1965	3.25	3.0	.25		4.875	4.5	.375	
1970	3.75	3.5	.25		5.625	5.25	.375	
1975	4.25	4.0	.25		6.375	6.0	.375	
1958 Act:								
1959	2.5	2.25	.25		3.75	3.375	.375	
1960	3.0	2.75	.25		4.5	4.125	.375	
1963	3.5	3.25	.25		5.25	4.875	.375	
1966	4.0	3.75	.25		6.0	5.625	.375	
1969	4.5	4.25	.25		6.75	6.375	.375	
1961 Act:								
1962	3.125	2.875	.25		4.7	4.325	.375	
1963	3.625	3.375	.25		5.4	5.025	.375	
1966	4.125	3.875	.25		6.2	5.825	.375	
1968	4.625	4.375	.25		6.9	6.525	.375	
1965 Act:								
1966	4.2	3.5	.35	0.35	6.15	5.275	.525	0.35
1967	4.4	3.55	.35	.5	6.4	5.375	.525	.5
1969	4.9	4.05	.35	.5	7.1	6.075	.525	.5
1973	5.4	4.5	.35	.55	7.55	6.475	.525	.55
1976	5.45	4.5	.35	.6	7.6	6.475	.525	.6
1980	5.55	4.5	.35	.7	7.7	6.475	.525	.7
1987	5.65	4.5	.35	.8	7.8	6.475	.525	.8
1967 Act:								
1968	4.4	3.325	.475	.6	6.4	5.0875	.7125	.6
1969	4.8	3.725	.475	.8	6.9	5.5875	.7125	.8
1971	5.2	4.125	.475	.6	7.5	6.1875	.7125	.6
1973	5.65	4.525	.475	.65	7.65	6.2875	.7125	.65
1976	5.7	4.525	.475	.7	7.7	6.2875	.7125	.7
1980	5.8	4.525	.475	.8	7.8	6.2875	.7125	.8
1987	5.9	4.525	.475	.9	7.9	6.2875	.7125	.9
1969 Act:								
1970	4.8	3.65	0.55	0.6	6.9	5.475	0.825	0.6
1971	5.2	4.05	.55	.6	7.5	6.075	.825	.6
1973	5.65	4.45	.55	.65	7.65	6.175	.825	.65
1976	5.7	4.45	.55	.7	7.7	6.175	.825	.7
1980	5.8	4.45	.55	.8	7.8	6.175	.825	.8
1987	5.9	4.45	.55	.9	7.9	6.175	.825	.9
1971 Act:								
1976	5.85	4.6	.55	.7	7.7	6.175	.825	.7
1980	5.95	4.6	.55	.8	7.8	6.175	.825	.8
1987	6.05	4.6	.55	.9	7.9	6.175	.825	.9
1972a Act:								
1973	5.5	4.1	.5	.9	7.3	6.15	.75	.9
1978	5.5	3.95	.55	1.0	7.7	5.875	.825	1.0
1986	5.6	3.95	.55	1.1	7.8	5.875	.825	1.1
1993	5.7	3.95	.55	1.2	7.9	5.875	.825	1.2
2011	6.55	4.65	.7	1.2	8.2	6.085	.915	1.2
1972b Act:								
1973	5.85	4.3	.55	1.0	8.0	6.205	.795	1.0
1978	6.05	4.225	.575	1.25	8.25	6.16	.84	1.25
1981	6.15	4.225	.575	1.35	8.35	6.16	.84	1.35
1986	6.25	4.235	.575	1.45	8.45	6.16	.84	1.45
2011	7.3	5.1	.75	1.45	8.45	6.105	.895	1.45
1973b Act:								
1974	5.85	4.375	.575	.9	7.9	6.185	.815	.9
1978	6.05	4.35	.6	1.1	8.1	6.15	.85	1.1
1981	6.30	4.3	.65	1.35	8.35	6.08	.92	1.35
1986	6.45	4.25	.7	1.5	8.5	6.01	.99	1.5
2011	7.45	5.1	.85	1.5	8.5	6.0	1.0	1.5
1977 Act:								
1978	6.05	4.275	.775	1.0	8.1	6.01	1.09	1.0
1979	6.13	4.33	.75	1.05	8.1	6.01	1.04	1.05
1981	6.65	4.525	.825	1.3	9.3	6.7625	1.2375	1.3
1982	6.7	4.575	.825	1.3	9.35	6.8125	1.2375	1.3
1985	7.05	4.75	.95	1.35	9.9	7.125	1.425	1.35
1986	7.15	4.75	.95	1.45	10.0	7.125	1.425	1.45
1990	7.65	5.1	1.1	1.45	10.75	7.65	1.65	1.45
1980 Act:								
1980	6.13	4.52	.56	1.05	8.1	6.2725	.7775	1.05
1981	6.65	4.7	.65	1.3	9.3	7.025	.975	1.3
1982	6.7	4.575	.825	1.3	9.35	6.9125	1.2375	1.3
1985	7.05	4.75	.95	1.35	9.9	7.125	1.425	1.35
1986	7.15	4.75	.95	1.45	10.0	7.125	1.425	1.45
1990	7.65	5.1	1.1	1.45	10.75	7.65	1.65	1.45
1983 Act:								
1983	6.7	4.775	.625	1.3	9.35	7.1125	.9375	1.3
1985	7.0	5.2	.5	1.3	10.4	10.4	1.0	2.6
1985	7.05	5.2	.5	1.35	10.5	10.5	1.0	2.7
1986	7.15	6.2	.5	1.45	11.43	10.4	1.0	2.9
1988	7.51	5.53	.53	1.45	11.502	11.06	1.06	2.9
1990	7.65	5.6	.6	1.45	15.3	11.2	1.2	2.9

TABLE 2.A2.—SCHEDULED CONTRIBUTION RATES, 1935-2000 AND THEREAFTER—Continued

Act and effective year	Contribution rate (percent)							
	Employer and employee, each				Self-employed person			
	Total	OASI	DI	HI	Total	OASI	DI	HI
2000	7.65	5.49	.71	1.45	15.3	10.98	1.42	2.9

¹Includes tax credit, see table 2.A4.

Mr. KASTEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ADAMS. Mr. President, as the vote in the House showed, the more closely you examine proposals to amend the Constitution to require a balanced budget, the worse they look.

I certainly understand and share the American people's frustration with the inability of the Congress and the administration to bring our budget process under some kind of fiscal control. A balanced budget constitutional amendment, however, is the wrong medicine. Instead, we need to overhaul our budget process to more accurately reflect the importance of capital and infrastructure investment. We need to move from our current cash budget—under which Congress appropriates money on a yearly basis—to a system that focuses on a longer time frame.

I have joined Senator SANFORD in calling for a budget that is divided into three distinct areas: the retirement trust funds, the operating account, and the capital account, including debt and interest. By separating annual operating costs and retirement trust funds from investment decisions, this system would put the Federal Government on the same budgetary footing as most States and private businesses.

The most important economic problem facing the Nation is not, as proponents of the balanced budget would have us believe, mechanically balancing the budget. We can do that now through budget reforms. Or we can do it now by passing a "Doomsday" budget. The most critical economic problem we face is getting the American economy moving again and putting Americans back to work.

This view is strongly expressed in the recent GAO report, entitled "Prompt Action Necessary To Avert Long-Term Damage to the Economy." Many of our colleagues have referred to this report in arguing for a balanced budget amendment. But the bottom line of the report, as I read it, is summed up in this sentence: "Because deficit control alone will not secure adequate economic growth, more emphasis needs to be placed on federal investment in infrastructure, human capital, and research and development."

This is also a compelling argument for the creation of a capital budget, where borrowing is tied to investment

rather than consumption. This is how States handle their balanced budget requirements, and it is how American business budgets for future growth and a return on investment.

A more rational and practical budget would separate current operating costs from past obligations and from future investment. To protect social security and retirement funds, we need to separate these accounts from our operating budget and from our deficit calculations. These accounts are self-financing and represent future expenditures. To restore growth to our economy, we need to budget for long-term investment in infrastructure, education and training, and research and development. The best way to achieve such investment is through a capital account. These budgetary reforms will make possible the balancing of our annual operating account on a cash basis, using our present income tax system and other Government revenues.

We should not make it more difficult for Congress to raise the debt ceiling. We should not give a congressional minority the power to decide when deficit spending is prudent. And we should not require a "super majority" before Congress can raise taxes.

Some say that the American public is clamoring for a balanced budget. I think it is important that our citizens understand what balancing the budget under the present circumstances would entail. It would mean painful changes for most of the population, especially the middle class. The Congressional Budget Office has drawn up a number of revenue raising and spending reducing options that are illustrative. For example, agricultural subsidies, loans and price supports would be on the table. Changes in these programs could save as much as \$32 billion over the next 5 years. Other entitlement programs, such as Medicare and Social Security, would come under review. Even small changes in premiums, deductible amounts, cost-of-living-adjustments, and taxation of benefits would save the Federal Government more than \$400 billion through 1997.

We would also examine the costs borne by the Federal Government in highway maintenance, provision of hydroelectric power, rural electrification, subsidization of private use of public lands, and maintenance of our airspaces and inland waterways. We would examine the role the Government plays in ensuring the safety of our food, medicine, transportation, and waste disposal and cleanup. Many of these serv-

ices could be financed, in whole or in part, by the imposition of user fees or the elimination of government subsidy.

It has been estimated that the imposition of a congestion toll during peak commuting hours nationwide could provide a \$5 billion benefit each year. Assessing a charge on trucks based on distance traveled and weight per axle would yield an additional \$5 billion per year. These fees would raise additional revenues for highway repair at the same time that they would encourage people to travel off-peak where possible, thus reducing wear and tear on the highway system.

These kinds of spending cuts and revenue increases would form a "Doomsday" budget, if we maintain the present cash system and insist on balancing the budget by constitutional amendment. Some of these changes would affect future expenditures, such as social security. Some would affect capital investment, such as highway maintenance. Some would affect present operating costs. Under the current system, all of these expenditures are treated the same.

The American people need better information on the services and programs the Government provides, so that they will know what kind of trade-offs will be necessary to balance the budget under the current system. It simply is hypocritical for individuals or organizations to push for a balanced budget with one hand while asking for full funding for their programs with the other, as has been pointed out on the Senate floor.

A balanced budget will not be easy. It will require sacrifices from our entire society. But it should not be attempted without prior budget reform. We need a logical system that balances future versus present spending.

We need to make some serious decisions now about spending, about revenues, about health care, about long-term investments. We need to review the role of the Federal Government and the role of the States in providing services and collecting taxes and user fees. We need to know the real costs of the range of services the Government provides, and to decide how to pay for them.

Approval of a balanced budget amendment would not only delay these decisions by throwing the issue to the States for ratification; it should also hamstring the congressional process at the very time that these hard and politically unpopular decisions must be made. It is a formula for disaster. I

urge my colleagues to follow the lead of the House and defeat all efforts to amend the Constitution to require a balanced budget.

Mr. KOHL. Mr. President, I support the balanced budget amendment. I see it as a rational response to a persistently irrational Federal deficit. It is not a perfect solution—it has flaws and it has weaknesses. But the issue in my mind is not whether this is a perfect policy. The issue is whether this is a better policy than the one we have now. And the answer to that question, in my judgment, is a clear and convincing "yes."

But, Mr. President, I also believe that amending the Constitution is a serious act. After all, the Constitution has served us well for over 200 years. It has been able to serve us through two centuries because it was not designed to dictate a detailed description of the way our Government should operate. Rather it was developed to give us guidance about some basic precepts, to establish some basic structures, to identify some basic values.

Given my interest in remaining true to the fundamental nature of the Constitution, I approach the pending Kasten amendment with a great deal of skepticism.

I want to see this enterprise which we call Government operate with a balanced budget. If it takes a constitutional amendment to achieve that goal—and it appears it does—then so be it. But the amendment ought to be consistent with the general nature of constitutional language. The amendment should tell us what goal we want to achieve. It should not dictate to us the way in which we will achieve that goal. That means, in my view, that a balanced budget amendment ought to require a balanced budget. Nothing more. Nothing less. The nature of the budget and how we achieve balance should be determined by the Congress rather than the Constitution.

Now in my mind, the underlying constitutional amendment, developed by Senator SIMON and offered by Senator NICKLES, already infringes on this concept. In section 4 of the proposed constitutional amendment, the language requires a majority of the whole number of each House to pass any bill increasing revenues. That creates a policy presumption that favors one way to balance the budget, spending cuts, by making it more difficult to implement another, revenue increases. That comes very close to moving beyond goal setting and toward mechanism mandating. But it is, at worst, a close call. It does not unduly transform constitutional concepts into detailed dogma.

The pending Kasten amendment, however, does cross that line. It moves well beyond policy neutrality. By requiring a three-fifths vote before taxes can be increased, it uses the Constitution to tilt the machinery of Govern-

ment toward a given policy. And it is, for that reason, unacceptable.

The Kasten amendment would impose, through the Constitution, a voting procedure for revenue raising legislation different from, and more stringent than, the procedure in place for other ways of balancing the budget, like reducing spending.

In most cases, the Constitution uses special voting procedures—more specifically, requirements of two-thirds majority votes—for matters that define the separation of powers between Congress and the President. There is, for example, a two-thirds requirement for veto overrides, impeachment convictions by the Senate, constitutional amendments, and Senate approval of treaties.

An amendment requiring a supermajority to pass tax increases, however, does not define a relationship central to the separation of powers. Such an amendment would simply write into the Constitution our current distaste for raising revenues.

Personally, I tend to agree with the underlying policy presumption of the amendment: Congress is too quick to raise taxes and too slow to cut spending. I also agree with a number of other policy propositions: that Congress spends too much on the military, that we ought to have gun control laws, that funding for the arts should be maintained. But I would not dream of proposing a constitutional amendment to require that any law inconsistent with my position would have to be passed by a three-fifths vote. Yet that is precisely what the Kasten amendment does.

The Constitution sets in stone the fundamental principles of Government; the Congress and the President operate within those principles to set the policies that govern the day-to-day relationship between the U.S. Government and its citizens. The debate over revenue-rising versus sending cuts is a policy debate over how we ought to operate on a day-to-day basis. If we try to resolve that debate in the Constitution, we unfairly limit the ability of future generations to make basic decisions about fiscal policy. We would also be formalizing a misunderstanding of the Constitution's role in our system of Government.

In short, Mr. President, I oppose the Kasten amendment because I oppose efforts to pervert the Constitution, to subvert the basic nature of that document in order to achieve specific policy goals no matter how noble those specific goals may be.

I favor the principle set forth in Senate Joint Resolution 183, and, for that reason, I raise these several questions. Our persistent deficits are a fundamental enough problem to demand an amendment to the Constitution. But they do not warrant a hastily drawn or unworkable amendment to the Constitution.

There is a second problem I want to discuss very briefly. I am deeply concerned about the fact that the Senate is considering a constitutional amendment on a "normal" legislative vehicle. The precedents may allow someone to use that procedure. But if they do, they ought to be changed. If we don't require constitutional amendments to go through committee review and be scheduled by the majority leader before they can come to the floor, I fear we will face a flood of amendments. Every time the Court issues an opinion someone doesn't like, a constitutional amendment will be brought to the floor. Every time a pressure group builds up enough steam, someone will bring a constitutional amendment to the floor. Every time we have a Member with some cause to which he or she is committed, a constitutional amendment can be brought to the floor.

Mr. President, the Constitution has survived because we have not changed it all that much. It is a constant, a lodestar in the constellations of governments which come and go. We ought to revere it, not constantly revise it.

I was briefly tempted to vote against the underlying amendment as a way of expressing my concern about this issue. In the end, however, I concluded that this particular amendment was considered in committee, it would have been scheduled if the House had not acted on it first, it is worth supporting. But I am worried about the precedent. And I do want to work with my colleagues to prevent a further erosion of the process of amending the Constitution.

So, Mr. President, I am concerned about what we are doing here. I hope that our commitment to preserve and protect the Constitution will defend it from short sighted efforts to make it a prescriptive rather than a principled document. And I hope our oath of office will make us think long and hard about using a process to change the Constitution at the drop of a hat.

Those hopes can best be realized by defeating the Kasten amendment and then reviewing the Senate's procedure for dealing with such issues in the future.

Mr. HEFLIN. Mr. President, I rise today to express my support for a constitutional amendment requiring the Federal Government to achieve and maintain a balanced budget.

As an original cosponsor of Senator SIMON's amendment, I have repeatedly spoken on the Senate floor this Congress in favor of both a balanced budget amendment to the U.S. Constitution, and the merits of this particular proposal. I have also attempted to persuade my colleagues to support this necessary and crucial initiative, which has strong bipartisan support.

Since I first came to the Senate in 1979, every Congress I have introduced legislation proposing a constitutional

amendment to balance the Federal budget, and I have dedicated myself to many years of work with my colleagues to adopt a resolution which would authorize the submission to the States for ratification of a constitutional amendment to require a balanced budget.

For much of our Nation's history, a balanced Federal budget was the status quo and part of our unwritten Constitution. For our first 100 years, this country carried a surplus budget, but in recent years this Nation's spending has gone out of control. Indeed, the fiscal irresponsibility demonstrated over the years has convinced me that constitutional discipline is the only way we can achieve the goal of reducing deficits.

As you know, in 1982, the Senate did pass, by more than the required two-thirds vote, a constitutional amendment calling for a balanced budget. There were 69 votes in favor of it at that time. It was sent to the House of Representatives, where, in the House Judiciary Committee it was bottled up. The chairman would not allow it to come up for a committee vote, in order that it might be reported to the floor of the House of Representatives.

In order to bring the measure up for a vote in the House of Representatives, it was necessary to file a discharge petition. This is a petition that has to be signed by more than a majority of the whole number of the House of Representatives, and then it is brought up and voted on without amendment. The Senate-passed amendment failed to obtain the necessary two-thirds vote that was required in the House of Representatives at that time.

In the 99th Congress, after extensive debate, passage of a balanced budget amendment by the Senate failed by 1 vote—but got 66 votes. Last Congress, I supported a measure which passed the Judiciary Committee, but it was never considered by the full Senate.

All the while, there has been considerable debate, various articles have been written in numerous publications, and editorials have appeared in countless newspapers. Many speeches have been made on the floor of the Senate, and I have made numerous speeches advocating the adoption of a constitutional amendment requiring a balanced budget.

Mr. President, I hope the time has come to finally adopt this long-overdue amendment and begin to move toward our goal of a balanced Federal budget.

Section 1 of the amendment requires a three-fifths vote of each House of Congress before the Federal Government can engage in deficit spending. A 60-percent vote in the Senate is a very difficult one to obtain. This requirement should establish the norm that spending will not exceed receipts in any fiscal year. If the Government is going to spend money, it should have the money on hand to pay its bills.

Section 2 of the amendment requires a three-fifths vote by both Houses of Congress to raise the national debt. In addition to the three-fifths vote, Congress must provide by law for an increase in public debt. As I understand it, this means presentment to the President, where the President has the right to veto or sign. If the President chose to veto the bill, it would be returned to Congress for action to possibly override the veto. It is also important to note that section 1, regarding the specific excess of outlays over receipts, contains this same requirement that Congress act by law.

Section 2 is important because it functions as an enforcement mechanism for the balanced budget amendment. While section 1 states outright that "total outlays * * * shall not exceed total receipts" without the three-fifths authorization by Congress, the judicial branch would lack the ability to order the legislative and executive branches to meet this obligation. Therefore, section 2 will require a three-fifths vote to increase the national debt. This provision will increase the pressure to comply with the directive of this proposed constitutional amendment.

In my judgment, section 2 puts teeth into the constitutional amendment. We have had many statutory enactments that say we are going to have a balanced budget. We have a procedure under this constitutional amendment that makes it more difficult to engage in deficit spending. This is a procedure by which, if there is an excess of outlays over receipts—and that means deficit spending during a fiscal year—we must approve that specific amount by a three-fifths vote of the whole membership of both Houses. That in and of itself is fine, but it is largely directory. It does not have an enforcement procedure. An enforcement procedure is provided by section 2 of the amendment, which is the public debt provision.

The public debt provision makes it more difficult for Congress to vote a deficit. It means that if we vote a deficit and fail to increase the public debt, then Government will come to a halt. If we do not increase the public debt, eventually, we run on a balanced budget.

We cannot run on deficit spending. Therefore, section 2 has the intention of making it more difficult. So I say it is not for the purpose of making it harder to pay our debts, it is to make it harder to go into deficit spending and to give an enforcement procedure—a process, a mechanism that is so important because it is not just words that we could pass by and ignore.

Other than just being directory, the amendment, by way of section 2, has some teeth and that is what is so important if we are going to do away with deficit spending and operate so that we do not spend any more money than the

amount coming into the Government. That is what we are trying to achieve here. But it does allow for an escape in those instances of depression and those instances of war.

Section 3 provides for the submission by the President of a balanced budget to Congress. This section reflects the belief that sound fiscal planning should be a shared governmental responsibility by the President as well as the Congress.

Section 4 of the amendment requires a majority vote of the whole number of each House of Congress any time Congress votes to increase revenues. This holds public officials responsible, and puts elected officials on record for any tax increase which may be necessary to support Federal spending.

Section 5 of the amendment permits a waiver of the provisions for any fiscal year in which a declaration of war is in effect. I am pleased to say that this section also contains a provision long supported by myself and accepted as an amendment to Senate Joint Resolution 18 during its consideration by the Senate Judiciary Committee—that of allowing a waiver in cases of less than an outright declaration of war—where the United States is engaged in military conflict which causes an imminent and serious threat to national security, and is so declared by a joint resolution, which becomes law. Under this scenario, a majority of the whole number of each House of Congress may waive the requirements of a balanced budget amendment.

I firmly believe that Congress should have the option to waive the requirement for a balanced budget in cases of less than an outright declaration of war. Looking back over the history of our Nation, we find that we have had only five declared wars: The War of 1812, the Mexican War, the Spanish-American War, the First World War, and the Second World War.

The most recent encounters of the United States in armed conflict with enemies have been, of course, undeclared wars. We fought the gulf war without a declaration of war. In addition, we fought both the Vietnam and Korean actions without declarations of war.

This country can be faced with military emergencies which threaten our national security, without a formal declaration of war being in effect. Circumstances may arise in which Congress may need to spend significant amounts on national defense without a declaration of war. Congress and the President must be given the necessary flexibility to respond rapidly when a military emergency arises.

In the future, there could be a war like the Vietnam war—which went on for 11 years. Without a waiver for situations regarding less than an outright declaration of war, each year you would have to waive the constitutional

amendment pertaining to a balanced budget by a three-fifths vote. We might look back and we would see that the vote to withdraw the troops from Vietnam carried by only eight votes. The difference between a majority and a three-fifths vote is a difference between 51 and 60, which is 9 votes.

The United States has engaged in only five declared wars, yet the United States has engaged in hostilities abroad which required no less commitment of human lives or American resources than declared wars. In fact, our Nation has been involved in approximately 200 instances in which the United States has used military forces abroad in situations of conflict. Not all of these would move Congress to seek a waiver of the requirement of a balanced budget, but Congress should have the constitutional flexibility to provide for our Nation's security.

Twice since the end of the Second World War, first in Korea and then in Indochina, this Nation has been heavily engaged in armed conflicts abroad. In other instances, American troops have been sent to foreign countries in times of crisis—Lebanon in 1958, and the Dominican Republic in 1965. Other Critical situations, including the confrontation in the Formosa Straits in 1955, the Cuban missile crisis in 1962, the seizure of the *Mayaguez* in 1975, have been met by use of American military forces.

I think it is wise to look at some of the other instances in which we have had undeclared war and to see how serious they were. During 1914 to 1917, a time of revolution in Mexico, there were at least two major armed actions by United States forces in Mexico. The hostilities included the capture of Vera Cruz and Pershing's subsequent expedition into Northern Mexico.

In 1918, Marines landed at Vladivostok in June and July to protect the American consulate. The United States landed 7,000 troops which remained until January 29, as part of an Allied Occupation Force. In September 1918, American troops joined the Allied Intervention Force at Archangel and suffered some 500 casualties.

In 1927, fighting at Shanghai caused American Naval Forces and Marine Forces to be increased. In March of 1927, a naval guard was stationed at the American consulate at Nanking after national forces captured the city. A United States and British warship fired on Chinese soldiers to protect the escape of Americans and other foreigners. By the end of 1927, the United States has 44 naval vessels in Chinese waters, and 5,670 men ashore.

When a pro-Nasser coup took place in Iraq in January of 1958, the President of Lebanon sent an urgent plea for assistance to President Eisenhower, saying Lebanon was threatened by both internal rebellion and indirect aggression. President Eisenhower responded

by sending 5,000 marines to Beirut to protect American lives and help the Lebanese maintain their independence. This force was gradually increased to 14,000 soldiers and marines who occupied strategic positions throughout the country.

The most recent military involvement of the United States in an undeclared war is, of course, the Persian Gulf War. Although the actual Gulf War lasted just over a month, this country had a peak strength of 541,000 troops. In addition, the Department of Defense estimates the cost of Operation Desert Storm at \$47 billion.

I think you could go on and on concerning various instances that have occurred pertaining to our involvement in conflict abroad at various times in which there was undeclared war. I will not specify the instances under which such a waiver would be necessary or appropriate. I am one individual among many individuals. But Congress certainly should have the flexibility, within the mandates of a constitutional amendment, to allow the Nation to provide for its security.

Section 6 of the amendment permits Congress to rely on estimates on outlays and receipts in the implementation and enforcement of the amendment by appropriate legislation.

Section 7 of the amendment provides that total receipts shall include all receipts of the United States except those derived from borrowing. In addition, total outlays shall include all outlays of the United States except those for repayment of debt principal. This section is intended to better define the relevant amounts that must be balanced.

Mr. President, the future of our Nation's economy is not a partisan issue. Furthermore, the problem of deficit spending cannot be blamed on one branch of Government or one political party. Similarly, just as everyone must share part of the blame for our economic ills, everyone must be united in acting to attack the growing problem of deficit spending. Recognize that a balanced budget amendment will not cure our economic problems overnight, but it will act to change the course of our future and lead to responsible fiscal management by our National Government.

Mr. McCONNELL. Mr. President, I rise today in support of the balanced budget amendment to the Constitution. I believe that the Congress has stalled long enough in requiring a balanced budget. Thomas Jefferson first warned back in 1798 that "the public debt is the greatest of dangers to be feared by a Republican government." I can only imagine what Mr. Jefferson might say if he knew that the deficit will reach \$400 billion in 1992.

The American people and the people of Kentucky have demanded that the Government operate within its means.

They are fed up with all the excuses and finger-pointing that goes on here in Washington. In 1990, when the deficit was a mere \$220 billion, a nationwide poll showed that 74 percent of the people supported a balanced budget amendment. Two years and \$200 billion later, Congress remains gridlocked and totally ineffective in dealing with difficult budget concerns.

Mr. President, I believe that a constitutional amendment is required because it is obvious that Congress can not maintain self-imposed spending limits. Between 1985 and 1989, the Gramm-Rudman-Hollings deficit targets reduced total Federal spending by half. Total spending as a percent of gross domestic product was reduced to 22 percent, the lowest point since 1974. However, since the abandonment of the deficit targets, spending has ballooned and now consumes a record 25 percent of gross domestic product.

Mr. President, Congress created much of this debt in the last 30 years. Before World War II, Congress was able to abide by an unwritten rule of spending within it means. Since 1962, however, only once did revenue exceed expenditures. And for the last 21 years, Congress has maintained a perfect deficit spending record and racked up over \$3 trillion in debt.

The total debt owed by this country is incomprehensible. Later this year, the debt will reach \$4 trillion. Mr. President, this amounts to \$16,000 for every man, woman, and child in America.

What is even more astounding is the interest owed on this debt. This year, the interest payment on that debt will hit a record \$200 billion. This is equal to what will be spent on domestic programs this year alone. Mr. President, this excessive debt burden can no longer be tolerated.

Deficits have consumed two-thirds of private savings in this Nation since 1980. This has handicapped investment and industrial growth in the private sector. We cannot continue to kid ourselves; excessive Federal spending hurts our own growth potential.

Let's not forget, Mr. President, that the payment on this debt does not just go to pensions and banks, but to foreign investors as well. In 1987, the United States borrowed a record \$150 billion in foreign capital. Foreign investors have profited greatly from our spending addiction.

I commend my colleagues, Senators NICKLES, SEYMOUR, and KASTEN for their efforts to reduce the \$4 trillion Federal deficit. As I stated earlier, Congress has proven its ineffectiveness in dealing with any form of deficit reduction.

This amendment takes the necessary first step in controlling fiscal irresponsibility by requiring a three-fifths supermajority vote to pass any deficit spending measures. This amendment

does not go far enough because it does not protect the American people from excessive and continual tax increases.

In my opinion, though, Senator KASTEN's amendment would remedy this by amending the bill to require a three-fifths supermajority vote to increase taxes. This should protect the American taxpayer from excessive tax increases passed by Congress under the guise of political necessity.

I would like to remind my colleagues of the effects of the 1990 budget agreement. In 1990, Congress opted to increase taxes rather than making significant reductions in Federal spending. Predictably, this tax hike actually increased, not decreased, the deficit.

I believe that the American people will not tolerate Congress continually returning to the tax well to finance congressional largess. Therefore, the Kasten amendment is a necessary addition to the balanced budget amendment.

Mr. President, certain special interest groups, in an effort to defeat the balanced budget amendment, are resorting to scare tactics by claims that a balanced budget would force cuts in Social Security benefits. This is simply not true. There is nothing in this amendment that specifies cuts in any specific program or agency. Social Security is an earned entitlement. People have paid into this trust fund and will receive their deserved benefits.

Congress must seriously evaluate the unchecked growth of mandatory programs. Mandatory programs make up 48 percent of the total Federal budget. That is \$700 billion of the record \$1.47 trillion to be spent this year. Programs have been permitted to grow, in some instances, at rate of 10, 12, and 15 percent annually. Hundreds of billions of dollars can be saved if sensible growth limits are enacted. Nonetheless, efforts to sensibly cap growth of these programs fail regularly in this Chamber.

Finally, I urge the rest of my colleagues to support this legislation as the only viable means of truly controlling Federal spending. Mr. President, we can no longer rely on gimmicks and empty promises to balance the budget. We must pass a constitutional amendment as a promise to future generations.

Mr. President, I yield the floor.

Mr. KASTEN. I ask unanimous consent that all time be yielded back on all sides.

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

All time having been yielded back, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

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

The result was announced—yeas 33, nays 63, as follows:

[Rollcall Vote No. 133 Leg.]

YEAS—33

Bond	Gorton	Murkowski
Brown	Gramm	Nickles
Burns	Grassley	Pressler
Coats	Hatch	Seymour
Cochran	Hollings	Simpson
Craig	Kasten	Smith
D'Amato	Lott	Stevens
Dole	Lugar	Symms
Domenici	Mack	Thurmond
Fowler	McCain	Wallop
Garn	McConnell	Warner

NAYS—63

Adams	Durenberger	Metzenbaum
Akaka	Exon	Mikulski
Baucus	Ford	Mitchell
Bentsen	Glenn	Moynihan
Biden	Gore	Nunn
Bingaman	Graham	Packwood
Boren	Harkin	Pell
Breaux	Hatfield	Pryor
Bryan	Heflin	Reid
Bumpers	Inouye	Riegle
Burdick	Jeffords	Robb
Byrd	Johnston	Rockefeller
Chafee	Kassebaum	Rudman
Cohen	Kennedy	Sarbanes
Conrad	Kerrey	Sasser
Cranston	Kerry	Shelby
Danforth	Kohl	Simon
Daschle	Lautenberg	Specter
DeConcini	Leahy	Wellstone
Dixon	Levin	Wirth
Dodd	Lieberman	Wofford

NOT VOTING—4

Bradley	Roth
Helms	Sanford

So the amendment (No. 2453) was rejected.

AMENDMENTS NUMBERED 2448 AND 2449

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the first- and second-degree amendments by the senior Senator from West Virginia, amendments number 2448, and 2449, with 2 hours of debate to be equally divided.

Who yields time?

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

The PRESIDING OFFICER. The Senator from Oklahoma [Mr. NICKLES] is recognized.

Mr. NICKLES. Mr. President, let me tell my colleagues where we are. We are now in the process of voting on Senator BYRD'S amendment to my amendment. My amendment is a constitutional amendment to make us balance the budget; this is the same amendment—myself, Senator SEYMOUR, Senator GRAMM, and many others have been working on for a long time. It happens to be the same amendment voted on and narrowly defeated by the House of Representatives.

Mr. President, I think this probably is the most important vote that we will cast, possibly, this year, maybe in the last couple of Congresses. I hope this amendment will pass.

I want to tell my colleagues that it was this Senator's hope that we would vote up or down on the constitutional amendment to balance the budget. The majority leader and many on the other side of the aisle did not want us to get an up-or-down vote. Certainly, it has not been my desire to delay action in the Senate.

I hoped we would have a good debate, and we have had a good debate. We had about 25 Senators debate this issue last Thursday. It was a good debate, a thorough debate. I think, further, it evidenced the need for a constitutional amendment to balance the budget. We have been denied an up-or-down vote, and I realize the leadership on the other side of the aisle does not want to give us a vote.

I see Senator MITCHELL on the floor and I thank him for working with us to develop a schedule for considering this matter. The Byrd amendment, quite frankly, Mr. President, is very plainly a killer amendment. I will read the first part of the Byrd amendment: "In lieu of the matter proposed be inserted"

In other words, it strikes the balanced budget amendment. It eliminates the balanced budget amendment. And if Senator BYRD is successful—and he may well be, because I respect his ability to get votes on the floor of the Senate—if he is successful, he has killed our effort this year once and for all to pass a constitutional amendment to balance the budget. I hope that does not happen. If we are successful in defeating Senator BYRD'S amendment, we will have two votes on cloture to end the filibuster. We will see what happens on the cloture vote.

Mr. President, I think this is a vitally important issue, one which the American people are supportive of, and an issue Congress needs to deal with. I would like to see Congress be courageous enough to vote on it up or down. It is this Senator's intention to keep pushing until we can. We have worked out an arrangement where we will have four votes. We had a vote on the Kasten amendment, and now we will vote on Senator BYRD'S amendment, which kills the balanced budget amendment. If we are successful in defeating the Byrd amendment, we will have at least two cloture votes.

The first time in 1982, when the Senate voted on a constitutional amendment to balance the budget, we passed it. By the end of 1982, the national debt stood at \$1.14 trillion. When we voted again in 1986, it was defeated in the Senate by one vote. The national debt at that time was \$2.2 trillion.

The House voted on it in 1990, and the gross public debt was \$3.2 trillion. The

House voted on it, just last week. It is expected this year we will actually exceed a public debt of \$4 trillion.

Mr. President, we cannot continue down this path. We need to pass a constitutional amendment to balance the budget. I think probably the clearest vote we are going to have this year will be on the Byrd amendment, which kills a constitutional amendment to balance the budget.

I hope my colleagues will not agree to such an amendment.

Mr. MITCHELL. Mr. President, under the order, is the Senator from West Virginia controlling the time on this side?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Mr. President, I yield to the majority leader such time as he may require.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I would like to respond briefly to my friend and colleague from Oklahoma.

The rules of the Senate permit a minority of Senators—less than 50 Senators—to prolong debate and thereby deny a vote, even though a majority of the Senate is to the contrary. The Senator from Oklahoma, since 1987, has voted 56 times against cloture to deny to other Senators their right to have a vote on a measure that they deemed important; 56 times. That is, of course, his right under the rules.

Every Senator has voted for or against cloture on some occasion, whether they felt there genuinely should be more debate, a perfectly legitimate point of view, or whether they disagreed with the bill then intended, or whether they had some other motivation. But let no one in the Senate, let no one in this Chamber, let no American be deluded by this debate in which it is suggested: why do we just not have a vote?

The Senator from Oklahoma has joined with a minority of Senators time and time again to deny other Senators a vote, as was his perfect right, as is the right of Senators on this issue; 56 times he has voted against cloture. He may on some of those occasions have been against the bill being considered, or he may have felt there ought to be a lot longer debate, or he may have other reasons. While all Senators know this, many Americans are likely to be misled and deceived by this superficially appealing argument: why do we just not have a vote? Every Senator knows the answer to that.

There are many, many, many issues on which we do not have votes, because Senators use their rights under the rules to delay consideration, for whatever reason maybe motivating them. It is up to each Senator to set forth his or her reason.

I hope, when we get into this debate, we will all understand that everyone

here has regularly voted against cloture. The Senator from Oklahoma recently joined with a minority of Senators to deny the Senate the right to vote on comprehensive crime control legislation, one of the most important pressing matters in this country, to deal with violent crime in America.

We had a bill that the Senate passed once, the House passed, and it is now back before the Senate, and a clear majority of the Senate favors it. But a minority of Senators, including the Senator from Oklahoma, exercising their rights under the rules, continue to deny the Senate the opportunity to vote on that important measure.

So let no one be misled or deceived or deluded by what is being said here today. The rules of the Senate permit unlimited debate. Senators have frequently used those rules to insist on unlimited debate on many other measures. As I said, the Senator from Oklahoma has voted that way 56 times since 1987.

So we welcome the debate and discussion, and we hope that everyone here understands that the Senate rules are available to every Senator, not to some. They are available on every issue, not on just some. I hope our colleagues will keep that in mind as we debate this matter.

Mr. President, I thank the distinguished Senator from West Virginia, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Chair recognizes the Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES. Mr. President, I would like to respond to my friend and colleague, the majority leader. I appreciate his willingness to work with us, we will have at least three or four votes on the balanced budget amendment. This is not the vote on cloture; this is the vote on the Byrd amendment that kills the balanced budget amendment.

I think it is clear that if we prevail, if we should be so fortunate to win and defeat the Byrd amendment, then we will have a vote on cloture. And maybe at that point, we will make the cloture argument.

Mr. President, I yield to my friend and colleague and the cosponsor of this amendment, Senator SEYMOUR, for 2 minutes.

The PRESIDING OFFICER. The Senator from California [Mr. SEYMOUR] is recognized for up to 2 minutes.

Mr. SEYMOUR. Mr. President, I thank the distinguished Senator from Oklahoma.

I will comment relative to the facts, and suggest that the Senate majority leader is entirely correct in his description of the rules. Nobody has suggested—and I certainly would not—that the Senate majority leader has unfairly or in any other way misapplied the rules of the Chamber. The

point is, if you cast your vote against cloture, you simply do not want to vote on the balanced budget amendment.

So, what the distinguished Senator from Oklahoma is saying—and I wholeheartedly agree—is that we have been prevented from an up-or-down vote on a balanced budget amendment. And the amendment we are currently debating, the Byrd amendment, will in fact remove any opportunity whatsoever to vote, up-or-down vote, on the balanced budget amendment.

Therefore, we must straddle each of these parliamentary hurdles, if you will, one at a time. To succeed and have an up-or-down vote on a balanced budget amendment, we must first defeat the Byrd amendment. Then we must vote for cloture. And then maybe—just maybe—we may finally be given the opportunity for an up-or-down vote.

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma [Mr. NICKLES].

Mr. NICKLES. I yield the Senator from Idaho [Mr. CRAIG] 4 minutes.

The PRESIDING OFFICER. The Senator from Idaho is recognized for up to 4 minutes.

Mr. CRAIG. I thank my colleague for yielding.

Mr. President, as we debate the Byrd amendment, which has been clearly and properly characterized here today as the killer amendment, if the Byrd amendment is adopted, it does kill the constitutional amendment to balance the Federal budget. Those who vote for Byrd simply do not want to use the Constitution, as many of us now believe is necessary and appropriate, for the purpose of bringing the kind of fiscal responsibility to this body that is so essentially necessary.

It is argued by so many that if we use the Constitution, it takes the right to appropriate, the right to budget, away from the legislative branch of Government and spreads it into the courts and into the judicial branch, or brings it even further into the executive branch.

I think the Senator from West Virginia and I agree that when it comes to budgeting, we must engage the executive branch even more than we ever have before. And the amendment of my colleague from Oklahoma, the constitutional amendment on the floor for debate, does clearly bring the executive branch into that process much more clearly and strongly than it ever has.

Let me ask unanimous consent to have printed in the RECORD an opinion from the Lincoln Legal Foundation as it relates to standing, and the procedure under which the constitutional amendment, as currently being discussed, would provide standing, and the responsibility of this Senate and the House in their appropriate budgetary roles.

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

THE LINCOLN LEGAL FOUNDATION,
Chicago, IL, June 5, 1992.

Hon. L.F. PAYNE,
House of Representatives, Washington, DC.

DEAR MR. PAYNE: On behalf of the Lincoln Legal Foundation, let me extend my thanks to you for providing this opportunity to comment on the proposed Balanced Budget Amendment outlined in H.J. Res. 290. We at the Foundation take pride in serving as advocates for the broad public interest in defending liberty, free enterprise, and the separation of powers. It is in this capacity that we have undertaken our evaluation of the proposed Amendment.

We have confined our remarks to the prospects for judicial enforcement of the Balanced Budget Amendment. Critics have charged that the Amendment will unleash an avalanche of litigation, thereby paving the way for the micro-management of budgetary policy by the federal judiciary. As defenders of the Madisonian system of checks and balances, we at the Foundation take such charges seriously and have scrutinized them in light of the relevant case law.

We begin with a brief overview of standing doctrine and its impact on the justiciability of the proposed Amendment. We then consider the political question doctrine and the barriers it creates to judicial review. We conclude with our recommendations for refining and implementing the Amendment.

I. STANDING UNDER THE BALANCED BUDGET AMENDMENT

Standing refers to a plaintiff's interest in the issue being litigated. Generally speaking, in order to have standing a plaintiff must have a direct, individualized interest in the outcome of the controversy at hand. Persons airing generalized grievances, common to the public at large, invariably lack standing.

Limitations on standing stem from two sources. Article III section II of the Constitution restricts the jurisdiction of the federal judiciary to "cases" and "controversies." As a result, only plaintiffs with a personal stake in the outcome of a particular case have standing to litigate. The general prohibition against advisory opinions also can be traced to Article III.

In addition to Article III restrictions, federal courts have outlined certain "prudential" restrictions on standing, premised on non-constitutional policy judgments regarding the proper role of the judiciary. Unlike Article III restrictions on standing, prudential restrictions may be altered or overridden by Congress.

Standing requirements under the proposed Balanced Budget Amendment will vary according to the type of litigant. Potential litigants fall into three categories: (1) Members of Congress, (2) Aggrieved Persons (e.g. persons whose government benefits are reduced or eliminated by operation of the Amendment), and (3) Taxpayers.

A. MEMBERS OF CONGRESS

The federal courts by and large have denied standing to members of congress to litigate issues relating to their role as legislators.¹ Only when an executive action has deprived members of their constitutional right

to vote on a legislative matter has standing been granted.²

Accordingly, Members of Congress are unlikely to have standing under the proposed Balanced Budget Amendment, unless they can claim to have been disenfranchised in their legislative capacity. Assuming that Congress does not ignore the procedural requirements set forth in the Amendment, the potential for such disenfranchisement seems remote.

B. AGGRIEVED PERSONS

Standing also seems doubtful for persons whose government benefits or other payments from the Treasury are affected by the Balanced Budget Amendment. In order to attain standing, such persons must meet the following Article III requirements: (1) They must have sustained an actual or threatened injury; (2) Their injury must be traceable to the governmental action in question; and (3) The federal courts must be capable of redressing the injury.³

Assuming a plaintiff could meet the first two requirements, he still must show that the federal courts are capable of dispensing a remedy. Judicial relief could take the form of either a declaratory judgment or an injunction. A declaratory judgment, stating that Congress has acted in an unconstitutional manner, would do little to redress the plaintiff's injury. On the other hand, injunctive relief could pose a serious threat to the separation of powers.

For example, an injunction ordering Congress to reinstate funding for a particular program would substantially infringe upon Congress' legislative authority. Similarly, an injunction ordering all government agencies to reduce their expenditures by a uniform percentage—would undermine the independence of the Executive Branch. It is unlikely that the present Supreme Court would uphold a remedy that so blatantly exceeds the scope of judicial authority outlined in Article III.

C. TAXPAYERS

Taxpayers may have a better chance of attaining standing under the proposed Balanced Budget Amendment. Traditionally, the federal courts refused to recognize taxpayer standing. However, in 1968 the Warren Court held in *Flast v. Cohen* that a taxpayer plaintiff does have standing to challenge Congress's taxing and spending decisions if the plaintiff can establish a logical nexus between his status as a taxpayer and his legal claim.⁴

The logical nexus test consists of two distinct elements. First, the plaintiff must demonstrate that the congressional action in question was taken pursuant to the Taxing and Spending Clause of Article I Section 8 of the Constitution. Second, the plaintiff must show that the statute in question violates a specific constitutional restraint on Congress's taxing and spending power.⁵

Taxpayers suing under the proposed Balanced Budget Amendment probably could meet both prongs of the logical nexus test.⁶

² *Kennedy v. Sampson* 511 F. 2d 430 (D.C. Cir. 1974) (standing granted to a senator challenging the constitutionality of the President's pocket veto).

³ See, e.g., *Simon v. Eastern Kentucky Welfare Rights Organization*, 426 U.S. 26 (1976); and *Allen v. Wright*, 468 U.S. 737 (1984).

⁴ *Flast v. Cohen*, 392 U.S. 83 (1968).

⁵ *Valley Forge Christian College v. Citizens United for the Separation of Church and State*, 454 U.S. 464 (1982) (standing denied because an executive agency's sale of surplus federal land to a religious college was not an exercise of Congress's taxing and spending power).

⁶ See Note, *Article III Problems in Enforcing the Balanced Budget Amendment*, 83 Columbia L. Rev. 1064, 1079-80 (1982).

In order to satisfy the first prong, potential litigants would have to tailor their complaint to challenge the unconstitutional enactment of a law by Congress (e.g. an appropriations bill), not the unconstitutional execution of a law by the Executive. Litigants could satisfy the second prong by demonstrating that the statute in question violates the Balanced Budget Amendment, an express restriction on Congress's taxing and spending power.

Even if a taxpayer satisfies *Flast's* logical nexus test, more recent opinions like *Valley Forge* suggest that the Supreme Court also would expect taxpayer plaintiffs to fulfill the Article III standing requirements. In other words, in order to have standing, a taxpayer would have to demonstrate that he has sustained an actual or threatened injury traceable to a specific congressional action.

In theory, a taxpayer could claim that excess spending in violation of the Balanced Budget Amendment will harm him by undermining the national economy or by increasing the national debt. However, a majority of the Supreme Court probably would find the connection between the excess spending and the alleged injuries too tenuous to grant standing. As a result, standing would be limited to taxpayers with concrete injuries, stemming directly from the congressional action in question.

II. THE AMENDMENT AND THE POLITICAL QUESTION DOCTRINE

Even if a litigant attained standing under the proposed Balanced Budget Amendment, a federal court could refuse to hear the case on the grounds that it raises a political question. The leading case with respect to political questions remains *Baker v. Carr*.⁷ In *Baker*, the Supreme Court held that the constitutionality of a state legislative apportionment scheme did not raise a political question. In doing so, the Court identified a number of contexts in which political questions may arise.

Foremost among these are situations in which the text of the Constitution expressly commits the resolution of a particular issue to a coordinate branch of government. The Judicial Branch will refrain from adjudicating an issue in such circumstances. However, this textual constraint would not preclude judicial review of the proposed Balanced Budget Amendment, since H.J. Res. 290 does not assign responsibility for enforcing the Amendment to either the President or the Congress.

The *Baker* court also identified the following prudential considerations in deciding whether to invoke the political question doctrine as a bar to judicial review:⁸

(A) Is there a lack of discernable or manageable judicial standards for resolving the issue?

(B) Can the court resolve the issue without making an initial policy determination that falls outside the scope of judicial authority?

(C) Can the court resolve the issue without expressing a lack of respect for the coordinate branches of government?

(D) Will judicial intervention result in multifarious pronouncements on the same issue from different branches of government?

Each of these considerations creates an impediment to judicial review of the proposed Balanced Budget Amendment. In particular, courts may find the fiscal subject matter of the Amendment difficult to administer. For example, what happens if "estimated receipts" fall short of projections halfway

⁷ 369 U.S. 186 (1962).

⁸ *Baker v. Carr*, 369 U.S. at 217.

¹ *Harrison v. Bush*, 553 F.2d 19 (D.C. Cir. 1977) (standing denied to a senator seeking declaratory and injunctive relief against the CIA for its allegedly unlawful activities).

through a fiscal year? On what data and accounting methods would the courts be expected to rely? Given the lack of concrete standards, apparently rudimentary determinations (e.g. When do "total outlays" exceed "estimated receipts"?) may prove beyond the competence of the judiciary.

Moreover, the potential judicial remedies for violations of the Amendment may undermine the separation of powers. As discussed above, various forms of injunctive relief almost certainly would infringe upon the prerogatives of Congress and the Executive Branch. Given the Supreme Court's structuralistic adherence to the separation of powers doctrine in cases like *I.N.S. v. Chadha*⁹ and *Bowsher v. Synar*,¹⁰ it is almost impossible to imagine a majority of the justices on the present, or a future, Court jumping at the opportunity to become embroiled in a partisan wrangle over the size and scope of the federal budget. Instead, one would expect the Court to make every effort to avoid such an intrusion.

III. CONCLUSIONS

The constraints imposed by standing requirements and the political question doctrine by no means preclude judicial review of the Balanced Budget Amendment. Nevertheless, they do place substantial barriers to litigation. In light of these impediments, the Foundation believes that the prospects for a flood of new litigation and the specter of budgeting by judicial fiat have been greatly exaggerated.

The Amendment proposed in H.J. Res. 290 would clearly invite judicial review of any spending or taxing legislation purportedly enacted in violation of the formal requirements (e.g. a supermajority for increasing the debt limit, a full majority on recorded for a tax increase) set forth in the text. This is no different from the *status quo*, for even now we would expect a court to strike down an act that was somehow enrolled on the statute books without having properly cleared the requisite legislative process of votes, presentment, and the like.

What the Amendment would not do is to confer upon the judiciary an authority to substitute its own judgment as to the accuracy of the revenue estimates, the needfulness of taxes, or the prudence of a debt limit. The courts would merely police the formal aspects of the work of the political branches: Did they enact a law devoted solely to an estimate of receipts? Are all outlays held below that estimate? Were measures passed by requisite majorities voting, when required, on the record?

Sections 2 and 4 of the proposed amendment clearly invite only limited judicial scrutiny of this kind, and then only of the process, and not of the substance, by which the political branches have acted.

Section 3 seems to be purely hortatory and probably provides no predicate at all for judicial action. Whatever the political ramifications of a failure on the part of a President to propose a balanced budget in any given year may be, there appear to be no legal implications whatsoever. No act of law-making depends in any constitutional sense upon the President's compliance with this

requirement, let alone upon the substance that any such proposal may contain.¹¹

Section 1 is the crucial text, then, but even here the boundaries of justiciability would be tightly limited. A purported enactment might be struck down by the courts if it provided for outlays of funds in excess of the level of estimated receipts established for the year in the annual estimates law, or if it called for such an excessive outlay without having been passed on a roll-call vote by the required super-majority, or if it attempted to avoid the balanced budget limit applicable to the fiscal year of its enactment by purporting to be within the limits of receipts estimated for another year, past or future.

But there is no basis in the text of Section 1 for a court to pick and choose among congressional spending decisions on any basis. That is, the proposed amendment would confer no authority on the judiciary to choose which appropriations would be satisfied from the Treasury and which would not, but only to say that once outlays had reached the level established in the estimates law then the officials of the Treasury must cease disbursing any additional funds.

Because Section 6 of the proposed amendment would define "total outlays" to "include all outlays of the United States Government except for those for repayment of debt principal", the amendment would abolish permanent indefinite appropriations, revolving funds, and the funds, such as the Judgment Fund, from which they are disbursed.¹² This would decisively prevent the courts from invading the Federal fisc in the guise of damages awards against the United States Government. Upon effectuation of this amendment, damages awards against the Government in all cases (except for repayment of debt principal) would have to be part of the outlays voted each year by Congress, and the current congressional practice of waiving the sovereign immunity of the United States on a blanket basis in the adjudication of various kinds of damages against the Government would have to end.

In short, it is our view that there is virtually no danger that the constitutional balanced budget amendment contemplated by H.J. Res. 290 would cede the power of the purse to a runaway judiciary. To the con-

¹¹Section 3 would confer constitutional dignity upon a practice that has evolved on an extraconstitutional basis in this century, the submission of a Presidential budget each year. The practical and political wisdom of the practice is debatable, as is the wisdom of the contents of any particular budget. But the practice, even with the constitutional sanction that H.J. Res. 290 would give it, in no way derogates from the responsibility of Congress to account for the power of the purse or from the procedural rules adopted by the Framers for safeguarding the separation of powers respecting the fisc, such as the requirement that bills for raising revenue originate in the House of Representatives. The President would now have a constitutional duty to propose an annual balanced budget, but his submission would be only a proposal, and the existing groundrules of Articles I and II would continue to define the procedures by which laws are made and the separation of powers maintained.

¹²It is our view that this would also abolish other permanent indefinite appropriations arrangements and revolving funds as they now stand, including those for the Social Security, Medicare, and Civil Service Retirement Systems. They all involve "outlays" within the comprehensive meaning of Section 6, and so would all require affirmative congressional action for each year's disbursements. Congress could continue to provide that outlays be made on formulaic bases (e.g., as "formula payments"), but they would be subject to the total annual ceiling on outlays and mere qualification of an individual to receive a payment would no longer automatically work to raise the spending limit.

trary, it would eliminate certain authorities that courts currently have to order the disbursement of Federal funds without appropriations. If ratified and made part of the constitution, the balanced budget amendment would return responsibility and accountability for all Federal outlays squarely to the Congress.

Sincerely yours,

JOSEPH A. MORRIS,
President and General Counsel.¹³

Mr. CRAIG. Mr. President, there is also another issue that I think should be and is necessarily addressed here with the broad issue of the balanced budget amendment.

For some years, many of my colleagues on the other side of the aisle have argued that it is improper to put a constitutional amendment to balance the Federal budget in the Constitution. And they have quoted oftentimes Laurence Tribe, a Tyler professor of constitutional law from Harvard Law School.

In 1982, he argued that it was his point of view that it should not happen; it was inappropriate to put this kind of budgetary guideline or responsibility inside the Constitution.

But when he came before the Senate Budget Committee this year, he basically said: I have changed my mind. I have changed my mind because this Senate and this House—speaking of the Congress—has simply let the budget run uncontrolled.

Let me quote from some of his comments before the Budget Committee. He said: "At the outset, let me make it clear that despite my misgivings—" and those are the ones of a balanced budget requirement in the Constitution that he had made over a decade ago. He was changing his mind. And the reason he was changing his mind, I think, largely was spoken to the fact that he did not believe that the Congress could deny itself the siren's song, as he called it, the siren's song of withstanding the pressure of special-interest groups, or the fact that they could buy votes by offering money for special expenditures to the citizenry for the purpose of pleasing them.

Furthermore, he spoke of the Jeffersonian notion that today's populist should not be able, by profligate borrowing, to burden future generations with excessive debt. And that was the crux of his debate.

Here is someone often quoted by the other side as the pillar of opposition to a balanced budget amendment in the Constitution. This year, that pillar crumbled. And the reason that pillar crumbled is that this body and this Congress, for the decade from 1982 until 1992, when Laurence Tribe changed his mind, was simply and clearly fiscally irresponsible.

¹³I would like to thank Charles H. Bjork, a third-year law student at Northwestern University and a student intern at The Lincoln Legal Foundation, for his invaluable assistance in the preparation of this analysis.

⁹462 U.S. 919 (1983) (legislative veto held unconstitutional for violating the Bicameralism and Presentment Clauses of Article I Section 7).

¹⁰478 U.S. 714 (1986) (Gramm-Rudman Deficit Reduction Act violated the separation of powers by placing responsibility for executive decisions in the hands of an officer who is subject to control and removal by Congress).

The Federal debt increased by nearly \$2 trillion during this period of time. And, of course, we are now some \$350 billion in deficit, and there is no end in sight.

And yet, we here today bypass a balanced budget amendment: Let us kill it by a vote on the Byrd amendment. We do not want to give the American people what they are asking for, and that is the right to control their politicians' appetites for expenditures by a balanced budget amendment to the Constitution.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Who yields time?

Mr. NICKLES. Mr. President, I am happy to accommodate Senator BYRD'S request. I have not see him seek the floor.

I yield the Senator from Arizona 5 minutes.

The PRESIDING OFFICER. The Senator from Arizona, Senator MCCAIN, is recognized for up to 5 minutes.

Mr. MCCAIN. Mr. President, it is with regret that I note the defeat of the Kasten amendment. Even more regretful is that this important amendment only garnered 33 votes.

Be that as it may, I will not take much time on the pending amendment, since it is well known that the effect, if not the intent, of the Byrd amendment would be to kill the Nickles-Seymour balanced budget amendment.

Mr. President, we just heard from the distinguished majority leader—who has my admiration and respect—the fact that my colleague from Oklahoma and those of us in the minority have voted many times against the invocation of cloture. And as he correctly recognized, that is the right of a minority of Senators.

At the same time, I think it neglects the most important aspect of this debate, which is how do we address the deficit which is mortgaging the futures of generations of Americans?

Already today, we have laid a burden of \$16,000 of debt for every man, woman, and child in America. And to use the excuse that we will not have an up-or-down vote on a balanced budget amendment simply because both sides of the aisle may be taking advantage of parliamentary procedure, Mr. President, neglects—sadly neglects—the fact that we had better address this deficit problem one way or the other. In a recent poll, 17 percent of the American people approved of Congress and 77 percent disapproved. Some 80 percent of the American people think we are on the wrong track.

Mr. SYMMS. Mr. President, will my colleague yield for a question?

Mr. MCCAIN. I am glad to yield.

Mr. SYMMS. Did the Senator say that every American is in debt \$16,000?

Mr. MCCAIN. Every man, woman, and child in America now shoulders a debt of \$16,000 as a result of the \$4 trillion debt.

Mr. SYMMS. No wonder the babies cry when they come into the world.

Mr. MCCAIN. Mr. President, I always appreciate the insightful views of my colleague from Idaho. He will be missed around here by all Members of this body.

Mr. President, the majority leader used the example of the crime bill and how important it was. The majority leader neglected to mention the fact that the crime bill passed by a majority of both Houses, but that it will be vetoed by the President and the veto will be sustained.

It is time we sat down together and worked out our differences and passed a crime bill that will be supported by the administration, as well as a majority of both Houses. I expect that should include the consideration of some of the views on this side of the aisle and the views of the administration.

Mr. President, in 1798, Thomas Jefferson raised the same concern about the Constitution that we are debating today. He succinctly stated, "If there is one omission I fear in the document called the Constitution, it is that we did not restrict the power of the Government to borrow money."

Mr. President, the problem today is that the Government has borrowed \$4 trillion. And in light of the defeat of the Kasten amendment and in light of the pending defeat of the Nickles amendment—and let us be honest with this body, it will probably be defeated and even if it passed it would not carry in the House of Representatives—I intend, and I would like to notify the distinguished chairman of the Appropriations Committee at this time, I intend to bring up the line-item veto again. I do not expect to succeed this time, but I intend to bring up the line-item veto until my term of service in this body has expired or we get it done, because it is unconscionable what we are doing to America.

About twenty cents out of every dollar that we collect in taxes will not go to provide housing for a single homeless person or for a meal for a single hungry child. It will pay the interest on the debt that we have been accruing. I would also like to know how in the world we are going to be competitive in this world when we are spending so much of our Federal budget to simply pay the interest on the debt we have accrued from spending out of an empty pocket.

Mr. President, the pork barrel spending habit of Congress has not decreased. It has increased. I note an article in last week's Washington Post which indicated that there was a \$41 million line-item appropriation for research projects to a school that has a total annual budget of \$14 million.

Mr. President, it cannot go on. It cannot go on. Pork barrel spending has got to be stopped and it has got to be stopped by a combination of things, in-

cluding a line-item veto and a balanced budget amendment to the Constitution.

I would like to congratulate my friend from Oklahoma for his valiant efforts over these many years. I intend to stay with him and others in this effort to enact a balanced budget amendment to the Constitution.

Mr. President, I hate to be repetitious. But we are fooling ourselves if we do not believe that the American people are fed up with business as usual. We must act. We better start hanging together or we are going to hang separately and, unfortunately, it will be the American people who hang us.

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

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Would the chairman yield me some time?

Mr. BYRD. I yield 6 minutes to the distinguished Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland, Senator SARBANES, is recognized for up to 6 minutes.

Mr. SARBANES. Would the Chair let me know when I have used 4 minutes of that time?

The PRESIDING OFFICER. The Chair will.

Mr. SARBANES. Mr. President, I took the floor at this point in the debate because I want to respond very directly to the assertion made by the junior Senator from Idaho about testimony by Laurence Tribe before the Senate Budget Committee.

We are going to have to at least pay some due respect to the record in this debate. He cited Tribe as someone who had changed his position, who is now in favor of the balanced budget amendment. That is just not the case. What Tribe said was that he now thinks that the balanced budget amendment, at a conceptual level, could be considered for inclusion in the Constitution—that was on page 2.

Then, on page 3, he says, "But to say that a balanced budget amendment is in theory an appropriate topic for consideration and a suitable goal for Constitution writers is not to say that it should be approved by Congress and sent to the States for ratification." And he then spent the rest of his statement, 26 pages of it, developing why it was not appropriate to have a balanced budget amendment and criticizing the very proposals that are now before us.

I know the junior Senator was searching desperately for some authority for his position. But the authority is certainly not there.

This is what Tribe concludes his testimony with:

For these many reasons, much as I applaud the impulse behind the proposed constitutional amendment and much as I recognize the seriousness of the Nation's budget crisis,

I reluctantly conclude that none of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences for the separation and distribution of governmental powers and for the integrity of the constitutional structure as a whole.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator has used 4 minutes.

Mr. SARBANES. I yield myself an additional minute of the 6 minutes.

Mr. SASSER. Will the Senator yield for a question?

Mr. SARBANES. I will, but first let me quote the conclusion again. I hope we can keep this debate where it at least does justice to people who come and testify before the Congress and they are not completely misquoted for a position that is not their position. Now, this is Tribe's conclusion after just being cited a moment ago supposedly for supporting a balanced budget amendment.

I reluctantly conclude that none of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences for the separation and distribution of governmental powers and for the integrity of the constitutional structure as a whole.

I yield to the Senator.

Mr. SASSER. I thank the Senator for yielding. I just wanted to ask the Senator this question: Was he aware—I will ask my friend from Maryland if he was aware that Prof. Laurence Tribe, of the Harvard Law School, testified before the Senate Budget Committee just a few weeks ago and said this about a balanced budget. And I quote: "A balanced budget amendment would unbalance the Constitution, seriously distort the separation of powers, and undermine the credibility of the Constitution itself as our fundamental law." Was the Senator from Maryland aware that Professor Tribe had made this statement before the Senate Budget Committee a few weeks ago?

Mr. SARBANES. In fact, I was. And the quotes I used came in part from that statement.

The point I am trying to make is how can you take this witness and cite him on the floor in support of the balanced budget amendment. It is completely unfair to the witnesses who testify before the Congress if their meaning is going to be completely misrepresented.

Madam President, I reserve the remainder of my time.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I yield to the Senator from Maine 2 minutes.

Mr. COHEN. I thank the Senator for yielding.

Madam President, I was not present to hear Laurence Tribe's testimony, but I accept the characterization of my friend from Maryland. Indeed, there is no need for us to quote portions of testimony in order to arrive at a particular conclusion.

As I understand the Senator from Maryland, he is saying Mr. Tribe said it was conceptually possible but in his judgment not advisable to pass such a constitutional amendment because it would have undue consequences in terms of distribution of power.

I would rather place my judgment with that of Thomas Jefferson, who has been quoted several times earlier. Jefferson said that whenever one generation spends money and then taxes another to pay for it, that we are squandering futurity on a massive scale.

It seems to me that is precisely what we have been engaged in, the squandering of the futures of our children on a massive scale.

Mr. Tribe may not have changed his opinion about the need for a constitutional amendment, but I have. I have not supported it in the past but I intend to support the Senator's amendment today. And that is because we have run out of excuses and run out of devices at this point. As difficult as it is, if we are afraid to address this issue head-on today, then you can understand why it is so difficult for us to address many of the underlying issues about how we are going to spend the taxpayers' money in an appropriate fashion.

Amending the U.S. Constitution is not a decision that should be entered into lightly. Indeed, for many years I opposed a balanced budget amendment. I felt that it was unnecessary and that Congress and the President should be able to reduce the deficit without the force of a constitutional requirement. In light of the ballooning deficit, however, it appears as though my hopes were overly optimistic.

The huge Federal budget deficit exemplifies the fundamental problem that besets our Government in the late 20th century—we have become yes men and women and have abandoned our mantle to lead.

More than 200 years ago, James Madison wrote *Federalist Paper #10* which both recognized and feared the very quandary we face today: We know the Government should reflect the will of the people, but what should happen when what the people say they want—such as lower taxes along with high benefits and services—is not good for them?

Madison placed his hope in legislators who would "refine the public's views and discern the country's true interest."

It is on this demanding but sensible standard that Congress must be judged as lacking, and where improvement is needed.

The will of the people for the past decade or more has been for low taxes and high public spending. The result has been a conspiracy against future taxpayers. Political leaders have been coconspirators in this crime. We have told the people that they can have

their cake and eat it too. But it is our children's cake that is being eaten.

In the light of our willingness to give the people what they want even if it is not in the country's true interest, it is particularly ironic that the claim is made that politicians are out of touch with the people. In fact, it has been argued that we are too much in touch with the will of the people. Our system is so hypersensitive to every spasm and twitch of public desire that we have overcommitted the Government to many goals that are overlapping, contradictory, or foolhardy.

In becoming yes men and women, we have too often forsaken our duty to lead. The captain of a ship does not poll his crew every time he needs to make a decision. The ship's captain, like any leader, is judged on his decisionmaking ability. A good captain is judged not on the popularity of his decisions but on the correctness of his decisions.

Unfortunately, the artful balance which James Madison envisioned between observing the wishes of the public and promoting an overall concept of the national good has been fractured nearly beyond recognition. Instead of acknowledging and respecting public opinion, Congress too often worships it.

We are too often unwilling to say no to well-organized and even well-meaning special interest groups whose political clout, as we all know too well, is replacing that of political parties.

We—not just elected leaders, but everyone—need to fundamentally adjust the way we conduct the public's business.

Those of us in Congress have to be willing to tell the American people what they need to know, not just what they want to hear. Churchill reminded us how difficult it is to look up to those who hold an ear to the ground and a finger in the wind.

It should make us very queasy to look at the mountain of debt we are passing along to our children and their children. By our actions and choices, we are jeopardizing the future of our children. Our debt-financed consumption binge will lower future economic growth and, therefore, future standards of living. The question before us is whether we address the problem now or delay action and exacerbate the problem.

We are faced with a classic "pay me now or pay me later" situation. As the recent GAO report on the deficit pointed out, "[T]he key question facing policymakers is not whether to undertake major deficit reduction, but when and how."

The balanced budget amendment answers the question of when—now. Deciding on the "how" will not be easy, but it will only get more difficult with time. We should take a lesson from the savings and loan experience. Early and decisive action on that problem could

have saved billions of dollars for the American taxpayer. By the same token, reducing the deficit now will save billions of dollars over the long term.

To reduce the deficit, we must seriously consider changes that have long been thought politically suicidal.

We must make vertical cuts in Government spending. There are plenty of programs that, despite pleasant titles and laudable goals, have not met their objectives. We need to shift these resources into programs, like Head Start, R&D programs and infrastructure, where the rate of return on public investment is demonstrable.

We must closely examine and curtail the growth of so-called entitlement programs which have become deeply ingrained and interwoven into the fabric of American life, and make some tough choices about what we want and what we can afford.

After cutting spending wherever possible, new revenues will also likely be necessary. It is critical, however, that these new revenues go to deficit reduction and not to fund additional Government programs with questionable results.

The deficit is the single most damaging problem in our economy today. Our economy suffers from a lack of savings and a lack of investment. Both deficiencies are caused by excessive public borrowing. We seem completely unable to come to terms with this deficit. Despite its limitations, I think a constitutional amendment will force us to come to grips with the deficit before it gets any worse.

I firmly hope that a balanced budget amendment will mark a new beginning—a point at which we say, "Enough is enough." A constitutional amendment will hold Congress' and the administration's feet to the fire in a way that neither the Gramm-Rudman-Hollings law nor the 1990 Deficit Reduction Act were able to. Congress and the President will not be able to circumvent the Constitution the way it has these statutes.

I fully agree that a balanced budget amendment is no substitute for the willingness of Congress and the President to make the tough choices. At a minimum, however, a balanced budget amendment sounds an effective warning shot that business as usual is no longer acceptable. The amendment will force us to make the tough choices that, heretofore, we have been unwilling to make.

To those making alarmist claims that the amendment would force us to double taxes or shut down the Government, I would make two points:

First, no one expects us to eliminate a \$350 billion deficit in 1 year. Suggesting that a balanced budget amendment would require this is disingenuous to say the least. The budget did not get \$350 billion out of line in 1 year, and no

reasonable person expects us to cure the problem in 1 year. What is critical, however, is that we begin in earnest to reduce the deficit. Unfortunately, the deficit continues to grow rather than shrink.

Second, the amendment would still permit deficit spending if a three-fifths majority in each House agrees to do so. If some of the scenarios that some people are predicting were to come to fruition, Congress and the President would have the flexibility to borrow funds. However, I would like to re-emphasize that I do not believe that a balanced budget amendment would cause the Federal sky to fall as some suggest.

I am not suggesting that we can reduce the deficit without some sacrifice. The reason we have a deficit in the first place is because Congress and the President have told the American people that they can have both lower taxes and more government. The word "sacrifice" has been banned from the political lexicon. It must reappear if we are to ever make serious progress in reducing the deficit.

By the same token, however, I do not think the pain of spending cuts will require the level of sacrifice that some suggest. Over the past 2 years, many States have been forced to cut back government services. While in some cases, these cuts have been too abrupt and too painful, in many other cases, the cuts have made State governments more efficient. Many States found that, when forced to, they could do more with less money. I think the Federal Government is simply going to have to go through the same process.

I cannot close without noting the irony of many of the arguments that have been offered against the amendment. In the same breath that some argue that the amendment is a gimmick that won't work, they argue that it will be disastrous because it will work. Interest group after interest group has descended upon Washington to testify as to how terrible a balanced budget amendment would be. But if you listen closely to them, they are not simply arguing against the constitutional amendment, they are arguing against a balanced budget—period. Perhaps a constitutional amendment is a less than perfect remedy, but I have no sympathy for the argument that we should not balance the budget.

Some opponents of the amendment have also suggested that this is just an easy political vote. On the contrary, this is a very difficult vote—as the defeat of this amendment in the House recently demonstrates. The easy votes have been the ones we've been casting around here for the past decade or more where we buy now and pay later. The easy thing to do is to satisfy the wants of today's voters at the expense of tomorrow's. A balanced budget amendment will put an end to those kinds of easy votes.

The burden of the budget deficit is great. Unfortunately, the long-term costs of maintaining the deficit are less appreciated than the short-term costs of eliminating the deficit. As painful as it is to tackle the deficit today, it will be even more difficult to address this problem down the road. I urge my colleagues to support the balanced budget amendment so that we may get on with the work at hand.

Mr. NICKLES. I thank my friend and colleague.

Mr. CRANSTON. Will the Senator from West Virginia yield 2 minutes to the Senator from California?

Mr. BYRD. Yes; I yield 2 minutes to the Senator from California.

Mr. CRANSTON. I thank the President pro tempore and the chairman of the Appropriations Committee, who knows more about the budget than almost any person who has ever served in the U.S. Senate.

The choice before us today is really a choice between a symbol and a concrete plan. A constitutional amendment that would be enacted perhaps some time in the future would do nothing about balancing the budget now, and I believe would create chaos if it ever came into play, drag the courts into the matter of balancing the budget, and have people holding high positions in our court system making decisions about what taxes to levy or not levy, to cancel or not cancel. That is not something the American people really want.

The alternative is the amendment offered by the Senator from West Virginia, which is a concrete plan that would require action now, this year, not some time off in the future, to begin the process of balancing our budget.

That requires the President of the United States to submit a plan to bring about a balanced budget a few years hence. But that plan must be submitted in September of this year to the Congress and through the Congress to the people. Then we can proceed to consider that plan, adopt it, modify it, reject it if that was our will.

Presumably it would be a plan we could work over and adopt this year and we would then set in motion this year—not some time in the future, as the constitutional amendment would propose, not some time perhaps on beyond the year 2000, when we would finally achieve a balanced budget. The proposal by the Senator from West Virginia would begin the process this year that would bring about a balanced budget by the year 1998.

For those reasons and many, many more, some of which I have expressed upon this floor upon other occasions, I support and urge support for the amendment now pending.

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield the Senator from Washington 5 minutes.

The PRESIDING OFFICER. The Senator from Washington may proceed.

Mr. GORTON. Madam President, late last evening at a time in which the Senate was not operating under time constraints on individual remarks, I spoke in some detail on this issue. I had examined with some care the arguments over the course of the last several weeks presented by the distinguished President pro tempore and the Senators from Maryland and Tennessee who were on this floor against this constitutional amendment and attempted to deal with each of what I consider to be six relatively distinct arguments in opposition.

I have not asked my colleague from Oklahoma for sufficient time to go through each of those arguments again and, therefore, will attempt to consolidate those arguments against the amendment.

There is a paradox, as we have heard by careful listening to the Senator from California who preceded me, in the arguments of the opponents of the constitutional amendment. On the one hand the opponents claim that the amendment is nothing more than a gimmick which will not work but serve only to delay some mythical desire on the part of this Senate to deal with balancing the budget immediately. These opponents completely disregard the history of the last 15 or 20 years which showed that immediacy is certainly a commodity greatly lacking in our approach toward the budget deficit.

The opposite argument, of course, as reflected by the readings from Professor Tribe, is that this represents a profound and basic change in the balance of power among the three elements of the Government in the United States and, therefore, is not to be trusted. It is to that argument I wish to refer for just a relatively short period of time.

That argument, Madam President, is a valid argument. In fact, this constitutional amendment would change the dynamics by which spending decisions are made in the Congress of the United States and by the President of the United States. It is, therefore, a valid argument if you like the status quo. If you are not disturbed by a trillion debt or a \$400 billion deficit, if you are comfortable with the way in which the Government of the United States has dealt with its budgetary priorities, then by all means vote in favor of this amendment which kills the constitutional amendment itself, and against the Nickles amendment.

But, if you feel, as this Senator has come to feel in company with the Senator from Maine, who previously opposed this kind of approach—if you feel the status quo is not working, that in fact it is a drastic change which is necessary in order to be responsible to

ourselves and to our children and to our grandchildren, then by all means take the very arguments in opposition to this constitutional amendment and use them to decide that in fact we should vote for it.

We do need a drastic change, Madam President. We do need a different approach. We do need the discipline which has been so strikingly absent from our deliberations over the course of more than a decade—perhaps more than two decades. I regret to say, having changed my mind on this subject, that that discipline, that change of attitudes, will only take place as and when we do pass this constitutional amendment, submit it to the States of the United States, and have it ratified by 38 of those States.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Will the distinguished President pro tempore yield me 15 minutes?

Mr. BYRD. I am glad to do so. Madam President, I yield 15 minutes to the distinguished senior Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Madam President, I thank the President pro tempore.

We have heard a lot of arguments here this afternoon in favor of this so-called constitutional amendment to balance the budget. But I think we ought to lay the cards on the table here and realize that this effort is motivated by something other than civic zeal, as its proponents would have you believe.

Doing that is not difficult. I begin by referring my colleagues to a story in last week's Washington Post. In that story, an unnamed White House official says the following about the motives that are at work here, surrounding this abortive effort to pass a constitutional amendment.

The White House official at that time, speaking of the efforts of the junior Senator from Texas with regard to a constitutional amendment to balance the budget, said: "He has decided he wants the Republicans to score points in a moot exercise of having the Senate Democrats vote against a balanced budget right before their convention."

What could be clearer than that? That is from the President's people inside the White House talking about the director of the Republican Senate Campaign Committee.

It is a remark that should confirm with the American people what this really is. Why, it is purely a political diversion, a deflection, if you will, of attention from the true problem. And the Senate of the United States has wasted a week of very valuable legislative time in this rather adolescent exercise in political gamesmanship.

The junior Senator from Texas lateraled the ball off after this story appeared in the Washington Post and others on his side of the aisle were the recipients of that lateral.

The minority is simply looking for a way to cast political blame for deficits on the Congress.

The distinguished President pro tempore, Senator BYRD of West Virginia, has proposed an amendment that is structured to add balance, to highlight the vacuum in executive leadership that has really been central to creating the deficit problem. It is for that reason that the amendment of the distinguished President pro tempore is so instructive, and I submit to my colleagues so very necessary.

Madam President, it has been discussed on the floor of this Chamber before by very able Senators tracing the roots of the deficit problem which are now more than a decade old. But I think it is instructive to recover some of that ground this afternoon.

They go back first and foremost to the largest single tax cut in the history of this country. They go back to the largest peacetime military buildup in the history of this country and, lastly and more recently, to the longest period of economic stagnation since the days of Herbert Hoover. Those are the three items that bring us to these horrendous deficits that we have today.

The economic stagnation, the monstrous tax cut of 1981, the largest peacetime military buildup in history, that is the recipe for the \$372 billion we will have in fiscal year 1992 and those are the ingredients of nearly \$4 trillion in national indebtedness.

Madam President, I would like to take us back to 1981. And it is instructive that some of the same voices that were so eloquent in their description of the miracles of supply-side economics in 1981 are the same ones who are urging on this Senate today a so-called balanced budget or an amendment to balance the budget to the Constitution.

Using the numbers that were produced by the Office of Management and Budget, President Ronald Reagan, by 1989, the 1981 tax cut had cost the U.S. Treasury \$1.4 trillion in lost revenues during the 1980's.

My friend from Oklahoma has produced a chart over there of the gross Federal debt. I suspect that his chart will track just precisely with the chart that I have here today.

Today the administration is so queasy about the massive revenue hemorrhage that it stopped updating the estimates of the accrued losses from the 1981 tax cut. But the Budget Committee calculates the losses to date to total about \$2 trillion. These figures, Madam President, do not include interest costs which would add several hundred billion dollars to the cost of the 1981 tax cut which was the hallmark, the symbol, of the supply-side experiment that turned out to be a surprise-disaster.

A revenue loss of this magnitude creates an instant, sizable, and ongoing problem that we are wrestling with

today called debt service. When you run up these massive deficits, you have to borrow money to cover them and you have to pay interest on that money.

Let us go back to the time when this economy was growing with some modest amount of vigor, and to find that time you have to go back to a period of between 1987 and 1989. During that period, between 1987 and 1989, the Federal Government actually spent \$1 billion less on programs than it received in revenues. So in the period from 1987 to 1989, if we had not had to service this massive indebtedness, the budget would have been balanced and we would have had a \$1 billion surplus.

Mr. SARBANES. Will the Senator yield?

Mr. SASSER. I will be pleased to yield to my friend from Maryland.

Mr. SARBANES. Madam President, I just want to point out on this chart the additions to the Federal debt which then requires this tremendous debt service to which the very able chairman of the Budget Committee has been referring. This chart shows the additions to the Federal debt—President Kennedy, President Johnson, President Nixon, President Ford, President Carter. Then you get a jump in the first term of President Reagan and a further jump in the second term of President Reagan. These are additions to the debt which then have to be paid for in debt service. This large increase is the additions to the debt in the first term of President Bush and this is what the administration is projecting by their own budget submission for the second term of President Bush.

This amendment offered by the distinguished President pro tempore requires a plan submitted for this not to happen, but this chart only demonstrates what the very able Senator is pointing out, the exponential growth that has taken place in the debt under the two terms of President Reagan and now even more so into the term of President Bush projected to grow even more in the next term.

Mr. SASSER. I thank my friend from Maryland, and he points out, I think, with great clarity, the explosion, virtual explosion, in the national debt that has occurred during the periods that President Reagan and President Bush have been in the White House.

That is precisely what the President pro tempore's effort is aimed at. That is precisely what his amendment does: To require the Chief Executive Officer of this Government to provide a balanced budget and a track for balancing the budget over the next 5 years, to get away from this disaster that has occurred over the past 12 years that is illustrated by the chart of the able Senator from Maryland which shows this debt exploding during the first two terms of Ronald Reagan and getting worse under President George Bush.

We are at the point now where even in years of potential surplus when the economy is growing and doing well, we are still having to pay heavily for the sins of the supply-side experiment earlier in this decade.

We are still paying a very heavy price for that folly.

If I could call my colleagues' attention to this chart that represents the 1981 tax cut, you will note that it became effective in 1982 and, as you see, the loss in revenue rose to \$1.4 trillion just by 1989 alone, and that does not include what has happened in the last 3 years.

Madame President, I will get to the second element that has produced this enormous deficit, and that is the growth in military spending that occurred during the decade of the 1980's and continued until just a very short period ago.

This chart demonstrates the growth in defense spending versus the growth in the deficit from 1981 to 1990.

The blue in the chart represents the growth in defense spending. The red represents the growth in the deficit. And we find that increases in military spending over the 10 years from 1981 to 1990 totaled \$1.140 trillion while increases in the deficit over the same period totaled \$1.170 trillion, or roughly the same.

As we look at this chart in the out-years, in some years we find that defense spending is staying almost level and actually outstripping growth of the deficit. In 1987, we find that defense spending grew \$148 billion over where it was in 1980 while the deficit grew \$97 billion in that particular year. So the growth in defense spending tracks very evenly with the growth in the deficit over that 10-year period.

I suppose you could make the point we might have been able to survive the great tax cut of 1981, the so-called supply-side tax cut, without incurring these enormous deficits if at the same time we are not involved in this very enormous increase in defense spending.

The 10-year totals show that the largest peacetime military buildup in our history was simply not paid for. It was put on the cuff, charged to the future, charged to the children that our friends on the other side of the aisle seem to be so concerned about at this very late date.

Madam President, any discussions of the origins of our deficit must also take into account the imperfect science of predicting economic growth. An increase in the revenue base due to a growing economy, that was the centerpiece of the supply-side doctrine. The temptation to exaggerate the case was overwhelming.

The PRESIDING OFFICER. The Senator has used the time allocated to him.

Mr. SASSER. I ask my friend from West Virginia if I might have an addi-

tional 5 minutes? Is the Senator running short on time?

Mr. BYRD. Madam President, I yield 5 additional minutes.

The PRESIDING OFFICER. The Senator from Tennessee may proceed.

Mr. SASSER. These inflated growth predictions, predictions in the growth of the economy that were at the heart of the supply-side era, came to be known as the original rosy scenario. I just call my colleagues' attention to the predictions that were made during those years versus the actual performance. We see in the fourth quarter of 1981 they were predicting growth of 4 percent. You actually had negative growth of 5.3 percent.

Mr. SARBANES. Will the Senator yield? Were these predictions made by the Office of Management and Budget, by the administration at the time?

Mr. SASSER. Yes, they were made by Mr. David Stockman at that time. And he confessed to this game in his now classic confessional entitled "The Triumph of Politics." In the words of Mr. Stockman,

The difference between the explosion of real growth in 1982 that we forecast and the collapse which actually occurred is what sent all the budget numbers spinning.

So I think Mr. Stockman would agree with the assessment that they have been spinning ever since.

So, Madam President, that is where we have been. Those are the forces that have given us these intractable deficits—a great giveaway at the start of this decade by the Reagan administration primarily to the wealthiest of Americans that cost the Treasury \$2 billion by the end of this decade, a \$1.140 trillion military buildup over 10 years—that is \$1.140 trillion more than we were spending in 1980—that not so coincidentally matched the increase in the deficit in that period, and now, today, the long, hard period of economic stagnation, the longest period of economic stagnation we have seen since the days of Herbert Hoover.

Madam President, all of these factors are profound reasons for mandating the Presidential accountability that comes to annual budgeting which is in the amendment of the distinguished President pro tempore.

As we all know, balanced Presidential budgets have been a rarity, in fact nonexistent in the Reagan-Bush era.

Now, let us take the administration's current budget proposal on the subject of fiscal prudence and deficit reduction. It is grossly deficient. According to the nonpartisan Congressional Budget Office, the administration's 1993 budget submission achieves just \$8 billion in deficit reduction over 5 years. That is not even 2 percent of what we would have to do to balance the budget.

In the face of that reality, I am convinced that enforced Presidential lead-

ership on this issue is absolutely a condition precedent to the resolution of the deficit crisis. We are simply not going to get it down with mechanical devices, in my judgment. Waiving a constitutional amendment like a magic wand may fool some, but it is not going to solve our Nation's most serious problems.

The amendment offered by the distinguished President pro tempore does something about the deficit now. Those who are proposing this constitutional amendment to balance the budget are putting it off for another 6 to 7 years.

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

Mr. SASSER. One additional minute.

Mr. BYRD. I yield 1 additional minute.

Mr. SASSER. I submit, Madam President, that the economy of this country simply cannot survive if we are going to wait another 5, 6, or 7 years with \$250, \$350, \$400 billion deficits every year before we take steps to deal with the deficit.

I am proud to support the amendment of my friend from West Virginia. I think it is a splendid amendment that says, let us get on with the job right now and let us not put it off another day. Certainly let us not put it off for 6 or 7 years, which is what a constitutional amendment to balance the budget would do.

I thank the Chair and the distinguished President pro tempore.

Mr. NICKLES. Madam President, how much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 35 minutes.

Mr. NICKLES. I yield to my friend and colleague, Senator SYMMS, from Idaho, 4 minutes.

Mr. SYMMS. Madam President, I thank the Senator for yielding 4 minutes.

Madam President, I must comment on the remarks that I just heard from the distinguished chairman of the Budget Committee, the Senator from Tennessee. In my opinion, I have never heard so much hand-wringing pessimism about the situation we are in, and a revisionist view of what happened in the eighties. I do not know where the Senator was, but what I saw happen in the eighties was a restoration of the United States of America. We now have won the cold war; the evil empire has collapsed.

We are now starting out on a new venture in the nineties, and we are going into the end of the century that offers the greatest opportunity for humankind that we have ever seen in our lifetime.

The other accomplishment of the eighties was an economy built here in the United States, on top of the one we already had, equal to the whole economy of Germany. Twenty million jobs were created, the standard of living across the board went up, we got rid of

the days of double-digit interest rates and double-digit inflation rates. We got rid of the fear people held, looking into the future, that they had coming into the eighties.

We have failed in controlling spending. And I will just say to my colleague, there were opportunities to fix that, but the majority in the Congress would not go along with it. Senator HOLLINGS offered an amendment in 1981 to revise the cost-of-living adjustments. I supported him in the Budget Committee, and I supported him here on the floor. We would have still given people COLA increases but we would not have given massive increases that have consumed our budget in the entitlement spending programs. And, had we adopted that amendment we could have balanced the budget. We had a chance in 1983 when this Senator offered revisions of the entitlement programs, and they were voted down resoundingly here on the floor. So we had our chances.

Revenues have gone up since 1982 from about \$600 billion to almost \$1.1 trillion, but spending has gone from about \$700 billion up to \$1.5 trillion. That is what is wrong. Spending has outstripped growth of revenues by over 20 percent with revenues ample to run all the government we want.

So why are we now here on the floor? I just say this: I would like to praise my colleagues, Senator NICKLES from Oklahoma, my colleague Senator CRAIG from Idaho, Senator SEYMOUR from California; and others who are pushing this amendment.

I hope that the people will vote against the amendment of the distinguished President pro tempore because, if you vote for his amendment, you are voting for bigger government, higher taxes, and giving the people of America less choice and fewer chances to spend their own hard earned money and make their own choices, to decide for themselves how they should spend their worth, their savings, their money, their investment.

This is very simple to understand. If you want more government, vote for the Byrd amendment. If you would like to get this deficit under control and have a constitutional amendment that restrains the growth of government, and restrains the increased revenues to Treasury, then vote against my distinguished colleague Senator BYRD's amendment.

I would like to pay special thanks to my distinguished junior colleague from Idaho, who has been working on this issue for 10 years both in the other body and now in this body. It appears it has come to a point where we finally are going to come close to getting a vote on the balanced budget amendment. I say "close" because the distinguished majority leader was on the floor a few moments ago saying that 56 times, I believe that is correct, the

Senator from Oklahoma voted against cloture. I say more power to him because 9 out of 10 times in this Congress whatever Congress is doing is usually bad for the taxpayers, and poor for the country. It usually means more government, more regulations, and less freedom for our people.

This is one time when you may have an opportunity to vote for cloture and give the people an opportunity to seek restraint on the growth of Government, and chain the Congress down with a constitutional amendment.

Madam President, to repeat, I rise in support of this balanced budget constitutional amendment. Balancing the budget is one of the most important issues facing our country. How we deal with the deficit today will determine how well our children will live tomorrow. I would like to thank all of my colleagues who have dedicated so much time and energy to making the balanced budget amendment a reality. My special appreciation goes to the junior Senator from my State of Idaho, Senator CRAIG, for his tenacious effort.

This year, the annual budget deficit will be close to \$400 billion. That will push the total Federal debt to \$4 trillion in 1992. In the next fiscal year, the interest on this debt alone will be the largest Government expenditure.

This is money that will not be spent on the poor, nor on education, nor on infrastructure. Rather this form of Government redistribution of wealth will be paid to those who are able to buy Government bills.

The Congress passed Gramm-Rudman-Hollings in an attempt to eliminate the deficit. But the Congress decided not to meet the Gramm-Rudman-Hollings deficit targets and instead let future generations grapple balancing the budget. Well, if Congress lets the deficit continue at its current pace, the result will be the bankrupting of the Government, jeopardizing of private wealth, financial crisis, and high inflation.

This will do more than threaten spending for critical domestic programs; it will undermine the national economy and leave the entire population far worse than they are today.

Economists will argue a balanced budget amendment has no economic rationale. But economists do not understand the politics behind budgeting and that the Congress feels it is their obligation to bring home funding to their constituents. A balanced budget amendment is the best, and perhaps only, political means to counter this congressional tendency.

Thomas Jefferson wrote "the question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and

morally bound to pay them ourselves." In other words, it is unconstitutional to tax future generations because of their present lack of representation.

Jefferson also said the Constitution must change as society changes. The Constitution grants Congress the power of the purse, but Congress has refused its fundamental priority of protecting our national solvency. Perhaps the Constitution should recognize some checks on the Congress' power of the purse are necessary.

The cutbacks that would be required by a balanced budget amendment are a political nightmare, but they are an economic necessity. And in the end, that is what good government is all about; making tough choices for the good of the Nation.

I would like to discuss the fallacy of the current economic philosophy. Thirty years ago, an assortment of politicians, economists, and businessmen discarded the conventional economic wisdom.

The beliefs held by Eisenhower and the Republican Party, that low inflation and balanced budgets were something to seek every year, were decried as mercantilist—relics of the past which stunted growth.

The new thinking of the 1960's was that Government programs could improve the overall well-being of Americans and because of this, there was no need to pay for them. Small deficits sprouted. Eventually, small deficits became accepted by legislators. This allowed more programs to be started without the funds to pay for them. Large deficits soon became the norm.

Thirty years ago, economists told legislators not to worry about the growing deficits. In the long-run deficit spending will spur the economy and it all will work out. Now, its the long-run and we have an enormous debt. Now, the economists realize the damage continuous deficits do.

But the prevailing economic philosophy refuses to die. Economists will argue big deficits are bad, yet small ones are needed to spur the economy and fund needed programs.

The columnist P.J. O'Rourke commented that Republicans are like God: "middle-aged, patriarchal rather than paternal, a great believer in rules and regulations, and He holds men strictly accountable for their actions.

Democrats are like Santa Claus: non-threatening, cheerful, generous; He knows who's been naughty and who's been nice, but never does anything about it; He gives everyone everything they want without a quid pro quo. Santa Claus is preferable to God in every way but one: There is no such thing as Santa Claus.

I more than recognize not all Democrats believe Santa Claus can solve all the problems.

But its time to throw out the failed economic thinking of the past 30 years.

Its time to realize the Government is not Santa Claus; Government cannot create economic growth and universal well-being. Only people and business can.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. I yield 8 minutes to the distinguished senior Senator from New York [Mr. MOYNIHAN].

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Madam President, I thank the President pro tempore. I would like to address a subject which has not yet reached our counsel, which it appears to me we ought to do, and that has to do with the inflationary bias which the present sequence of events is bringing about.

On Thursday, Madam President, I raised the issue why do we think there is any systemic problem in American Government that we cannot control spending and therefore have to amend the Constitution? We control spending very carefully in this country.

Thirty years ago, in the Kennedy administration, what was thought to be our biggest problem was something called fiscal drag. As the economy would come out of a recession, revenues would grow, but the Congress would not spend the money and, therefore, we would not quite reach full employment.

I noted, in 1929, the Federal debt as a percent of GDP was 55 percent. It made its way down—after going up in World War II, to 34 percent in 1979, and then doubled. Next year it will be 72.9 percent; doubled for no evident reason, excepting we know the reason. Mr. Stockman has told us. They set out deliberately to have a deficit, thinking on some theory that it would cut spending; others, that supply-side economics would raise revenue.

Mr. Stockman, while in office, realized this was not happening and began to plead with the President and his associates—he was head of OMB—to increase revenues, to do whatever was necessary to keep the deficit from getting out of control. He failed.

In his book on the failure of the Reagan revolution, he wrote—this is not an unimportant statement—about the refusal to recognize what was going on by 1983-84. He said it was a "willful act of ignorance and grotesque irresponsibility." He said.

In the entire 20th century history of the Nation there has been nothing to rival it.

I remarked that many of the reviewers of Mr. Stockman's memoirs seem to be more interested in his relations with the First Lady than this central fact, but there was one exception. David P. Calleo, professor at the University of Maryland, probably well known to the distinguished Presiding Officer, had this to say. He said:

Few recent memoirs depict so vividly the incompetence of people in high places, or deflate so brutally expectations of rationale governance. His (Stockman's) conclusion about the essential frivolity of the Reagan fiscal policy is difficult to fault. Economists can quibble over the size and significance of past Federal deficits. But it is hard to see deficits on the present scale as anything other than the breakdown of rational government. For Mr. Stockman, the "Reagan revolution" was supposed to mean the restoration of free market capitalism through a purging of the waste and boondoggling of the postwar welfare state. Instead, as he concedes, the Administration's neoconservative rhetoric has merely been a smoke screen for a policy that has, in fact, severely crippled the free market with an impossible load of debt.

Now this, Madam President:

Moreover, while the Reaganites have heartily chanted the appropriate incantations, not one appears to have understood a rather fundamental conservative home truth: The free market—like all other kinds of freedoms—requires an orderly framework sustained by the state and a reasonable degree of self-discipline from its participants.

Above all; for a market to work efficiently—that is, for individuals and firms to make rational market decisions—

Here, I would hope the President pro tempore, my distinguished friend from Texas, and others might hear me—

for individuals and firms to make rational market decisions—money must have a stable value. To create today's fiscal climate of colossal, wanton, and unproductive indebtedness is to endow the American political economy with an almost irresistible propensity for inflation. Societies can live well enough with inflation, as governments control and manipulate to stave off disaster, but a free market cannot.

Madam President, think about that. In the last few months, we have heard increasing references to the condition of the United States eerily resembling that of the Weimar Republic, when irresistible propensities for inflation destroys a promising democracy.

G.K. Chesterton once spoke of "the prophetic past"—that is a nice phrase—the prophetic past. We are told what happens to nations that let inflation go wild.

Increasingly we hear allusions to the Weimar past in discussions of the American present. I raised the subject myself in a commencement address at the University of San Francisco just a few weeks ago. Just today a superb issue of the New Leader arrived with a review by Richard Rorty of a new work on American politics by John Patrick Diggins. Professor Rorty writes of "Developments reminiscent of Weimar—steadily increasing middle-class insecurity combined with a steadily increasing willingness to scapegoat racial groups (not just African-Americans but Asian-Americans as well). * * * " All we need is a Weimar inflation of the kind that destroyed the legitimacy of that once promising democracy. Inflation is what did it. And after a certain point, the only way a government gets rid of its debt is to

monetize its debt, which is to say to debase the currency.

Lenin once used the same term for how to destroy capitalism—debauch the currency. That is the situation we have created for ourselves. And it will become inexorable. This was foreseen 6 years ago. The prophetic past is a long notion, and it could be closer than we know.

The Senator from West Virginia says one thing: Return to sanity. Describe to the Nation and propose to the Congress what a balanced budget would be. Give it to us; we can do it.

Failing that, failing this avoidance of truth, this leakage of reality that has slipped into our affairs, and in 5 years time they may be beyond rational control, whereupon irrational purposes, irrational means, and irrational men may come to power.

Mr. NICKLES. Madam President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator has 29 minutes.

Mr. NICKLES. I yield Senator COATS 5 minutes.

Mr. COATS. Madam President, the Senate of the United States has before it today a simple question: Should the Congress be required by the Constitution to balance the budget?

The American people have, or at least should have a very keen interest in the outcome of this question. The decision is urgent, because our deficit is climbing at an alarming rate. It is one of the most fundamental issues I think the Congress ought to be deciding.

Thomas Jefferson noted:

The question of whether one generation has the right to bend another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and be morally bound to pay them ourselves.

It is that fundamental principle which we are seeking to debate and seeking to vote on. Unfortunately, Madam President, what we have before us today is not a direct vote on that very fundamental principle of government. We have concocted a Byzantine procedure, described roughly as a "gentleman's agreement," which does everything in its power to prevent this Senate from voting up or down, from recording themselves as yea or nay on a simple question of balancing the Federal budget.

If there is a Member of this body who can understand the so-called gentleman's agreement which was reached last week and understand how all that works, they should immediately apply for the job of Parliamentarian. I hope the Parliamentarian understands what we did. This Senator does not.

All I know is that the bottom line is that everything that was concocted last week was designed for the purpose of keeping us from voting a straight up

or down on a balanced budget amendment. And we have before us now the Byrd amendment which, if it passes, will preclude this body from voting in this session up or down on a balanced budget amendment.

We have avoided a clear vote on that. An injunction as old as the Scriptures says:

Let your yeas be yea, and your nays be nay.

That will not take place in this body today. Even if the Byrd amendment is defeated, we will then move to another procedural device called cloture, and probably not achieve enough votes to break that cloture, and this amendment will fall. The public will not have accountability on the part of its elected Senators as to where we stand on the balanced budget amendment.

Once again, we will have confused the general public. Once again, Members from both sides will be able to go home and explain a vote, but will not be able to answer the fundamental question: How did you vote on the Senate floor when the principle question of Government was presented to you? Did you vote "yea" or "nay"?

I have heard people come to the floor of the House and Senate, pound the pulpit, and call for courage: If only we had the courage—they said—we would not need to tinker with the Constitution. Courage is the only thing we lack in balancing the budget and dealing with our deficit.

Well, I ask you, Madam President, is the kind of deception that has been used to concoct a procedure whereby we will not have a direct vote on a balanced budget amendment courage? Is it courage to stop meaningful change with parliamentary tricks?

I think what we are doing is trying to confuse the public in a fog of maneuvering. We have lost the public trust. It is no wonder that we have lost it. I do not see courage—maybe complacency; maybe fear. I do not see bravery. Propose real reform, and Congress flees in terror. Propose a balanced budget amendment, term limits, line-item veto, and Congress does everything in its power to avoid addressing the fundamental questions.

Is it courage to keep every bit of our power to shower States with useless pork, to give money to every special interest, money we do not have? Is it courage to fight every reform that might possibly make a difference?

I do not think there is courage in defending the unworkable status quo, or grabbing that extra bit of cake, or trying to boldly stay where everyone has stayed before.

Courage is not an elastic term. It means sacrifice for a higher goal, and this Congress seems unwilling to sacrifice anything, none of its abused power, none of its deficit spending, none of its unreasonable pork, even when our future is at stake.

This I suggest, Madam President, is not the courage that we need.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, I yield to my friend, the Senator from Texas, 3 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, let me begin by propounding a parliamentary inquiry. Under the unanimous-consent agreement now in effect, is it not true that if the Byrd amendment is adopted that the underlying balanced budget amendment to the Constitution which would at that point be amended by the Byrd amendment, must then be withdrawn and leave only the GSE bill, which would then contain neither the balanced budget amendment nor the Byrd amendment?

The PRESIDING OFFICER. That is what the agreement provides for.

Mr. GRAMM. So that if Members vote for the Byrd amendment, they are not in reality voting for an amendment that would be part of the final bill that would be voted on after the Byrd amendment was approved. Is that not the case?

The PRESIDING OFFICER. The Chair is consulting the Parliamentarian to assure there is accuracy and no objection.

If the Byrd amendment is agreed to its content is essentially the same as the GSE bill. So in agreeing to the amendment you do agree to the Byrd amendment and the substance of the GSE bill as it existed before the Nickles amendment was put forth.

Mr. GRAMM. But further, a parliamentary inquiry, Madam President, none of the features in the Byrd amendment related to the President submitting a balanced budget amendment, or those provisions related to Congress acting to move toward a balanced budget would be part of the bill that would remain and upon which we would vote?

The PRESIDING OFFICER. This would not be part of the bill that remains.

Mr. GRAMM. So in reality, under the unanimous-consent agreement, the adoption of the Byrd amendment would have the same effect as the adoption of a motion to table and kill the underlying balanced budget amendment to the Constitution?

The PRESIDING OFFICER. It would have the same effect.

Mr. GRAMM. So, Madam President, I am not going to argue with anybody who says they do not want a balanced budget amendment to the Constitution. That is a fundamental difference as to what kind of vision you have for America's future. If you like the status quo then you are against the balanced budget amendment to the Constitution. I do not like the status quo. I would like to change dramatically American Government.

I would like to start a revolution in American Government to control spending, to balance the budget, so I am for the balanced budget amendment.

But the point I want to make, which is a very important point, is the choice here is not between the Byrd amendment—

The PRESIDING OFFICER (Mr. BRYAN). The Chair will inform the Senator from Texas the 3 minutes allocated to him have expired.

Mr. NICKLES. I yield to the Senator 2 additional minutes.

Mr. GRAMM. So the choice before us here is not a choice between the balanced budget amendment and the Byrd provision related to the President's submitting a balanced budget and Congress acting on it. None of that language under the unanimous-consent agreement will survive in the bill even if the Byrd amendment is adopted. Adoption of the Byrd amendment is effectively exactly equivalent to adoption of a motion to table and kill the balanced budget amendment to the Constitution.

So that if you vote for the Byrd amendment you cannot go back home and say I was for the President's submitting a balanced budget. You cannot say that the impact of my vote was to force the President to submit a balanced budget and to force Congress to act on that budget. That will not be the effect of the adoption of the Byrd amendment, because the unanimous-consent agreement says if the Byrd amendment is adopted, then the underlying balanced budget amendment must be withdrawn and, therefore, in reality a vote for the Byrd amendment has the effect of killing the underlying balanced budget amendment to the Constitution.

So if you are for the balanced budget amendment to the Constitution your vote is very clear. You should vote against the Byrd amendment which is equivalent, under the unanimous-consent agreement, to a motion to table and kill the underlying balanced budget amendment to the Constitution.

So I think the choice is clear. I hope our colleagues will vote against the Byrd amendment. I then hope they will vote for cloture to give us an opportunity to vote on what I believe is the number one issue facing the country, the balanced budget amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. How much time remains on my side?

The PRESIDING OFFICER. The Senator has 18 minutes and 48 seconds.

Mr. BYRD. How much time remains to the other side?

The PRESIDING OFFICER. Eighteen minutes and three seconds.

Mr. BYRD. I thank the Chair. How much time does the Senator from Michigan wish?

Mr. LEVIN. Eight minutes.

Mr. BYRD. I yield 8 minutes to the distinguished Senator from Michigan [Mr. LEVIN].

The PRESIDING OFFICER. The Senator may proceed.

Mr. LEVIN. Mr. President, I thank my friend from West Virginia.

Like the Senator from Texas I, too, want to change the status quo. It is not acceptable to me. But I oppose the Nickles amendment because I think it will actually worsen the deficit situation rather than help it.

Why will this constitutional amendment be a false step toward deficit reduction?

First of all, during the years prior to the effective date, Members of Congress would be able to point to the constitutional amendment as the sign of Congress' determination to balance the budget, in the future, of course. Many Members of Congress could say, "things may be a mess now but do not worry, things will get fixed up when the Constitution forces the Congress to balance the budget," in the future, of course. But when that future finally arrives, after years and years of more deficits, this balanced budget amendment, so-called, can be easily circumvented.

So, this amendment takes Congress and the President off the hook for many years. But once the amendment is in effect, there is no hook, because of the loopholes in the amendment.

For instance, the committee report that supports this amendment casually notes that the term "fiscal year" in the amendment is intended as a term defined by statute and "has no constitutional standing independent from its statutory definition."

So, when faced, for example, with a budget that is hopelessly out of balance for the normal 12-month timeframe, the President and the Congress may maintain that the path of least resistance is to redefine "fiscal year" to be 11 months or 13 months. Congress could decide to have billions of dollars saved by shortening the fiscal year by 1 day, so that the payday for Federal employees falls into the following fiscal year.

The terms of the amendment would be technically met, the budget would be balanced in the fiscal year, but at the expense of increasing public cynicism and frustration that contributed to the demand for the amendment in the first place. Gimmicks like this are allowed under this amendment, and they were used to partly circumvent the Gramm-Rudman statute which we tried. As long as the constitutional amendment has this soft underbelly that relies on statutory definition for implementation, there is no reason for confidence that its constitutional status will make a difference in the deficit.

Take another example of this flaw in the constitutional amendment before

us, this flaw of relying on Congress to implement the amendment. When speaking of the amendment's requirement that the President propose a budget in which total outlays do not exceed total receipts, the committee report supporting the amendment states, again, apparently with a straight face, "The committee anticipates good faith on the part of the President with respect to projected economic factors."

But what is there about the deficit decade of the 1980's that would give us confidence in the good faith of future administrations' economic forecasts? To the contrary, we always should remember the following passage from Stockman's book, "The Triumph of Politics"—Stockman, President Reagan's budget director—in which he described how the economic forecasts in the first budget submitted by President Reagan were developed to achieve political goal, not economic accuracy. Here is what he said:

Professor Weidenbaum, who was Chairman of the Council of Economic Advisers, "unfurled his scenario."

Someone finally taunted the professor. "What model did this come out of, Murray?"

Weidenbaum glared at this inquisitor a moment and said, "It came right out of here." With that he slapped his belly with both hands. "My visceral computer." He smiled.

Well, what is it in this proposed constitutional amendment that prevents the Weidenbaum visceral computer from reemerging as the President's economic forecasting device? Nothing.

Maybe the proposed constitutional amendment should be modified to add the phrase, "Provided that these estimates allowed herein are not based on Murray Weidenbaum's visceral computer."

Paper deficit reduction through estimates is clearly possible under the actual words of the Nickles amendment itself.

Section 6 of the amendment states:

The Congress shall enforce and implement this amendment by appropriate legislation which may rely on estimates of outlays and receipts.

How amazing it is that the constitutional amendment is offered because of lack of confidence in the Congress when the very language of the amendment relies on Congress to implement it and when there are so many loopholes that are open to a President and the Congress to evade it.

This constitutional amendment will give us an excuse not to act until years from now by its own terms. The history of politics of deficit reduction suggests that Congress and the President would be off the hook until then. And because of the loopholes even after its ratification, there is no hook after that.

The Byrd substitute calls for some Presidential action now, and this action is long overdue. The amendment

offered by the Senator from West Virginia would call on the President to do what he already has the power to do but what he has totally failed to do during his term of office. It would call on the President to submit a plan by September 1 on how he would balance the budget by September of 1998. And it would do so without amending the Constitution.

It would be mighty useful, Mr. President, for the President of the United States to lay out the kind of program cuts and/or revenue increases that he would recommend in order to achieve a balanced budget. By requiring that the President lay out a plan to balance the budget or by at least saying that the President should lay out a plan to balance the budget by September 1, the Byrd substitute would call for a Presidential road map to fiscal responsibility and a healthy dose of that responsibility is long overdue.

Mr. President, if there is any time remaining, I yield back the remainder of my time, and I thank my friend from West Virginia.

Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I yield my friend and colleague from California, Senator SEYMOUR, 5 minutes.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. I thank the Chair.

I would like to address the specific amendment that we are about to vote on because the debate is wandering here, there, and everywhere.

I would like to point out in reading the amendment—it is not lengthy, it is 2½ pages long—on the first page it says, line No. 1, "In lieu of the matter proposed." "In lieu of the matter proposed," Mr. President. The matter that is proposed is the balanced budget amendment.

So the first thing we have to understand about the President pro tempore's amendment is that it is in lieu of the balanced budget amendment.

The second thing I want to point out is that this amendment requires a balanced budget plan on page 2, lines 24 and 25, which directs the President to submit not later than September 2, 1992 a 5-year deficit reduction plan.

I have heard from my colleagues on the opposite side of the aisle, again and again blaming the President for not proposing a balanced budget plan a long time ago and suggesting that if we pass this amendment, he will propose one.

Well, Mr. President, I do not know. Maybe I read some things differently than other Members of the Senate. But here it is. This is the plan. And it has been around for some time. In fact, it is dated May 6, 1992, presented as testimony to the House Committee on the

Budget by Richard Darman, Director of the Office of Management and Budget. This is the President's plan, in fact, to balance the budget in 5 years.

And so what do we get out of this amendment? Nothing; absolutely nothing.

Finally, for those who might be considering voting in support of this amendment, who are concerned about raising taxes on the people of America, and who are particularly concerned about raising taxes in tough economic times—times when you least want to take more dollars out of the taxpayers' pocket. Line 10 of page 3 of this amendment we are about to vote on requires, it does not say you may, it says the plan "shall," "shall consist of increases in revenues." Well, we all know revenue mean taxes.

So I suggest what this amendment is a sort of shell game—and I must applaud the Senator from West Virginia, because this amendment is pure genius, pure genius—because on one hand this amendment suggests that it will get you to a balanced budget by directing the President to do something which he has already done. On the other hand, it does not say to Congress, you have to do anything. You do not have to do a thing. The President, if he should submit this plan the second time in accordance with this amendment, should it pass, the Congress does not have to respond, just as it has not responded to this plan.

You know, Mr. President, as I listen to the blame being spread around: "It is the fault of previous Congresses"; "It is the President's fault"; "No, it is the Democrats' fault"; "No, it is the Republicans' fault." I can't help but be reminded of a group of children.

My wife Judy and I have six children. As many of my colleagues know, I frequently talk about them. This debate reminds me of a time when my wife and I had come home from the grocery store and we noticed, as we drove up in the driveway, that there was a huge hole in the front window. It was obvious to me that a ball had gone through it. Four of our six children were in the family room watching television. I walked in. I do not mind saying I was a bit angry. I said, "Who threw the ball through the window?" And each one of the four kids said, "Not me. I didn't do it. I am not responsible."

And that is what this sounds like to me. "The reason we do not have a balanced budget is not by fault. I did not do it. I am not responsible."

Well, the truth of the matter is, Mr. President, we are not fooling anybody with this amendment. The genius of this amendment is that it really creates a fog.

The PRESIDING OFFICER. The Chair would point out to the Senator from California that the 5 minutes allocated to him have expired.

Mr. NICKLES. Mr. President, I yield the Senator an additional 2 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. SEYMOUR. Thank you, Mr. President.

This amendment is deceptive. It creates a political cover for those who want to say, yes, I voted for something demanding a balanced budget. But it does absolutely nothing. As a matter of fact, as the distinguished Senator from Texas pointed out, should this amendment pass, the fact of the matter is that the balanced budget amendment will be withdrawn and we will proceed to the business of the day.

Let me finally conclude by raising the question, trying to answer it very quickly, what is the magic of a balanced budget amendment. For some people, they seem to think that the Federal Government is something special, that somehow we can continue to have deficit after deficit after deficit and somehow thrive as a competitive nation.

Well, Mr. President, there is no magic. You can only spend more than you bring in for so long whether you are a private citizen; city; county or State; or even the Federal Government, you will be faced with the same problem—and that is where we are headed, into bankruptcy, leaving a rich legacy for our children and grandchildren—one of debt.

In fact, such a large debt that it is projected by the year 2020 at the current rate of spending every man, woman and child will be taxed \$4,000 per year to pay the interest, Mr. President, on this debt, just the interest, \$4,000 per person by the year 2020.

So, Mr. President, the insanity must end. The addiction must be cured. In order to cure this spending addiction, we need restraint, we need self-discipline, and that is why we must pass a balanced budget amendment.

I yield the floor.

Mr. CRAIG. Mr. President, I understand that after I left the floor some time earlier, the Senator from Maryland [Mr. SARBANES] raised a question about a reference I made to Harvard legal scholar Laurence Tribe. I appreciate the Senator's desire for a clarification and I don't want to take up valuable floor time over dueling quotes. We're both right and I'd like to include comments to that effect in the RECORD.

I am well aware that Professor Tribe appeared before the Senate Budget Committee in June as a witness opposed to most of the formulations of the amendment. But I think it's worth far more than a footnote that, in his own words, Professor Tribe has changed his mind about such an amendment at a conceptual level.

He now believes that an amendment requiring balanced budgets is the kind of provision that is appropriate to the Constitution. He now believes that such an amendment would protect the

kinds of rights that are appropriate for Constitutions to protect. He now believes that the deficit-and-debt problem is serious enough to warrant the extraordinary step of considering a constitutional solution. This is a fundamental change of opinion and I stand by my earlier statement that such a change represents the crumbling of an intellectual pillar long—and formerly—lending support to the other side's arguments.

In fact, Professor Tribe said, "I reluctantly conclude that none of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences * * *."

In the spirit of clarification, I offer for the RECORD the portion of Professor Tribe's testimony from which I earlier quoted.

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

EXCERPT FROM TESTIMONY BY LAURENCE H. TRIBE, TYLER PROFESSOR OF CONSTITUTIONAL LAW, HARVARD LAW SCHOOL, BEFORE THE SENATE BUDGET COMMITTEE, JUNE 4, 1992

At the outset, let me make clear that, despite the misgivings I expressed on this score a decade ago, I no longer think that a balanced budget amendment is, at a conceptual level, an ill-suited kind of provision to include in the Constitution. The inherent weaknesses of the current budget process have been well documented by public choice theorists and others: in a sort of national "prisoner's dilemma," citizens cry out for limiting aggregate spending but are unwilling to restrain specific spending programs that carry clearly identifiable benefits for their communities; they sometimes concede the need to raise tax levels generally but are strongly opposed to tax measures that carry clear costs for their segment of the population. Cut any program but mine; raise somebody else's taxes. Thus, although the citizenry as a whole would profit if the deficit were reduced, even through higher taxes or lower spending, the deficit continues to grow. As many have observed, the very purpose of a constitution is to pre-commit ourselves to certain choices and institutional arrangements that will promote our long-run best interests and help us resist the temptations of the short term—just as Odysseus bound himself to his ship's mast so that he would be able to withstand the Sirens' song.

Furthermore, the Jeffersonian notion that today's populace should not be able, by profligate borrowing, to burden future generations with excessive debt does seem to be the kind of fundamental value that is worthy of enshrinement in the Constitution. In a sense, it represents a structural protection for the rights of our children and grandchildren. Given the centrality in our revolutionary origins of the precept that there should be no taxation without representation, it seems especially fitting in principle that we seek somehow to tie our hands so that we cannot spend our children's legacy. Hence, I salute those like Senator Simon who have worked, with only the best of intentions, to bring the balanced budget issue to the Senate's attention.

Mr. CRAIG. The professor may disagree with those of us who support the

amendment as to how it would work, whether it could be enforced, whether it could be sufficiently flexible, whether the roles of the branches of government would be changed, and whether the courts would be drawn into the budgeting process.

Reasonable persons can disagree on the operation of such an amendment; but we welcome Professor Tribe's change of heart in that he now agrees with us "conceptually" and opposes the amendment only "reluctantly".

We who support the amendment, who have, in fact, participated in drafting and revising it over the years, have taken cognizance of the reasoned questions and reservations such as those of Professor Tribe.

The concern has been raised about the enforceability of the amendment. I understand that, upon questioning by the respected ranking minority member of the Budget Committee, Professor Tribe and another opposition witness, Prof. Walter Dellinger of Duke Law School, both said that—at that time—House Joint Resolution 290, the Stenholm amendment was more enforceable than Senate Joint Resolution 18 as reported, because of the requirement of a three-fifths vote to increase the debt limit. When the principal sponsors and supporters of both leading versions met prior to consideration by the other body, the Senators involved accepted the debt limit language into the final, "bipartisan, bicameral consensus" version.

Earlier on this Senate floor, I inserted into the RECORD an analysis by the Lincoln Legal Foundation addressing the issue of the role of the courts in enforcing the amendment. It is both the considered opinion of the amendment's authors, and their intent—and that's what this debate is about, in significant part, establishing congressional intent in approving this amendment—that the role of the courts would be limited.

We believe, based upon precedent and the scholarly interpretation of other witnesses and commentators, that standing to sue would be extremely limited; that most cases would be disposed of summarily as nonjusticiable, political questions; and that the judicial power would not extend beyond, in the words of Chief Justice Marshall in *Marbury versus Madison*, "say[ing] what the law is", and preventing execution of unconstitutional acts of Congress or executive actions.

To further clarify the intent and operation of the balanced budget amendment, in the bipartisan, bicameral consensus version, a new section 6 on enforcement was added. Last week I offered for the RECORD a detailed, section-by-section analysis of the consensus version, as well as explanatory materials in question-and-answer format, that, among other things, addressed questions of enforcement and imple-

mentation. I would like to insert into the RECORD, again at this time, the portion of the section-by-section explaining section 6.

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

Section 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

This section requires the adoption of legislation necessary, appropriate, and reasonable to enforce and implement the Balanced Budget Amendment. There is no need—and arguably it would be a bad idea—explicitly to foreclose the possibility of judicial interpretation or enforcement. However, this language further tilts presumptions of such responsibility toward extremely limited court involvement. This language also is intended to prevent the possibility of an interpretation that could shift the current balance of power among the branches in favor of the Executive.

Detailed analysis

"The Congress shall enforce and implement . . ." differs from clauses included in several other amendments that state, "The Congress shall have power to enforce . . ." This latter clause has been employed only where there was concern that the question could arise as to whether Congress had the power to pre-empt state laws or constitutions or was venturing impermissible beyond its constitutionally enumerated powers and into the rights reserved to the states or the people.

Here, no such question of pre-emption is conceivable. Congress clearly has the power to enforce and implement this Article, under the "necessary and proper" clause in Article I, Section 8, which states: "The Congress shall have power . . . To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

This section creates a positive obligation on the part of Congress to enact appropriate implementation and enforcement legislation. As a practical matter, this language simply requires what is inevitable and predictable. It is a simple statement that, however well-designed, a constitutional amendment dealing with subject matter as complicated as the federal budget process needs to be supplemented with legislation. It is a means of owning up to the truth in the arguments made by many Members of Congress—both supporters and opponents—that Members must expect to do more than cast this one vote to pass this one amendment, to ensure that deficits are brought down and, ultimately, eliminated.

The inclusion of a positive obligation to legislate does not make the Article more difficult to enforce, nor is it without precedence in the Constitution. Article I, Section 2, Clause 3 provides: "Representatives and direct Taxes shall be apportioned among the several States . . . according to their respective Numbers, which shall be determined by . . . [an] actual Enumeration . . . made within three years . . . and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. . . ." The critic who today asks, "What if Congress just doesn't enact implementing and enforcing legislation?" would be the counterpart of the critic who might have asked in 1787, "What if Congress just doesn't authorize or appro-

appropriate for a Census, if, in their own self-interest, they don't want the current apportionment to be changed?" In this case, it manifestly would be in Congress' own best interest to enact legislation ensuring a complete and clearly-defined budget process consistent with the Balanced Budget Amendment.

"... which may rely on estimates of outlays and receipts." This phrase allows Congress the flexibility in explicit language that it will need in practical effect, to make reasonable decisions and use reasonable estimates, when appropriate, as a means of achieving the normative result required in Section 1. To some extent, this phrase, too, states the obvious, that the process of budgeting and taxing and spending inevitably involves relying on estimates. "Estimates" means good faith, responsible, and reasonable estimates made with honest intent to implement Section 1 and not evade it.

The estimates contemplated in Section 6 do not apply in any way to a determination of the amount of debt referenced in Section 2. "Debt" there means actual, not estimated, debt.

Section 1 provides the standard by against which compliance with the amendment is measured. Section 6 clarifies that implementation and enforcement legislation may provide for the use of reasonable and appropriate estimates in the process of complying with Section 1. Section 6 is intended to support, strengthen, and aid the effectiveness of the other provisions of the amendment. This provision also will provide additional insurance against intrusion by the courts into the finer details of questions of compliance with the amendment.

Section 6 must not be interpreted in any way that would weaken or allow evasion of any other provision of this amendment. Over the course of the fiscal year, outlays may not exceed receipts. To the extent that any reasonable and lawful action can be taken to prevent an excess, it must be taken. On the other hand, for example, a brief dip in receipts or jump in outlays need not trigger a sequester, rescission, or other offsetting action if there it is reasonable to assume that such a "glitch" will be offset naturally in the near-term by normal economic or budgetary fluctuations.

In order to allow for an unexpected shortfall of receipts or an unexpected increase in outlays without triggering a three-fifths debt vote under Section 2, it would be necessary that the actual debt held by the public be held below the debt limit, by a sufficient amount to offset the amount by which actual receipts or outlays may differ from estimated receipts or outlays.

It also should be noted that outlays are both more predictable and more controllable than receipts. Therefore, the handling of outlays necessarily must be held to a stricter standard than the treatment of receipts. To be more specific, of course, is difficult until the actual design of implementation and enforcement legislation emerges. In all cases, the standard to be applied to the accuracy and adjustment of estimates is to be a rule of reason.

Changes from H.J. Res. 290/S.J. Res. 298, as introduced

Subsection 6 is a new section. It was added to this substitute in part to clarify the role of Congress in the implementation and enforcement of the amendment, in part to require the enactment of such legislation, and in part to clarify that whatever process Congress enacts to enforce this amendment may provide for the use of reasonable estimates.

It is also the intent of this provision to allow the use of a single level of total estimated receipts for a fiscal year, enacted into law at the beginning of the budget process, as the fixed target amount which outlays throughout the fiscal year may not exceed. In other words, Section 6 is intended to allow Congress to enact into law the process of measuring actual outlays against a fixed receipts estimate in the same way that was outlined in H.J. Res. 290 as introduced. Nothing in H.J. Res. 290 as introduced would have prevented Congress from imposing a more stringent process of measuring actual outlays against constantly-updated receipts estimates throughout the fiscal year. Section 6 of the substitute is no more and no less restrictive in this regard.

Changes from S.J. Res. 18, as reported:

Section 6 is a new section.

Mr. CRAIG. I want to reiterate the clear understanding and intent of the authors that section 6 further clarifies that a strictly limited role is contemplated for the courts—which leaves no room for judicial budget-writing—and that the current balance of power among the branches is preserved.

This argument, with regard to the responsibilities and powers of the President, was carried forward in a question-and-answer exchange between the chairman of the House Budget Committee and Representative STENHOLM, the chief sponsor of the House amendment, and in the materials I submitted last week; I would like to enter a brief portion of each into the RECORD at this point, respectively:

Q. What does the gentleman contemplate with respect to the issue of whether the amendment gives the President impoundment authority?

A. The amendment does not broaden in any way the current powers of the President. Absent some other process being legislated, the President would have the same non-discretionary duty to order that no funds be disbursed from the Treasury, at the point in time when actual outlays would otherwise exceed the maximum amount allowed, just as the President has such a duty today in the event appropriations have not been enacted in time to keep programs going. This does not envision in any way any sort of discretionary impoundment power on the part of the President or courts. The President could not order that funding for certain programs be halted while allowing funding to continue for other programs.

Q. Doesn't H.J. Res. 290 imply that the President would have enhanced powers to block spending based on a pretext of unconstitutionality?

A. A frequent criticism of previous BBA proposals has been that the President is not brought into the budget process sufficiently to share the responsibility of governing and the blame of impasse, although the President can criticize the Congress that "holds the purse strings." H.J. Res. 290 recognizes the accepted role the President has played under statute since the 1920s, by requiring the President to submit a balanced budget. The President must also share fiscal and political responsibility with Congress for H.J. Res. 290's joint receipts estimate. But beyond the role in that new joint estimate, H.J. Res. 290 does not broaden in any way the powers of the President. On the other hand, it does make the President more accountable for how the budget process proceeds.

Finally, I believe the record is ample and convincing that the enforcement and implementing language of section 6, and the reasonable supermajority hurdles in the amendment for running deficits, increasing the debt limit, and raising taxes, and the language allowing waivers during time of war or imminent military threat, provide an appropriate amount of flexibility.

I'm happy that Professor Tribe has come part of the way toward supporting the balanced budget amendment. We only disagree over the design and the particulars, not over the fundamental question of whether this amendment seeks to protect the kind of rights that ought to be protected in the Constitution. I'd like to see him come the rest of the way and maybe he still will. I'd like to see him join the ranks of other full-fledged converts, diverse converts, ranging from Michael Kinsley to George Will, from the Philadelphia Inquirer to the Washington Times, and from HENRY HYDE to JOE KENNEDY, among our colleagues in the other body.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I note the Senator from Arizona is on the floor. How much time does the Senator request?

Mr. DECONCINI. If the Senator will yield me 3 minutes, that will be sufficient.

Mr. NICKLES. I yield 3 minutes.

The PRESIDING OFFICER. The Senator from Arizona [Mr. DECONCINI] is recognized for 3 minutes.

Mr. DECONCINI. Mr. President, I rise in opposition to the pending amendment. I do so with the greatest respect for the President pro tempore and chairman of the Appropriations Committee and his intention here to bring about fiscal responsibility through his amendment. Indeed, if his amendment became the law of the land and, indeed, became effective and was not repealed by future Congresses and agreements that we have constantly seen put into effect here—yes, it would be a viable alternative to a constitutional amendment.

The fact of the matter, as I see it, is that we need a constitutional amendment to balance the budget. The Senator from West Virginia has presented his views in opposition to that amendment in a most eloquent manner, as he always does. He has expressed his view that this is a mistake and the amendment is flawed and that we should not proceed in this manner, and he gives the arguments in favor of other alternatives.

With all due respect, I think the argument bodes so well for us to pass a constitutional amendment. And, in fact, if we do that, we can come back and pass the Byrd amendment and we can mandate a balanced budget legislatively, in addition to the amendment.

What we really have here from the Republican side—who have offered this amendment—is a political statement. I happen to agree with the principle behind that statement. But I do not appreciate the politics that is played here for the purpose of trying to see how many votes you can pick up and what you can do with them, either towards your fellow Senator who is running for public office, or what the challenger might do with them. I understand that. The American public should understand what is going on here.

Nevertheless, there is a principle in addition to the politics. And, on our side here—if you want to call it our side—at least on the Byrd side of it, there is a principle, too. Strong legislation that would bring about the President submitting a plan for a balanced budget and Congress having to have the heat put on them to do the same. This is a workable solution. Not an alternative—in this Senator's judgment, at least—to a constitutional amendment, but a solution if we could pass it, if it could become law.

But there is politics here as there always is in this body. We like to think when our amendments are being considered they are based on statesmanship and what is good for the country.

Mr. President, since coming to the Senate over 15 years ago, I have continuously sought the support of my colleagues in passing a balanced budget amendment.

Had a balanced budget amendment passed during my first year in the Senate, the gross national debt would be approximately \$900 billion. Instead, the deficit alone is expected to reach \$400 billion this year and the debt will reach over \$4 trillion by 1993.

Since 1975, the amount of money spent annually to help defray rising interest costs on the debt has doubled. In 1975, 7 percent of the Federal Government's total outlays went to interest payments. This equaled roughly \$23 billion.

In 1990, this number jumped to over \$184 billion or 14.7 percent of total outlays. The projections for 1995 indicate that this amount will grow to an unprecedented \$242 billion in net interest payments, some 15.8 percent of outlays.

These are billions of dollars that should be spent on reducing taxes or on vital domestic programs like health care, drug treatment, and new roads and bridges. We are spending way too much of taxpayer money to pay off our cumulative past debts instead of investing in our future.

Few in Congress would dispute the need to control deficit spending. Between 1960 and today, this Nation has experienced a budget surplus twice. In 1960, we saw a surplus of \$301 million and in 1969, a surplus of \$3.2 billion. However, that is the end of the good news.

Since 1969, with the exception of the years 1987 through 1990 when the in-

crease in the deficit slowed, the annual deficit has grown larger every year. The deficit of 1986 was a record \$221 billion.

In 1991, an all-time record deficit was set at \$260 billion. Unfortunately, that record will be surpassed this year with a projected deficit of \$400 billion. The 1990 budget agreement estimated the deficit would be \$262 billion in 1992.

Thus, despite our best efforts to control spending, we will spend \$138 billion more than was intended under the 1990 budget agreement.

If a balanced budget amendment is not passed, these deficits will continue to grow and our children and their children will have to pay the tab.

Time after time, Congress has passed laws with the goal of controlling deficit spending and balancing the budget. Every one of these attempts has failed.

As a result, many of my colleagues are recognizing that the only long-term solution is a balanced budget amendment.

A constitutional amendment is needed because legislative rules can always be waived and the next Congress can always overturn the procedures and/or laws of its predecessors.

However, if Congress adopts and three-fourths of the States ratify, this amendment will become part of the fundamental law of the land affecting all future generations.

Despite my support for the amendment before us today, I strongly disagree with the partisan nature of the current consideration of the balanced budget amendment.

Bringing the amendment to the floor at this time is, I believe, a partisan effort to kill it and blame it on the Democrats.

Those of us on the Senate Judiciary Committee who worked for months to have the balanced budget amendment considered, believed it was important to focus the debate on the substance of the need for such an amendment and not the political ramifications.

The House voted on a balanced budget amendment on June 11 where it failed short of the two-thirds majority by nine votes.

After the House vote, Senator SIMON, the principal sponsor of Senate Joint Resolution 18, the Senate version of the balanced budget amendment, decided to postpone action on the amendment until the next Congress. He believed, and I agreed, that it was highly unlikely that there would be enough votes to change the outcome in the House.

While the House rule provides for the immediate consideration of a Senate-passed measure, Congressman STENHOLM has indicated he has no intention of invoking his prerogative under the rule unless he receives assurances from 12 House Members that they will change their vote and support the measure.

Twelve cosponsors of the House measure voted against the amendment and Representative STENHOLM wants a clear indication that the amendment will pass before he agrees to act on any Senate version. In this highly partisan election year and the limited time remaining before adjournment, this seems highly unlikely.

Because of my longstanding commitment to this issue and strong belief that this country needs a balanced budget amendment to the Constitution, I intend to vote for the amendment.

Nevertheless, I believe the efforts today jeopardize rather than enhance the possibility of a balanced budget amendment becoming part of our Constitution.

I do not support the motives behind today's debate. Clearly a bipartisan effort to enact a balanced budget amendment is preferable.

The PRESIDING OFFICER. The Chair informs the Senator the 3 minutes allocated to him have expired.

Mr. NICKLES. I yield the Senator an additional minute.

Mr. DeCONCINI. Mr. President, to wind this up, I believe the facts are that somebody has to decide when principle is more important versus the politics. Quite frankly, I toss the politics out when it comes to the awful debt problem we have in this country and that is why we need a balanced budget. So I am for the Byrd amendment on its own. And I am for the Nickles because it is a very important principle. I am going to vote against the Byrd amendment and then, I hope, if it is defeated, we will see a strong effort to bring it back up later on this Congress.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, how much time is remaining to both sides?

The PRESIDING OFFICER. The Senator from Oklahoma controls 6 minutes and 40 seconds.

Mr. NICKLES. Mr. President, I have several of my colleagues who wish to speak. The Senator from Florida requested 2 minutes.

Mr. President, I yield the Senator 2 minutes.

The PRESIDING OFFICER. The Senator from Florida [Mr. MACK] is recognized for 2 minutes.

Mr. MACK. As I was sitting here, I found myself getting more and more frustrated, and I wondered how I could possibly express my frustration. It dawned on me this is almost an instant replay of 9 years ago when I first came to the Congress. I was assigned to the Budget Committee as a freshman. And, it may be unknown to my colleagues on the other side of the aisle, but Stockman and Feldstein and Regan told us in 1983 that we were going to experience deficits of \$200 billion or greater every year for years to come. I thought for sure that would wake everybody up.

But I was so surprised and shocked when I walked on the floor, for my first vote on the budget when the first person who came through the door after the bells went off said, "What are we voting on; what are we here for?"

I feel like no one has awakened in the last 9 years. I am worried about the future of our country. People on the other side of the aisle, people around the Nation tell us about the fear people feel today about what might happen if we pass a balanced budget amendment. They say it is going to take away people's programs.

Let me make this warning. If we experience in the 1990's interest rates like we experienced in the 1970's, the cost of carrying our debt will go from 15 percent of our annual spending, where it is today, to somewhere between 35 and 40 percent. Think about that for a moment.

What is that going to do to our ability to make decisions with respect to Government programs? If we do not act now, the slow increase in the cost of carrying the debt will take away our flexibility. One thing I learned in the business community before I came here, was that successful companies plan flexibility into their financial plans. The Congress' failure over the past 9 years to deal with this issue has taken away America's flexibility and we will not be able to sustain our economy and our country for the next shock that comes up.

I thank the Senator for yielding me the time and yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. I yield my friend and colleague, Senator D'AMATO, 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. D'AMATO. Mr. President, if we do not get our financial house in order and if we do not have a balanced budget amendment to force us to do that which we do not have the courage to do, then we can say, oh, yes we will, but we have not, and we will not. We cannot stand up to the special interest groups when they come marauding in. Forget it—we collapse. It is like a bowling alley. Throw the ball down and knock the pins down. We are like the pins, right down. If we do not get our fiscal house in order, forget about the economy and economic recovery.

You wonder why business cannot compete? Because they cannot get the money. Government is out there sucking it up first. You wonder why the interest rates are high? Because they are worried about our spending, spending—who is going to finance the deficit?

One of these days the international financing community and the Japanese and others will tell us what we cannot or can do. We will become a third-rate

economic power. And then let us talk about what the unemployment will be. That is what we are talking about here. We are talking about the future of this country and our economy. We do not have the ability to stand up and make the tough decisions. We need a balanced budget amendment and I commend my colleagues for sponsoring this legislation. It is long overdue.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Oklahoma controls 2 minutes and 44 seconds; the Senator from West Virginia controls 10 minutes, 58 seconds.

Mr. NICKLES. Mr. President, I yield the Senator from Mississippi 2 minutes.

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

Mr. LOTT. Mr. President, as we near the end of this debate, I think it is important once again that we emphasize exactly what we are dealing with. First, I urge my colleagues to vote against the Byrd amendment, because, as a matter of fact, this is about as close as we are going to get to an actual vote on the balanced budget amendment. That is it. It is a very important vote.

This amendment is drawn in such a way that, if it is agreed to, as has already been pointed out, it takes down the constitutional amendment and, as a matter of fact, it would go out of existence, too. But this is the vote on the balanced budget constitutional amendment. Make no mistake about it. This will be the only one we will really be able to refer to and say it made a difference.

I think Presidents should submit budgets to the Congress and submit budgets that are balanced. But what does the Congress do with the budgets that are submitted by Presidents now?

They kick it around, laugh at it, throw it out in the street and ignore it, and go on and do what the Congress wants to year in and year out. But this amendment would not only require the President—it says "shall" send this balanced budget amendment. And then it says "shall" reduce the deficit by cutting spending in discretionary programs and in the entitlement area, but also by increases in revenues. Not "may"; the President would not have the option. He would have to come forward with a balanced budget that included increases in revenue.

The PRESIDING OFFICER. The Senator's time allocated to him has expired.

Mr. LOTT. Mr. President, I urge defeat of the Byrd amendment.

Mr. DOLE. Mr. President, I yield 2 minutes of my leader time.

Mr. LOTT. I thank the distinguished Senator for doing that.

Mr. President, I want to emphasize what we are actually doing with this amendment. It is very craftily drawn. It would take down the constitutional amendment. Even if it is adopted, I want my colleagues to understand for sure what we are doing with it.

I want to also point out once again that every day the Government spends a billion dollars more than it takes in. That is why I am for a constitutional amendment for a balanced budget: Because we cannot control ourselves in the spending area. Not in the revenue; it is in spending.

I commend to my colleagues an article from the Chicago Tribune by Stephen Chapman. It is entitled "A Balanced-Budget Measure: Not for Crackpots Anymore."

When the campaign for a balanced-budget amendment to the Constitution began in 1975, the proposal was dismissed as the primitive idea of reactionary crackpots. That was in those prehistoric times when a Federal budget deficit of \$53 billion was a scandal. The advocates warned then that without this amendment, we could expect to see more \$53 billion deficits. They were wrong. Not since 1979 has the deficit fallen that low. * * *

Passing a balanced-budget amendment may not be an imperfect solution. Not passing it is a grim guarantee that the irresponsibility of the recent past is only the beginning.

I urge that we defeat the Byrd amendment and find a way for the Senate to go on record—our colleagues in the House at least had the courage to stand up and cast a direct vote on this balanced budget amendment. I think the U.S. Senate should do the same thing.

If we would adopt this amendment, I remind my colleagues again, the House could take up the amendment immediately without intervening action and vote again. If we have the courage to stand up and vote for this balanced budget constitutional amendment, I guarantee you, the House would do it.

This is an important issue, the most important one we will face in the remainder of this year. Let us defeat the Byrd amendment, and find a way to have the courage to vote for a constitutional amendment for a balanced budget.

The PRESIDING OFFICER. Who yields time?

Mr. BRYAN. Mr. President, I support a constitutional amendment to balance the Federal budget, and to accomplish that goal. Last year, I cosponsored Senate Joint Resolution 18 introduced by Senator PAUL SIMON.

Our burgeoning Federal deficit is the greatest crisis facing our Nation today.

It is gobbling up our savings, robbing our ability to invest in infrastructure, and saddling our children with an enormous bill that will have to be paid.

In 1992, it is estimated the Federal deficit will reach over \$360 billion.

Our deficit is growing at a rate of \$6.9 billion per week.

Imagine, Mr. President, every day the Federal Government spends \$1 billion more than it takes in.

The national debt, the cumulation of these deficits, has grown to almost \$4 trillion. These are staggering figures.

Since I was elected to this body in 1989, I have been frustrated by the complete inability of Congress and the President to solve this problem.

When I took the oath of office in 1983, as Governor of the State of Nevada, our State, like the Nation, was in the grips of deep recession.

However, the Nevada State Constitution requires a balanced budget.

The necessary, excruciating task of balancing the State budget took strong executive and legislative leadership.

Those tough decisions were made and each year the State budget was balanced.

Nevada is not alone in requiring a balanced budget.

Many States across the Nation require Governors to submit, and legislatures to pass, budgets that reconcile revenue and expenditures. At the Federal level, it is clear that legislative solutions have not worked.

In 1985, the Gramm-Rudman-Hollings Act was passed and the Federal deficit was \$212 billion.

In 1990, we passed the Budget Enforcement Act to reduce the deficit by almost \$500 billion over 5 years.

Yet in 1992, the deficit will reach an astounding \$365 billion. The problem is not getting any better.

The Congressional Budget Office, reported in January, that the long-run outlook is discouraging.

Even after the most ambitious deficit reduction package ever, the underlying deficit remains stuck at about 3 percent of the gross domestic product.

A June 1992 GAO report entitled, "Prompt Action Necessary to Avert Long-Term Damage to the Economy," states that if current spending and revenue patterns continue, the deficit could reach 20.6 percent of gross national product by the year 2020.

What kind of prospects are there for reducing a national debt that will have more than tripled in 10 years?

Between the end of 1981 and the end of 1991, the national debt increased about 2½ times as much as in the entire previous 192 years of U.S. history.

The debt, expressed as a percent of gross domestic product, represents the ability of the economy to carry debt.

When the debt-to-gross domestic product is rising, domestic investment is adversely affected.

The debt held by the public will have doubled relative to gross domestic product by 1993 to over 53 percent.

Mr. President, not only is the Federal deficit itself a problem, interest payments to service the debt are devouring precious Federal dollars.

For the past decade Congress and the President have had a credit card men-

tal—buy goods and services today, worry about the payment later.

When the bill comes due, make that minimum payment and keep charging away. As any consumer knows, if you only make the minimum payment and keep charging, you'll never pay it off. The finance charges will just keep accruing.

Unfortunately for the people of this country and generations to come, use of this Government credit card is never denied and the amount of debt only continues to grow.

Over 14 percent of the budget is now interest payments on the debt—\$214 billion. This growing portion of our Federal budget threatens to exceed any other single item of spending.

As the debt service consumes more and more of the budget, the amount of resources that can be devoted to other needs are restricted. We are a country starving for resources.

Mr. President, a balanced budget amendment to the constitution will force the President and Congress to approach this matter in a way necessary to evaluate spending and get the deficit under control.

There are those who say a constitutional amendment is unwarranted, that the budget can be balanced any time the Congress and the President have the will to make tough decisions.

However, history has shown that nothing is more elusive, nothing is more desired, and nothing is more avoided, than the will to make the tough choices.

The tough revenue and spending choices that have to be made become the chief argument against an amendment.

Yet, however painful these choices are, these are not arguments against an amendment, but a complaint against fiscal responsibility.

Those who cry that the pain will be deep, only give proof to the proposition that the amendment is needed.

Yes, the pain has been long delayed, the narcotic of over spending has blinded us to the fact that the pain killer has prevented us from taking the cure. The balanced budget amendment is a means to an end.

To force a reluctant Chief Executive and a reluctant legislature to come to grips with the most politically unpalatable of dilemmas: telling the people that there is no such thing as a free lunch.

Demands on the Treasury must be reconciled with how ample are the coffers. Our amendment is straightforward and simple.

It would require that total outlays for any fiscal year shall not exceed the total receipts for the fiscal year, unless three-fifths of the whole number of each House of Congress votes for excess outlays.

It would require a three-fifths vote to increase the debt limit.

It would require the President to submit a balanced budget to Congress.

It allows the provisions to be waived in case of war.

It would take effect beginning in 1998.

And, finally, it requires the Congress to pass legislation implementing the balanced budget amendment.

Mr. President, the American public is crying out for action. Recent polling reports that 77 percent of the public supports a balanced budget. We need to heed the advice of one of our Founding Fathers, Thomas Jefferson, who warned:

I wish it were possible to obtain a single amendment to our constitution.

I would be willing to depend on that alone for the reduction of the administration of our Government to the genuine principles of its Constitution; I mean an additional article, taking from the Federal Government the power of borrowing. * * *

I place economy among the first and most important of Republican virtues, and public debt as the greatest of the dangers to be feared.

Let us not wait any longer.

Let us remove these shackles of debt and free ourselves from the prison of interest payments and pass a balanced budget amendment now.

Mr. NICKLES. Mr. President, last Thursday we had about 20 Senators, with some on both sides of the aisle, speak in favor of this amendment. Today, we have had, I think, a dozen Senators speak and several others request to speak.

Mr. President, if we adopt the so-called Byrd amendment, we will kill a constitutional amendment to balance the budget. I hope we will not do that. I believe that it would be a serious mistake if we did.

So I urge my colleagues to defeat the Byrd amendment.

The PRESIDING OFFICER. Who yields time? The Republican leader is recognized.

Mr. DOLE. As I understand, leader time was reserved.

The PRESIDING OFFICER. The Senator has 8 minutes left.

Mr. DOLE. Mr. President, I want to speak briefly in opposition to the amendment by the distinguished Senator from West Virginia [Mr. BYRD]. There is a certain amount of politics involved in this. Everybody understands that and those who oppose the balanced budget amendment certainly have their rights and they have expressed their views. Those who support it certainly have their rights, and they have expressed their views. But we ought to have a vote, and it seems to me for a number of reasons, the vote on the Byrd amendment ought to be in the negative.

In the first place, it requires the President submit a balanced budget by not later than September 2, 1992. I have heard a lot of talk about politics. I do not know where that date came from.

It just happened to be before the election.

Normally, the President submits a budget in January, but it does not require the Congress to adopt the budget the President submits. It says we must agree. Well, that is great. We do not have to do anything. That has been the problem: Congress does not do anything.

I can recall being the majority leader in 1985. On this floor at 2 o'clock in the morning, we had a tough vote, a tough vote, won by 50 to 49. We froze COLA's. We cut spending. We even increased revenues a little. But I got one vote on that side of the aisle. One—one vote on that side of the aisle. So I know where all the tough votes are coming from.

This amendment, with all respect to the Senator from West Virginia, is a political amendment. It does not provide any cover for Members on that side, because you do not have to raise taxes if it is adopted. As the Senator from Mississippi pointed out, it is going to disappear anyway. But you are going to make a statement in your vote.

If you want to mandate the President of the United States by September 2 of this year to submit a balanced budget, and you want to do that by reductions in spending, reductions in entitlements and other mandatory spending, and increase revenues, then we ought to have it in here that Congress ought to vote on September 3 to adopt it or reject it.

We have to do something. The President cannot do it all. That is why there is frustration in America. That is why Ross Perot is getting a lot of attention right now. He does not have the answers, either. He knows about the problems; he does not have the answers.

So I suggest we go back and take a look at those who made tough votes on entitlement programs and discretionary spending and, yes, revenues, and then we decide whether or not we are going to need a balanced budget amendment.

Is a balanced budget amendment the best way to go? Certainly not. But I doubt the Congress has a will to do anything else, and we do take an oath to support the Constitution. If this is part of the Constitution, I think it would be self-enforcing. It is pretty hard to go home and explain to people: I voted for the balanced budget amendment, but I did not mean it. I voted for all the spending programs.

So, yes, there is politics involved in this. There ought to be a vote. There ought to be a vote up or down. We cannot get an up-or-down vote. We cannot get any vote unless the Byrd amendment is defeated. And there are a lot of reasons it ought to be defeated, no matter how well intentioned, because it aims the gun right at the President. It does not aim anything at the Congress.

The American people understand that. I do not believe, the last time I

checked, the American people wanted an increase in taxes. It does not say how much you have to get out of the budget, whether it is 10 percent in taxes, or 90 percent in taxes and 10 percent reductions in spending. To me, it misses a lot of vital information that ought to be furnished.

So this amendment ought to be defeated. Then we ought to invoke cloture. Then we ought to have an up-or-down vote on the amendment itself. Then we ought to get the 67 votes and send it back to the House, because under their rules they will take it up immediately.

I do not see any real politics, partisan politics. We are fighting to reduce the deficit. It is a very important issue. Seventy-seven percent of the American people support a balanced budget amendment. I would say to those who cosponsored balanced budget amendments, they are going to have an opportunity pretty soon to tell the people in their States: Well, I did not mean it; I meant it only as long as we did not have to vote.

So let us defeat the amendment of the distinguished Senator from West Virginia [Mr. BYRD] and then let us invoke cloture. Maybe we can get an agreement to modify this amendment so Congress has to do something. The American people want us to do something. When are we going to vote to cut spending?

So it seems to me, Mr. President, for all the reasons that have been stated by my colleagues on both sides of the aisle, we need a balanced budget amendment. And to get there, we need to defeat this amendment. So if you vote for this amendment, you are voting against a balanced budget amendment; it is that simple. It is going to be that easy to explain.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from West Virginia controls 10 minutes and 58 seconds.

Mr. BYRD. Mr. President, the amendment which I have offered does require that the Congress do something—may I say to my distinguished friend from Kansas, Mr. DOLE—on page 2, section 5, and I read therefrom:

The President and the Congress must agree upon a plan to balance the budget in order to decrease the debt burden on current and future generations, and provide a long-term sound economic structure for future generations.

So do not let it be said that the Byrd amendment does not require the Congress to do something.

Mr. President, it is the Nickles-Seymour-Gramm amendment that does not require the Congress to do anything.

It puts the whole shebang off at least until 1998, perhaps the year 2000, maybe 2001. The constitutional amendment to balance the budget puts it all off. Congress does not have to do anything. The President does not have to do anything. President Bush can just sit in his chair in the Oval Office in the event he is reelected; he has 4 more years. He does not have to worry about this constitutional amendment. It does not go into effect, it will not begin to bite until 1998 at the earliest. So if Senators really want the status quo, then they want the constitutional amendment on the balanced budget because they will not have to do anything for 10 years, 1998 at the earliest.

Now, Mr. President, I suppose nobody really knows what the ramifications will be if the constitutional amendment on the balanced budget were really adopted. I think that it will either be enforced or it will not be enforced. Some think it will not be enforced, some think it will be enforced. But in either event, it will not be good for the country. I do not have time to state all the reasons why, in both cases. We have discussed the possible ramifications heretofore. But either way, if it is not enforced or if it is enforced, Senators who vote for the constitutional amendment, in my judgment, will rue the day.

Let us compare the Byrd amendment with the constitutional amendment offered by Mr. NICKLES and other Senators. I respect those Senators, and I know they think what they are doing is best. I disagree. But looking at their amendment and looking at the Byrd amendment, those are the options in this next vote. Which do you want? Let us take a look, first of all, at the Nickles amendment.

A physiognomical analysis of the amendment indicates that it is merely a placebo to satisfy the patient.

As compared with the Byrd amendment, it is unworkable, unenforceable, and will result in a further undermining of the people's confidence in their Federal Government. Magic incantations are not enough, and the voters will find when it is all too late that this philosopher's stone was nothing more than premeditated procrastination to help us get by the election. I urge Senators to reject this pneumatic excrescence which would attach itself to the body of the Constitution like a barnacle, creating false expectations and paving the way for further despair.

Most of us are familiar with Homer's epic the *Odyssey* in which we are treated to the exciting and beautiful story of the wanderings of Odysseus following the Trojan War. We will recall that the divine Circe bade Odysseus to stay away from the siren's isle with their melodious voices and song which came from lips sweet as honey. Odysseus alone must hear them, he was told by Circe. Plugging his companion's ears

with wax. Odysseus ordered them to bind him hand and foot with ropes to the mast of the ship. He instructed them to disregard his orders to set him free and to tie him to the mast tighter than ever until they were a long way past the siren's isle. The Constitution is like the mast; its ropes bind us and restrain us where we would otherwise be tempted to go beyond the proper bounds of human behavior. But where are the ropes that would bind us in the Nickles-Seymour-Gramm amendment? Its ropes are of sand, mere high-sounding platitudes with no indications as to how they are to be enforced or by whom. For example, the statement that "total outlays for any fiscal year shall not exceed total receipts for that fiscal year," is nothing more than a precatory expression of pious hope. God said, "Let there be light," and there was light. But man is not God, and to say that outlays for any fiscal year "shall" not exceed total receipts for that fiscal year, does not make it happen, any more than would be the case if a constitutional amendment were added stating that the forest primeval shall be restored by the year 2000, the environment shall be pure by the year 2000, or the Nation's rivers shall revert to their original pristine state by the turn of the century. Saying it will not make it happen, even if it is the Constitution that says it. This is an empty exercise in voodoo budget balancing, and Senators and Presidents should know better than to disfigure the face of the Constitution with warts filled with wind, and encumber it with ropes made of sand.

My amendment requires the President to submit by September 1 of this year, a 5-year deficit reduction plan to balance the budget by September 30, 1998. The President must use the same economic and technical assumptions contained in his 1993 budget. Section Two of my amendment also requires that the President's plan shall include reductions in domestic discretionary spending, military spending, and foreign aid spending, as well as reductions in entitlement and mandatory spending; and that increases in revenues shall be a part of his plan.

A vote for my amendment is a vote to start balancing the budget this year. It is a vote for action now, not 10 years from now. If our budget deficit is allowed to continue to grow for perhaps as long as a decade, as it could under the present proposed constitutional amendment, we will only be deeper in the hole when we finally do begin the task. We need to start now and my amendment gets us started now.

A vote against my amendment is a vote for delay. It is a vote to put off beginning to seriously address the deficit. It is a vote that says do nothing. Con-

tinue to run huge deficits. We do not have to do anything if the Byrd amendment is voted down. We can put off serious deficit reduction and sit tight for perhaps a decade before we have to begin to make the tough choices. Let us explain that one to our constituents. Let us tell them why we voted to do nothing this year. Let us explain why it is critical to adopt a constitutional amendment, and yet vote to turn down the one approach that would have gotten us started this year. Whom will we be kidding with that explanation? Surely, the people will know better and we will only be kidding ourselves.

Mr. President, I yield back the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Oklahoma has 20 seconds remaining.

Mr. DOMENICI. Mr. President, how much time does the Republican leader have?

The PRESIDING OFFICER. Two minutes and 48 seconds.

Mr. DOMENICI. He indicated to me that he would yield that time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator may proceed.

Mr. BYRD. How much time did I yield back?

The PRESIDING OFFICER. The Senator yielded back 2 minutes.

Mr. BYRD. I ask unanimous consent that I may reserve those 2 minutes.

The PRESIDING OFFICER. The Senator has that right.

Mr. DOMENICI. Mr. President, I was trying to get the Senator's attention to tell him that I was going to use the time so that I would not yield the time, but I did not get the message to him on time and I apologize.

Mr. BYRD. I thank the Senator.

Mr. DOMENICI. Mr. President, I really have the greatest respect for the distinguished chairman of the Appropriations Committee. But, frankly, I am really amazed that he would use the word "voodoo" to explain a balanced budget amendment. If the balanced budget amendment is voodoo, then it seems to me his amendment is double voodoo. First, it is pure, unequivocal politics. Does the Senator really believe that a President should submit a balanced budget by September 2 of this year? Does he really believe that will ever happen? That is a joke. That is the equivalent of voodoo. And then to say that Congress has to do something—I am reading clause No. 5.

It does not say when. It just says Congress must agree upon a plan. I assume the voodoo that the distinguished chairman desires here is, get the President this year, and Congress will wait around to decide what they want to do, if ever.

The truth of the matter is this is not an amendment that is aimed at getting anything done now. The distinguished Senator from West Virginia has said that a couple of times. It is an amendment aimed at getting rid of the constitutional amendment vote. That is all. It is not going to get anything. The U.S. House is not going to vote for this. The President of the United States is not going to let this become law because it borders on the ridiculous to tell a President he is supposed to submit a balanced budget by September 2, and is supposed to include taxes and all the other things, including entitlements, when the other side led by the distinguished Senator from West Virginia will run from entitlements if the President put it in, at least clear through the election. They might run into the next decade if what we have already seen in the past is any indication.

We had only one major opportunity to do something real about the deficit. The distinguished Republican leader talked about that. That was a real vote with reconciliation, and mandates to get it under control. It was a real opportunity to do something then. There was one Democratic vote, and I regret to say that he is dead now.

Mr. BYRD addressed the Chair.

Mr. NICKLES. Will the Senator yield?

Mr. BYRD. Yes.

Mr. NICKLES. Mr. President, I ask unanimous consent to have printed in the RECORD at this point several charts, in addition to a rollcall vote that we had on April 9, which stated our strong preference to pass the constitutional amendment to balance the budget.

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

[ROLLCALL VOTE NO. 72 Leg.]

YEAS—63

Biden, Bond, Boren, Breaux, Brown, Bryan, Burdick, Burns, Chafee, Coats, Cochran, Cohen, Conrad, Craig, D'Amato, Danforth, Daschle, DeConcini, Dole, Domenici, Durenberger, Exon, Ford, Fowler, Garn, Gorton, Graham, Grassley, Harkin, Hatch, Hatfield, Heflin, Helms, Hollings, Kassebaum, Kasten, Kohl, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Nunn, Packwood, Pell, Pressler, Reid, Robb, Roth, Rudman, Sanford, Seymour, Shelby, Simon, Simpson, Smith, Specter, Stevens, Symms, Thurmond, Warner.

NAYS—32

Adams, Akaka, Baucus, Bentsen, Bingaman, Bradley, Bumpers, Byrd, Cranston, Dodd, Glenn, Gore, Inouye, Johnston, Kennedy, Kerrey, Kerry, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Pryor, Riegle, Rockefeller, Sarbanes, Sasser, Wellstone, Wofford.

NOT VOTING—5

Dixon, Gramm, Jeffords, Wallop, Wirth.

HISTORICAL AND PROJECTED BUDGET DATA

[In billions of nominal dollars]

Budget actuals	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	Estimate 1992
Individual taxes	90	86	95	103	119	122	132	158	181	218	244	286	298	289	298	335	349	393	401	446	467	468	477
Corporate taxes	33	27	32	36	39	41	41	55	60	66	65	61	49	37	57	61	63	84	94	103	94	98	91
Social insurance taxes	44	47	53	63	75	85	91	107	121	139	158	183	202	209	239	265	284	303	334	359	380	396	416
Other receipts	25	27	28	28	30	32	34	37	38	41	51	70	69	66	72	73	73	74	79	82	91	92	98
Revenues	193	187	207	231	263	279	298	356	400	463	517	599	618	601	667	734	769	854	909	991	1,031	1,054	1,083
Defense	82	79	79	77	81	88	90	98	105	117	135	158	186	210	228	253	274	283	291	304	300	317	313
International	4	4	5	5	6	8	8	8	9	9	13	14	13	14	16	17	18	15	16	17	19	20	20
Domestic	39	44	49	53	56	67	78	92	106	114	129	137	127	130	135	146	148	147	158	169	183	196	215
Total, discretionary	125	127	133	135	143	163	176	197	219	240	277	308	326	354	380	416	439	445	465	490	502	532	548
Social Security	30	35	39	48	55	64	73	84	92	103	117	138	154	169	176	186	197	205	217	230	247	267	285
Medicaid	3	3	5	5	6	7	9	10	11	12	14	17	17	19	20	23	25	27	31	35	41	53	68
Medicare	7	8	8	9	11	14	17	21	24	28	34	41	49	56	61	70	74	80	86	94	107	114	128
Unemployment	3	6	7	5	6	13	19	14	11	10	17	18	22	30	17	16	16	16	14	14	17	25	39
Other	27	31	38	46	50	67	73	78	90	95	110	126	130	139	132	155	148	142	148	154	154	177	190
Total, mandatory	69	83	97	112	127	164	190	207	228	248	292	341	373	412	406	450	460	470	494	527	567	636	710
Offsetting receipts	(12)	(14)	(14)	(18)	(21)	(18)	(20)	(22)	(23)	(26)	(29)	(38)	(36)	(45)	(44)	(47)	(46)	(53)	(57)	(64)	(58)	(108)	(69)
Deposit insurance	(1)	(0)	(1)	(1)	1	1	(1)	(1)	(1)	(2)	(0)	(1)	(2)	(1)	1	2	3	10	22	58	66	65	(65)
Net interest	14	15	16	17	21	23	27	30	36	43	53	69	85	90	111	130	136	139	152	169	184	196	201
Outlays	196	210	231	246	269	332	372	409	459	504	591	678	746	808	852	946	990	1,004	1,064	1,144	1,252	1,323	1,455
Deficit	(3)	(23)	(23)	(15)	(6)	(53)	(74)	(54)	(59)	(40)	(74)	(79)	(128)	(208)	(185)	(212)	(221)	(150)	(155)	(154)	(221)	(269)	(368)

Source: Congressional Budget Office.

HISTORICAL AND PROJECTED BUDGET DATA

[Annual change in percent]

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Individual taxes	-5	10	9	15	3	8	20	15	20	12	17	4	-3	3	12	4	12	2	11	5	0	2
Corporate taxes	-18	20	12	7	5	2	33	9	10	-2	-5	-19	-25	54	8	33	12	10	-9	5	-7	
Social insurance taxes	7	11	20	19	13	7	17	14	15	14	16	10	4	15	11	7	7	10	8	6	4	5
Other receipts	6	4	2	8	4	9	7	3	9	24	38	0	-5	9	2	0	2	7	4	10	2	7
Revenues	-3	11	11	14	6	7	19	12	16	12	16	3	-3	11	10	5	11	6	9	4	2	3
Defense	-4	0	-3	5	9	3	8	7	12	15	17	18	13	9	11	8	3	3	5	-1	6	-1
International	-5	21	4	29	32	-9	7	6	7	41	6	-5	5	20	7	2	-14	3	6	15	2	3
Domestic	14	11	8	5	20	17	17	15	8	13	6	-7	2	4	8	1	0	8	7	8	7	10
Total	2	5	1	6	14	8	12	11	10	15	11	6	8	7	10	5	1	5	5	2	6	3
Social Security	19	12	22	14	16	14	15	10	11	14	18	12	9	5	6	5	4	6	6	7	8	7
Medicaid	26	35	0	26	17	26	15	8	16	13	20	4	9	6	13	10	10	11	13	19	28	30
Medicare	10	12	7	19	32	20	23	17	16	21	21	19	13	10	14	6	8	7	10	14	6	12
Unemployment	87	16	-27	14	129	45	-23	-24	-10	72	8	22	33	-43	-7	2	-4	-12	2	23	47	55
Other	17	22	21	10	34	9	7	16	6	15	15	3	7	-5	18	-5	-4	4	4	0	15	7
Total	20	17	16	13	29	15	9	11	9	17	17	9	10	-1	11	2	2	5	7	7	12	12
Net interest	3	5	12	24	8	15	12	19	20	23	31	24	6	24	17	5	2	9	11	9	7	2
Outlays	7	10	7	10	23	12	10	12	10	17	15	10	8	5	11	5	1	6	8	9	6	10
Deficit	721	2	-36	-59	772	39	-27	10	-32	84	7	62	62	-11	15	4	-32	4	-1	44	22	37

Source: Congressional Budget Office.

FEDERAL SPENDING CATEGORIES

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
Mandatory (except Social Security):				
1980	\$174.4			6.4
1981	202.7	\$28.3	16.2	6.7
1982	218.8	16.1	7.9	6.9
1983	243.1	24.3	11.1	7.1
1984	230.2	(12.9)	-5.3	6.1
1985	263.6	33.4	14.5	6.5
1986	263.2	(.4)	-.2	6.2
1987	265.1	1.9	.7	5.8
1988	277.4	12.3	4.6	5.7
1989	296.8	19.4	7.0	5.7
1990	320.0	23.2	7.8	5.8
1991	369.2	49.2	15.4	6.5
1992	425.4	56.2	15.2	7.2
International:				
1980	12.8			.5
1981	13.6	.8	6.2	.4
1982	12.9	(.7)	-5.1	.4
1983	13.6	.7	5.4	.4
1984	16.3	2.7	19.9	.4
1985	17.4	1.1	6.7	.4
1986	17.7	.3	1.7	.4
1987	15.2	(2.5)	-14.1	.3
1988	15.7	.5	3.3	.3
1989	16.6	.9	5.7	.3
1990	19.1	2.5	15.1	.3
1991	19.5	.4	2.1	.3
1992	20.0	.5	2.6	.3
Social Security:				
1980	117.1			4.3
1981	137.9	20.8	17.8	4.6

FEDERAL SPENDING CATEGORIES—Continued

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
1982	153.9	16.0	11.6	4.9
1983	168.5	14.6	9.5	4.9
1984	176.1	7.6	4.5	4.7
1985	186.4	10.3	5.8	4.6
1986	196.5	10.1	5.4	4.6
1987	205.1	8.6	4.4	4.5
1988	216.8	11.7	5.7	4.4
1989	230.4	13.6	6.3	4.4
1990	246.5	16.1	7.0	4.5
1991	266.7	20.2	8.2	4.7
1992	284.5	17.8	6.7	4.8
Domestic:				
1980	129.1			4.8
1981	136.5	7.4	5.7	4.5
1982	127.4	(9.1)	-6.7	4.0
1983	130.0	2.6	2.0	3.8
1984	135.3	5.3	4.1	3.6
1985	145.7	10.4	7.7	3.6
1986	147.5	1.8	1.2	3.5
1987	147.2	(.3)	-.2	3.2
1988	158.4	11.2	7.6	3.2
1989	169.0	10.6	6.7	3.2
1990	182.5	13.5	8.0	3.3
1991	195.7	13.2	7.2	3.4
1992	215.0	19.3	9.9	3.6
Defense:				
1980	134.6			5.0
1981	158.0	23.4	17.4	5.2
1982	185.9	27.9	17.7	5.9
1983	209.9	24.0	12.9	6.2
1984	228.0	18.1	8.6	6.0
1985	253.1	25.1	11.0	6.3
1986	273.8	20.7	8.2	6.4
1987	282.5	8.7	3.2	6.2

FEDERAL SPENDING CATEGORIES—Continued

[In billions of nominal dollars]

Year	Outlays	Growth	Percent growth	Percent of GDP
1988	290.9	8.4	3.0	5.9
1989	304.0	13.1	4.5	5.8
1990	300.1	(3.9)	-1.3	5.4
1991	317.0	16.9	5.6	5.6
1992	313.0	(4.0)	-1.3	5.3
Net interest:				
1980	52.5			1.9
1981	68.8	16.3	31.0	2.3
1982	85.0	16.2	23.5	2.7
1983	89.8	4.8	5.6	2.6
1984	111.1	21.3	23.7	2.9
1985	129.5	18.4	16.6	3.2
1986	136.0	6.5	5.0	3.2
1987	138.7	2.7	2.0	3.1
1988	151.8	13.1	9.4	3.1
1989	169.2	17.4	11.5	3.2</

FEDERAL SPENDING CATEGORIES—Continued
(In billions of nominal dollars)

Year	Outlays	Growth	Percent growth	Percent of GDP
Unemployment compensation:				
1980	16.9			.6
1981	18.3	1.4	8.3	.6
1982	22.3	4.0	21.9	.7
1983	29.7	7.4	33.2	.9
1984	17.0	(12.7)	-42.8	.5
1985	15.8	(1.2)	-7.1	.4
1986	16.1	.3	1.9	.4
1987	15.5	(.6)	-3.7	.3
1988	13.6	(1.9)	-12.3	.3
1989	13.9	.3	2.2	.3
1990	17.5	3.6	25.9	.3
1991	25.1	7.6	43.4	.4
1992	38.9	13.8	55.0	.7
Medicare:				
1980	34.0			1.3
1981	41.3	7.3	21.5	1.4
1982	49.2	7.9	19.1	1.6
1983	55.5	6.3	12.8	1.6
1984	61.0	5.5	9.9	1.6
1985	69.7	8.7	14.3	1.7
1986	74.2	4.5	6.5	1.7
1987	79.9	5.7	7.7	1.8
1988	85.7	5.8	7.3	1.7
1989	94.3	8.6	10.0	1.8
1990	107.4	13.1	13.9	1.9
1991	114.2	6.8	6.3	2.0
1992	128.3	14.1	12.3	2.2
Medicaid:				
1980	14.0			.5
1981	16.8	2.8	20.0	.6
1982	17.4	.6	3.6	.6
1983	19.0	1.6	9.2	.6
1984	20.1	1.1	5.8	.5
1985	22.7	2.6	12.9	.6
1986	25.0	2.3	10.1	.6
1987	27.4	2.4	9.6	.6
1988	30.5	3.1	11.3	.6
1989	34.6	4.1	13.4	.7
1990	41.1	6.5	18.8	.7
1991	52.5	11.4	27.7	.9
1992	68.4	15.9	30.3	1.2
Food stamps:				
1980	9.1			.3
1981	11.3	2.2	24.2	.4
1982	11.0	(.3)	-2.7	.3
1983	11.8	.8	7.3	.3
1984	11.6	(.2)	-1.7	.3
1985	11.7	.1	.9	.3
1986	11.6	(.1)	-.9	.3
1987	11.6	0	.0	.3
1988	12.3	.7	6.0	.3
1989	12.8	.5	4.1	.2
1990	15.0	2.2	17.2	.3
1991	18.7	3.7	24.7	.3
1992	22.2	3.5	18.7	.4
Family support (AFDC):				
1980	7.3			.3
1981	8.2	.9	12.3	.3
1982	8.0	(.2)	-2.4	.3
1983	8.4	.4	5.0	.2
1984	8.9	.5	6.0	.2
1985	9.2	.3	3.4	.2
1986	9.9	.7	7.6	.2
1987	10.5	.6	6.1	.2
1988	10.8	.3	2.9	.2
1989	11.2	.4	3.7	.2
1990	12.2	1.0	8.9	.2
1991	13.5	1.3	10.7	.2
1992	15.1	1.6	11.9	.3
Veterans benefits and services:				
1980	14.0			.5
1981	15.4	1.4	10.0	.5
1982	15.8	.4	2.6	.5
1983	15.9	.1	.6	.5
1984	16.0	.1	.6	.4
1985	15.9	(.1)	-.6	.4
1986	15.7	(.2)	-1.3	.4
1987	15.7	0	.0	.3
1988	17.6	1.9	12.1	.4
1989	17.7	.1	.5	.3
1990	15.9	(1.8)	-10.2	.3
1991	17.3	1.4	8.8	.3
1992	19.5	2.2	12.7	.3
Other mandatory:				
1980	75.0			2.8
1981	86.1	11.1	14.8	2.8
1982	82.2	(3.9)	-4.5	2.6
1983	82.7	.5	.6	2.4
1984	87.1	4.4	5.3	2.3
1985	99.8	12.7	14.6	2.5
1986	83.5	(16.3)	-16.3	2.0
1987	80.7	(2.8)	-3.4	1.8
1988	92.0	11.3	14.0	1.9
1989	97.7	5.7	6.2	1.9
1990	100.0	2.3	2.4	1.8
1991	112.9	12.9	12.9	2.0
1992	114.4	1.5	1.3	1.9
Farm price supports:				
1980	2.8			.1
1981	4.0	1.2	42.9	.1
1982	11.7	7.7	192.5	.4
1983	18.9	7.2	61.5	.6

FEDERAL SPENDING CATEGORIES—Continued
(In billions of nominal dollars)

Year	Outlays	Growth	Percent growth	Percent of GDP
1984	7.3	(11.5)	-61.4	.2
1985	17.7	10.4	142.5	.4
1986	25.8	8.1	45.8	.6
1987	22.4	(3.4)	-13.2	.5
1988	12.2	(10.2)	-45.5	.2
1989	10.6	(1.6)	-13.1	.2
1990	6.5	(4.1)	-38.7	.1
1991	10.1	3.6	55.4	.2
1992	11.4	1.3	12.9	.2
Federal retirement & disability:				
1980	25.6			1.0
1981	31.2	4.6	17.3	1.0
1982	34.3	3.1	9.9	1.1
1983	36.5	2.2	6.4	1.1
1984	38.0	1.5	4.1	1.0
1985	38.5	.5	1.3	1.0
1986	41.3	2.8	7.3	1.0
1987	43.7	2.4	5.8	1.0
1988	46.8	3.1	7.1	1.0
1989	49.1	2.3	4.9	.9
1990	51.9	2.8	5.7	.9
1991	56.0	4.1	7.9	1.0
1992	58.7	2.7	4.8	1.0

Source: CBO.

MONTHLY TREASURY STATEMENT ANALYSIS

Fiscal year	Receipts	Cumulative	Outlays	Cumulative	Deficit/(surplus)	Cumulative
1991						
October	76,986	76,986	108,350	108,350	31,364	31,364
November	70,507	147,493	118,230	226,580	47,723	79,087
December	101,900	249,393	103,287	335,867	7,387	86,474
January	100,713	350,106	99,062	434,929	(1,650)	84,824
February	67,657	417,763	93,848	528,777	26,191	111,015
March	64,805	482,568	105,978	634,755	41,173	152,188
April	140,380	622,948	110,371	745,126	(30,009)	122,179
May	63,560	686,508	116,926	862,052	53,367	175,546
June	103,389	789,897	105,968	968,020	2,579	178,125
July	78,593	868,490	119,424	1,087,444	40,831	218,956
August	76,426	944,916	120,075	1,207,519	43,649	262,605
September	109,350	1,054,266	116,238	1,323,757	6,887	269,492
1991 total		1,054,265		1,323,757		269,492
1992						
October	78,068	78,068	114,660	114,660	36,592	36,592
November	73,194	151,262	117,878	232,538	44,684	81,276
December	103,662	254,924	106,199	338,737	2,537	83,813
January	104,091	359,015	119,742	458,479	15,650	99,463
February	62,056	421,071	111,230	569,709	49,174	148,637
March	72,917	493,988	123,629	693,338	50,712	199,349
April	138,430	632,418	123,821	817,159	(14,609)	184,740
May	62,244	694,663	109,179	926,338	46,935	231,675
June						
July						
August						
September						
1992 total						
1992¹ (percent)						
October	1.4	1.4	5.8	5.8	16.7	16.7
November	3.8	2.6	-3	2.6	-6.4	2.8
December	1.7	2.2	-2.8	5.9	-65.7	-3.1
January	3.4	2.5	20.9	5.4	1,048.5	17.3
February	-8.3	.8	18.5	7.7	87.8	33.9
March	12.5	2.4	16.7	9.2	23.2	31.0
April	-1.4	1.5	12.2	9.7	-51.3	51.2
May	-2.1	1.2	-6.6	7.5	-12.1	32.0
June						
July						
August						
September						
Total						

¹ Fiscal year 1992 compared to fiscal year 1991.

SUMMARY OF LARGEST OUTLAY CHANGES

Agency/Account	Fiscal year 1991 October to May	Fiscal year 1992 October to May	Change	Change (percent)
Department of Agriculture: Food Stamps	12,902	15,403	\$2,501	19.4
Department of Defense—Military: Military Personnel	58,292	52,693	(5,599)	-9.6
Operations and Maintenance	67,527	59,824	(7,703)	-11.4
Procurement	54,664	49,539	(5,125)	-9.4

SUMMARY OF LARGEST OUTLAY CHANGES—Continued
(In million of dollars)

Agency/Account	Fiscal year 1991 October to May	Fiscal year 1992 October to May	Change	Change (percent)
Department of Education: Education for the disadvantaged	3,579	4,513	934	26.1
Health and Human Services: Medicaid	32,409	43,085	10,676	32.9
Medicare	75,153	84,470	9,317	12.4
SSI program	11,356	12,459	1,103	9.7
AFDC	8,941	10,319	1,378	15.4
Social Security: Insurance and disability payments	173,525	186,125	12,600	7.3
Department of Labor: State unemployment benefits	17,115	24,906	7,791	45.5
Department of the Treasury: Earned income tax credit	4,652	7,451	2,799	60.2
Interest on the public debt	183,286	188,014	4,728	2.6
Independent Agencies: Bank insurance fund	104	5,629	5,525	5312.5
Resolution Trust Corporation	19,919	(417)	(20,336)	-102.1

Note.—Interest on the public debt for May 1992 is \$23.791 billion, which is 22 percent of the current month's total outlays.

The PRESIDING OFFICER. The Senator from West Virginia is recognized. Mr. BYRD. Mr. President, this Senator did not originate the word "voodoo." That word was originated by the present occupant of the White House, and he is the same individual who has said that he will do whatever it takes to be reelected.

Mr. President, let that President lead the way. Let him come out with a plan. That is what this amendment, my amendment, asks him to do. Let him come out with a plan and if he wants to cut entitlements, I will follow him in cutting some entitlements, some mandatory ones, and increasing taxes, if it is necessary to balance the budget. I am only saying let us get the President to lead.

This President will not lead. He has not led. He has talked about voodoo economics and he also urges us to pass this constitutional amendment. That is voodoo constitutionalism.

So, Mr. President, I am ready, to rest my case. I do not have any doubt how the Byrd amendment will turn out, but it does call on us and the President to do something now, not 10 years from now, may I say to my friend from New Mexico. And it does not ask the President to send up a balanced budget. It asks him to send up a plan through which the budget would be balanced over a period of 5 years.

That is not voodoo economics. That is not voodoo budget balancing. That is asking for action now. Let us have a plan, Mr. President. Perhaps he would be reelected if he would send us a plan. That is what the people want to see. They want to see leadership.

Mr. DURENBERGER. Mr. President, the amendment offered by the distinguished President pro tempore, Senator BYRD, contains an idea that all of my colleagues should, in principle, support. This amendment requires the President to submit a 5-year plan for achieving a balanced budget by September 30, 1998.

My enthusiasm for this amendment stems, in part, from the fact that in October 1984, I drafted and introduced an amendment along with Senators GORTON, COHEN, and the late Senator Heinz, that would have required the President to submit a 5-year budget plan that would achieve a balanced budget by 1989. My amendment further provided that if the President did not submit a budget that would lead to a zero deficit in 5 years, he would have to submit an alternative second budget that would show how the budget could be balanced by 1989.

My 1984 amendment also would have required the House and Senate Budget Committees to submit concurrent budget resolutions that would achieve a balanced budget by 1989. And if zero-deficit concurrent resolutions were not offered, my amendment would have required the Budget Committees to submit an alternative second budget resolution that would show how the budget could be balanced by 1989.

My 1984 resolution held both the President and the Congress to a clear standard of accountability. If the President did not submit a balanced budget plan, he would be required to submit an alternative. The same standard would have been imposed on the Congress.

Mr. President, there is a critical difference between my 1984 proposal and the amendment offered by the distinguished President pro tempore. At the time my amendment was submitted, the 1984 election of President was less than a month away. My amendment was not intended to influence that election. My amendment would have required the President to submit a balanced budget plan when he sent up his next budget in February 1985—2½ months after the results of the Presidential election had been determined.

But this amendment represents a transparent political statement. It requires President Bush to submit a 5-year plan by September 1, 1992, that would spell out exactly how the President would achieve a balanced budget by September 30, 1998. That is barely 63 days before this year's Presidential election.

Why should the President be required to lay out his plan, when Democratic Presidential candidate Bill Clinton, and independent candidate Ross Perot have been silent on their balanced budget plans? We in the Senate cannot order Bill Clinton or Ross Perot to lay out their plans, why should President Bush be the only one mandated to lay out a plan?

Mr. President, the debate over whether or not to amend the Constitution is not, and should not, be partisan. Senators and Congressmen on both sides of the aisle have valid, non-partisan, reasons to support or oppose this idea. In the House, 116 Democrats joined 164 Republicans in voting for

this amendment. In the Senate, the leading sponsor of one of the alternative balanced budget amendments is the distinguished Democratic Senator from Illinois, Senator SIMON. This is not a partisan issue.

I could support the distinguished Senator's amendment if he would merely change the September 1, 1992, deadline and require the President to submit a balanced budget as part of the fiscal year 1994 budget that he will send up after the election. I ask the distinguished Senator whether he would consider such an amendment.

If not, I must oppose the amendment, because if Bill Clinton and Ross Perot choose to run for the Presidency without spelling out their balanced budget plans, I see no reason why the Congress should interpose itself into President Bush's election campaign strategy and plan and force him to spell out his plan before the election.

Mr. WOFFORD. Mr. President, the Federal budget deficit is a reflection of competing public demands and priorities. For more than a decade, Washington has failed to provide the leadership to resolve those competing demands and choose among those priorities. The balanced budget amendment is a symbol of the strong desire in our country to tame the Federal deficit and protect our children's future.

But the people of this country deserve more than symbols. They deserve action. And real action to reduce the deficit will take leadership from the President, courage from Congress, and a mandate from the voters. I support the amendment offered by Senator BYRD. The amendment addresses the fundamental need in the effort to achieve a balanced budget—Presidential leadership.

The evidence demonstrating the lack of Presidential leadership is overwhelming. Since 1980 our President has not submitted a balanced budget.

The Byrd amendment would require the President, not later than September 2, 1992, to submit a plan to balance the budget by September 30, 1998. This is a mandate for Presidential leadership. It requires honesty from a President who says he wants a balanced budget but does not submit one.

The Byrd amendment would require that the President's plan consist of: First, reductions in discretionary spending including domestic, defense, and international spending; second, reductions and controls on entitlement and other mandatory spending; and third, increases in revenues. In other words, everything would be on the table. Everything must be on the table for the public to have confidence in the process and support the result. I agree with my predecessor the late Senator Heinz, when he said:

[The survival and prosperity of our Nation depends upon a feeling by the American people that there is fairness and proportion in

whatever sacrifices we are called upon to make.

This is not to say that Congress does not share responsibility both for creating the deficit and for solving it. It does. And we do need to change some things around here so that more effective decisions can be made. I agree with the General Accounting Office's conclusion in a recent report:

[Although the budget process cannot be blamed for the existence of or the size of the deficit, changes in that process are necessary to facilitate and encourage focus on the long-term consequences of decisions.

But nothing can really happen without Presidential leadership.

Mr. President, I would like briefly to focus on two of the efforts that should be undertaken to balance the budget responsibly.

First and foremost, health care costs need to be brought under control. The Senator from Nebraska [Mr. KERREY] spoke eloquently last week on the Senate floor about the effect of spiraling health care costs. He concluded that "we must do health care cost containment if we are serious about deficit reduction." I could not agree more.

This year the Federal Government will spend approximately \$328 billion for health care, most of which is entitlement spending. And this amount will grow. The Congressional Budget Office has projected that Federal health care costs for Medicare and Medicaid will grow from 13.5 percent of the budget in 1992 to 25 percent by 2002. Department of Health and Human Services data indicate that Medicare and Medicaid outlays will grow as a percent of GNP from 2.8 percent in 1990 to 7.1 percent by 2020.

The General Accounting Office has correctly observed that "any serious deficit reduction effort must come to grips with the runaway spending in Medicare and Medicaid, but these costs are bound up in the Nation's overall approach to supplying and financing health care." We cannot solve this problem by capping Federal expenditures as some have suggested. We can only get a handle on it by enacting universal and comprehensive reform.

In addition, we need to reduce discretionary spending. We no longer need to spend as much for military. We can reduce administrative costs substantially, eliminate wasteful programs and close tax loopholes. Easy to say—but difficult to do. As one small example, almost a year ago I proposed to cut the U.S. Information Agency's budget by \$22 million by eliminating its Worldnet program. This program has few viewers and duplicates what the private sector already does through CNN. Yet, my amendment was defeated. And among those who voted in support of this wasteful program were some of the most ardent advocates of a balanced budget amendment.

As I said before, it will take leadership to balance the Federal budget—

not a constitutional amendment. It will take hard choices. That is why I am supporting the Byrd amendment. It is a demand for leadership. It is a demand for action, and that is what we sorely need.

The PRESIDING OFFICER. Has the Senator yielded back his time?

Mr. BYRD. If I have any left, I do.

Mr. NICKLES. I yield back the remainder of our time, Mr. President.

The PRESIDING OFFICER. The question now occurs on the second-degree Byrd amendment.

The amendment, (No. 2449), was agreed to.

The PRESIDING OFFICER. The question now occurs on the first-degree amendment.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia, numbered 2448, as amended. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey [Mr. BRADLEY] would vote "aye."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "nay."

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

The result was announced—yeas 39, nays 57, as follows:

[Rollcall Vote No. 134 Leg.]

YEAS—39

Adams	Fowler	Mikulski
Akaka	Gore	Mitchell
Baucus	Harkin	Moynihan
Bentsen	Inouye	Nunn
Biden	Johnston	Pell
Bingaman	Kennedy	Pryor
Bumpers	Kerrey	Riegle
Burdick	Kerry	Rockefeller
Byrd	Lautenberg	Sarbanes
Conrad	Leahy	Sasser
Cranston	Levin	Wellstone
Daschle	Lieberman	Wirth
Dodd	Metzenbaum	Wofford

NAYS—57

Bond	Cohen	Exon
Boren	Craig	Ford
Breaux	D'Amato	Garn
Brown	Danforth	Glenn
Bryan	DeConcini	Gorton
Burns	Dixon	Graham
Chafee	Dole	Gramm
Coats	Domenici	Grassley
Cochran	Durenberger	Hatch

Hatfield	McCain	Shelby
Heflin	McConnell	Simon
Hollings	Murkowski	Simpson
Jeffords	Nickles	Smith
Kassebaum	Packwood	Specter
Kasten	Pressler	Stevens
Kohl	Reid	Symms
Lott	Robb	Thurmond
Lugar	Rudman	Wallop
Mack	Seymour	Warner

NOT VOTING—4

Bradley	Roth
Helms	Sanford

So the amendment (No. 2448) was rejected.

The PRESIDING OFFICER. Under the previous order there will be 2 hours of debate preceding the vote on the cloture motion on the underlying Seymour and Nickles amendment.

The Senator from Rhode Island [Mr. CHAFEE] is recognized.

Mr. CHAFEE. Mr. President, I wonder if I could get the attention of the majority leader. It is 2 hours set aside for this debate?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. The Senator has the floor.

Mr. MITCHELL. Mr. President, I suggest for the interest of expediting this matter that we proceed to the debate and then during that time it be for me to determine whether or not it will be possible to reduce the time.

Mr. CHAFEE. I would like to say in behalf of one Senator that I feel the subject has been aired rather thoroughly and if possible in the spirit of early retirement this evening we would hope if possible we could reduce some time.

Mr. MITCHELL. Would the Senator make the same suggestion with respect to time tomorrow on the same subject?

Mr. CHAFEE. I certainly would.

Mr. MITCHELL. I certainly will consider that.

Mr. EXON. Mr. President, will the majority leader yield to this Senator for a question?

Mr. MITCHELL. I yield.

Mr. EXON. Mr. President, if I understand the procedure right we are about to begin the debate on the cloture motion of 1 hour equally divided to each side; is that correct?

Mr. MITCHELL. One hour of each side.

Mr. EXON. Two hours.

I follow up with the question. Maybe it is not the time to ask it. I follow the suggestion I thought was being made by the Senator from Rhode Island. We have debated this matter at great length. Everyone knows what the vote is going to be, within two or three one way or the other.

It would seem to me that it would be wise to stop the charade. I have talked about this on several occasions during this debate. Is there anyway that we could possibly ask at this time for maybe half an hour equally divided between each side, which I think would accomplish the same result?

Mr. MITCHELL. Mr. President, it is my belief that we will get through it sooner if we permit the debate to begin and as soon as it does begin, I will undertake an effort to see if it is possible to reduce the time both this evening and tomorrow morning. I make that suggestion on both sides to reduce the amount of time both this evening and tomorrow morning. I will take the suggestions in good faith.

Mr. EXON. I thank the majority leader.

Mr. NICKLES. If the majority leader will yield, correct me if I am wrong, but I believe the order that has been entered has 2 hours for tonight and 1 hour for tomorrow morning.

We have talked to several people—and I might mention to the majority leader I think we had 15 Senators that debated already on this issue. So, speaking on behalf of most of my colleagues on this side, I think we are willing to accommodate a reduction of time for tonight.

Mr. MITCHELL. And tomorrow morning as well, I understand?

Mr. NICKLES. Possible. Tomorrow we only have 1 hour.

Mr. MITCHELL. We only have 2 hours tonight.

Mr. NICKLES. I think this side would be willing to cut that in half. The Senator from Nebraska mentioned 30 minutes. But we are happy to have a reduction in time tonight.

Mr. MITCHELL. How about tomorrow morning?

Mr. NICKLES. Tonight.

Mr. MITCHELL. I thank the Senator. Mr. President, is the time running?

The PRESIDING OFFICER. There is no one designated to control the time.

Mr. MITCHELL. Mr. President, I designate Senator BYRD to control the time on our side.

I ask again, has the time that we have used since the vote been charged against the 2 hours for debate?

The PRESIDING OFFICER. It has been charged.

Mr. MITCHELL. Equally divided?

The PRESIDING OFFICER. There has been no provision to have it equally divided.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I do not know how many speakers I have on this side.

I just want to take a couple of minutes and then yield the remainder of the time to the Senator from Oklahoma to designate anybody who wishes to speak.

But I think we can probably, without an agreement, wrap this up in about an hour total. I would just say we just had a vote on the Byrd amendment, which was defeated. Thirty-nine Senators voted to raise taxes; 57 voted against raising taxes.

Now we are getting down to the real issue of whether or not we are going to

vote on the balanced budget amendment. We are not going to be able to do that unless we invoke cloture. I hope that some of my colleagues who have talked about a balanced budget amendment, cosponsored a balanced budget amendment, voted on a balanced budget amendment saying we needed a balanced budget amendment would support cloture. Because, in my view, it is still possible to achieve what some may think is impossible.

If we want a balanced budget amendment, we have to invoke cloture. And I urge my colleagues on both sides, because there are strong sponsors of the balanced budget amendment on both sides. I have read the statements. I have read the RECORD. I have read the names of all the Members on both sides who want a balanced budget amendment. Now we are not going to have a balanced budget amendment unless we invoke cloture. If you are against the balanced budget amendment, do not vote for cloture.

I heard the majority leader earlier say that the Senator from Oklahoma voted against cloture 50-some times. That is because he was against what others were trying to do, so he should have voted against cloture. And if you are against the balanced budget amendment, I assume you will vote against cloture. You cannot have it both ways. If you are for the balanced budget amendment, you vote for cloture. It is that simple.

I think the people understand who was for a balanced budget amendment and who was against a balanced budget amendment. That is all there is to it. That is all there is to it.

This is the most important vote we have made all year. I think maybe from time to time we ought to take a look at what the American people want. Seventy-seven percent of the American people support a balanced budget amendment.

And I say to some, maybe one or two or three, who have not yet decided on the balanced budget amendment, go ahead and vote for cloture while you are thinking about that final vote on the amendment itself. Under the rules in the House, if we should get the necessary votes, it goes back to the House where they take it up immediately.

This is not a dead issue unless somebody has predetermined that it is a dead issue. I have heard a few statements on the floor to indicate, well, we should not be doing this. Why should we not be doing this? There may be a lot of things we should not have done this year, too. We could make a list of what we should have done and should not have done. But I have a feeling most people would say, if you are doing this, it is about the most constructive thing you have done all year in the U.S. Senate.

So just let me repeat, so there will be no mistake about it. Let me make it

perfectly clear, as someone used to say. If you are against the balanced budget amendment, you vote against cloture. If you are for a balanced budget amendment you vote for cloture.

Just as in the last case, if you want to raise taxes, you vote for the Byrd amendment, and if you are opposed to higher taxes—as the Byrd amendment said, you have to raise revenues, the President has to do this by September 2. Congress never had to do anything. No deadline for Congress. It did not say we must agree by December or next January or 10 years from now. So that amendment has been defeated.

We are now in the next stage of the agreement. And I cannot really understand anything that is going to come up in the next month, 2 months, 3 months that is going to be more important than this vote. This is the defining vote.

Some will say oh, there are politics in this. Certainly, there is politics in everything. There was politics in the vote on the House side, and 12 cosponsors caved in to the leadership and voted against the amendment they cosponsored. I do not know how you explain that. You cannot do that in my State. Maybe you can explain it somewhere else. "I cosponsored a balanced budget amendment. It came up and I could have voted for it if I voted for cloture. So I said, it is not going to pass, so I voted no." That is an argument that is hard to sell in the Midwest.

But I hope, Mr. President, that we can move on and invoke cloture and do whatever we have to do in 30 hours and have a vote on the amendment itself. Any germane amendments, obviously, would be in order. But it ought to be clear. We have tried everything else.

In 1985, let me repeat, when we had a tough, tough, tough vote that froze COLA's, that cut spending, did a lot of things, only one colleague on the other side voted for that amendment, the late Senator from Nebraska, Senator Zorinski—one.

So we know about the tough votes on this side. We have made the tough votes on this side. And we are prepared to make the tough votes again. So we are not trying to get off the hook by voting for a balanced budget amendment. Look at the record. I think it is discipline that we are going to have to use. And if someone votes for a balanced budget amendment that becomes a part of the Constitution and we take an oath to support the Constitution, as we do, then you go out and say, "Well, I voted for it, but I am going to vote for all the spending and everything else because I just did that for political cover," I think that person, be he or she a Democrat or a Republican, is going to be in deep, deep political difficulty the next time around.

So, Mr. President, I think the next obvious step ought to be to invoke clo-

ture if you want a balanced budget amendment. If you do not, then I do not see how you can have it both ways. It is one of those votes you cannot have it both ways. You cannot have it both ways and say, "I am for it, but I am not for it now," or "it is too late in the session" or "it is not going to pass the House."

My view is that those 12 Members in the House who cosponsored the amendment and then voted against it are probably under some pressure from the folks back home, at least they ought to be under pressure from the folks back home.

It only takes, as I recall, about seven or eight to get back to their original position for the two-thirds vote to happen on the House side.

So we have a chance to make history right now in the U.S. Senate. The buck stops here. The spotlight is on the U.S. Senate. And if we do not want a balanced budget amendment, OK. That is a decision I hope will be made by invoking cloture and then voting up or down on the amendment itself.

In my view, it is very close, even though we have two absent Members who would vote for cloture and for the balanced budget amendment. Both Senator HELMS and Senator ROTH support the balanced budget amendment, but they are necessarily absent. Both are in the hospital recovering from operations.

Mr. President, this is it. This is high noon at the old corral. We are going to have the vote very soon. Do not tell someone you voted against cloture but you are for a balanced budget amendment. It will not sell.

Mr. MITCHELL addressed the Chair. The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I ask that Senator BYRD yield to me some time.

Mr. BYRD. I yield some time as he may require to the distinguished majority leader.

Mr. MITCHELL. Mr. President, in the more than two centuries of our Nation's history, this Senate Chamber has often been used for political purposes. But rarely has there been a political exercise as naked, as transparent, as blatant as what the Senate Chamber is now witnessing and what the Senate is being subjected to.

It is not covert. It is not implicit. It has been stated on the Senate floor. Every Member of this Senate, without exception, knows that the balanced budget amendment is dead. It is not going to become part of the Constitution this year. The House has rejected it. It has been defeated. The principal author of the amendment in the Senate described its consideration in the Senate following the House vote as a waste of time.

It is a waste of time.

The issue before us is whether Senators want to participate in a political

charade, in a political game, in an effort to score political points. The only spotlight that is on this Chamber now is the spotlight of this year's political campaign.

It is a transparent effort to generate fodder for the 30-second attack ads to be used this fall. It has nothing to do with balancing the budget—nothing whatsoever. It has nothing to do with serious legislating—nothing whatsoever. This is a naked political exercise, and if someone wants to participate in a political charade, why, then, that person should vote for cloture. But if someone wants to end this political charade, end these political games and permit the Senate to return to serious legislative business, to permit the Senate to discontinue the unconscionable waste of time that has occurred, then you should vote against cloture.

The rules of the Senate permit any one Senator or any group of Senators to subject the Senate to this type of political activity. We all know that any Senator can offer any amendment any time he or she wants, to any bill, whether it has a serious purpose or not; whether it has any prospect of being enacted or not; whether it bears any relationship to the subject being considered or not. And then, by merely signing up 15 other Senators on a cloture motion, you can get a cloture vote.

Every Senator here has voted for or against cloture on many occasions. As I pointed out earlier, the Senator from Oklahoma has voted against cloture 56 times since 1987, probably for a variety of reasons on a variety of other bills. Most Senators—I cannot say everyone—probably voted for or against cloture on many occasions.

But let us be clear on one point. This effort and this vote has nothing to do with balancing the budget. It has nothing to do with serious legislating. It has nothing to do with the public responsibilities of the Senate. It is a blatant, a naked, a transparent political exercise, intended only to create new material for 30-second attack ads this year.

And as to the deficit, the most significant feature of this amendment is that its sponsors insist that it not take effect for 6 years. Do not deal with the problem now—defer it for at least 6 years so that in the meantime those who stand and proclaim that they are serious about the deficit can continue to vote to increase the deficit, as our colleagues have done on so many occasions.

We are going to have an opportunity later this year to vote on a number of measures that will reduce the deficit by billions of dollars; a number of measures. I ask the Members of the Senate, and I ask the American people, and I ask the people from the States of the Senators involved—watch how they vote tonight on this phony political ex-

ercise and then watch how they vote when a real budget-cutting measure is before the Senate. Watch how they vote when a measure comes before the Senate that will cut \$6, \$8, \$10 billion off the deficit now, not wait until 6 years or 8 years or 10 years from now to try to deal with the problem. Then—then the American people will see who is serious and who is not serious.

This political charade has been forced upon the Senate because the Senate's rules do not permit otherwise. But I urge all Members of the Senate to help us end this charade as quickly as possible. It does not make any difference whether you are for a balanced budget amendment or against a balanced budget amendment. What you ought to be doing is saying this is not serious, this is a political game, this ought to end, and the way to end it is to vote against cloture and let us get back to the serious business of the Nation.

Mr. President, I thank my colleague from West Virginia and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, I yield myself such time as I consume.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I rise in strong objection to the comments made by the majority leader. The majority leader said this is nothing but a blatant, naked political exercise. I think he is wrong. Some of us believe in and have worked for years to pass a balanced budget amendment. We did the same thing in 1982. We tried to pass a balanced budget amendment in 1982 and 1986, and some of us have tried to have additional votes since then.

Before the majority leader leaves, I might just comment on the fact that we spent 8 days on a campaign reform bill that the Democrats knew darned good and well was not going to become law—8 days. I might add that we had 10 cloture votes on campaign reform. The reason it was being filibustered is it authorized public financing of political campaigns and Republicans did not want taxpayers to finance campaigns. So we filibustered the bill.

The Senate also spent something like 5 days on the motor-voter bill. Again that was a piece of legislation that was not going to become law. That was most definitely political legislation.

The Senate spent 5 days on a tax bill that was structured so poorly that no Republican voted in favor of that bill. And it, of course, was headed for a guaranteed veto. That veto was sustained. The House did not even have a majority to override the veto.

We spent 5 days on striker replacement. Why did we spend 5 days? Again, everyone knew there were enough votes to sustain the veto on striker replacement, but we did it anyway.

So I guess maybe it is OK for the majority leader to say we are playing politics on their issues.

I might also mention the Freedom of Choice Act. We may have significant extended debate on the Freedom of Choice Act. Everyone in both Houses knows that bill will be vetoed, if it gets to the President. I doubt that it will—but if it did get to the President, that veto of course would be sustained as well.

I have been involved in this debate for 2½ days and I, personally, have not made any political comments. I have not impugned anybody's motives. I happen to believe in a balanced budget amendment. I happen to think we need one. We are looking at deficits this year that are crossing the \$350 billion threshold. I think we need to do something different.

Frankly, I listened to a lot of the debate in the House of Representatives, and that further energized me, at least in my desire to pass a constitutional amendment to balance the budget. I did not just happen to put it on the GSE bill. I, frankly, was looking for another vehicle. I wanted to do it on the striker replacement bill or the bankruptcy bill. I wanted to pass it as early as possible. That's why I put a resolution before the Senate in April. I might remind my colleagues that resolution passed with 63 votes and said that Congress shall adopt a constitutional amendment to balance the budget. That debate was not partisan. We had a lot of votes from both sides.

So, yes, we are serious. Some people say this is strictly politics. I disagree. Is politics an element of it? Maybe it is with some people, but some of us want to see this thing happen. Some of us believe it is so important that we should put politics aside and do what is right, and have our Congress and have our country make some decisions that we have not made before.

When I hear my colleague, the majority leader, say we have not taken the tough votes, I might remind my colleague some of us walked in here and voted to freeze every COLA. Senator HOLLINGS had an amendment that many of us supported, to freeze Federal spending. Some of us have had other amendments to freeze Federal spending, either in the Budget Committee or on the floor. We had a proposal by Senator DOMENICI to cap the growth of entitlements.

Some of us have been willing to make some of those tough choices. Some people, evidently, think we are undertaxed. I heard Senator SASSER make a similar comment earlier today. He said, "Well, the reason why we have these enormous deficits was because we cut taxes too much." I look at this tax chart and I see taxes have climbed rather significantly over the last 10 years.

But I see outlays have grown even faster. As a matter of fact, we are look-

I did make a note that during his comments he said the deficit was caused by a humongous tax cut. Maybe I am interpreting that incorrectly, but I guess that would be interpreted to mean we cut taxes too much; therefore, we should not have done that and taxes therefore should be higher.

He also mentioned the military buildup. I just want to point out as to the military buildup, yes, we did have a military buildup. I would say thank goodness; we needed that; we won the cold war; we won the war in the Persian Gulf; we were able to reestablish ourselves as a real leader in the Free world.

I also tell my colleagues that, frankly, I do not think—at least it is this Senator's opinion—the problem with the deficit is that taxes are too low. I think the spending is too high. I make that very clear. I make it very plain. I think we have to do something on the spending side. That is one of the reasons why I happen to be aggressive in my support for a balanced budget amendment.

I supported the amendment that I have introduced with several of my colleagues, but I also supported the amendment by Senator KASTEN that says Congress shall not spend more than the revenues. If Congress can raise the revenues, I guess it can spend it. But I happen to think there should be a limitation.

My friend and colleague from Tennessee said what about Social Security. I will tell my friend and colleague I did not vote for the tax bill in 1983, the so-called Social Security bailout because I thought it was a humongous tax increase, too much on small businesses, too much on people who were trying to survive, too much on self-employed persons.

I used to be a self-employed person. I used to have a janitor service, and I know of somebody paying 15.3 percent on everything that they make and the fact that right now, today, their maximum tax rate is 28 percent. If somebody makes over \$28,500, they pay at the 28 percent tax bracket. You add 15.3 percent Social Security on top of that if they are self-employed, their Federal tax on every dollar they earn is 43.3 percent. You add State taxes on top of that, and all of a sudden they are working for the Government, State and Federal, more than half the time.

I happen to object to that. I think that suffocates business. That does not allow business to grow.

So I feel fairly strongly about it. I feel fairly strongly about this amendment. So I do not want this amendment to get bogged down in partisan debate. I want to pass it. I am very serious in trying to have I agreed to. I am determined to do everything possible to get a vote on it to try to have this amendment agreed to.

Mr. President, I yield the Senator from Texas such time as he desires.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I ask unanimous consent that at this point in the RECORD we reproduce the names of the cosponsors of the Simon balanced budget amendment to the Constitution.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

102ND CONGRESS—S.J. RES. 18
(Calendar No: 151 S. Rept. 102-103)

January 14, 1991.

COSPONSORS

Sponsor: Simon
Referred to: Senate Committee on the Judiciary.

Report by: Senate Committee on the Judiciary.

Cosponsor(s): Current (30): Thurmond; DeConcini; Hatch; Heflin; Simpson; Grassley; Shelby (A-01/31/91); Specter (A-02/20/91); Lugar (A-02/20/91); Daschle (A-03/05/91); Lott (A-03/06/91); Wallop (A-06/11/91); Hollings (A-06/11/91); Bryan (A-06/25/91); Reid (A-06/27/91); Roth (A-07/18/91); Bingaman (A-07/30/91); Breaux (A-09/12/91); Dixon (A-09/12/91); Seymour (A-09/12/91); Cochran (A-09/24/91); Smith (A-10/04/91); Conrad (A-03/03/92); Bentsen (A-03/03/92); Murkowski (A-04/02/92); Boren (A-04/09/92); Robb (A-04/28/92); Craig (A-05/12/92); Graham (A-05/19/92); Kohl (A-05/19/92).

Mr. GRAMM. Mr. President, I also ask unanimous consent that we list the names of the 63 Members of the Senate who on April 9 by their vote in essence said the Senate should adopt a balanced budget amendment to the Constitution.

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

ROLLCALL VOTE No. 72 Leg.—APRIL 9, 1992
YEAS—63

Biden, Bond, Boren, Breaux, Brown, Bryan, Burdick, Burns, Chafee, Coats, Cochran, Cohen, Conrad, Craig, D'Amato, Danforth, Daschle, DeConcini, Dole, Domenici, Durenberger, Exon, Ford, Fowler, Garn, Gorton, Graham, Grassley, Harkin, Hatch, Hatfield, Heflin, Helms, Hollings, Kassebaum, Kasten, Kohl, Lott, Lugar, Mack, McCain, McConnell, Murkowski, Nickles, Nunn, Packwood, Pell, Pressler, Reid, Robb, Roth, Rudman, Sanford, Seymour, Shelby, Simon, Simpson, Smith, Specter, Stevens, Symms, Thurmond, Warner.

NAYS—32

Adams, Akaka, Baucus, Bentsen, Bingaman, Bradley, Bumpers, Byrd, Cranston, Dodd, Glenn, Gore, Inouye, Johnston, Kennedy, Kerrey, Kerry, Lautenberg, Leahy, Levin, Lieberman, Metzenbaum, Mikulski, Mitchell, Moynihan, Pryor, Riegle, Rockefeller, Sarbanes, Sasser, Wellstone, Wofford.

NOT VOTING—5

Dixon, Gramm, Jeffords, Wallop, Wirth.

Mr. GRAMM. Mr. President, I try in our debates to stay away from terms like "political charade" because, to tell you the truth, I have always felt that people use names when they do not have logic, that people use a smear when they are short of fact.

But, Mr. President, if there is a political charade tonight, it is a political

charade that is being perpetuated by people who have cosponsored amendments calling for a balanced budget amendment to the Constitution, who have sent out hundreds of thousands of newsletters pounding themselves on the chest, saying I am for a balanced budget amendment to the Constitution, who have run for office over and over and over again saying they are for it and now, in the moment of truth, when we are getting ready to cast a vote on it, all of a sudden they are saying, hey, this is a charade; I am not going to vote for this because it is a charade.

It is a charade, Mr. President, but it is their charade. This amendment is not a charade. This amendment is shooting with real bullets.

Our distinguished majority leader says they are referring to the requirement that the budget be balanced in 6 years. Does anybody believe that we can reduce the deficit by \$400 billion in less than 6 years?

In fact, what the majority leader is doing by trying to kill this amendment is saying let us not do it in 6 years; let us never do it. If we adopt this amendment tonight and it goes back to the House for a vote, which it will under their rules, and if 9 of the 12 members who engaged in a charade by cosponsoring an amendment that when the pressure was on from their leadership, they voted against, if they change their vote, which I believe they will do, if we adopt this amendment tonight, then we are going to have to begin the next day putting together a program to reduce the deficit by some \$60 to \$70 billion next year, and all of these people who have never voted to reduce the deficit in any other way except by raising taxes or slashing national defense are going to have to start putting their vote where their mouth is.

Is this issue dead? Does having Members of the Senate jump up and down and say this issue is dead, this issue is dead, make it dead?

A rule in the House says if we pass this amendment, they have to bring it up and vote on it again, and that includes the 12 people who engaged in the charade of telling their people in their districts one thing and doing another when partisan pressure was on. If we adopt this amendment, it will be voted on again in the House. This is virtually certain, and I believe it will be adopted.

If the Democratic leadership thought this was a charade, if they really thought this amendment was dead, we would not be having this debate tonight. We probably would have adopted this amendment as we did in 1982 when it was not adopted in the House.

We are engaged in a convoluted parliamentary effort to prevent an up-or-down vote precisely because the Democratic leadership of the Senate does not believe this issue is dead. When 77 per-

cent of the people of this country want a balanced budget amendment, as long as democracy is alive, that issue is not dead.

Now, we have heard a lot of talk about cloture, people voting against cloture. I vote against cloture every time that I am against the bill. Cloture is the way that the minority protects its rights by preventing the majority from working its will.

People do not vote against cloture just on some happenstance or how they feel. They vote for cloture when they are for the bill. They vote against it when they are against the bill.

I have voted against cloture many times. And I suspect as long as the Senate is made up the way it is, I will vote against cloture many more times to try to stop bad things—at least by my perception—from happening to America.

But I never vote against cloture when I am for the bill. And anybody who believes that they can vote against cloture, cosponsor a balanced budget amendment, then go back home and say, hey, this was a charade, well, people are going to see it as a charade because they are going to see right through those people like they were branch water.

Now, Mr. President, this is a simple, simple question. If you like the status quo in the Senate where we of all institutions—and I lump it into the Congress—do not have to live by the same rules other people live by in terms of spending money, if you like things the way they are, you want to vote against cloture because if we adopt a balanced budget amendment to the Constitution, it is going to change the way we do business in the Senate and in the House, in the Congress, in the country. And with all my heart I want to change the way we do business. That is why I am going to vote for cloture. That is why I am for the balanced budget amendment to the Constitution.

I am sure there are some who will say, well, I was not against the amendment but I did not want to bring debate to an end. I thought it ought to be debated.

We are under a unanimous-consent agreement where we are only going to get two opportunities: We either get cloture tonight or we get it tomorrow or the balanced budget amendment to the Constitution is dead for the remainder of this session.

So there is only one reason anybody is going to vote against cloture tonight and that is when the chips are on the table, when we were shooting with real bullets, they were against the balanced budget amendment to the Constitution, and I thank God, Mr. President, for many things, but I thank God that I do not have to go back home and explain to my constituents how I am for the balanced budget amendment, how I cosponsored it, and yet when it came to a vote, I voted to kill it.

I guess we all think because we have been elected that we have political skills, but my political skills are not good enough to convince the people of Texas that I am shooting straight with them when I tell them I am for something and then I vote to kill it. The people of Texas are smart. The people of America are smart. That is why I am hopeful, despite the fact that I know there is immense pressure to vote against cloture and against the balanced budget amendment to the Constitution. I still hope that we might yet do something worthy of being remembered in this Congress, that we might yet set the ship of state straight, that we might yet adopt a balanced budget amendment to the Constitution.

I yield the floor.

Mr. NICKLES. Mr. President, I compliment my friend and colleague, Senator GRAMM, for his statement.

I ask unanimous consent that Senator SEYMOUR be recognized to manage the time on this side.

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

Mr. SEYMOUR. Mr. President, how much time do we have remaining on our side?

The PRESIDING OFFICER. There remains 33 minutes and 21 seconds.

Mr. SEYMOUR. Mr. President, I yield 3 minutes to Senator SYMMS.

Mr. SYMMS. Mr. President, I thank the Senator from California and I thank him for his efforts to try to bring the balanced budget amendment before the Senate.

Mr. President, I think it should be commented on, the remarks of our distinguished and able majority leader, is comparing apples with oranges and talking about cloture votes. I agree with the Senator from Texas. I vote against cloture on most of the bills that come up before the Senate. And, the reason I do is most of the bills that come before the Senate call for more government.

I appeal to my colleagues on the other side of the aisle, the National Democrat Party, the holy grail of the National Democrat Party in the eyes of the American people is more government, big government. Big government is what they are talking about. This is a political issue. It is a philosophical difference of opinion on how we see the world and how we think it should operate.

What does it take, Mr. President, to penetrate the armor of this body and the majority that is ensconced in power in the other side of the Capitol and here in this body? It will take an election and the early retirement of some Members of this and other body in order to get this Congress straightened out with the American people.

The whole world is crying out to be free from oppression, free from too

much government. The world is asking for freedom. It has happened all across Eastern Europe, all across Asia, Europe, and the former Soviet Union. People are asking for freedom from too much government. However, here in the Congress of the United States we are giving it to them by the bushel basket full. The other side of aisle wants to regulate everything from the motor voter to election law to the environment. Their goal to regulate this, to regulate that, so that no one can do anything without having a Government regulator tell them how to do it.

I said this earlier this afternoon to the Senator from Arizona when he spoke. No wonder the babies cry when they are brought into the world here in the United States. They are in debt \$16,000 on the date of their birth. Because of this, the Congress and the Government of the United States do not create any wealth. It only takes wealth from people who earn it and pass it out to someone else.

My good friend, the Senator from Nebraska, who I have sat on the Budget Committee with for some 12 years, said I know this balanced budget amendment is not going anywhere. It is a waste of time.

Mr. President, that is what the American people are mad about, because they do not think it is a waste of time. They wish that this Senate would pony up, stand up, belly up to the bar and vote for a constitutional amendment and chain the Congress down with the Constitution, as Jefferson suggested. I do not know what it takes to get this point across.

Then I hear the distinguished chairman of the Budget Committee and over and over he tries to revise history. Entitlement spending is where the money is being spent. Even Willie Sutton, the bank robber, knew the reason why you rob banks because that is where the money is. We are not going to balance the budget until we look at where the money is being spent. We continue to look at the military spending, the appropriations spending that might build some infrastructure in this country and we will talk about that, but we will not want to talk about entitlement outlays.

When the Senator from Kansas was the majority leader here, he did bring the budget in order. We carried one Senator in here on a stretcher, Senator Wilson, from California, who preceded Mr. SEYMOUR, so he could vote. We voted on these hard votes. We would have brought down this entitlement spending—it would have been reduced significantly. We would have a balanced budget today. But, like Senator DOLE said, only one Member of the other side of the aisle voted with us. There is a difference between the two parties here.

I appeal to my colleagues in the Democrat Party to vote for cloture so

we can have a vote for a constitutional amendment to balance the budget, so we can do something in a bipartisan spirit that the American people want.

People wonder why an Independent candidate can be so popular. One of the reasons is because the majority here in this Congress has a lock on spending, and they want to keep the spending machine going so they can keep their special interest groups lined up at the polls. It is high time we get past that. I urge my colleagues to vote for closure.

Mr. SARBANES. Will the distinguished President pro tempore yield me a minute?

Mr. BYRD. Yes. I yield 1 minute.

Mr. SARBANES. I am not clear. What party was the Senator referring to that he said he would cooperate with?

Mr. SYMMS. Mr. President, what I am saying is I would like to see the Democrats and the Republicans get together in a bipartisan spirit.

Mr. SARBANES. What was the name of the party?

Mr. SYMMS. The National Democrat, Democratic Party. The Democrat Party.

Mr. SARBANES. Democrat or Democratic Party? The name of our party is the Democratic Party.

Mr. SYMMS. The Democratic Party. I stand corrected.

Mr. SARBANES. I thank the Senator very much. You are appealing for bipartisanship. You cannot even give the right name of the party. I do not call yours the Republic Party.

Mr. SYMMS. The Senator gets very excited.

Mr. SARBANES. No. The Senator from Idaho has done it consistently. The Senator from Idaho has consistently refused to use the proper name of our party and then he stands over there and makes some appeal for bipartisanship.

Mr. SYMMS. Mr. President, I do not know what that has to do with the issue but I would just say to my colleagues that I hope we could have some bipartisanship here and give the American people what they are crying out for, which is a balanced budget.

Mr. SARBANES. The beginning of bipartisanship, I suggest to the Senator, is to treat the other party with some measure of respect.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, I would like to yield 5 minutes to the junior Senator from Idaho.

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

Mr. CRAIG. I thank my colleague from California for yielding. Let me read something that I think we all know by heart. But I want to read it so I do not make a mistake tonight.

We the people of the United States, in order to form a more perfect Union,

establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings—let me repeat this—and secure the blessings of liberty to ourselves, and our posterity, do ordain and establish this Constitution for the United States of America.

Tonight we are debating a constitutional amendment. It is our charge, understood under that preamble, to establish, to assure, to secure the blessings of liberty to ourselves and our posterity.

There are allegations tonight of a political charade. Let us talk about the charade that is currently being played and has been played out for over a decade in this Congress—not the one tonight, if there is one, but the one that we deal with on a daily basis. In fiscal year 1993, interest on the national debt is expected to total \$316 billion. This is the largest item in the budget for 1993, at 21 percent of all Federal spending.

Charade No. 1, Mr. President: More than the total revenue of the Federal Government in 1976.

Charade No. 2: 105 percent of Social Security payments.

Charade No. 3: \$7,005 per American family of four.

Charade No. 4: \$677 billion per week; \$866 million per day; \$600,218 per minute. Or \$10,020 per second.

Charade No. 5: Politics. It is played out every day here on the floor of the U.S. Senate. Politics is our business. It is not a shameful task. But charades are, and the charade that this Senate has engaged in for well over a decade, to say that you can continue to spend and somehow the American people will not recognize that we are destroying the liberty, the blessings of liberty that we are to assure to our posterity has to be the greatest charade of all. A \$316 billion deficit is 61 percent of all individual income tax revenues for fiscal 1993.

Charade No. 6: The national debt has now topped \$3.9 trillion. The Federal Government has run deficits in 53 out of the last 61 years, or 30 out of the last 31. And that is a charade number that I have now misplaced, because we are playing entirely too many to keep track of. The national debt has increased 1,240 percent since 1960; 620 percent since 1975; 329 percent since 1980, and 114 percent since 1985.

Mr. President, that is what we talk about tonight. That is the business of this Senate; that is the business of the American people. Why are they concerned today? Why are they expressing more disfavor with their politicians than probably in our Nation's history? Because one too many charades has been played.

It is now time that the business of this Senate be a balanced budget amendment to the Constitution. It will be argued tonight, as it has been in the past, that it is only putting the process

off. It is beginning the process. It is, for the first time, engaging this Senate in the responsible task, and a way of playing it out, in a process and a procedure in which there is no stop-go.

And then the charades begin to stop. It took over 200 years to accumulate our first \$1 trillion worth of national debt. Fiscal 1991, 1992, and 1993 will increase the national debt with an additional trillion dollars. That is charade impossible. That is the reality of the debate tonight. That is what is at issue here. That is what we have to deal with.

I yield the remainder of my time.

Mr. BYRD. Mr. President, I yield myself such time as I may require.

Mr. SARBANES. Will the chairman yield me a minute to make a point?

Mr. BYRD. Yes.

Mr. SARBANES. Mr. President, in view of the comments just made by the Senator from Idaho, I would like to point out to the body the charade that we just heard. This chart shows the additions to the Federal debt.

The Senator talked about the fact that we now carry a large interest charge on the Federal debt. This shows the debt under Kennedy, Johnson, Nixon, Ford, and Carter. Then you get this very large jump under Reagan in his first term, and an even larger jump under Reagan in this second term.

There is a huge jump, almost a 50 percent jump again under Bush in his first term. And the administration itself is projecting that in the next 4 years, if President Bush gets a second term, the debt will rise even more. This is what happened to the debt on their watch.

The able Senator from Tennessee pointed out earlier that this run-up in the debt was the result of eroding the tax base and boosting defense expenditures. The consequence of that now is to create a large debt. In the two Reagan terms and the Bush first term there was an accumulation of over \$3 trillion in debt.

Before that time, the total debt was less than \$1 trillion. Throughout the whole history of the Republic, up until that point, the debt was less than \$1 trillion; \$3 trillion was added under Reagan and Bush. And, the President is projecting adding another \$1.5 trillion in the next 4 years.

I thank the chairman for yielding.

Mr. BYRD. Mr. President, speaking of charades, let me quote David Stockman. May I say to my good friends, David Stockman tells us about a real charade. First, he speaks of it in his prologue. I say to my friend from New Mexico, Mr. DOMENICI. He speaks of it on page 13 of the book "The Triumph of Politics."

First, in his prologue, and I quote him:

After November 1981, the administration locked the door on its own disastrous fiscal policy jail cell and threw away the key. The

President would not let go of his tax cut. Cap Weinberger hung on for dear life to the \$1.46 trillion defense budget. Jim Baker carried around a bazooka, firing first and asking questions later of anyone who mentioned the words "Social Security." Deaver, Meese, and the others ceaselessly endeavored to keep all the bad news out of the Oval Office and off the tube. The nation's huge fiscal imbalance was never addressed or corrected; it just festered and grew.

Now I quote from the epilogue in Mr. David Stockman's book, turning to pages 378 and 379:

By the end of 1985 the economic expansion was three years old and the numbers demonstrated no miracle. Real GNP growth had averaged 4.1 percent—an utterly unexceptional, prosaic business cycle recovery by historical standards, and especially so in light of the extraordinary depth of the 1981-82 recession. The glowing pre-election GNP and employment numbers, therefore, had manifested only the truism that when the business cycle turns down, it will inevitably bounce back for a while.

Still, the White House breastbeating had to do with the future, and that depends upon the fundamental health of the economy and the soundness of policy. Yet how can economic growth remain high and inflation low for the long run when the administration's de facto policy is to consume two thirds of the nation's net private savings to fund the federal deficit?

The fundamental reality of 1984 was not the advent of a new day, but a lapse into fiscal indiscipline on a scale never before experienced in peacetime. There is no basis in economic history or theory for believing that from this wobbly foundation a lasting era of prosperity can actually emerge.

Indeed, just beneath the surface the American economy was already being twisted and weakened by Washington's free lunch joy ride. Thanks to the half-revolution adopted in July 1981, more than a trillion dollars has already been needlessly added to our national debt—a burden that will plague us indefinitely. Our national savings has been squandered to pay for a tax cut we could not afford. We have consequently borrowed enormous amounts of foreign capital to make up for the shortfall between our national production and our national spending. Now, the U.S. economy will almost surely grow much more slowly than its potential in the decade ahead. By turning ourselves into a debtor nation for the first time since World War I, we have sacrificed future living standards in order to service the debts we have already incurred.

Borrowing these hundreds of billions of dollars has also distorted the whole warp and woof of the U.S. economy. The high dollar exchange rate that has been required to attract so much foreign capital has devastated our industries of agriculture, mining, and manufacturing. Jobs, capital, and production have been permanently lost.

All of this was evident in 1984, and so was its implication for the future. We had prosperity of a sort—but it rested on easy money and borrowed time. To lift the economy out of recession against the weight of massive deficits and unprecedented real interest rates, the Fed has had to throw open the money spigots as never before. This in turn has stimulated an orgy of debt creation on the balance sheets of American consumers and corporations that is still gathering momentum today. Its magnitude is numbing. When the government sector's own massive debt is included, the nation will shortly owe

\$10 trillion—three times more than just a dozen years ago.

One thing is certain. At some point global investors will lose confidence in our easy dollars and debt-financed prosperity, and then the chickens will come home to roost. In the short run, we will be absolutely dependent upon a \$100 billion per year inflow of foreign capital to finance our twin deficits—trade and the federal budget.

Then turning to page 393 of Mr. Stockman's book, I again quote Mr. Stockman:

Folly has begotten folly, and the web has become hopelessly entangled in a five-year history of action and reaction. But the politicians of both parties still have a sound and valid reason for disengaging from the Reagan Revolution's destructive aftermath. A radical change in national economic policy was not their idea; economic utopia was not their conception of what was possible in 1981 when the policies of the past collapsed. Republican and Democratic politicians together can tell the American people that a few ideologues made a giant mistake, and that the government the public wants will require greater sacrifices in the future in the form of the new taxes which must be levied.

Mr. President, I think that David Stockman spoke of the greatest charade of all, and it speaks for itself, and so much for that.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 32 minutes and 11 seconds remaining.

Mr. BYRD. Mr. President, extended debate is of ancient origin. Plutarch reported that when Caesar returned to Rome from a sojourn in Spain, his arrival happened at the time of the election of consuls. Caesar applied to the Roman Senate for permission to stand as a candidate, but Cato the Younger, also referred to as Cato the Philosopher, opposed Caesar's request, and attempted to prevent Caesar's success by gaining time. And, with that view in mind, Cato spun out the debate until it was too late to conclude upon anything that day.

We are now, I believe, in the third or fourth day of the debate on the constitutional amendment to balance the budget, and we are rapidly approaching a moment when the first cloture vote will occur. We have reason to hope that cloture will not be invoked today and that it will again fail on tomorrow. However, should cloture be invoked either today or tomorrow, we will be brought face to face with a vote up or down on the constitutional amendment, and should such vote occur and should the amendment be adopted and subsequently sent to the States for ratification, the consequences of our vote here could be far-reaching, indeed, and, in the end, could shake the pillars of our constitutional system to their utmost foundation.

As I said today earlier, no one really knows what the consequences of adopting this constitutional amendment and its ratification later would really be.

Should the amendment be finally grafted onto the Constitution and were it to fail of enforcement, the Constitution would be demeaned and cheapened. And there are those who believe that the amendment would, indeed, not be enforced. I happen to believe that it would be enforced. But if it were not enforced, if the Constitution could thus be rendered meaningless and unenforceable in one particular, it would suffer overall.

But, on the other hand, Mr. President, should the President decide that the amendment clothes him with the responsibility and authority to take whatever action is needed to bring outlays and receipts into line or if the Congress should take action under section 6 of the new article to invest in the President a line-item veto or enhanced rescissions or impoundment authority, the people's branch—the legislative branch—will become the weakest branch.

Montesquieu said that, in a tripartite government, the judicial branch is the weakest branch. Hamilton, in Federalist Paper 78, said that the executive not only dispenses the honors, but holds the sword of the community. He said that the legislature not only commands the purse, but prescribes the rules by which the rights and duties of every citizen are to be regulated. He said that the judiciary, on the contrary, has no influence over either the sword or the purse, and he went on to say that the judiciary is, beyond comparison, the weakest of the three departments of power.

Mr. President, if this constitutional amendment were to be adopted here, and later in the other body, as some seem to think it would be, and then were ratified by the necessary three-fourths of the States, in my judgment, the legislature would no longer have command over the purse and no longer would the judiciary be the weakest of the three branches. Madison said, in No. 48 of the Federalist Papers, that the legislative department alone has access to the pockets of the people.

Mr. President, if this amendment were somehow to be grafted onto the Federal Constitution, no longer could it be said with Madison that the legislative department alone has access to the pockets of the people.

The floodgates would be open to litigation in the courts. The judiciary would share the taxing and appropriations powers of the legislative branch.

We have only to look at the experience of States where the courts have been drawn into situations involving the balancing of State budgets. The case of Missouri, et al., versus Jenkins, et al. involving the Kansas City, MO, school district, clearly nails down the proposition that a court can direct a local government body to levy its own taxes. And one step can lead to a further step and then to a further.

The Supreme Court of the United States is venturing more and more into the political thicket. No longer could we rest assured concerning Madison's statement that the legislative department alone has access to the pockets of the people. The long hand of the courts would extend itself in due time, likewise, into the pockets and the purse of the people.

The constitutional system, as handed down by the Founding Fathers, would be changed. Its checks and balances and separation of powers would be undermined. The people's power over the purse, invested in their elected representatives through the struggles of a thousand years of Anglo-American history would be swept away.

Make no mistake about it, I say to Senators, as Senator DOLE earlier said, this is an important cloture vote. I would go further to say that no other cloture vote that Senators here today have ever cast will rival this one in its significance for this institution and the future of the Nation.

If cloture should be invoked, and if this constitutional amendment should be adopted by the necessary two-thirds vote, those in this body—and there are those in this body—and elsewhere who have longed to bring about a massive transfer of legislative power to the executive will have achieved their goal. The judicial branch which, as Montesquieu said, was the weakest branch in a tripartite Government, and which, in Hamilton's view, wielded neither the sword nor the purse, would, by virtue of this change in the Constitution, be made more powerful than the legislative branch and would have its hand on both the purse and the sword.

Mr. President, while the last members of the constitutional convention were signing the Constitution, Madison, in his notes, said that Dr. Franklin, looking toward the President's chair and at the painting behind it, which was a painting of the rising sun, stated to a few members who were near him, that painters had found it difficult, in their art, to distinguish a rising, from a setting sun.

He went on to say something to this effect: "I have often and often, in the course of the session, and the vicissitudes of my hopes and fears as to its issue, looked at that behind the President, without being able to tell whether it was rising or setting; but now at length, I have the happiness to know that it is a rising, and not a setting sun."

Mr. President, I truly believe that the wisdom of the Framers has guided this Nation for over 200 years, and throughout all of its vicissitudes, in wars and in peace, in prosperity and adversity, that rising sun which Franklin saw behind the President's chair has steadily moved upward toward its meridian.

This is not just another cloture vote. I have cast many of them. I have voted

for cloture and I have voted against cloture. There was a time in my early years in the Senate when I said I would never vote for cloture on anything. I changed my mind. James Russell Lowell said that only the foolish and the dead never change opinions. I changed my mind, and I have subsequently voted for and against cloture. On one occasion, I spoke for 14 hours and 13 minutes in this Senate in opposition to a measure.

But this is not just another cloture vote.

If this cloture vote fails, which I hope it will and hope tomorrow morning's vote will also fail, those of us who vote against closing this debate may never know the true measure and importance of the position which we upheld. But indeed, if cloture should be invoked, those of us who opposed it, at least some of us, will live to see that our vote was right, because the invoking of cloture, should it be followed by the adoption of this constitutional amendment, will have turned the face of this institution and the Nation toward a setting sun.

I believe that, if this amendment were to be riveted into the Constitution, it would be enforced. I think the President would feel a responsibility to obey what he would see as a mandate in the amendment, I think that eventually there would be a line-item veto, enhanced rescissions, impoundments, all of which, then, would bring the courts into the thicket—the political thicket. I think that the people's branch would become the weakest of the three branches.

Montesquieu's statement that the judiciary is the weakest of the three branches, and Madison's statement in the Federalist No. 48, that "the legislative department alone has access to the pockets of the people," and Hamilton's statement that the legislature "commands the purse", all of these statements would be turned on their heads.

The great losers in this outcome would be the people themselves, because it would be their elected representatives in the legislative branch who would no longer have the people's power over the purse.

I think that the Senate's sun will be well on its way toward its setting if this constitutional amendment were ever to be adopted. The Founders demonstrated great wisdom in drawing up a constitutional system in which the legislative branch, the branch of the people, had control over the purse. Are we wiser than the Framers?

And so this is a key vote, the most important cloture vote that I shall have ever cast, in my judgment. We ought to ponder very carefully what we are doing. Let us not listen too much to the political statements that have been falling like English arrows at the battle of Crecy, or at the battle of Poitiers—or at Agincourt, where they

fell like snow. Let us not listen to all of these political arguments from one side or the other. Let us think of this institution.

Let us think of this institution. As I have said on previous occasions, most of us would have given our right arm to become a Member of this body. I was the 1,579th of the 1,799 Members, men and women, who have graced this body since it first met in 1789.

I did not come here to weaken this body. I did not come here to destroy it. I did not come here to undermine the people's power over the purse, a power which is assured to the legislative branch by virtue of the wisdom of the Framers of the Constitution, and by virtue of their knowledge of English history, and their knowledge of the struggles of Englishmen and the blood shed by Englishmen in wresting from tyrannical monarchs the power over the purse. The colonial legislatures modeled themselves after the parliament in the motherland.

No, Mr. President, I will not act to weaken this body or to weaken the constitutional system of checks and balances and separation of powers.

Vespasian, a Roman emperor who reigned from A.D. 69 to 79, said, "An emperor ought to die standing."

I say to my good friend from New Mexico, whose heritage goes back to that great land which saw one of the greatest empires of all time. Vespasian was an emperor who said when he was about to die, "An emperor ought to die standing." And he wanted others to lift him, so that he could die standing.

I say, a Senator ought to die standing. He ought to die standing for his country, and for this institution and for the Constitution which created the three departments of Government. He ought not to die running.

There are those who sincerely and conscientiously believe in this amendment. There are those of us who know better.

I have heard Senators on both sides of the aisle who have come to me and said that they do not like this amendment, but for political reasons they are going to vote for it. Some of my friends have said the President has gone all out for it and they would, therefore, vote for it, but their hearts are not in it.

Those of us who, in our hearts know that it is not the right thing, even though it could mean political extinction, let us Senators die standing. Not running.

I want to be able to pass on—or to see passed on—to my children and grandchildren the kind of constitutional system that was handed down to us by those who preceded us.

Tacitus said, "As you go into battle, remember your ancestors and remember your descendants."

So, in the spirit of these lines by Kipling, Mr. President, then let us act to

remember our ancestors and our descendants:

Our fathers in a wondrous age,

Ere yet the Earth was small,

Ensured to us an heritage,

And doubted not at all,

That we, the children of their heart,

Which then did beat so high,

In later time should play like part

For our posterity.

Then fretful murmur not they gave

So great a charge to keep,

Nor dream that awestruck time shall save

Their labour while we sleep.

Dear-bought and clear, a thousand year

Our fathers' title runs.

Make we likewise their sacrifice,

Defrauding not our sons.

The PRESIDING OFFICER. Who yields time?

The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the distinguished Senator from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. President, before my time, I would like to make a parliamentary inquiry as to the parliamentary situation that we are in.

Is it true that there will be after the expiration of time a cloture vote which will then be followed tomorrow by another cloture vote, and then if cloture is not voted upon in a positive fashion by this body, in other words, cutting off debate, then the balanced budget amendment will be dropped and under the previous unanimous-consent agreement will no longer be taken up for the remainder of this year; is that an accurate description?

The PRESIDING OFFICER. The Senator is correct.

Mr. MCCAIN. Thank you very much, Mr. President. I think it is important that this debate be noted in that context because the fact is that if cloture is not invoked, we are not just talking about closing off debate. We are talking about the end of the balanced budget amendment debate for this year. It is over at some time tomorrow if we are unable to obtain a sufficient number of votes to invoke cloture; in other words, cut off debate.

Mr. President, I would like to start off by thanking the distinguished chairman of the Appropriations Committee for, as always, a very scholarly erudite, and enlightening exposition of his views, and I certainly understand and appreciate the position that he takes on this very critical issue. I want to congratulate him on his emphasis on the criticality of this vote because his words, Mr. President, are in direct contradiction of that of the majority leader who stood before this body and said it was—and I quote—“a charade,” “has nothing to do with a balanced budget amendment,” et cetera, et cetera.

Mr. President, I want to strongly align myself with the words of the distinguished chairman of the Appropriations Committee that this is perhaps one of the most critical votes that we

have ever cast. And I hope that the distinguished majority leader will pay close attention to the remarks of the distinguished chairman of the Appropriations Committee.

Mr. President, I would like to comment on a couple of statements that the distinguished chairman made. He said “Only the legislature can have access to the pockets of the people.”

That is what we are talking about here, Mr. President. We have had access to the pockets of the people, and we have picked them clean. As only the Congress of the United States can do, and in the words of the spokesperson from the National Taxpayers Union, “We are continuing to spend from that empty pocket.”

And how are we doing that, Mr. President?

We are doing it by mortgaging the future of the children of America. We have placed a \$16,000 debt on every man, woman, and child in America, and it cannot continue. The distinguished chairman also said, “The legislature, if this balanced budget amendment is enacted, will no longer command the power of the purse.”

That means a couple of things to me, Mr. President. One is that we do command the power of the purse. It is not Mr. Stockman's fault, it is not Mr. Reagan's fault, it is not Mr. Bush's fault, it is not anybody's fault but the Congress of the United States of America who, in the words of the chairman, command the power of the purse. And those who command the power of the purse have the power to stop the profligate, obscene spending which has been the trademark of this Congress.

I am certainly grateful to know, in the words of the chairman of the Budget Committee, that we will have a chance to cut the deficit because recently there have been other chances and opportunities and, clearly, they failed, if one would look at the dramatic growth of outlays—little items like \$4 billion *Seawolf* submarines.

We had a vote the other day, Mr. President, that was to level—level—the funding for the Corporation for Public Broadcasting. What did we get, 30 votes?

So I hope we will have that opportunity very soon to make significant cuts, because the history of this body shows that it is out of control, and the American people know it and the American people are demanding change.

The distinguished chairman of the Appropriations Committee said no one knows the consequences of a balanced budget amendment. I agree with that statement. But, Mr. President, we do know the consequences of business as usual. We do know the consequences of business as usual in this Congress which has bankrupted America.

Mr. President, the only way we are going to get our house in order is by

forcing it upon the Congress of the United States what the people want.

I will conclude by mentioning some facts. The facts are that 80 percent of the American people think we are on the wrong track. The facts are 17 percent of the American people approve of the Congress of the United States and our conduct. They want change. They want fiscal sanity. They want to stop this profligate spending which affects America in every possible way, including our inability to compete with foreign countries.

Mr. President, the American people demand change, they deserve it, and they are going to get it, one way or the other. They are going to get it either by action of this body or they are going to get it through the electoral process and the ballot box.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. MCCAIN. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, may I inquire as to the remaining time on our side?

The PRESIDING OFFICER. The Senator from California has 16 minutes and 47 seconds.

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the distinguished Senator from New York [Mr. D'AMATO].

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

Mr. D'AMATO. Mr. President, I want to commend the Senator from Arizona, Senator MCCAIN, for his very erudite presentation.

Let me make a little analogy of what I think is taking place. I remember some years ago in local government dealing with some very difficult problems, and it seemed to me at that time that we could not do it alone; that we did not have the resources, the ability. I am talking about handling solid waste. It is a nice way for saying garbage.

I want to tell you some things. I saw more public officials who ran the worst landfills in America, who polluted the water, who polluted the environment but, boy, they would not give up the power even if it meant that someone could come in from the private sector, do it better, do it cheaper and run it more effectively for the people. It is the nature of the political animal not to give up the power, and that is why we are in the trouble we are in. It can be laid very fairly to lots of people.

The distinguished chairman of the Appropriations Committee read some very damning facts from the former Budget Director. There is no disputing it. There is lots of blame to put out but we just do not want to give up the power. And the fact of the matter is that if we have a balanced budget amendment, and if we obtain cloture, that will move us one step closer to the possibility of bringing that about.

Why, then, there will be a loss of power. We will not be able to continue the spending and spending and meeting all the demands that come, and by the way, many of them are good, they are legitimate.

We do not have the courage to say no. We are like the fellows who are running that landfill system who just did not want to give it up even though they cannot handle it. We cannot handle it today. The special interest groups are too powerful and that is not some bad guy representing corporate America.

How do you say no to seniors who are in need and have programs in housing and home heating assistance, mass transportation, medical research, drug treatment, and law enforcement? And these are good programs and they are necessary.

So we say yes to all of them. Somebody comes down and offers an amendment and he offers more for his drug treatment program and so we do not want to be accused of voting against moneys for drug treatment, so we all vote yes. And someone else comes in for more medical research and it is necessary and none of us want to say we are against it, and we vote for it, and on and on it goes.

Do you really think we are going to change and develop political courage? Do you really think we are going to suddenly get the kind of courage to say, no, we have to cap spending, we have to live within our means, we are killing the productivity of this country?

Do you know why people cannot get money in the commercial sector, and why the economy is lagging? Because the banks are borrowing and buying more long-term Federal debt than ever before. They have increased the purchasing of long-term Federal debt by about 25 percent and they have cut back on commercial loans. Why? Because they have the Government that needs the money, and so your private sector is competing.

If we want to turn this economy around—and I hear all this talk about the economy—then we need to do something now and we send a strong signal by passing a balanced budget amendment.

And we send a strong signal by passing a balanced budget amendment. Just like the local officials who could not handle the job when it came to manage the landfill, we are not doing the job here. It is about time we recognize it. We need that discipline, the discipline to say, yes, we cannot give more; we cannot spend more; we are curtailed by this legislation. Does it mean giving up some power? Yes. But I think we have demonstrated that we are inadequate to the task as a body. That is sad, but it is true.

The PRESIDING OFFICER. Who yields time?

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the distinguished Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. I thank the Senator very much.

Mr. President, I would like to make four points. First, I congratulate the distinguished chairman of the Appropriations Committee. I did not hear any remarks by the Senator that spoke of this exercise tonight as one of politics. I heard it from others. I heard it from the distinguished majority leader. Frankly, Mr. President, if there are politics on this side—and, frankly, I believe that many Senators on this side truly believe this constitutional amendment is the only way to solve the fiscal dilemma of this Nation—let me assure the Senate that there is plenty of politics on that side. And I will say it right. There is plenty of politics by the Members on that side of the aisle who are members of the Democratic Party.

I have now, and I will introduce it in the RECORD, the June 5, 1992 vote. During this very month this vote occurred. Twenty Members on that side voted on a Don Nickles amendment that it was the sense of the Senate we should pass a constitutional amendment.

I ask unanimous consent that the list be made a part of the RECORD. It will be self-explanatory as the list appears.

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

HOW THE VOTES FALL

	1982	1986	1992
Adams (D-WA)*			N
Akaka (D-HI)			N
Baucus (D-MT)	N	N	N
Bentsen (D-TX)	Y	Y	N
Biden (D-DE)	N	N	Y
Bingaman (D-NM)		Y	N
Bond (R-MO)*			Y
Boren (D-OK)	Y	Y	Y
Bradley (D-NJ)	N	N	Y
Breaux (D-LA)*			Y
Brown (R-CO)			Y
Bryan, Richard (D-NV)			N
Bumpers (D-AR)*	N	N	N
Burdick (D-ND)		N	Y
Burns (R-MT)			Y
Byrd, Robert (D-WV)	Y	N	Y
Chafee (R-RI)		N	Y
Coats (R-IN)*			Y
Cochran (R-MS)	Y	Y	Y
Cohen (R-ME)	N	N	Y
Conrad (D-ND)*			Y
Craig (R-ID)			N
Cranston (D-CA)	N	N	N
Danforth (R-MO)	Y	Y	Y
Daschle (D-SD)*			Y
DeConcini (D-AZ)	Y	Y	Y
Dixon, Alan (D-IL)*	Y	Y	
Dodd (D-CT)*	N	N	N
Dole (R-KS)*	Y	Y	Y
Domenech (R-NM)	Y	Y	Y
Durenberger (R-MN)	Y	Y	Y
D'Amato (R-NY)*	Y	Y	Y
Exon (D-NE)	Y	Y	Y
Ford, Wendell (D-KY)*	N	Y	Y
Fowler (D-GA)*			Y
Garn (R-UT)*	Y	Y	Y
Glenn (D-OH)	N	N	N
Gore (D-TN)		Y	N
Gorton (R-WA)	N	N	Y
Graham, Bob (D-FL)*			Y
Gramm, Phil (R-TX)		Y	
Grassley (R-IA)*	Y	Y	Y
Harkin (D-IA)		Y	Y
Hatch (R-UT)	Y	Y	Y
Hatfield (R-OR)	Y	N	Y
Heflin (D-AL)	Y	N	Y
Helms (R-NC)	Y	Y	Y
Hollings (D-SC)*	Y	Y	Y
Inouye (D-HI)*	N	N	N

HOW THE VOTES FALL—Continued

	1982	1986	1992
Jeffords (R-VT)			N
Johnston, Bennett (D-LA)	Y	Y	N
Kassebaum (R-KS)	N	N	Y
Kasten (R-WI)*	Y	Y	Y
Kennedy, Edward (D-MA)	N	N	N
Kerrey, Bob (D-NE)			N
Kerry, John (D-MA)		N	Y
Kohl (D-WI)			N
Lautenberg (D-NJ)			N
Leahy (D-VT)*	N	N	N
Levin, Carl (D-MI)	N	N	N
Lieberman (D-CT)			N
Lott (R-MS)			Y
Lugar (R-IN)	Y	Y	Y
Mack (R-FL)			Y
McCain (R-AZ)*			Y
McConnell (R-KY)		Y	Y
Metzenbaum (D-OH)	N	N	N
Mikulski (D-MD)*			N
Mitchell, George (D-ME)	N	N	N
Moyinhan (D-NY)	N	N	N
Murkowski (R-AK)*	Y	Y	Y
Nickles, Don (R-OK)*	Y	Y	Y
Nunn (D-GA)	Y	Y	Y
Packwood (R-OR)*	Y	Y	Y
Pell (D-RI)	N	Y	Y
Pressler (R-SD)	Y	Y	Y
Pyor (D-AR)	Y	Y	N
Reid (D-NV)*			Y
Riegle (D-MI)	N	N	N
Robb (D-VA)			Y
Rockefeller (D-WV)		N	N
Roth, William (R-DE)	Y	Y	Y
Rudman (R-NH)*	Y	Y	Y
Sanford (D-NC)*			Y
Sarbanes (D-MD)	N	N	N
Sasser (D-TN)	Y	Y	N
Seymour (R-CA)			Y
Shelby (D-AL)*			Y
Simon (D-IL)		Y	Y
Simpson (R-WY)	Y	Y	Y
Smith, Robert C. (R-NH)			Y
Specter (R-PA)*	Y	Y	Y
Stevens (R-AR)	Y	Y	Y
Symms (R-ID)*	Y	Y	Y
Thurmond (R-SC)	Y	Y	Y
Wallop (R-WY)	Y	Y	Y
Wamers (R-VI)	Y	Y	Y
Wellstone (D-MN)			N
Wirth (D-CO)*			N
Wofford (D-PA)			N

1982: The Senate adopted a Thurmond Balanced Budget Amendment 69-31.

1986: The Senate failed to adopt a Thurmond Balanced Budget Amendment 66-34.

1992: The Senate supported (63-42) a Nickles amendment expressing the Sense of the Senate that the Senate should ADOPT a balanced budget amendment by June 5.

Mr. DOMENICI. Now, I have the latest from the computers on the Simon amendment and who cosponsored it, and I might suggest that there are a number of Members from that side of the aisle who cosponsored it who are not going to vote, at least they have not in the last 3 or 4 days. The trend is they are not going to vote for anything that looks like the same constitutional amendment that they cosponsored.

I ask unanimous consent that be made apart of the RECORD.

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

THE 102D CONGRESS—S.J. RES. 18

(Calendar No. 151; S. Rept. 102-103)

COSPONSORS

Date: January 14, 1991.

Sponsor: Simon.

Referred to: Senate Committee on the Judiciary.

Reported by: Senate Committee on the Judiciary.

Cosponsor(s): Current (30): Thurmond; DeConcini; Hatch; Heflin; Simpson; Grassley; Shelby (A-01/31/91); Specter (A-02/20/91); Lugar (A-02/20/91); Daschle (A-03/05/91); Lott (A-03/06/91); Wallop (A-06/11/91); Hollings (A-06/11/91); Bryan (A-06/25/91); Reid (A-06/27/91); Roth (A-07/18/91); Bingaman (A-07/30/91); Breaux (A-09/12/91); Dixon (A-09/12/91); Sey-

mour (A-09/12/91); Cochran (A-09/24/91); Smith (A-10/04/91); Conrad (A-03/03/92); Bentsen (A-03/03/92); Murkowski (A-04/02/92); Boren (A-04/09/92); Robb (A-04/28/92); Craig (A-05/12/92); Graham (A-05/19/92); Kohl (A-05/19/92).

Mr. DOMENICI. Now, Mr. President, if there is any politics, that is politics. Maybe there is another explanation how within the very month, June, Members on that side, at least 20, said to this Senate, "It is my sense that we should vote for the constitutional amendment." And then there is another list of those who actually cosponsored it. We will see how they vote tonight. I cannot imagine that if they do not vote for cloture, it is anything other than politics.

Now, having said that, I want to make one other point, that the people in the country watching this debate are confused, because the distinguished Senator from Maryland puts up a chart showing the deficit of the United States and blames it on the President of the United States, and the distinguished chairman of the Appropriations Committee, not once, not twice, but I am sure more than three times said this is an issue that centers around the power of the purse—and if I read him right, he is saying the Congress—and if I read him right, he is saying the Senate should retain the power of the purse.

Now, I think it cannot be both. We had the power of the purse. We were at least coequal with the President in incurring that deficit, not the President, be it Reagan or Bush, that did it all by himself. As a matter of fact, one might imply from the distinguished chairman of the Appropriations Committee that it is our deficit, for we controlled both the expenditures and the tax collections.

Now, that is enough of that.

A third point. My good friend, the chairman of the Appropriations Committee, worries with the Senate bringing the courts into this if we pass this amendment. I say to my friend I am worried about it, too. But I believe we have probably kept the court out of this amendment the way it is constructed.

Frankly, at my request, section 6 was put in this amendment. It was not in the original House amendment as they intended. Then they put it in before they took it up. "Congress shall enforce and implement this article by appropriate legislation."

Mr. President, when coupled with section 2, which essentially says when you finally get to a balanced budget, you cannot increase the debt limit, and if you do not increase it by a supermajority, you cannot add any more debt, so an interesting enforcement occurs. It is our own debt, which we have added so much burden on the American people, that will enforce itself because we will bring down our Treasury bills if we do not get a balanced budget.

Now, my last point.

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

Mr. DOMENICI. Could I have 30 seconds?

Mr. SEYMOUR. I yield 30 seconds to Senator DOMENICI.

Mr. DOMENICI. I want to read a quote in closing. I say to the distinguished chairman of the Appropriations Committee, one of the constitutional experts on this subject is Dr. Laurence Tribe, and it is very interesting. While he says the constitutional amendment is not to his liking, I close my discussion with the best quote I can find as to why we need a constitutional amendment. And I quote Dr. Laurence Tribe:

Given the centrality of our revolutionary origins, of the precept there should be no taxation without representation, it seems especially fitting in principle that we seek somehow to tie our hands so that we cannot spend our children's legacy.

I yield the floor.

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

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The President pro tempore.

Mr. BYRD. Mr. President, the distinguished Senator from New Mexico has referred to Dr. Tribe's words when he appeared before the Budget Committee. I believe that a thorough reading of Professor Tribe's statement will clearly convey the message that he is opposed to such a constitutional amendment to balance the budget.

Mr. DOMENICI. Might I ask, did I not say that? I think I said that.

Mr. BYRD. The Senator may have.

Mr. DOMENICI. Yes, indeed, I did.

Mr. BYRD. Perhaps I am wrong.

Mr. DOMENICI. I said while he is saying he did not like the constitutional amendment, he makes this rather extraordinary statement.

Mr. BYRD. Very well.

Mr. SARBANES. Will the Senator yield on that?

Mr. BYRD. Yes.

Mr. SARBANES. He went further than that. He concluded the statement by saying that "None of the proposed balanced budget amendments could be included in the Constitution without unacceptable adverse consequences for the separation and distribution of governmental powers and for the integrity of the constitutional structure as a whole." That was his conclusion. It cannot be any clearer than that.

Mr. SASSER. Will the distinguished chairman yield?

Mr. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes and forty seconds.

Mr. BYRD. I yield to the Senator from Tennessee.

Mr. SASSER. Our distinguished friend from New Mexico indicates that, at his request, inserted in this amend-

ment was the statement that the Congress shall have the power to enforce by appropriate legislation the provisions. That is precisely the language the chairman will recall is in amendment 14 of the Constitution of the United States, the so-called due process clause.

As the chairman is aware, there are literally tens of thousands of suits that have arisen under amendment 14, the due process clause, notwithstanding the fact that at the conclusion of that due process clause, section 5 says:

The Congress shall have the power to enforce by appropriate legislation the provisions of this article.

Mr. BYRD. Yes, of course. What that language does, it opens the door and extends the invitation to the Congress to enact legislation to give the President of the United States the line-item veto, enhanced rescissions, and impoundment powers. That is just what we are inviting ourselves to do with that language.

And with reference to the language which reads as follows:

The limit on the debt of the United States held by the public shall not be increased until three-fifths of the whole number of each House have provided by law for such an increase by rollcall vote.

I believe my friend from New Mexico referred to that language. It is a rare occasion to have a debt limit that has been enacted by both Houses by as much as a three-fifths vote; a very rare occasion. So it would be extremely difficult to increase the debt limit when future necessity required that it be done.

What happens if Congress fails to increase the debt limit? All but essential Federal Government services would be shut down. Federal employees would be sent home. Social Security checks would be stopped. Most Federal expenditures would cease. Federal contracts would be violated. Eventually, the Treasury would be forced to default on a portion of the Federal debt. Financial institutions seeking payment of interest and principal on maturing Federal debt would find the Treasury unable to make those payments. A financial crisis would ensue.

A Federal default would quickly throw the economy into a depression, and would cause the United States to pay much higher interest rates on borrowing in the future. We have never defaulted before, Mr. President. Uncle Sam's credit rating would plummet. We should beware of locking that provision into the Federal Constitution.

Mr. SEYMOUR. Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. Six minutes.

Mr. SEYMOUR. Mr. President, I yield the remainder of the time to myself.

Mr. President, this has been a very healthy debate. In fact, I might say that next to the debate over the Per-

sian Gulf war resolution, this is probably the most important debate that I have been part of in the brief 18 months I have been privileged to serve here.

I would like to underscore "privilege" because I have been privileged to listen to our distinguished President pro tempore give forth his recall of history. It left me awe-struck to hear his discourse and recant of history. I felt as if I were sitting at the feet of perhaps the most distinguished historical professor in our Nation.

It was interesting as well for me to listen to him because as we focused on this debate, I felt for the first time since last Tuesday we were beginning to hear the truth, and a true difference of opinion on this important issue. And clearly we can differ, and clearly we do.

Where we have come since last Tuesday is truly remarkable. We started out last Tuesday with the desire to raise this issue, and to bring it to a vote. And we have debated it heavily.

So we have come a long way. This really has not been a dead issue. If it were a dead issue, I do not think 16 of our colleagues on the other side of the aisle would have voted to set aside the President pro tempore's amendment, which would have prevented this cloture vote on the balanced budget amendment. In fact, it would have ended it.

Mr. President, for those doomsayers and naysayers who say it cannot be done; this is a dead issue; why are we wasting our time; for those who feel that way, I would suggest that we are three votes away from enacting a balanced budget constitutional amendment.

After the next vote, if this vote is successful to invoke cloture, the next vote would be to pass the constitutional amendment to balance the budget. And then it would be sent over to the House of Representatives, Mr. President, for the third and final vote.

Should those "weak sisters" who were cosponsors of this amendment have their minds changed within three votes, the people of this Nation will have the opportunity to make up their minds on whether or not we need a balanced budget amendment to our Constitution.

In his historical account, the President pro tempore so eloquently stated the truth when he referred to Hamilton and his notion that it was the legislature that controls the purse; and Madison, that the legislature has access to the pockets of the people. He is right. We now have an opportunity, a rare opportunity, perhaps the only moment we will have to demonstrate to the people of this country that we are serious about fiscal responsibility.

They want change. We know they want change. They are tired of the political games and the charades. They want action. We are three votes away. As a matter of fact, that last rollcall

was 57 votes to defeat the Byrd amendment. Those same 57 votes mean we are three votes away from cloture. So that means we are only a few votes away from an up-or-down vote on a constitutional amendment to balance the budget.

I ask my colleagues in the Senate to think of the arguments that the distinguished President pro tempore has made. But I also know one thing about history. It has been said that if we do not learn from history, we are destined to repeat it.

Let us consider the country of Japan. They deficit spent. They curbed their appetite. It was painful; but they did it and rebuilt their country. We look at Great Britain. They were deficit financing, and with the leadership of Margaret Thatcher, they bit the bullet and turned their country around. The same is true for Germany. Now, it is our time to seize the moment, and to begin to turn our spending binge around as we prepare for the next century.

I have referred in the debate a number of times to the fact that Congress is addicted, just as certainly as a drug addict is addicted to a drug. Our choice of drug is spending money that we do not have. And in the last 30 years, as has been brought out, 29 of those 30 years, we have done just that—spent money that we do not have.

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

Mr. BYRD. Mr. President, I ask unanimous consent that the Senator have 2 additional minutes, and that Mr. CONRAD have 2 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SEYMOUR. I thank the distinguished President pro tempore.

Mr. President, the opportunity that we have before us may not come again. The question is whether or not we have the self-restraint, the self-discipline, the will to rid ourselves of our addiction. I say we do not. I say history and the record shows that we do not have that discipline.

So we need some tool that will impose it upon us, that will require us to do what a family has to do in balancing their budget, to do what a business has to do to keep their doors open, to do what 48 of the State governments must do according to their Constitutions, and that is to show restraint.

I realize that there has been a lot of pressure applied, pressure applied to those who have already cosponsored this constitutional amendment. And the pressure has been put on them to back off, just as happened in the House.

I hope that this body, the U.S. Senate, can stand strong, stand firm, show that we have a backbone, and do the right thing.

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

Mr. CONRAD. Mr. President, I rise to answer the Senator from New Mexico, who entered into the RECORD the fact that a number of us voted for a sense-of-the-Senate resolution calling for a balanced budget amendment. The RECORD should show that did not specify this amendment.

The Senator also put into the RECORD that a number of us cosponsored the Simon balanced budget amendment.

The RECORD should show that is not this balanced budget amendment. I voted to urge the body to have a balanced budget amendment. I cosponsored the Simon amendment, but I am going to oppose cloture now.

Mr. President, the reason is very simple. It is not politics, as suggested by the Senator from New Mexico. I have already announced I am not seeking reelection. I am voting as I have announced, because I believe we ought to do something about reducing the deficit now—not pass an amendment that says we are going to do something by 1998, not another Gramm-Rudman that says we have a formula for reducing the deficit, not a situation in which we retreat to the stands and cheer for us to do something; but, instead, for us to be in a position for which there are no excuses, there is no balanced budget amendment that says we are going to do something by 1998, there is no Gramm-Rudman that says we are going to balance the budget in 5 years, and we find out 6 years later the deficit is twice as large.

If we really wanted to do something about the deficit, why do we not start now? Why do we not start now in the appropriations bills that are coming before this body? Why do we not ask the President to send us a plan and start now, not in 1995, or 1996, or 1997, or 1998, but right now? That is what we ought to do.

I yield the floor.

Mr. BENTSEN. Mr. President, I rise to announce my decision to vote against cloture on the Nickles balanced budget amendment to the Constitution.

My decision is not based on any philosophical opposition to a constitutional amendment. I support the concept. I cosponsored the version of Senator SIMON's resolution which the Judiciary Committee approved. The Judiciary version did not have the 60-vote requirement which Senator NICKLES would impose for raising the debt ceiling. That 60-vote requirement troubles me. But putting my reservations aside, I believe a well-crafted constitutional amendment can help impose the discipline the administration and Congress have lacked when confronting the deficit.

But at this stage, a constitutional amendment won't come any closer to happening no matter how much I may support the concept. It won't come any closer even if the Senate were to pass

it, a highly unlikely event. The House has rejected the amendment already. After a week of debate, the House failed to adopt the companion to the Nickles amendment.

The House outcome makes debate of a constitutional amendment a futile exercise. The more time the Senate debates what is presently an academic issue, the more time the Senate loses from considering legislation which can happen this Congress. Legislation like the energy bill. The energy bill makes natural gas a cornerstone of our Nation's energy strategy and provides incentives for oil and gas exploration and production. The time for crucial legislation is slipping away as this Congress winds down. We will better use our precious time and serve our Nation by debating matters that won't have to wait until future Congresses to happen.

Mr. President, I am concerned, in a very real sense, that when we debate a balanced budget amendment that is not going to be enacted this year we make it less likely rather than more likely that the Federal deficit will be reduced. Candidates for office—whether they're running for President or for Congress—can use this as a smoke-screen to duck debate on the tough decisions, the hard choices that will be required to cut the deficit.

Let me cite an example: the Social Security earnings test. A few days ago the Finance Committee voted to raise the earnings limit as a simple matter of equity. But we also voted to raise the cap on the payroll tax to pay for it. There is little doubt in my mind that, when that issue comes before the Senate, there will be an effort to go the committee one better. The Senate will be urged not to just raise the earnings limit but to eliminate it entirely, and to do this without paying the enormous cost involved.

There will be stirring calls to take this action even though it threatens the fiscal integrity of the Social Security system and even though it would increase the Federal deficit by \$24 billion over the next 5 years. I would venture to predict, in fact, that some of those supporting this budget busting initiative will be among those most vociferous in demanding that we amend the Constitution to require a balanced budget.

Debating a constitutional amendment at this stage will bring us no closer to fiscal responsibility. All it will bring us is a flood of 30-second attack ads in the fall campaign. Ads won't help this country get its economic house in order.

Mr. President, I want to get on with Senate business that has a legitimate expectation of happening and helping this year. Senator NICKLES' amendment isn't in that category. For that reason, I will vote against cloture on this amendment.

I hope cloture's failure will persuade Senator NICKLES and his allies to with-

draw their otherwise well-intentioned effort for the time being. I hope they'll wait until next Congress to pursue a constitutional amendment. Next Congress is their time, not now.

I thank the Chair.

Mr. HATFIELD. Six years ago I stood on this floor and described the struggle that I experienced in coming to the decision to oppose the balanced budget amendment considered at that time. I described my reluctance to take that position, and my great respect for my party leadership both in the Senate and in the White House.

In 1986, our deficit stood at \$221 billion. It was \$268 billion last year, and is projected to be well over \$300 billion next year. This does not indicate progress in my eyes. Something must be done, and we must have the courage to do it. We have tried procedural solutions before only to prove that easy answers are no answer. I believe we must begin by looking in the direction of runaway mandatory program growth and further defense cuts.

Tonight, I am voting to invoke cloture on debate on a balanced budget amendment. However, I vote for cloture not in a changed belief that this idea deserves my support, but in the belief that this issue deserves to be debated on its merits. I am disappointed that we are forced to vote on a procedural motion once again. This is a situation that we seem to find ourselves in much too often these days. I feel strongly that issues should be considered on their merits, that the purpose of the world's most renowned deliberative body must be to fully debate legitimate proposals forwarded to address serious issues.

I agree with the thousands of people in Oregon who have written to me asking for an answer to the growing deficit. They are right to wonder what direction Congress is taking this Nation. I wish that I could promise them that Congress will address this problem with a constitutional amendment, but there are still many questions in my mind regarding how and to what extent a balanced budget amendment would be enforced. It is my hope that by allowing this issue to be considered on its merits, more of these questions will be addressed during the ensuing debate in this Chamber.

CLOTURE MOTION

Mr. SEYMOUR. Mr. President, I submit two cloture motions under the provisions of the unanimous-consent agreement entered into on Friday, June 26, to limit debate on the Seymour amendment, No. 2447.

The PRESIDING OFFICER. The clerk will state the first cloture motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators in accordance with the provisions of rule XXII of the

Standing Rules of the Senate do hereby move to bring to a close debate on amendment number 2447, to S. 2733:

Bob Dole, Mitch McConnell, Dan Coats, Phil Gramm, Pete V. Domenici, Alfonse D'Amato, Don Nickles, Strom Thurmond, Jake Garn, Bob Kasten, Orrin G. Hatch, John McCain, John Seymour, Richard Lugar, Steve Symms, Ted Stevens, Bill Cohen.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Seymour amendment No. 2447 to Senate bill 2733 shall be brought to a close?

The yeas and nays are required.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. PELL (when his name was called). Mr. President, on this vote I have a pair with the Senator from New Jersey, Mr. BRADLEY. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "aye." I, therefore, withhold my vote.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from North Carolina [Mr. SANFORD] are necessarily absent.

On this vote, the Senator from Rhode Island [Mr. PELL] is paired with the Senator from New Jersey [Mr. BRADLEY]. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. SIMPSON. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Delaware [Mr. ROTH] are absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

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

The yeas and nays resulted—yeas 56, nays 39, as follows:

[Rollcall Vote No. 135 Leg.]

YEAS—56

Bond	Garn	Murkowski
Boren	Glenn	Nickles
Breaux	Gorton	Packwood
Brown	Graham	Pressler
Bryan	Gramm	Reid
Burns	Grassley	Robb
Chafee	Hatch	Rudman
Coats	Hatfield	Seymour
Cochran	Heflin	Shelby
Cohen	Hollings	Simon
Craig	Jeffords	Simpson
D'Amato	Kassebaum	Smith
Danforth	Kasten	Specter
Daschle	Kohl	Stevens
DeConcini	Lott	Symms
Dixon	Lugar	Thurmond
Dole	Mack	Wallop
Domenici	McCain	Warner
Durenberger	McConnell	

NAYS—39

Adams	Biden	Byrd
Akaka	Bingaman	Conrad
Baucus	Bumpers	Cranston
Bentsen	Burdick	Dodd

Exon	Kerry	Nunn
Ford	Lautenberg	Pryor
Fowler	Leahy	Riegle
Gore	Levin	Rockefeller
Harkin	Lieberman	Sarbanes
Inouye	Metzenbaum	Sasser
Johnston	Mikulski	Wellstone
Kennedy	Mitchell	Wirth
Kerrey	Moynihan	Wofford

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

Pell, for

NOT VOTING—4

Bradley	Roth
Helms	Sanford

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays are 39, three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LIEBERMAN. Mr. President, I voted in opposition to the version of the balanced budget amendment as it came before us today. I did so after carefully considering and weighing the arguments for and against such an amendment. I chose to support a statutory alternative to the amendment that would start the budget balancing process now, and move us more promptly toward the goal that all sides agree is necessary: a balanced budget.

The budget deficit is a problem that must urgently be addressed. We have gotten to the point where we spend more on interest on the national debt than on all our domestic, discretionary programs. And each year our problem is, quite literally, compounded, with deficits creating increased debt, raising the amount needed to pay interest, which in turn increases the deficit. It is an economic death spiral.

But this balanced budget amendment is not the way, procedurally or substantively, to go about promptly balancing the budget. As a procedural matter, the House of Representatives has already defeated the balanced budget amendment. We therefore know that the balanced budget amendment we have before us will not pass. It is just the kind of exercise in futility that has caused the American people to lose confidence in our ability to govern. The only way we can begin the budget balancing process this year is by doing it, and that is by statute.

Even in substance, however, this balanced budget amendment is a charade that will only postpone the serious budget decisions we must reach. The fundamental lesson drawn from over 6 years of experience under the Gramm-Rudman-Hollings balanced budget act is that formulas and process do not substitute for hard policy choices. This amendment does not make it easier to

articulate and make those choices. This balanced budget amendment does not even establish a good process for balancing the budget. It has no teeth, no enforcement mechanism. It is left to us—or perhaps to the courts—to design and use those teeth. Finally, this amendment, even if it could be enacted and ratified, would not have any effect before 1998 at the earliest. Until that time, the President and Congress would be free to spend, with no regard for the future.

Instead of simply voting to send a constitutional amendment out to the States for a multiyear ratification process, I believe we should start now by taking the tough steps necessary to bring about a balanced budget before 1998. That effort must begin with frank leadership from the President. The chairman of the Appropriations Committee is correct to ask the President to set out, for the Congress and the American people to consider, exactly what hard choices must be made. The President is the one person who can claim to be elected by the entire Nation, not just by the people of an individual district or State. I therefore voted for the chairman's amendment, which requires the President to do this immediately.

We in Congress must also be ready to do our part. As we require the President to lay out a balanced budget, shorn of the usual rosy economic projections and other budgetary gimmicks, we must vote on the President's plan, as well as any balanced budget plan of our own. Congress must be accountable if it fails to respond to Presidential leadership on this difficult problem.

We must also go further. We must put a stop to the budget games that obfuscate the need for hard choices and delay action. The President and Congress, for example, should be required to base their budgets upon economic projections from an independent, non-political body, the Federal Reserve Board. That single step will put us on equal footing and, more important, realistic footing. Without that basis in reality, all budgetary plans are flights of fancy.

We also must take steps to rebuild the faith of the American people in their Government. We must redouble our efforts to halt waste and fraud, and to eliminate unneeded bureaucracies. We should require governmental managers, like their counterparts in the private sector, to increase productivity by trimming their administrative expenses by 3 percent annually. We ought to subject all programs financed by general tax revenues to periodic reauthorization to make sure they are working.

We, however, should not fool ourselves. We will not balance the budget ever simply by cutting waste, fraud, and abuse or by streamlining govern-

ment. As President John F. Kennedy once said, "Our task now is not to fix the blame for the past, but to fix the course for the future." The balanced budget amendment before us will not fix that course. We must enact legislation that will.

Mr. GLENN. Mr. President, I rise today in opposition to the Kasten amendment which require a three-fifths majority in both Houses for enactment of legislation increasing Federal receipts by more than the national growth rate.

I oppose the Kasten amendment not because I am against the idea of a constitutional balanced budget amendment. I have voted in support of a balanced budget amendment in the past and am prepared to do so again if such an amendment is responsible, flexible, and reflective of sound policy.

I have grown frustrated over the past 12 years as Presidents Reagan and Bush submitted the most unbalanced budgets in history leading to a quadrupling of the national debt. Over those years, instead of solid, long-term policy proposals to reduce the deficit we rather have seen repeated requests to raise the debt limit. That is why I voted against debt limit increases eight times since 1981. And I voted for a Byrd balanced budget amendment in 1986 which would have instilled fiscal responsibility while providing the kind of flexibility necessary for future generations of Americans.

And I oppose the Kasten amendment not because I want to raise taxes. I do not. In my years in the Senate I have worked hard to achieve fiscal responsibility by voting to cut spending on programs that I felt were not in the public interest. And I have fought waste, fraud, and abuse long before it became a popular, cure-all campaign issue. As chairman of the Governmental Affairs Committee, I worked to expand and strengthen inspectors general and to establish chief financial officers throughout Federal agencies saving taxpayers billions of dollars in unnecessary spending.

Mr. President, I oppose the Kasten amendment because it is an invitation to tyranny by a minority which will create fiscal paralysis in the Congress. This paralysis will prevent efforts to pursue tax fairness and close tax loopholes.

The amendment would effectively freeze the current Reagan-Bush era tax structure benefiting the wealthy at the expense of the middle class. Attempts to promote tax equity by lowering taxes on the middle class and raising taxes on the wealthy could easily be blocked.

And billions of dollars in special tax loopholes would be protected. Elimination of these loopholes would result in added revenues invoking the Kasten three-fifths majority. These special interest tax breaks have withstood many

assaults over the years and would be nearly impossible to eliminate if a three-fifths majority were required.

Fiscal decisions between spending cuts and revenue increases simply should not be dictated by constitutional formula. Accordingly, I urge my colleagues to vote against the Kasten amendment.

Mr. DURENBERGER. Mr. President, I rise to state my reasons for voting to bring debate on this amendment to a close, and to pass the constitutional amendment to balance the budget.

Mr. President, Washington is a city resounding with alarms. Every time we turn around another alarm is going off, another crisis is upon us.

The health crisis. The education crisis. The children's crisis. The urban crisis. The environmental crisis. The Russian crisis. The farm crisis.

The information age brings all these problems instantaneously to our attention. No wonder Time magazine's Man of the Year this January was Ted Turner, a news person rather than a policy-maker.

I am afraid we have all become like the family that moved in next to the firehouse. At first the sirens shocked and terrified them. But over the days and months and years, they got used to it, to the point they barely noticed anymore.

As we stand here on the floor the proponents of this amendment are trying desperately to sound an alarm: there is a fire, and it is the firehouse itself which is burning down.

Government, our collective capacity to deal with all the other crises we face, is in crisis itself, because it is \$4 trillion short of no money at all.

There is no denying it, Mr. President. Right now, today, we are destroying the financial capacity of this Government to respond to genuine needs. We are, at the same time, committing grand larceny on the resources and hopes of our children and grandchildren.

We are more than \$1 billion further in debt right now than we were yesterday at this time.

For every \$1 of national debt we had when I arrived in Washington 13 years ago we now have \$5.

That is over \$16,000 for every man, woman and child in America.

That is the catastrophic context in which we face this choice. Will we perceive the danger we are in and act accordingly? Or will we sit by posturing and debating like nothing is really wrong?

Mr. President, I am in agreement with many of the arguments raised by my colleagues against this amendment.

The Constitution is the most remarkable political document on earth. We should not lightly put ourselves in the place of the founding fathers to edit and alter the Constitution which has served us so well.

Tampering with the balance in the Constitution between the branches of Government should be avoided. We can each create a range of disturbing scenarios which could occur under a balanced budget amendment.

As we have seen in the experience of Gramm-Rudman-Hollings, budget mechanisms do not, of themselves, produce balanced budgets. Mechanisms are only as good as the intelligence and courage with which they are used.

It is not the Constitution's fault that we have an unbalanced budget. That is our fault: this generation of Americans.

We who lead, and those who have elected us to do so, have chosen to live beyond our means, to believe we can have without paying.

We have all made our speeches on this floor at various times. "We will not balance the budget on the backs of the poor * * * We will not balance the budget on the backs of the elderly * * * or children * * * or farmers * * * or veterans."

Or "We will not balance this budget at the expense of taxpayers. We will not balance this budget at the expense of national security * * * or our allies overseas * * * or American workers * * *."

Well when you take what's common from all those speeches you get a simple statement: We will not balance the budget. Period.

I cannot live with that, Mr. President. Neither can yet unborn Americans whose future is at stake in this debate.

No one will stand on this floor and say they are for increasing the national debt. No one will attempt to defend the current situation as one that is healthy for America. But a generation from now, what we have said will not matter; they will only care about what we did.

Regardless of how elegantly we defend it and how skillfully we debunk each new way of doing things, what we are actually doing is passing on to our future citizens a lesser America than the one we inherited.

It all boils down to this for me, Mr. President. In Government, just like in life, if nothing changes, nothing changes. And we absolutely can not afford for things not to change, \$70 billion deficits under Jimmy Carter did not change anything.

Ronald Reagan's tax cuts and spending cuts did not change anything.

The budget resolution of 1985, crafted by the Republican leader to balance the budget in 5 years did not change anything.

Gramm-Rudman-Hollings did not change anything.

Kicking a bunch of Democrats, and then a bunch of Republicans out of the Senate did not change anything.

And \$408 billion in debt is not changing anything, that I can see from the Presidential campaigns.

The only hope we have left is to change the fundamental rules of the game, to change our Constitution. It is a drastic measure, to be sure. But is it any more drastic than the economic calamity we face if we keep on doing what we're doing?

I am not 100 percent convinced this amendment will work; but I have far less confidence in any other answer I have heard here or anyplace on the campaign trail.

And I have been listening, Mr. President. To the leaders of my generation, and the leaders of my children's generation.

I gave my first speech on the dangers of debt in 1984 to a graduation of St. Olaf College. I ask unanimous consent that that 8 year old statement of my personal responsibility be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. DURENBERGER. In 1985, I created an organization called Americans for Generational Equity to try to make policymakers aware of what our current decisions are doing to future generations. And people like JIM JONES, and JIM MOODY and BILL BRADLEY and PAT MOYNIHAN helped us spread that message.

I voted for the Dole budget resolution in 1985. I voted for Gramm-Rudman-Hollings. I voted for the 1990 budget summit agreement. And I voted this year to cap entitlements on this floor.

But looking at the fiscal year 1992 budget resolution, and the massive appropriations bill lining up for passage outside this Chamber, it has all come to naught.

The Constitution is the foundation of our Government and our society. I have sworn an oath to preserve and protect it against enemies foreign and domestic. Debt is the most serious and the most dangerous enemy facing our freedom and our futures.

This amendment to the Constitution is the best defense we can mount against that enemy, for ourselves and on behalf of those generations who will inherit America.

I urge my colleagues to vote to end this filibuster and approve this amendment to the Constitution.

EXHIBIT 1

(The following commencement address was delivered by Senator Dave Durenberger to St. Olaf College in Northfield, Minnesota on May 20, 1984)

During my 1982 campaign, I made a stop in Winona, Minnesota. A young woman came up to me and said, "I know you. You spoke at my college graduation."

I learned that she was a 1979 graduate of St. Theresa's. She went on to say, "It was a great speech. I remember everything you said." Well, at that, I kind of puffed up with pride and thought, "She's right. It was a great speech."

But then she said, "I remember it so well because you talked about national energy

policy and the need for energy conservation and none of us could figure out why you chose to talk to us about that."

Preparing my remarks for today, I thought of that young woman from Winona and the reasons I talked about energy policy at a 1979 college graduation. It was my first commencement speech as a Senator. Some number of my staff had prepared a long, windy speech about the value of an education and the true meaning of commencement. The same speech given a thousand times on college campuses every spring.

But I just couldn't give that speech. So instead I talked about what was on my mind. There was a revolution in Iran. The United States was headed into its second energy crisis in a decade. The price of oil was about to triple. The farmers of Minnesota were asking whether there would be sufficient fuel to harvest the fields they'd just planted. The elderly were wondering what another winter would bring in heating bills. And there was much that needed saying about our nation's energy policy.

I'm going to do that again, today. I'm going to set aside the traditional themes. You won't hear my thoughts on the true meaning of commencement. I'm not going to talk about energy policy either, although perhaps I should, considering the recent events in the Persian Gulf. But I am going to tell you what's on my mind.

The subject is debt. Owing money. Living beyond your means. Red ink. Debt. Pretty depressing subject for a beautiful Sunday in May.

When I say debt, I bet most of you think about the loans you took out for tuition over the last four years—a few thousand, maybe several thousand dollars. Commencement really means going over to the disbursing office or down to the bank to sign up for a repayment schedule. That's commencing. And when you do, you will be joining the mainstream of our society . . . sharing the one experience that unites all adult Americans . . . owing a large chunk of your income to somebody else.

But the school loan you know about is only the tip of the iceberg. The day you become a taxpayer, you inherit debts beyond comprehension. The accumulated debt of the United States Government is \$1.5 trillion. That's \$15,000 for every American who has a job. The interest payments . . . the simple, annual interest . . . on that debt is \$1,000 for every American who files a tax form. You owe a thousand a year just to get into the game of making a living in this country.

Worse than that, the debt is growing at the rate of \$200 billion per year. We're not paying off this loan. We're borrowing to make the interest payments. In fact, we're borrowing to make the interest and then we're borrowing some more.

Interest payments are the most rapidly increasing part of the federal budget. You hear all the controversy about increased defense spending. Every year the President and the Congress have a big fight about how much defense spending is going to increase. The President wants it to go up 7% and the Congress will only give 5% and you get the feeling that the 2% difference is a really big deal. Well, interest payments have increased by 75% since Ronald Reagan took office.

Let me use another political dispute to illustrate the problem. Taxes. A majority in both Houses of the Congress and in both political parties believe that we need to raise taxes to solve the deficit problem. But the President says, "Shame on you. We don't need more taxes. We need less spending."

Congress is about to pass a tax increase. It will raise the revenue of the national government by \$48 billion over the next 3 years. About \$200 a head for every living American. But do you know, those 48 billions of dollars will not even pay the interest on the money we're going to borrow in the next 3 years. Not interest on the old debt. Not the interest on the current \$1.5 trillion debt. The new tax increase will not even cover the interest on the new borrowing. Interest payments will continue to grow. That's what I call debt. And you are about to inherit a piece of it.

Some words by Thomas Jefferson have become a moral imperative. Let me quote him. "The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves."

According to Jefferson the first principle of government is that you leave the next generation—your children—with opportunities for choice no less than your own.

That is why this nation has always been willing to fight to preserve its liberties. That is why we as a people put such a high value on environmental protection and the conservation of our natural resources. And it has become a fundamental issue in the budget process of the federal government, because of the size of the deficits we face.

Spending a deficit is like having a credit card with the bill sent to your kids. My generation has used that plastic money to have life cushy now without realizing that our children—you—will pay the carrying charge all of your lives. We have limited your opportunities to choose because we have not been able to limit our choices to what we can afford.

That is not what we intended. In fact, the Jeffersonian principle, "pass on choices as good as your own," sounds like a rather modest goal to my generation. The dream has always been to leave much more than we inherited. It was an expectation drummed into us by our parents. We were the children of the Depression. Our folks never wanted the nation to go through that experience again. And ever since, the nation has been on a treadmill of rising expectations for material abundance.

That dream is being celebrated here today. It's a dream that you will get ahead. Although it is not as common as it once was, some of you are the first ever in your family to get a college degree. Your parents made sacrifices to get you here. And today is the day they say, "We did it. We gave better choices than we got."

But have we? If the federal debt was the whole of our problem, it might be tolerable. But it is only chapter one. The total debt of this country—government, business and consumer—is six trillion dollars . . . and growing. It has increased five-fold in the past twenty years. We are all borrowers for cars, houses, educations, vacations, and business investments.

There was a time when you could just shrug your shoulders and say, "we borrowed it from ourselves. We owe it to ourselves. So what's the problem?"

Well, that isn't true anymore. We are about to join Poland, Mexico, Argentina and Brazil as a third world debtor nation. We have developed such a habit for borrowing to get ahead . . . we've become willing to pay such high interest . . . that money is flowing into America from all over the world. We're

junkies for debt. And the shieks and the shahs and the satraps of world finance will oblige our craving. It's not just our money anymore.

Where did all those borrowed dollars go? If we had invested them in steel mills and oil refineries and computer chips, there wouldn't be a problem. Those kinds of investments create wealth and wages to repay the borrowing.

But we didn't. While borrowing increased five-fold, the total value of our productive assets only doubled. The rest we spent. We consumed it. We used it up. And now we're borrowing to make the interest because we lack the tools to earn our way.

The largest portion of our borrowing has been used for housing. And perhaps better than anything else, the single-family home explains my generation. We even call it the American dream. My home is my castle.

Before the Depression most Americans were renters. Those who bought a home paid 50% down and the balance over three to five years. When the panic hit, home mortgage foreclosures rose to the rate of a thousand a day. Not so much to protect homeowners, more to bailout the banks and savings and loans, the federal government stepped in.

The Roosevelt Administration created the Federal Housing Administration, and FHA invented the 30 year mortgage. For next to nothing down and payments stretched out over thirty years, every American could become a "homeowner." The federal government made this possible by guaranteeing the loans. If a default occurred, the bankers didn't lose their money. The federal government made good.

As your parents can tell you, in the early years of these mortgages, the payments are almost entirely interest. To ease that burden and encourage more borrowing, the federal government made more mortgage interest tax deductible. You don't have to pay federal income taxes on that portion of your income devoted to interest. It should come as no surprise that most American families are now called homeowners. You can't afford to pass up a deal like that.

Consider the story of one family. Ten years ago they took out an FHA loan to build a house. It cost \$34,000. At three percent down, their initial investment was \$1020.

They made payments of about \$400-a-month . . . \$4,800 per year. Mostly interest that was tax deductible. Uncle Sam made a quarter of each payment, so their cost was really only \$3,600 per year.

Last year . . . with two-thirds of the mortgage and most of the principal left to pay . . . the family sold the house for \$125,000. A \$91,000 capital gain in ten years for an initial investment of \$1020. Subtracting their annual cost of \$3,600 from their annual gain of \$9,100, they were making \$5,500 a year as "homeowners."

Now where did that \$5,500 come from. It wasn't produced by the house. Once built, it just sat there. Other than make a smart investment, the family didn't do anything to earn this \$5,500.

The answer, of course, is that it wasn't produced at all. It was borrowed. In one giant, national spiral of borrowing arranged by FHA and the IRS, this family came out \$55,000 ahead in ten years. This being a true story, you know what they did with their profits. They bought a bigger house. They are once again mortgaged up to their ears. Just the plumbing in their new place is more expensive than their first house entirely. And we call it the American dream.

Perhaps you don't see the connection between the good fortune of this family and

the fortunes to be made or missed by your generation in the coming years. And in a sense there may be no connection. Because my generation has wound the borrowing spiral so tight . . . forced prices and interests so high . . . that the bliss of home ownership is now beyond the reach of most of our children. You'll go back to renting . . . from us. And paying the interest on a national debt which finances mortgage deductions and loan guarantees for castles in the suburbs.

As you can tell much of my message today is directed to your folks . . . and me. Ladies and gentleman, we are the problem. We are the reason for the deficit. The problem is not all kinds of spending for welfare programs as some politicians would have you believe. We could abolish all the programs for the truly needy, and the budget still would not balance. And the problem isn't tax loopholes for the rich as politicians in the other party are always saying. We could confiscate all the income of the truly greedy and still not close the gap.

No . . . the problem is a conspiracy led by both political parties . . . politicians of all stripes . . . on behalf of the vast middle class of our generation to keep our comforts without taxing our incomes.

Counting back from this graduating class to the revolutionary war, the history of this nation takes in the life and work of eight generations. Each had its own special character or challenge. There was that extraordinary generation of colonists that founded a free nation. Another which fought a civil war to make this nation free for all of us. And the generation which came as immigrants to settle the west and build our great cities. Our parents—your grandparents—gave their young men to another terrible war and then gave their wealth to rebuild Europe from the ashes.

Our story is not complete. But I suspect that we will be remembered as the Americans who invented plastic money. We let the mainspring of American industry run down, so we could have four bedrooms, three baths and a rec room in the suburbs. And when we fell behind on the payments, we borrowed the income of our children to continue our comforts.

By our legacy we have defined the special challenge for these young men and women. Theirs will necessarily be the conservation generation. They will need to save and invest and protect and conserve to get America going again.

This has been a tough little talk. But hard things sometimes need to be said. I didn't come here to rain on anybody's celebration. It is a happy day.

As we make this new start let us remember . . . celebrate . . . the commitment that reaches across all American generations . . . back to Thomas Jefferson and out into the future . . . the commitment that preserves our liberty . . . builds our cities . . . runs our factories . . . protects our resources . . . the commitment to give a land of opportunity and freedom to our children.

Thank you.

Mr. DASCHLE. I would like to read you something a rookie Member of the U.S. House of Representatives said 13½ years ago.

"A government scorned by its citizens," he said, "cannot lead. Our Government and our Congress cannot function effectively so long as the American people are convinced our major

ability is the ability to spend them into the poorhouse. No single action would do more to restore faith in this Congress than would a self-imposed limit on spending."

The Congressman then proposed the first legislation of his career.

That Congressman was me, and the legislation I proposed was a balanced budget amendment to the Constitution of the United States.

Over the years I have heard all the arguments about why we cannot have a balanced budget amendment.

There have been many times that I have been criticized for my position and told that Democrats have to vote "no".

Over and over I have been told it is irresponsible, it would cut needed social programs, it would hurt the elderly or the young or the Nation as a whole.

There is just one problem with all those arguments. They are not true.

The balanced budget amendment does not, in and of itself, favor or harm any cause or any group. It just says that the budget must be balanced. And that is right, it must be.

We can no longer afford the deficit our lack of discipline has allowed to develop.

We can no longer afford to put our children in hock because we lack the political will to pay for the things we want.

Sure it will be hard to do this. Maybe the bad things that are so painfully predicted by Democratic leaders whose judgment I greatly respect will come to pass.

But let us be honest. If they do come to pass, it will not be because we have required that the budget be balanced. It will be because we have not been able to convince the American people that our agenda for the future is the best one for America.

Nothing in the idea of a constitutionally required balanced budget says we cannot have Head Start or Social Security, urban programs, or agricultural research. All this amendment says is that we must pay for them.

I deeply believe that to be true. I am against the robbery of my own children for any purpose. It is so clear, I believe, as to be almost unarguable that this Nation must learn to live within its means and that, if we have the will, we can do so.

Properly led, America will invest in her future without bankrupting herself. It is simply a matter of choice.

We must choose the investments in education and health that we need, not the Star Wars and missiles we do not need.

We must ask that the wealthy pay a fairer share.

To say America must go in hock to do the right thing is a terrible thing to say. It impugns the responsibility and the courage of the American people.

I do not want to believe that. I do not believe it, and I will not vote for it.

That is the reason I made my first act in the Congress the introduction of a balanced budget amendment to the U.S. Constitution.

And it is the reason I hold precisely the same position today.

I will vote for cloture to permit the balanced budget to be brought to the floor, and I will vote in favor of its adoption and submission to the States for ratification as the 27th amendment to the Constitution of the United States.

Mr. DODD. Mr. President, today's debate is about the legacy we will leave our Nation's children. As Americans, and as human beings, we have no greater obligation than to ensure the next generation inherits a nation that is better for us having been here.

From the inception of the Republic through the end of the Carter administration, our Government amassed a public debt of \$908 billion. But in 11 short years, that figure more than tripled—to some \$3.6 trillion. And, according to current estimates, the sea of red ink will swell to more than \$4 trillion by the end of this year.

Children born in America today should not begin life in debtor's prison, Mr. President, but that is exactly where they are headed at the present rate. They will be paying the bills for the excesses of the 1980's for decades to come.

Not only that, but because of the deficit, they will have a harder time making the payments. The deficit consumes savings that would otherwise be used by businesses to invest in new plants and equipment. In the long run, that means a shrinking pie and less money to pay the bills of the 1980's.

Mr. President, regrettably, at the very time our children's future is at stake, the debate over the deficit has degenerated into a blame game. That is repugnant. Frankly, with a \$4 trillion Federal debt, both Congress and the President have ample reason to repent. And neither Democrats nor Republicans can legitimately claim a monopoly on virtue.

The truth is that Congress and the President are equal partners in the budget process—as they are under the Constitution in the development of any legislation. The President makes proposals. Congress enacts legislation—and the President must sign it for it to become law.

Hence, we do not need more finger-pointing; we need cooperation and action. We need Congress and the President to sit down together and make the tough choices that must be made. We need Republicans and Democrats both to put aside inflexible ideology and embrace pragmatic solutions that get the job done.

Mr. President, some suggest that the only way to bring all sides to the table

is by adopting a balanced budget amendment. I disagree. I believe the greatest obstacle to balancing the budget over the past 12 years has been the willingness of so many politicians to sing the siren's song of easy deficit reduction.

For 12 years, the American people have been told that there is a quick and painless fix for the deficit. They have been told, for example, that we need only eliminate a line-item known as waste, fraud, and abuse. They have been told repeatedly that we can balance the budget easily if Congress only passes gimmicks like a line-item veto or a balanced budget amendment.

Mr. President, I wish balancing the budget were that easy. I wish we could wave a magic wand or click our heels together three times, and make the deficit disappear. But neither hocus-pocus nor gimmickry will do the trick. Only by bearing down and making some hard and painful choices can we put our fiscal house in order and safeguard the future of our children.

Just consider the sheer magnitude of the numbers involved. Factoring out the effects of the current recession, and Social Security, the Congressional Budget Office forecasts that the 1993 deficit will be \$253 billion, out of a total budget of \$1.5 trillion.

Those who would balance the budget by raising taxes should be informed that increases of roughly 21 percent would be required to eliminate the deficit. We cannot, should not, and must not saddle taxpayers with such a crippling burden.

But cutting spending is no more practical. We could consider radical solutions like eliminating domestic discretionary expenditures in 1993, for example. But even if we terminated the FBI, AIDS research at the National Institutes of Health, Head Start, child care, and every other domestic discretionary program, we would still fall \$29 billion short of eliminating the deficit.

It is long past time for the President and Congress to face the facts. There is no easy way to balance the budget. If there were, we would have done it by now. All there is instead is a series of hard choices which must be made to save our children's future.

This is not to say that we made no progress in the 1980's on reigning in the budget process. In 1985, for example, contrary to the wishes of many of my fellow Democrats, I was the second Democrat to support Gramm-Rudman. While Gramm-Rudman has clearly not proved to be the panacea that we had hoped it would be, it did cut the growth rate in Federal spending nearly in half while it was in effect.

In 1990, we added the Budget Enforcement Act to further restrain spending. It put in place a series of caps on the discretionary spending that is subject to annual appropriations. It also added a new requirement that any changes in

entitlements, which are the fastest growing portion of the Federal budget, be fully paid for.

Mr. President, we should build on this progress by moving forward today with a process to make the tough decisions. The Byrd amendment would point us in the right direction. It would generate immediate action by requiring the President by the end of August to submit a plan that balances the budget by 1998. That would be a starting point for negotiations between the President and Congress on a deficit reduction plan that gets the job done.

In marked contrast, the balanced budget amendment is silent on immediate action. Under it, no steps toward a balanced budget are required to be taken until 1998, which is the earliest the amendment could take effect.

Our children cannot afford to wait that long. According to the Office of Management and Budget, \$2 trillion will be added to the national debt between now and 1998 unless action is taken. That is far too high a price to pay for putting off taking some bad-tasting medicine.

Mr. President, the Byrd amendment would also preserve both the Federal Government's countercyclical role in the economy and the balance of powers among the three branches of our Federal Government. Unfortunately, the proposed balanced budget amendment protects neither.

When the economy goes into a tailspin, the American people rightfully expect government to step in and lend a helping hand. At present, that is exactly what happens. Automatically, spending for safety-net programs like unemployment, food stamps, and Aid to Families with Dependent Children all rise in a recession. Together, these programs help reduce the human cost of the low points in the business cycle.

The balanced budget amendment would throw a monkey wrench into a mechanism that works well. Under the balanced budget amendment's terms, when the economy goes into a recession and Federal programs are needed the most, they would have to be cut to compensate for lower revenues. Frankly, that is a return to Herbert Hoover economics.

I know proponents of the amendment will point out its three-fifths waiver provision, and claim that it offers an escape hatch for hard economic times. But in my view, it is insufficient. In my view, it serves only to further empower a minority to hold the national interest hostage to their own narrow agenda.

Mr. President, the proposed constitutional amendments threat to the balance of power between the three branches of Government is equally alarming.

Our Nation's founders developed a system of checks and balances to ensure that neither the executive, the

legislative, nor the judicial branches could exercise disproportionate control over the Government as a whole. One of the central features of that balance of power is, as I have mentioned, the shared responsibility between the President and Congress for budget matters.

The balanced budget amendment would tear that shared responsibility asunder. It would give the President unprecedented new power to unilaterally cancel spending on whatever programs he saw fit, and cite his constitutional obligation to prevent deficit spending as a justification. In my view, that is a dangerous shift in the balance of power that has served this Nation so well for over two centuries.

Moreover, the balanced budget amendment would cause the judiciary to become ensnared in the budget process. As Lawrence Tribe put it in recent written testimony, " * * * the Federal courts might be entitled to second-guess all aspects of Congress' and the President's administration (or non administration) of the balanced budget amendment * * * ." In such instances, Tribe reports, the courts might well end up assuming ultimate responsibility for managing the Federal budget. Frankly, Mr. President, I believe it is unwise and dangerous to transform the courts into another Office of Management and Budget.

Mr. President, the balanced budget amendment is not the answer to our budget deficit. It only postpones the hard choices we need to make. It disembowels the Federal Government's role in managing the economy, and it radically alters the system of checks and balances that have long been the hallmark of our system of Government.

The better alternative is to enact the Byrd amendment. It would force action this year to bring the deficit under control. It would compel us to begin to make the decision that must be made. We owe it to our children and to future generations to roll up our sleeves and get to work.

Mr. BAUCUS. Mr. President, if there is one criticism of this body that concerns me, it is that we spend too much time on extraneous issues, and not enough time on the critical ones. And when we do address important issues, we too often allow heated debate and inflammatory rhetoric to obscure objective analysis. Votes become not attempts to reach compromise and solve problems, they become litmus tests for some party's political imperative.

I believe that the debate over amending the Constitution to require a balanced budget has, unfortunately, reached this stage.

There can be no doubt of the seriousness of the problem we face. Our national debt is now at about \$4 trillion. This year, we will add another \$350 to \$400 billion to that amount.

That is an amount so large that it is hard to comprehend. And we begin to

dismiss it because it appears to have no immediate consequence.

But it has a deadly, insidious effect. It saps our economic strength. Strength we will need to prosper in a world where economic competition, not military confrontation, will determine who listens to whom.

The growing level of debt lowers our level of savings. It makes our products less competitive abroad. It increases our reliance on foreign sources of capital. And, most tragically, it mortgages our children's future.

So the real question is not whether to achieve a balanced budget. There is no quarrel with that proposition in this Chamber. We must if we are to survive.

No, the question is how. And that is where I must part company today with those who believe that amending the Constitution is the way to balance the budget.

Unfortunately, many of the supporters of the constitutional amendment, while sincere in their belief, are asking us to buy a bill of goods, sight unseen. For in all the debate over this amendment, I have yet to see an honest, workable approach that will balance the budget without unbalancing our country.

How can we, in good conscience, support such a proposition when there are so few answers about what it will take to accomplish the goal. It seems to me that amending the Constitution is too solemn a step to take without a pretty good indication of what we intend to do with it.

After all, the Constitution is not, and should not be, easily amended. But the corollary is that it also is not easy to undo mistakes.

So before we start amending the Constitution, I believe it is vital that we know what we intend, how it will be implemented, and how it will affect us.

Yet, all the amendment currently says is that Congress shall enforce and implement this article by appropriate legislation.

Some may argue that similar language has been included in other constitutional amendments and that it is necessary to prevent the Constitution from becoming unwieldy. I agree that the Constitution should not become a multivolume document.

But in the case of an amendment dealing with the budget, where complexity reigns, and the President's budget runs to more than 1,600 pages this year, we need something more. Putting the real responsibility off onto appropriate legislation is far too vague for such a complex task. That sounds like the greatest of all copouts.

For instance, the amendment is silent on the question of enforcement. Who do the sponsors think should enforce the balanced budget requirement? Will it be the Office of Management and Budget? The people who, 10 years ago, brought us the magic asterisk,

those phantom cuts used to bring their budget into line?

Will it be the President himself through the use of a line-item veto in which the fate of programs can depend more on unrelated political maneuverings than on their individual merits?

Or will it be the Supreme Court? Will the nine Justices, elected by and accountable to no one, have the power to decide which programs to terminate? Or which taxes to increase?

These are not insignificant questions. They strike at the heart of some of our most cherished concepts, such as equal representation, and no taxation without representation.

Even the more mundane, but important, budget issues, such as whether separate capital and operating budgets are allowed is not addressed.

Investments are the key to our children's economic future. They provide the foundation for the private-public partnership needed to restore our economic competitiveness.

States with balanced budget requirements recognize this by allowing a separate budget for investments in capital goods, those items that will bring a future economic return. But there is no legislation alongside this constitutional amendment to say whether such a separate budget will be allowed.

If it is not, then I fear that we will always shortchange the investments in our highways, bridges, airports, and communications facilities, needed to bring us up to world class standards and allow us to outperform the Germans and the Japanese, and the other economic powers that challenge us.

After all, the purpose of this amendment is to help restore our economic might. We cannot allow it to become a weapon against us, however unintentional. But, again, the amendment is silent, and there is no legislative language to explain what is intended.

And what of the States. Much has been made of their record in balancing budgets, at least their operating budgets. But those budgets are kept in balance with the help of some \$182 billion in Federal grants to States this year.

When the grants are cut off in order to reduce Federal spending, what happens to the States? Must they raise taxes and cut spending by \$182 billion to keep their budgets balanced? And what effect will that have?

Mr. President, my disagreement is not with a balanced budget. It is with enshrining such a requirement into the Constitution without knowing the answers to some vital questions.

If any businessperson entered into a major project with as little information on the risks and rewards as there currently is on this amendment, then the board of directors would probably demand his or her head.

I know that many of our constituents are demanding we act on this amend-

ment. Indeed, more than 30 States have passed resolutions calling for a constitutional convention to consider an amendment similar to this. So I can understand the tremendous political appeal of this proposition.

But we cannot let our accumulated frustration, and even rage, at a decade of triple-digit deficits lead us to embrace a cure that could be worse than the disease. In the final analysis, a balanced budget can only come about through the leadership of the President and the willingness of a majority in both Houses of Congress to make the tough choices and stick with them.

Without some specific answers to the fundamental questions surrounding it, we should not adopt this amendment to the Constitution. And we should focus our collective energy in working with the President, even during the remainder of this election year, on a budget that will bring the result we all desire.

Mr. SEYMOUR. Mr. President, I rise to seek clarification from my friend from Utah, the ranking member of the Banking Committee, Senator GARN, regarding title V of the bill and to express concerns I have heard from my constituents.

I, for one, believe very much in the fine work and success of Freddie Mac and Fannie Mae. As the committee report indicates, they have been successful and are an important element of our Federal housing policy. Their activities reduce mortgage interest rates and facilitate stability in lending markets.

I want to underline that this legislation is designed first and foremost to ensure the safety and soundness of Fannie Mae and Freddie Mac. Would the ranking member agree with this point?

Mr. GARN. Mr. President, let me assure my friend from California that the goal of this legislation is exactly as he indicates. Our primary focus in this legislation is to ensure the safety and soundness of government sponsored enterprises [GSE]. We must not lose sight of this goal. In fact, the 1990 Budget Act required us to review the GSE's to make sure that the American taxpayer is not exposed to unwarranted risk. I supported this bill in the Banking Committee because I believe it moves us closer to accomplishing that goal.

Mr. SEYMOUR. I am very pleased with the direction the Banking Committee has taken in terms of underlining the need for Fannie Mae and Freddie Mac to reach out to underserved communities. Both of these enterprises can play an important role in our overall Federal housing policy, and, in fact, they are taking actions on their own to reach out to underserved communities. For instance, Fannie Mae has undertaken a \$1.25 billion House America Program in conjunction with Countrywide Funding Corp. of Pasadena, CA, to finance low- and mod-

erate-income and minority homebuyers over the next 29 months. Moreover, as the committee report indicates, Fannie Mae announced in March a \$10 billion commitment to affordable housing.

However, a concern has been raised that the new housing goals established under title V may be inconsistent with safety and soundness.

Mr. GARN. Many of my colleagues may have read my views in the committee report. I will state again that the emphasis in the committee report on the housing goals in title V is misplaced with respect to this legislation's fundamental purpose, which is to ensure the safety and soundness of the GSE's. This is the legislative intent. To require the GSE's to undertake activities that do not provide a reasonable economic return or would otherwise impair their financial condition would be inconsistent with the fundamental intent of the bill.

Mr. SEYMOUR. Is it the understanding of the Senator from Utah therefore that the activities and requirements under the bill must first meet the fundamental test of reasonable economic return?

Mr. GARN. Yes. That is my understanding. The purpose of the legislation is to ensure safety and soundness. As I mentioned earlier, requiring the GSE's to undertake activities which are unduly risky or which will not enable them to earn a reasonable rate of return is inconsistent with this purpose. And let me point out that our actions here will be watched very closely by private sector investors who are really the engine behind the success of both the Freddie Mac and Fannie Mae programs. Imposing risks on investors would set back the clear progress they have been making. We want them to make further progress in this regard, but not at the expense of additional financial risks.

Mr. SEYMOUR. Is it also the interpretation of the Senator from Utah that while working to achieve these new affordable housing goals, the GSE's should endeavor to continue serving the entire existing mortgage market in all areas of the country and that, in implementing these goals, the Director should be cognizant of this important public policy?

Mr. GARN. Yes, that is my understanding. In adopting this legislation, the committee made clear its intent that the GSE's should serve all Americans to the extent practicable in light of inherent limitations imposed by the secondary mortgage market and the need of the GSE's to earn a reasonable economic return and maintain their safety and soundness. In addition, it was our intent that the implementation of title V should recognize the existence of market limitations in terms of the availability of suitable mortgage products and local market conditions.

Mr. SEYMOUR. Mr. President, I thank the distinguished Senator from

Utah for his comments and clarifications and for his leadership in bringing this bill before the Senate for action.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

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

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

HIGHER EDUCATION AMENDMENTS OF 1992—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on S. 1150 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1150) to reauthorize the Higher Education Act of 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, June 30, 1992.)

Mr. KENNEDY. Mr. President, the majority leader has requested unanimous consent to take up and approve the conference report on the Higher Education Act. I hope that the Senate will agree to this.

Education reform is an urgent priority for our Nation; the Higher Education Act is part of a package of legislative initiatives designed to reform and improve all aspects of American education.

All Members of the Senate have been deeply disturbed by the conditions of our elementary and secondary schools. Indeed, there is nothing more disheartening than the realization that thousands of American children will not receive a decent education.

Some may argue that concerns about higher education pale before this crisis, and that we should attend first to elementary and secondary education. After all, American higher education, despite its shortcomings, remains one of the wonders of the world.

Without questioning the necessity of more effective action in elementary and secondary education, we cannot turn our backs on higher education if we intend to honor our commitment to students who persevere in elementary and secondary school. We cannot expect students to excel in education, if there is a limit, even a perceived limit, on their educational aspirations.

We are in a position today, thanks to these 1992 amendments to the Higher Education Act, to greatly expand opportunities for higher education. In many respects this measure is an indispensable part of our efforts to restore domestic growth and competitiveness in world markets. Our increasingly technological and complex workplace demands highly skilled and educated workers. We cannot afford to have members of our work force hindered by incomplete or poor preparation.

Unfortunately, over the last 15 years, the cost of college education has increased much faster than the cost of living. Higher education has increasingly moved out of reach for low- and middle-income Americans. Unlike other industrialized democracies, America expects its students and their families to bear the primary burden of paying for higher education. We have used the opportunity of the reauthorization of the Higher Education Act to ease that burden and give more students the option to pursue a college education and achieve their full potential.

Nearly two out of every three 1980 high school seniors was enrolled in some type of postsecondary education within 6 years after leaving high school. But, after 6 years of enrollment only 40 percent of those students had completed a bachelors' degree, while 44 percent had dropped out. Clearly we must make higher education more accessible to more students, and help those who enroll finish their degrees.

One of the central goals of this reauthorization is to expand student aid for low- and middle-income families. This legislation accomplishes that goal by authorizing a long overdue increase in the size of Pell grants, and by raising loan limits and expanding eligibility for Stafford loans in order to help students keep up with the rising cost of tuition.

In addition, we have eliminated consideration of home and farm equity in determining eligibility for student aid. In the past, the inclusion of the value of a family home or farm in the need calculation has meant that many hard-working middle income families have not been able to qualify for student aid. Rather than ask them to mortgage their homes or farms in order to pay for education, we have made it possible for them to receive help from the Federal Government to meet the cost of sending their children to college.

A second key goal in this legislation is to simplify access to student aid.

Currently, the application process is extremely complex. It discourages many students, especially students from lower income families, from applying for student aid. This bill establishes a single need analysis formula to calculate eligibility for aid, and we have also mandated the use of a single, simple application form. In addition, we have established automatic eligibility for the neediest students and we have excluded from the need analysis the valuation of all assets for families filing a 1040EZ tax return. We have also created a new streamlined reapplication process.

A third issue of serious concern is the fraud and abuse in the current student loan program. In the past 5 years, we have seen a massive increase in loan defaults. Most of these defaults can be attributed to schools that fail to deliver on their promise to prepare students for the job market. The sad fact is that we have seen a proliferation of schools more interested in making a profit than training students. Students from these schools, often from low income backgrounds, are then unable to find employment, and are saddled with a student loan debt which they cannot repay.

In order to exert greater quality control over schools that participate in the Federal program, we have strengthened the three parts of the school approval process and have implemented many provisions suggested by Senator NUNN following his extensive investigation of the Student Loan Program.

Schools with default rates over 25 percent will no longer be eligible to participate in the program. The participation of short-term proprietary school and correspondence schools has been severely restricted. These changes will help insure that the programs we are subsidizing are providing our students a quality education.

A fourth set of concerns focuses on teacher recruitment, retention and development. We have established a new Teacher Corps Program to provide college aid to prospective teachers, in return for a commitment to teach in underserved areas. We have expanded programs to recruit nontraditional and outstanding individuals into teaching, and we have established national and State teacher academies for in-service teacher training and school leadership training.

A fifth major reform is the significant expansion of early intervention. The rate at which students drop out of school nationwide is a major educational and economic problem. The severity of this problem is compounded by the fact that the students who are primarily at risk are those from non-English-language backgrounds, who come from single-parent households, or who come from poor families. Their number is on the rise in our Nation's schools.

To prevent students from dropping out of school and make sure they pursue a college education, we must reach them early in the educational pipeline. Included in this legislation are two programs to address this problem: the National Early Intervention Scholarship and Partnership Program, and the Presidential Access Program.

These programs have three goals: First, to create and expand early intervention programs to help at-risk youth finish high school; second, to provide college scholarships to the students; and third, to increase the academic rigor of the courses taken by high school students. These programs identify at-risk students early in the educational pipeline and make funding available for early intervention programs to keep them in school. These intervention programs, operated by community-based organizations or local schools in conjunction with the state educational agency, continue throughout high school. One of the most important aspects of these programs is the requirement for mentors. Experience and research have shown that students need guidance and advice to achieve their potential.

In addition, students who participate in early intervention programs and complete a rigorous academic course-load will receive a scholarship to help finance their college education. If students know that a college education is within their reach financially, they are more likely to be motivated to finish high school and perform well.

We have worked closely with the administration in preparing this legislation and have strong bipartisan support for the conference report.

The major controversy in the legislation involved the so-called direct loan demonstration program proposed by Congress. Under such a plan, the Federal Government will lend money directly to students, rather than paying banks a subsidy to act as middlemen and make the loans. Direct loans will be significantly less expensive for the Federal Government to administer and much simpler for students to obtain.

The conference agreement establishes a nationwide demonstration program to test direct student loans at large colleges and universities. Under the agreement, the Secretary of Education will select schools to participate, and will assess the effectiveness of the direct loans. If the new approach lives up to its potential, we hope the Federal Government will move as rapidly as possible to expand the program.

Many of us have been urging this idea for many years, especially John Silber, president of Boston University. Senators SIMON, BRADLEY, and DURENBERGER have played key roles in advancing direct loans. It is one of the most innovative ideas in higher education, and it is gratifying that it is finally being tried.

The bill meets all pay-as-you-go provisions of the Budget Enforcement Act. Expansions in eligibility are financed by offsetting cuts elsewhere in the Student Loan Program. According to CBO, over the next 5 years, this bill saves \$2 million in the budget authority and \$40 million in outlays over the current program.

I am pleased that the administration and the Congress have been able to work out their differences on this indispensable legislation. I commend Secretary Alexander and the Department of Education for the progress we have made together and I also commend my colleagues in both Houses of Congress and on both sides of the aisle especially Senator PELL and BILL FORD who have worked so hard to enact this landmark bill, and I urge the Senate to approve it.

Educational excellence is the key to American competitiveness in today's world. Enactment of the Higher Education Act will make it possible for all qualified students to take their place in college and graduate programs across the country in preparation for entering a productive work force. The Higher Education Act will help students achieve their full potential, and help the Nation reap the rewards of their accomplishments. It is a central part of our longrun goal to revitalize our economy and invest in our future, and I urge the Senate to approve it.

Finally, let me add one further point. Now that higher education bill is completed, Congress must turn its attention to the urgent needs of our elementary and secondary schools. The system that has served this country so ably for so long needs far-reaching reform and all of us in public life must work together to achieve it.

A sound bill has passed the Senate and is moving through the House. It provides structure for the realistic reforms we need. It builds on proven successes in schools across the country and conditions Federal aid to schools on producing demonstrated results in raising academic achievement.

The time has come to create conditions for permanent improvement—not in a few schools, but in all schools, not just for a few students, but for all students in each of America's 80,000 public schools and 1 million classrooms. They need it. They deserve it. It will be hard work, but it is among the most important tasks the Nation must undertake. With the Higher Education Act under our belt, I hope that we can bring a similar spirit of cooperation to our work on this other vital education bill, and have a bill enacted by the time Congress adjourns this fall.

Mr. HATCH. Mr. President, I am pleased that we are at the culmination of our efforts to reauthorize our Nation's higher education programs. I want to reiterate my view that the bill has been developed with an eye toward

providing quality programs and good public policy. I urge my colleagues to join me in support of the final legislation.

We all anticipate that this legislation will continue to assist students to access higher education in this country while addressing some of the existing problems in the Student Financial Aid Program. I believe that this legislation is successful on both counts.

I support the maximum available Pell grant and the other changes we have made that enable students to have greater access to higher education.

I support the toughening up of the integrity provisions to correct abuses. Changes made to reduce defaults in the student loan program will also serve to increase the quality of programs available to students and to ensure accountability on the part of all players in the Student Loan Program. Changes to strengthen the role of States in the Student Loan Program will benefit both students and taxpayers by increasing the quality of schools participating in the program.

We have taken significant steps to simplify the Student Aid Program. By using a single needs analysis for the grant and loan programs, the ability of all students to apply for student aid will be increased. The current complexity and number of different financial aid forms have created a disincentive for many students to apply for financial assistance. Consequently, there will now be one Federal financial aid form. I am definitely in favor of simplifying and cutting down paperwork.

There are many provisions I wholeheartedly support in this bill, some of which I have just mentioned. However, I must express my concern with respect to the direct lending provisions of this bill. The Senate bill had no direct loan provision and the House bill provided for a \$500 million direct loan starting point. I am disappointed that the conference agreement resulted in a direct loan program that begins at a level of \$500 million. This is sort of like jogging before we know if we can walk. I had hoped we could have come up with a more modest demonstration.

We have all listened to the many claims made by the proponents of direct loans. It is difficult not to be swayed by the arguments of saving taxpayer dollars; but let us not ignore the forest for the trees. A direct loan program, even a small one, will increase the debt burden of the United States as well as transform many of our educational institutions into banking institutions. I am not at all certain that this is a good idea. I am convinced that many of the additional costs and potential problems involved in a direct loan program are being overlooked. I hope, however, that this demonstration will be carefully implemented and administered, with a minimal amount of

disruption, and that the subsequent evaluation will provide us with some concrete answers to some of these questions.

I want to again express my appreciation to Senator KASSEBAUM for her leadership. I would also like to acknowledge the efforts of Senators KENNEDY and PELL for moving this bill forward. This has been a bipartisan effort all along, and I am pleased that Senators on both sides of the aisle are able to support this important education bill.

Mr. PELL. Mr. President, I rise in support of the conference report on S. 1150, the Higher Education Amendments of 1992.

From the outset, let me make clear that the product of the House-Senate conference is one worthy of the support of all Members of this body. It is legislation that has had the needs of students and their families uppermost in priority. It is a 5-year reauthorization with over 90 percent of the funds going to student aid.

The legislation recognizes that the grant is the foundation of student aid and the most important form of assistance for students and families who lack the financial wherewithal to pay for their own education. It recognizes that financing a college education is a hardship that extends to hard-pressed middle-income families who have found themselves unable to obtain Federal student aid, either in the form of grants or loans.

While I am disappointed that we were unable to chart a course leading to a Pell grant entitlement at a definite point in the future, I am nevertheless very pleased with the changes we made in the Pell grant. We authorize a maximum Pell grant of \$3,700 for the 1993-94 academic year as a recognition of where we should be in providing grant assistance to deserving students. We remove the 60 percent cost of attendance cap which has unfairly hurt poor students at low-cost institutions. We also provide 50 percent tuition sensitivity for any increases above the current Pell grant maximum of \$2,400. This is a very important step.

Simplification is another of the important accomplishments of this legislation. For the first time, we will have one system for analyzing and determining need for all students and all Federal aid programs.

We will also have simplified application and reapplication forms that will be done in plain and simple language, and without undue complexity. For families with incomes of less than \$50,000 a year, the application will be an even more abbreviated one. What a relief these changes will be to families who previously have found the Federal aid form unnecessarily detailed, complex, and almost incomprehensible.

With respect to need analysis, we make several historic changes that will

help low- and middle-income families alike. We remove the consideration of home and family farm equity in determining financial need. All too often this did not measure a family's ability to pay for a college education, and instead punished families for whom the home was the only real asset.

We have tightened the definition of the independent student to prevent program abuse and to make sure that aid is not diverted from deserving dependent and independent students because some families found clever ways to declare their children independent in order to qualify for Federal student aid.

Less than half time students will be eligible to participate in both the Pell Grant Program and the Stafford Student Loan Program, a recognition of the growing number of adults who return to school, but can do so only on a part-time basis.

For families who previously have been punished if they scrimped and saved for their children's college education, we include savings for education in asset protection. Also, students previously found that they were expected to save an unreasonable amount of their summer and school year earnings for their education. That will no longer be the case because of this bill.

While simplification in need analysis and forms is important, we have also extended it to the delivery of student aid. We seek, once and for all, to make sure that the promise of a free Federal form is something that actually reaches the student. Supplementary information, if it is needed, is something that we intend should result in only a marginal or nominal charge to the student. What a refreshing difference these changes will be.

While we stress the importance of the grant program, we recognize that the grant is unable to cover the cost of paying for a college education. Accordingly, we provide for modest increases in the amounts students and their families can borrow. Most important, we provide an unsubsidized loan program for middle-income families who may not meet the need test in the regular loan program, but still need help in paying for their children's college education.

We also provide for a 5-year test of the concept of a direct loan program. The idea of such a program has been a subject for discussion for many years, and it is certainly time that we took a look at how it would operate, and got an idea of the advantages and disadvantages of such a program. The test we have designed should be an objective one, and should be of sufficient size to give us an idea of how the program might operate if implemented on a large-scale basis. I am extremely pleased that we have been able to reach an agreement with the administration

on the size of this demonstration, and that we have avoided the possibility that this critically important legislation might be vetoed.

In addition to the changes in loan limits and the new loan program provisions, we have made many changes designed to improve the operation and administration of the Federal loan programs. Among the more important changes are the elimination from loan program participation of all schools with default rates above 25 percent; the prohibition of commissioned salespersons to recruit students; fair and equitable refunds for students; new restrictions on branch campuses; better identification of borrowers; new protection to make sure students know they are getting loans and not grants; stiffer penalties for fraud and abuse; and provisions that make proprietary schools ineligible to participate in the Federal loan program if more than 85 percent of their operating revenue is derived from Federal student aid.

We are indebted to Senator NUNN for the work of his Investigations Subcommittee and for the recommendations he made to strengthen the loan program. My staff worked closely with his staff, and the results of their cooperative endeavors are reflected in many provisions of this bill. I consider his enthusiastic support for this legislation very significant.

In addition to tightening the loan program, our legislation contains important provisions to insure that students will receive a quality education at whatever institution they select. We significantly strengthen the triad, the process of accreditation, eligibility, and certification, and State licensing. In all three areas we strengthen Federal requirements to insure that the accreditation process is strong and credible, and that only good institutions make it through this critically important three-step process.

In addition to our Federal student aid programs, we make significant progress in several other areas as well. We have a wholly new approach to teacher recruitment, retention, and improvement. We retain well-proven programs such as the Paul Douglas Teacher Scholarship Program. We begin anew the Teacher Corps Program, and continue support for the National Board for Professional Teaching Standards. For master teachers we authorize a program of National Teacher Academies in a series of key academic areas. We authorize a series of new State and local programs for teacher excellence, including Professional Development Academies, where teachers who are already teaching might upgrade their skills. We seek to bring new talent into the teaching profession through the Alternative Routes to Teacher Certification Program and through the New Careers Program, which seeks to bring people from school support positions into teaching.

Finally, we take several other very important steps to improve the quality of postsecondary education in America. These include: a new emphasis on community service among college students; a strengthened program of library services; an upgraded and expanded program of institutional aid; a more comprehensive approach to graduate education assistance; a new program of Federal assistance to improve academic and library facilities; and a continuation of such highly successful, well-regarded programs in international education, cooperative education, the fund for the improvement of postsecondary education, and the Peace Institute.

Mr. President, this legislation is the product of well over a year's very hard work. It is legislation that was born and fashioned in a spirit of bipartisanship.

It is legislation of vital importance to low- and middle-income families throughout America who increasingly find paying for a college education beyond their financial reach.

It is legislation that brings the opportunity of a college education to millions of young and adult Americans who, without our help, would not be able to attend college.

It is legislation that opens education and training possibilities to individuals who otherwise would find none available.

It is legislation crafted to make sure that wherever students who receive Federal aid decide to go to school, they can make that decision confident that the education they will receive is a quality product.

It is legislation truly designed to keep American strong where it counts the most—in the education and character of its people.

Without question, it is legislation that we should approve with dispatch and send to the President for his signature.

Mrs. KASSEBAUM. Mr. President, I am pleased that the Senate is considering the conference report on S. 1150, the Higher Education Amendments of 1992. Putting this reauthorization bill together has been an enormous undertaking, which has consumed a good share of the time and attention of the Senate Education Subcommittee over the past 18 months. I want to express my sincere appreciation to all those on both the House and Senate sides whose hard work and dedication have allowed us to reach this point, with particular thanks to Senators PELL, HATCH, and KENNEDY.

The Higher Education Act represents a substantial Federal investment in postsecondary education. This legislation protects and expands that investment by strengthening oversight of financial aid programs, simplifying the process, expanding educational opportunities to low- and middle-income stu-

dents, and encouraging student preparation for postsecondary opportunities.

First of all, the bill contains a number of strong provisions designed to assure program integrity. In nearly every area of the Federal Government, we have heard repeated calls for greater accountability. Increasingly, Americans are wondering if Congress can really be trusted with their tax dollars.

Certainly, the record \$3.6 billion we spent in student loan default costs last year does little to instill public confidence. Through recent reconciliation bills, we have attempted to clean up problems and program abuses—including the elimination of institutions with excessively high default rates from the program. The Department of Education has also initiated a number of new efforts to strengthen its enforcement efforts.

This reauthorization bill continues and builds upon these efforts, by taking steps such as reducing to 25 percent the default rate trigger for eliminating institutions from the program; improving means for tracking students in repayment; eliminating the use of commissioned sales representatives for student recruitment; improving the exchange of information among State agencies, accreditation bodies, and the Department of Education regarding questionable practices and institutions; and strengthening criminal penalties for program fraud.

Perhaps more importantly, the bill goes beyond trying to correct problems which have already occurred and emphasizes preventing problems before they occur. Specifically, the bill strengthens requirements related to accreditation, State approval, and Federal eligibility and certification—the so-called triad—of institutions which participate in student aid programs.

Another important effort is the simplification of the student aid process. In applying for aid, students and their families face a dizzying array of application forms and questions. These students have a diverse range of needs, and diverse range of questions have been designed to determine what those needs might be. At the same time, we must recognize that there comes a point where the sheer complexity of the process does more harm than good.

Among the provisions designed to simplify the process are a single need analysis for all Federal student aid programs; elimination of several elements from need analysis, so that the number of questions that will have to be answered will be reduced; notification to students when loans are sold; and reduction in the number of loan deferment categories.

The bill also increases assistance to students by increasing loan limits; establishing a new unsubsidized loan program to provide assistance to middle-income students; eliminating consideration of home and farm equity; and in-

creasing the authorized Pell maximum grant.

In addition, this bill makes a start toward promoting higher standards in preparation for postsecondary work by establishing an early intervention program. In addition, it authorizes additional assistance to students who complete a specified set of academic courses in high school. This proposal should have a positive impact in encouraging schools to offer a demanding curriculum and in encouraging students to pursue it if they wish to go on to college.

Finally, the legislation includes a direct loan demonstration program. Although this program is somewhat larger than I believe is necessary to test the direct lending concept, it is far more reasonable in size than that originally proposed by the majority of conferees. This pilot program should provide an opportunity to look more closely at an idea which has attracted a great deal of interest and attention. It should provide definitive answers both to those of us who are skeptical about the wisdom and practicality of this approach as well as to those who would prefer that it be implemented on a much broader scale.

This bill—taken as a whole—moves us in a positive direction in terms of meeting our goals for a more accountable and accessible Federal student aid program.

EXCLUDABLE INCOME

Mr. SIMON. Mr. President, I rise in support of the conference report to reauthorize the Higher Education Act of 1965. It is through the Higher Education Act that the dream of a college education becomes a reality for many students, including the non-traditional student, who more often than not is a woman, is older, or is a single parent.

I note that there was a provision in the bill passed by the Senate that specifically excluded in the determination of the student's base-year income the income of a spouse who has died, or from whom the student has been separated or divorced. This is important, since a student's base-year income is the basis on which their projected income during the award year is determined. Thus, in the case of a woman who has been recently divorced, separated or widowed, this provision would ensure that her spouse's income—to which she no longer has access—would not be included in the calculation of her financial aid package. The House bill dealt with this issue by using the projected year income rather than the base-year income in the cases of all independent students.

Mr. President, is it the Senator's understanding that it would be an appropriate use of a financial aid administrator's professional judgment to adjust the income of students who are recently divorced, separated, or widowed by removing from consideration the income of the students' former spouses?

Mr. PELL. Yes. Those individuals that you describe certainly deserve access to a college education, and should not have their former spouse's income included in the determination of their financial need. The financial aid administrator's professional judgment in excluding the income of a former spouse is certainly appropriate in these cases.

Mr. SIMON. Mr. President, I would like to praise the work of my colleagues in putting together a reauthorization bill which, given the constraints presented by this administration and the Budget Act, makes remarkable progress in expanding educational opportunity in this Nation. Senator PELL, Senator KENNEDY, Senator KASSEBAUM and Senator HATCH, as well as their staffs, should be commended for their work. Likewise, on the House side Chairman FORD and the ranking Members there deserve equal praise.

Still, S. 1150 is not all that I had hoped it would be. As my colleagues know, I was pushing for much more significant change. I wanted us to dream, and to make some of those dreams come true. The bill does not accomplish that; it really just tinkers at the edges of the current programs. But that is not unusual for Congress, a deliberative body which is designed to make change only slowly. While the bill itself is not radical, the direction for change that it does set is visionary, and deserve the Senate's support.

Last October, Senator DURENBERGER and I introduced a measure, S. 1845, which proposed a complete overhaul of the current student loan system, saving billions of dollars which were then used to move the Pell Grant program toward true entitlement status. The changes in the loan program, which we called Income-Dependent Education Assistance—IDEA Credit—would have first, made loans available to all Americans, second, saved money by bypassing the banks, guaranty agencies and Sallie Mae, and third, offered income-contingent repayment through the IRS. Similar bills were introduced in the Senate by Senator BRADLEY, Senator KENNEDY, and Senator AKAKA. I am pleased that the conference report, in several respects, points in the direction set by these bills.

Universal eligibility for loans. Under S. 1150, no student will be denied access to Federal student aid. Even a dependent student whose family, on paper, can pay for college, will at least be eligible for a loan. The bill allows such students to participate in the Stafford loan program, but, unlike needy students, the student will be responsible for paying interest costs while in school.

Direct lending. We must do everything possible to ensure that money in the student loan system is not wasted on middle players and bureaucracy.

The first indication that there might be some room for reform in this area was actually from the Education Department more than a year ago. An internal "pro and con" analysis noted that a direct loan system could be much less expensive to the taxpayer and simpler to administer. The document, released one year ago by the Secretary of Education, stated that:

Guaranteed loans are significantly more expensive to provide than direct loans—\$1.4 billion more expensive in the first year than a comparable direct loan program. This is due to: First, the entitlement subsidy payments needed to attract and maintain the participation of private for-profit lenders; and second, the administrative and default collection allowances paid to guarantee agencies.

Due to its complexity—the great number of participating organizations, decentralized recordkeeping, and thousands of transactions—the current GSL system is error prone and extremely difficult to monitor and audit.

Recent fraud and abuse scandals involving lenders and servicing contractors are only the latest in a long history of such scandals which State-level guarantee agencies have been unable to prevent.

The GSL system is burdensome to students and schools. Students have to fill out multiple applications for student aid—one for GSL and one for other aid. There are often delays to obtain lender and guarantor approval of loans. Because most loans are transferred among lenders and servicers, borrower repayment checks may be sent to the wrong party. Schools now must deal with up to 54 sets of applications, regulations, program reviews, and reports prescribed by 54 guarantee agencies.

GSL Program changes have always been held hostage by the banks—who can always threaten to withdraw. Likewise, guarantee agencies have historically fought reforms detrimental to their interests.

That last statement turned out to be a good prediction of what would happen with direct lending. Guaranty agencies and lenders conducted an all-out lobbying campaign to convince schools and Members of Congress that direct lending was something that it was not. As I noted on the floor several days ago, even the entity that Congress created to help students, the Student Loan Marketing Association, got involved in the fight. But this is not a bankers assistance bill or a Sallie Mae assistance bill, it's a student assistance bill, and we should do all we can to help students get a higher education, whether it makes a profit for Sallie Mae or not.

Two weeks ago, the conferees voted to include a Direct Loan Demonstration Program in S. 1150, with 500 schools participating. The Education Department recommended that the

President veto the bill on this basis. I found it hard to believe that the self-proclaimed "Education President" would veto the Higher Education Act because it tests a program that will save taxpayers money. Apparently, the President's advisors agreed that a veto would be uncomfortable, and the administration in the last few days finally came to the bargaining table. The conferees changed the pilot program to be a cross-section of schools representing \$500 million in loans in the previous year. This was the House proposal, which also had previously brought a veto threat. While I preferred 500 schools, I am pleased that the administration finally believes its own analyses that this is an idea worth testing.

INCOME-CONTINGENT REPAYMENT

One of the main reasons that several of my colleagues and I became interested in direct lending is because it made possible another innovative and money-saving feature: income-contingent repayment through the IRS. Student loan debt create a number of problems that can be addressed, at least in part, through income-contingent repayment. First many youth and adults decide against going to college, because they are afraid they might fail, and they won't be able to pay off their loans. With an income-related program, that fear is reduced. During a period of unemployment or low wages, the required payments are reduced automatically.

Second, too many students don't do what they want to do with their lives, because of the loan payments they need to make. This might be a scientist who wants to be a high school teacher, but works for industry instead. Or a doctor who enters a high-paying specialty instead of working in an inner-city health clinic. Debt burdens skew these career decisions.

Finally, large debt burdens postpone dreams. I know a couple in southern Illinois who are paying more than \$800 a month in student loan payments. They would like to buy a home, but they simply can't afford to. Income-contingent payments would help to make their debt more manageable.

Income-contingent payments and IRS collection also help us to address the default problem. A large part of the current problem is that people go through a low income period, they default, then they never pick up where they left off. By reducing the required payment depending on income, borrowers can go in and out of the system without trying to figure out who owns their loans. Also, for those people who do have money and are avoiding payment, having the IRS as the collection agency will make a big difference.

There are several provisions in S.1150 that will help make payments on student loans more sensitive to the borrower's income, and perhaps lead to

collection by the IRS. First, all lenders in the guaranteed student loan program are required to offer either graduated or income-sensitive repayment. Second, 35 percent of the schools in the District Loan Demonstration Program will offer income-contingent repayment as an option, with collection most likely through the IRS. Third, the Secretary of Education is authorized to establish a program that will require all defaulted loans to be collected on an income-contingent basis. And finally, up to \$200 million in guaranteed loans which are at risk of default each year can be purchased by the Secretary so that those borrowers can make income-contingent payments.

OTHER PROVISIONS

That is not all that is good about this bill. It also makes great strides in simplifying the process for applying for Federal financial aid, and developing a formula that will make sense to American families. For example, families will no longer be told that they must sell their homes or farms in order to send their kids to college, and they will be able to save more money for college without being penalized with less aid.

The bill also significantly strengthens the oversight of schools in the program by toughening accreditation and Federal certification standards, and prompting State reviews of institutions that have high defaults, complaints, audit problems, and other indicators of possible misuse of Federal funds. These changes will help to restore confidence in the student aid programs. As part of this effort, I worked with Senator METZENBAUM on some provisions to help students who have been victims of fraud and abuse at some schools. One change will cancel student loans in cases where a student was defrauded by the school or the school closed before the student finished the program. A second amendment improves the current loan rehabilitation program so that guaranty agencies, when arranging a new payment schedule on a previously defaulted loan, will take into consideration the borrower's income. This way, people on welfare who are trying to get an education to get a better job—(as required by the Federal Jobs Program)—can take care of the default and qualify for a Pell grant. We are indebted to the tireless work of legal services attorneys from around the country who recommended these and other changes.

The new title V significantly expands the Federal Government's effort to improve teacher training in this Nation, and to encourage more young people to go into teaching. For example, the bill expands the current program, named for the great Senator Paul Douglas, which offers scholarships to students in the top 10 percent of their class who agree to enter the teaching profession. Another program I created when I was

in the House, the Christa McAuliffe Program, is also expanded. It rewards veteran teachers with grants for sabbaticals and special projects. Thanks to my colleague from Illinois, Mr. HAYES, the conference report also includes a demonstration program to help train school-based decisionmakers such as the new local school councils in Chicago. And finally, a new program is authorized to recruit and train individuals for career counseling young children who have been exposed to community violence, something that is far too common in our inner cities.

ENSURING ACCESS TO AID

Both the Senate and the House versions of the reauthorization included provisions to ensure that all students have adequate access to financial aid, and the conference report takes the best of both versions. First, S.1150 removes the requirement—added by last year's Emergency Unemployment Compensation bill but never enforced—that students receive credit checks prior to getting student loans. That requirement would have caused major, unnecessary disruptions in millions of students' education, both because of the enormous error rate for credit checks and because it conflicts with the purpose of the loan program: to help students improve their earning potential so they can pay off those debts.

The bill also strengthens the lender-of-last-resort program, in which guaranty agencies help provide loans to students at schools not well served by banks. At the same time, the bill allows guaranty agencies to keep schools out of the lender-of-last resort program if there is evidence that the school is not providing a high quality education. By including high default rates as one measure, the conferees did not intend to presume that such schools are necessarily poor quality; they may simply serve a low-income population. In asking the Education Department to approve its exclusion of a school from the lender-of-last resort program, guaranty agencies should offer other evidence, beyond the default rate, that the school is not serving its students well.

Mr. President, there are many other positive changes that have been made to the student aid programs, and a number of important, new programs that will allow us to invest in our future through education. I urge my colleagues to support the conference report.

Mr. THURMOND. With regard to the reauthorization of the Higher Education Act, I would like to ask my distinguished colleague, the senior Senator from Rhode Island and chairman of the Subcommittee on Education, Arts, and Humanities, a few questions about a specific amendment agreed to by the House and Senate conferees relating to the eligibility of foreign medical schools to participate in the Stafford student loan program.

It is my understanding that section 481(a)(2)(A)(i) was amended by adding the words "or" "(ii) the institution's clinical training program was approved by a State as of January 1, 1992."

Mr. PELL. That is correct.

Mr. THURMOND. It is also my understanding that the language of this amendment was specifically drafted and is intended to include the American University of the Caribbean Medical School [AUC] in Montserrat, West Indies. AUC was recommended by the State of California's Board of Medical Quality Assurance and approved as having met all State licensing requirements, thus AUC was deemed as having a qualified medical school curriculum. The State of California Board's recommendation enables foreign medical school students to participate in a clinical training program within a State approved hospital, pursuant to section 1327 of the California Code of Regulations as of January 1, 1992.

Mr. PELL. That is my understanding. When the amendment was drafted we understood that it would include at least four institutions, one of which was the American University of the Caribbean Medical School [AUC].

Mr. THURMOND. It is also my understanding that in section 481(a)(2)(A) that foreign medical schools have to comply with either category (i) (I) and (II), or category (ii). Is that the Senator's understanding as well?

Mr. PELL. Yes, it is. Under section 481(a)(2)(A) all foreign medical schools will have to fully comply with either category (i) which requires the foreign institution to maintain 60 percent of their enrollment as non-U.S. citizens and the foreign institution must have a 60-percent passage rate of their foreign medical graduates during the course of 1 year, or be able to meet the criteria set forth in category (ii) of having had an approved clinical training program in any State in the United States as of January 1, 1992.

Mr. THURMOND. I thank the chairman for clarifying the intention of this amendment. If this amendment were misinterpreted, it could have a devastating effect upon the American University of the Caribbean Medical School, which has educated several medical doctors who have come back to urban and rural areas of my home State of South Carolina. These doctors make a significant difference in the availability of health care for hundreds of people in my home State as well as throughout the country.

Thus, I have taken additional time today to make clear the intention of the conference report language, so that there is no misunderstanding as to what the word "approved" means in section 481(a)(2)(A)(ii).

I thank the senior Senator from Rhode Island for his assistance in helping clarify the intent of the provision.

Mr. FORD. Mr. President, I want to take this opportunity to thank my dis-

tinguished colleague, the chairman of the Education Subcommittee, Senator PELL, and his staff, for attempting to accommodate my concerns with regard to financing of infrastructure and dormitory needs at colleges and universities, particularly small institutions, in Kentucky. Although I understand my amendment in this regard, included in the Senate-passed bill, did not survive conference intact, I appreciate his efforts to ensure that funding by the Student Loan Marketing Association, Sallie Mae, will continue to be available for security systems, boilers, heating and cooling systems, and other infrastructure needs.

I remain concerned that the restrictions on funding by Sallie Mae for educational facilities contained in the conference report to S. 1150 may ultimately result in fewer projects being funded at Kentucky independent colleges and universities. It was on behalf of this group that I sought language which would have allowed Sallie Mae to continue to package infrastructure projects, such as boilers and security systems, with dormitory financing in order to secure funding for otherwise high-risk projects.

While I understand the chairman's desire to ensure that sufficient financing is available for academic facilities, I remain concerned that many of my small colleges and universities have no alternative to Sallie Mae financing for nonacademic, but equally necessary educational facilities, including infrastructure projects. With our State governments in no better condition financially than the Federal Government, it is important that we maintain this private source of financing of higher education facility needs.

I thank the chairman for his efforts to ensure that financing for educational facilities, both currently in the pipeline and in the future, continue to be available, although in a restricted manner. I will continue to monitor this situation to see what impact these restrictions will have on Sallie Mae's ability to finance Kentucky institutions' infrastructure and facility needs. If we should find that modifications are needed in the future to ensure access to this financing, I hope that the chairman and his staff will be equally accommodating.

Mr. PELL. The Senator from Kentucky has been an effective spokesman on behalf of his colleges and universities. Our intention is not to completely preclude financing for infrastructure and dormitory needs, but to focus funding on academic facilities. We believe that the language provides adequate authority for financing infrastructure and limited facility needs. Should this prove not to be the case, I stand ready to work with my colleague to address his concerns.

Mr. FORD. I thank the chairman for his usual courtesies and assistance.

Kentucky institutions, and the students they serve, owe him a great debt of gratitude for his leadership on behalf of higher education.

Mr. LAUTENBERG. Mr. President, I rise in support of the conference report accompanying the Higher Education Act. I would like to congratulate the principal architects of the legislation, Senators KENNEDY, PELL, HATCH, and KASSEBAUM for this major accomplishment.

This legislation makes significant expansions in Student Grant and Scholarship Programs which help many young students gain access to higher education and ultimately the American dream. I especially applaud my colleagues for the increases that this bill provides for Pell grants and guaranteed student loans.

Mr. President, I strongly support the growth in these programs. These programs provide a helping hand to families who would otherwise not be able to send their children to college.

However, I am also concerned about the other side of the higher education equation. I am referring to the staggering growth in the cost of tuition over the past decade.

Mr. President, American families are experiencing sticker shock when they look into the cost of higher education today. Many families in my State face college tuition bills of up to \$25,000 per year for each child. This is \$100,000 for an undergraduate education, for one child. The parents and students of my State are struggling to afford a college education. Many parents who attended college in the 1960's now see their children facing college tuition bills that are up to 100 percent higher than those in the mid-1960's in inflation adjusted dollars.

While the Federal Government has tried to make college more affordable through legislation and program expansions, the cost of college tuition, room and board has grown so rapidly that it is nearly out of reach for many middle-class families. Many middle-class families in my State, as well as others, are not eligible for Federal or State assistance programs and have to pay the entire cost of tuition, room and board out of their own family budgets. This is becoming more and more difficult for many families.

Mr. President, I would like to describe what has happened to the cost of tuition over the past 10 years. From 1981 to 1991, tuition costs for both public and private schools have greatly outpaced the CPI. In some years, it has grown at two to three times as fast. This helps explain the struggle that American families have faced and are now facing every year as they try to afford a college education for their children. This has happened during the Reagan-Bush administrations, when middle class real income stayed relatively flat and the tax burden shifted from the wealthy to the middle class.

Mr. President, I would also like to compare the growth in tuition costs to the increasing cost of health care. From 1980 to 1988, the CPI rose 44 percent, compared to an increase of 106 percent for health care. What is striking about this comparison is that the cost of tuition has increased nearly as fast as the cost of health care.

While many experts today have different approaches to solving the health care crisis that faces our country, one thing that all agree on is that we need to take action to control health care costs. At the same time that we explore options for controlling health care costs, I believe we have failed to address the growing cost of tuition that has increased nearly as fast.

Finally, I would like to call attention to another disturbing trend that is taking place in higher education. The trend that I am referring to is the explosion in administration costs in colleges and universities as compared to expenditures on instruction. Today, colleges and universities are spending 45 percent of the cost of instruction on administration costs. This is up from 19 percent in 1930 and 27 percent in 1950.

What are these administration costs? These are costs associated with personnel who collaborate, supervise, set policies and perform services such as producing a college catalog, registering students, and performing financial activities. These costs do not include expenditures on libraries, counseling, admissions, placement, physical plant, research, and faculty salaries. Something needs to be done to stem the tide of increasing expenditures on items not directly associated with the education of our Nation's students.

Mr. President, where do we go from here to try to hold down tuition costs and reduce administrative costs? I think that an amendment that I offered to the Higher Education Act and that has been included in the conference report is a good place to start.

My amendment is designed to begin to address these problems of increasing tuition and growing administrative costs. It will establish the National Commission on the Cost of Higher Education to study the problems of increasing tuition and rising administrative costs and make policy recommendations on how to hold these costs in check. This will be a bipartisan Commission, including members appointed by the President and Congress. The membership will include academics as well as other higher education experts. The Commission will report its findings and make recommendations to Congress.

This Commission will assist the Congress and the academic community in beginning to help solve the problem of exploding tuition costs. If we do not move forward in this area, no matter how much student assistance the Congress can provide in these tough budget

times, it will not be enough to prevent a college education from being out of reach for the average middle-class family.

Mr. President, I want to reiterate that the Federal Government needs to play a strong financial role in ensuring access to higher education for all who are qualified. But I think we need to go further and examine the costs of higher education as well.

I urge my colleagues to support the conference report.

Mr. COATS. Mr. President, I am pleased that the conference report on higher education contains language providing important provisions for protection of the integrity of the student loan program. One such provision, which I offered, ensures that no lender should be required to lend to institutions which have excessively high default rates, or are under emergency suspensions or actions.

However, this language provides the Secretary a waiver to ensure that no institution is eliminated from eligibility of lender of last resort if in the judgment of the Secretary there are exceptional mitigating circumstances which make the application of the provision inequitable. It would be appropriate for the Secretary to take into consideration high unemployment rates in an area, exceptionally large enrollments of minority students, or an institution's consistent record in meeting acceptable default standards.

I believe this is an important provision which will ensure that all students have access to loans, while providing important protections to the American taxpayer.

Mr. DURENBERGER. Mr. President, I rise today in support of Senate passage of the conference committee report on S. 1150, legislation reauthorizing the Higher Education Act.

But, before I do that, I'd like to thank our distinguished chairman, Senator KENNEDY, for his outstanding leadership in shepherding this huge and complex piece of legislation over the past year and a half. And, I must also recognize the exemplary contributions of our distinguished colleagues from Rhode Island, Utah, and Kansas for their untiring bipartisan efforts to see this process through to the end.

As I have said many times during the 18 months we have been working on this legislation, few issues are more troublesome to Americans than the rising cost of higher education. In fact, a recent national survey found concerns about paying for college rank third in what most worries our Nation's citizens—behind only crime and drugs and ahead of health care.

Much of this concern reflects rapid increases in tuition at most public and private colleges over the past decade. The dilemma is especially troublesome for middle-income Americans who don't qualify for need-based student

aid, but who also can't afford to pay the rising cost of college out of current income and savings.

As one Minneapolis couple wrote me recently, "Even though our combined incomes are about \$60,000, we find it hard as middle class citizens to pay college expenses and support a family. We are too poor to be rich and too rich to be poor."

Parents with young children who look at projections of future tuition levels find the prospects of paying for college education even more distressing. Parents with two or three children now in elementary school, for example, are looking at college expenses down the road that could easily exceed the value of their home.

Parallel to the concern about rising costs is the increasing uncertainty that college graduates face in today's economy. Many of today's graduates earn less, relative to the cost of their education, than their predecessors. And, they may have to endure periods of unemployment or underemployment prior to settling into a better paying job in their chosen field.

I ran into one of those borrowers recently in Duluth, a reporter for one of the local radio stations who defaulted on his student loan a few years ago while in a low paying job. Today, because of that black mark on his credit rating, he and his wife can't get a loan for their first home.

My mailbag is full of similar sad stories including one Robbinsdale couple—both in default, but both now having the incomes and future earning potential to eventually pay off their loans.

But, because they are in default, their loans are now in the hands of a collection agency which is demanding payments they can't make.

"We would like to make regular payments," this couple wrote me recently. "But, we feel our efforts are denied by the creditors insisting on unrealistic expectations."

The high cost of higher education and uncertainties in the economy have become a particular problem for lower income students—many of whom have had to turn to loans to bridge the gap between available grants and scholarships and rising levels of tuition and other expenses.

As one advocate for many of these low-income defaulted borrowers wrote recently:

"Most of these clients pursued education in good faith, hoping that school would result in a career and a better life. Their circumstances derailed their plans, but when we see them, they remain poor, unemployed, on assistance, and stuck."

"Perhaps most damaging is exclusion from additional financial aid. Thus, they find that the one door to self-sufficiency—education—is closed and locked."

Since the Federal Higher Education Act was first enacted in 1965, students

and their families have looked to Pell grants and guaranteed student loans to help fill that gap. But, even though overall funding for Federal student loan and grant programs has gone up in recent years, we have not kept up with rising costs.

And, with rising costs and the increased dependence on borrowing has come an explosion of defaults on federally guaranteed loans. Last year, Federal student loan defaults totaled \$3.9 billion. Since 1987, defaults have totaled \$11.5 billion.

Many of these defaults occur in situations where students face unemployment or underemployment following graduation, even though their incomes are likely to be higher within several years when more sizable loan payments could be made.

FIVE GOALS FOR REAUTHORIZING THE HIGHER EDUCATION ACT

Mr. President, we began this reauthorization process almost 18 months ago.

As a member of the Labor Committee—and representing a State that cares very deeply about education at all levels—I made an early commitment to place a high priority on this reauthorization. I held hearings and conducted meetings in college towns all over Minnesota. And, I received a great deal of input through letters and personal conversations with students, parents, State government officials, college administrators, financial aid directors, and others concerned about the future of higher education in our State.

As I listened and learned about the concerns of Minnesotans, I identified five personal goals for this year's reauthorization.

My first goal, Mr. President, was to simplify what has become an overly complex and bureaucratic system of determining eligibility and awarding and repaying Federal financial aid.

Under current loan and grant programs, students and their parents are expected to master a system that only a handful of financial aid experts truly understand. And, far too much of our financial aid dollar goes—not to students and to institutions—but to a myriad of financial institutions, guarantee agencies, secondary markets, collection agencies and others who have grown up around this system.

My second goal for this reauthorization, Mr. President, was to assist middle income students and their families pay the rising cost of going to college.

As recently as one generation ago, many middle income families could combine scholarships, savings, and current student and parent income to finance a college education. Today, many students from the same income ranges are either restricted in their choice of institutions and careers, forced to delay graduation in order to take time off to earn a higher propor-

tion of their tuition and other expenses, or forced to assume debt levels that become unmanageable or that skew career and family choices.

Third on my list of priority goals, Mr. President, was to reduce the rising level of student loan defaults.

Again, default levels are rising to unconscionable levels, draining higher education revenue away from students and schools and inhibiting future opportunities for the millions of student borrowers who have defaulted on their loans. It's been estimated that 40 cents out of every Federal student aid dollar is now going to pay for defaults. We must have greater incentives and rewards for institutions to bring that number down. And, we must give student borrowers more flexibility in repaying loans by tying loan payments more closely to post-college income.

Fourth, Mr. President, I set out in this reauthorization to adjust loan and grant limits to combat rising costs.

In recent years, we have seen a dramatic shift in the proportion of student aid coming from loans as opposed to grants, scholarships, and other forms of institutional aid. Fiscal realities at both the State and Federal level make it impossible to restore outright grants—as a proportion of tuition and total aid—to previous levels.

But, through greater efficiencies and better targeting of grants, we must be working to increase grant levels to help meet rising costs. And, to avoid forcing students to assemble an expensive patchwork of different public and private loans, borrowing limits on Stafford and other guaranteed student loan programs should be increased.

And, finally, Mr. President, I began this reauthorization process with the goal of rewarding excellence and encouraging better preparation for college.

Our first criteria in awarding grants and scholarships should continue to be financial need. But, among those who are income eligible, there should be extra financial incentives to prepare for college by taking appropriate courses and doing well in high school, and by taking advantage of TRIO and other early intervention programs aimed at at-risk students. Those same incentives should apply to students once they are in college—to qualify for larger amounts of financial aid based on how well they do academically.

A BETTER IDEA FOR PAYING FOR COLLEGE

To help achieve these goals for the reauthorization, Mr. President, I felt strongly that we must not simply fix-up and fine-tune our current myriad of student grant and loan programs. To help position higher education financing for the 21st century, I firmly believe we need a different and better way of paying for college.

In particular, I believed we must eliminate as much red tape and bureaucracy as possible, both to simplify

loan application and repayment for borrowers and to save money that could be better spent on grants and loan subsidies. And, I believed we must make loan repayment more flexible, so that payments can be adjusted to reflect both higher debt levels and the economic uncertainties and fluctuating incomes that many college graduates now face.

To promote these goals for the reauthorization, I introduced the Income Dependent Education Assistance [IDEA] Act in August 1991. My IDEA Act, S. 1645, had been introduced previously in the House of Representatives by my mentor on this subject, Congressman TOM PETRI from Wisconsin.

IDEA is a new form of student aid—a direct loan from the Government that is available to every student, regardless of income, with repayment based on post-college income and made through payroll withholding to the IRS.

In October, I then joined with my distinguished colleague from Illinois, Senator SIMON, to introduce an expanded version of IDEA as the Education for All Students Act, S. 1875. This proposal used an estimated \$3.7 billion in savings resulting from IDEA to help expand the Pell Grant Program, to create a new merit-based Excellence Scholarship program for high achieving Pell grant recipients, and to help fund State-sponsored early intervention programs designed to help prepare at-risk high school students for college.

This bipartisan alliance was enlarged in February of this year when Senators KENNEDY and BRADLEY joined Senator SIMON and me in introducing a third version of the IDEA proposal. This proposal for an income-contingent direct loan demonstration, S. 2255, had been prepared as an amendment to the Higher Education Act, but wasn't offered when agreement on the size of the demonstration could not be reached with the Bush administration.

S. 2255 was included in the Democrats' tax bill which passed the Senate in March, but was later vetoed by President Bush.

Meanwhile, Mr. President, the House of Representatives had included a direct loan demonstration in its version of the Higher Education Act H.R. 4471, which passed the House in late March. In addition to the demonstration, Congressman PETRI also successfully offered two amendments to H.R. 4471 on the House floor to grant the Secretary of Education authority to offer income contingent repayment when loans are in default or at risk of going into default.

CONFERENCE AGREEMENT ACHIEVES ALL FIVE MAJOR GOALS

With this groundwork, Mr. President, the task of achieving my original goals for the reauthorization depended on the outcome of the House-Senate conference committee that was assembled

to iron out more than 1,500 differences in the two versions of the legislation reauthorizing the Higher Education Act. In particular, achieving my original goals depended on melding strong interest in income-contingent repayment on the part of key Senators with the direct loan demonstration and Petri income contingent amendments included in the House bill.

No piece of legislation this large and this complex will satisfy everyone. And, whatever we do to increase access to student loan and grant programs will inevitably be tempered by the fiscal realities we face as a nation.

But, I'm especially pleased that the legislation that emerged from the House-Senate conference committee addresses all five goals I had for the reauthorization. And, the pending conference agreement includes a number of essential elements of the various legislative proposals that I introduced over the last year. Among those elements are:

1. UNIVERSAL ELIGIBILITY FOR LOANS

The higher education conference committee agreement includes a new unsubsidized Stafford loan program for students and families who don't now qualify for a loan because their incomes are too high. In addition, more middle income borrowers will be eligible for subsidized loans and grants under the provision dropping home and farm equity and college savings from the calculation of family assets that determines student aid eligibility.

2. INCREASED LOAN AND GRANT LIMITS

Maximum borrowing levels have been raised for all the Federal loan programs to help meet the rising cost of tuition and other college expenses. For example, Stafford borrowers will have annual loan limits for second year students increased from \$2,625 to \$3,500 and for third and fourth year students from \$4,000 to \$5,500. Graduate student limits are also increased from \$7,500 to \$8,500 per year.

Similar increases in annual loan limits are being made in the Supplemental Loans for Students [SLS] and Parent Loans for Undergraduate Students [PLUS] programs. And, subject to annual appropriations, larger Pell grants will be available to students who meet the income qualifications for this vital program. The maximum authorized Pell grant will be raised to \$3,700 in 1994, with \$200 increases in the maximum grant authorized for each succeeding year.

3. NEW DIRECT LOAN DEMONSTRATION

Students on a limited number of college campuses will have the opportunity to test the efficiencies and reduced redtape made possible by a pilot direct loan program. The demonstration will make loans available directly from the Government through schools, rather than through the current maze of financial institutions, guarantee

agencies, and secondary markets. Schools with currently a total guaranteed student loan volume of \$500 million will be included. It's estimated that it would take about 225 schools to reach this total loan volume.

4. MORE FLEXIBILITY TO TIE LOAN PAYMENTS TO INCOME

The most important principle in the legislation I introduced is that student loan payments should be tied to post-college income—easing cash-flow burdens on students and dramatically reducing current levels of student loan defaults. That principle is applied at several different points in the conference committee's agreement including:

A requirement that all Guaranteed Student Loan Program lenders offer either graduated or income sensitive repayment options to borrowers.

A provision in the direct loan demonstration requiring 35 percent of the participating schools to offer income contingent repayment as an option—with loan collection most likely to be handled through payroll withholding by the IRS.

Authorization to the Secretary of Education to establish a program under which defaulted loans will be collected with payments tied to borrower income.

Authorization to the Secretary of Education to purchase up to \$200 million in Federal student loans that are at risk of default, with those loans then converted to income-contingent repayment.

5. REWARDS FOR ACADEMIC EXCELLENCE

Finally, Mr. President, a new Federal Access Scholarship Program is authorized by this legislation that rewards high achieving low-income students with a bonus of at least \$400 per year on top of their Pell grant. Income eligible students may qualify for this extra assistance by doing well in high school or by participating in early intervention programs designed to prepare at-risk students for college.

MINNESOTA WINS ON OTHER ISSUES IN THE REAUTHORIZATION, AS WELL

Mr. President, the Federal Higher Education Act is best known for its financial aid provisions, but there are dozens of other important higher education programs also authorized by this legislation—ranging from library grants to teacher training initiatives.

And, while my primary contributions to this reauthorization focused on the direct loan and income contingent repayment provisions outlined above, I was also involved in resolving several issues of particular interest to Minnesota higher education institutions and students.

One such issue involved contained financial aid eligibility for students who take courses via various telecommunications medium. It was my position that students who are eligible for financial aid and who are taking courses

through institutions that are eligible should not be discriminated against if they take those courses over television or some other form of telecommunications. That position eventually prevailed.

A second such issue involved continued eligibility of prisoners for Pell grants. I agreed with Minnesota officials that talking college courses can help individuals gain job skills that will help increase chances they do not become repeat offenders.

In the reauthorization bill, we did deny student loans to prisoners as well as take steps to discourage States from dropping their own higher education programs and to discourage the start-up of new schools that cater just to prisoners. An attempt to totally deny Pell grant eligibility for prisoners, however, was defeated in conference committee.

Other issues on which I worked closely with Minnesota higher education officials included Federal funding for new oversight responsibilities being given the Higher Education Coordinating Board, reserve requirements for the NorthStar Guarantee Agency, and implications of a needed effort to simplify forms used to apply for financial aid on institutions like the University of Minnesota that are moving toward more electronic transmission of financial aid information to banks and other intermediaries in the system.

Because of the length and complexity of this legislation, its full effect probably won't be known for some time. Much of the detail in specific programs will also get fleshed out in rules and regulations issued by U.S. Department of Education.

As so, as a member of the Senator Labor and Human Resources Committee, I intend to closely monitor implementation of this legislation—to ensure that congressional intent is carried out and to ensure that Minnesotans are kept informed and involved.

HEA ENACTMENT CAN DEMONSTRATE COMMITMENT TO BIPARTISANSHIP THAT PRODUCES RESULTS

Mr. President, early in our consideration of the HEA reauthorization, the Bush administration began sending strong signals that the President would veto any legislation that included a direct loan component. That veto threat was repeated again during the conference committee process when it became obvious that a direct loan demonstration would be included in the final bill.

Throughout this entire process—and since the conference committee process was concluded—I have had numerous conversations with administration officials in an attempt to both identify and respond to their concerns about the direct loan demonstration.

There are clearly philosophical concerns about replacing the current role of banks, guarantee agencies, second-

ary markets, and collection agencies with new expanded roles for schools, the U.S. Department of Education, and the IRS. To address those concerns, I and other backers of the direct loan demonstration agreed to limit its size to schools with a total current guaranteed student loan volume of \$500 million.

But, I also think it's important to point out, Mr. President, that this program is not intended to result in a dramatic increase in borrowing by either the Federal Government or students. The intent of this demonstration is to retain the eligibility requirements, loan maximums, and other characteristics of existing loan programs—and to change only the method by which loans are initially accessed and ultimately repaid.

Overall, however, I do realize that the conference agreement—and particularly the direct loan demonstration—could lead to substantial changes in the status quo. But, substantial change is justified, Mr. President, in a system that wastes too much money we don't have on defaults * * * a system that burdens students and their families with red tape and bureaucratic intermediaries that add more cost than they add value.

To be blunt, we can no longer afford to squander billions of dollars a year on red tape and on unnecessary defaults. Those billions of dollars belong in the classroom, not in six and seven figure salaries at Sallie Mae. And, we cannot afford to be spending money that belongs in higher education on collection agencies and bad debts.

Americans today, Mr. President, are properly demanding an end to business as usual from their elected leaders. They've tired of governmental programs that promise more than they can deliver and that cost more than we can afford. And, Americans are insisting that we show evidence, not only of real change, but of real commitment to the kind of bipartisan collaboration that produces results.

We now have an opportunity to respond to those demands as we complete work on the Higher Education Act reauthorization. I look forward to making that goal a reality. The people that we represent are demanding—of all of us—nothing less.

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

Mr. JEFFORDS. Mr. President, I rise in support of the conference agreement to reauthorize the Higher Education Act.

I want to commend subcommittee Chairman PELL and Senator KASSEBAUM for their diligent efforts to reauthorize one of education's most significant pieces of legislation.

Overall the measure before use is a good one. Its clear intent is to increase access to students and families to postsecondary education. It tightens

provisions to weed out unscrupulous institutions and simplifies the aid application process.

I am particularly pleased that the conference agreement includes my amendment to increase loan limits. Increased loan limits closes the gap between available Federal funds and the cost of tuition.

The measure also increases to middle income students. Under the agreement loans are available to students who do not qualify for Pell grants or Stafford loans. Different from Stafford loans the Federal Government does not pick up interest payments during the in-school period. However, these loans will significantly increase access to our middle income families.

I am further pleased by the inclusion of my early intervention proposal. Early intervention provides at-risk students counseling and support in their developmental years and encouragement to stay in the education pipeline. Upon matriculation, grants are available for tuition assistance. Such a proposal can dramatically increase high school retention and postsecondary opportunities to the disadvantaged students in this country.

The measure provides a new formula to States for facilities funding. Studies indicate a \$60 billion need for facility construction and renovation. The agreement renews the Federal Government's responsibility and commitment for investing in facilities funding. The program is crucial, not only to our universities and colleges, but to the competitive nature of our Nation as a whole.

Furthermore, the legislation increases State oversight in the program integrity section of the conference agreement. Recent reports of fraud and abuse have focused attention on how to improve the regulatory structure in order to assure the integrity of the student aid program. The provisions in the agreement increase assurances of integrity without undue State oversight or intrusion.

Change, however, brings with it the interesting phenomena of good and bad. In that sense I feel my support is somewhat bifurcated. I support the measure yet I have some healthy fears about the impact of some of the changes we have made.

For example, the agreement establishes new criteria for determining eligibility for Federal financial assistance. It simplifies the process by creating a single formula for distributing Pell grants and Stafford loans.

Combining two formulas brings both benefits and drawbacks. The benefit is simplification, the drawback is possible displacement of students within the program. We will not know the specific impact of some of our changes until the formula is in place. However, if the new formula results in significant shifts within the student popu-

lation I would hope that this body would revisit the issue.

I would be remiss, however, if I did not mention that such a formula change would not have been necessary had this body been able to make the Pell grant an entitlement. I understand the constraints of the Budget Act and the costs of creating a new entitlement, however, some day we must weigh the cost of not doing something. Refraining from creating a Pell grant entitlement may be saving us money now but will cost us in the long run.

My final comment is my grave concern over the size of the new direct lending program. This provision moves Federal financial assistance from the public/private sector to the public sector alone. It essentially creates a direct lending program from the Federal Government to institutions. The proposal of cutting the private sector out of the lending process claims to save \$1 to \$2 billion a year.

Tempting as this sounds, there remain unanswered questions. How would the Department of Education administer such a program? Where would the Federal Government come up with the money to fund a \$50 billion program? How do we transition into the program and what effects will it have on students, families and institutions? These are just a few of the questions that, in my mind, have not been answered. Unanswered, they pose significant threats to the loan program and to millions of students.

I do not oppose the concept—for I believe that new models must be tested—however, I do believe that we must move cautiously until impact is assessed. Failing to adequately plan for these shifts will be, and are, a major hurdle as we struggle to answer complex problems and opportunities.

In light of the ongoing studies and the dearth of information, I have argued for caution. The time is ripe for a demonstration, which can be studied and examined, not an overhaul of the system without proper understanding of the ramifications.

Mr. COCHRAN. Mr. President, I am pleased to support this legislation. Its objective is the preservation and strengthening of our higher education system and the guarantee it provides to all that access to that system exists without regard to economic status.

It was developed over the last 1½ years with the help of the administration, education associations, college presidents, parents, and students.

The Labor and Human Resources Committee has done important work on the Federal higher education programs, making them more responsive to the needs of students and the challenges we face as a Nation.

The assurance of access to postsecondary education and the opportunities it provides is the most important aspect of this legislation in my opinion.

Among the programs designed to reach the neediest students are: increased grant aid for students most in need with Pell grant maximum awards increasing to \$3,700 in 1993; revised Pell grant in terms of the actual costs; and a new scholarship for students from economically disadvantaged families.

The Presidential scholarship will provide disadvantaged students with an incentive to excel academically because eligibility is dependent upon a student's having completed a rigorous core curriculum in high school.

Middle-income families are provided greater access to student aid by eliminating farm and home equity from the calculation used to determine a student's eligibility for financial assistance. Another provision of this bill will extend eligibility for Supplemental Loans for Students to dependent students, thus increasing the options for middle income students and their families.

Increases in annual borrowing limits for federally subsidized loans will be particularly helpful to middle-income students. Loan limits have also been increased in the unsubsidized loan programs for students with greater family resources, and the bill establishes a new unsubsidized loan program that makes loans available to students and their families with no restrictions on earned income.

I am particularly pleased that we were able to simplify financial aid programs for students and families by creating one form for all grant and loan programs, at no charge to the student.

We have improved outreach, early intervention, and support services for low-income and educationally disadvantaged students, so that more students can go to college and succeed there.

Mr. President, guaranteed student loan defaults are expected to reach an alltime high of \$3.6 billion this year and pose a major threat to the stability and integrity of student aid in general. Serious questions have been raised about the program's effectiveness as the primary vehicle for federally supported student assistance.

The foremost challenge we faced in this reauthorization was how to strengthen the aid programs so as to assure the integrity of the programs. Steps have been taken to improve the standards for institutional participation in the programs.

Accrediting agencies, the States, and the Federal Government must all do a better job in assuring program quality and institutional capability.

We have also taken steps to reduce the number and costs of loan defaults. In addition to continuing and strengthening the default control provisions of the 1989 and 1990 budget reconciliation laws, we have included new provisions to strengthen further the incentives for all parties, students, lenders, as well as

schools, to reduce defaults and improve collections on defaulted loans. New provisions will give students an opportunity to repay loans based on their income.

Mr. President, as a member of the Appropriations Committee, I can speak firsthand to the frustration of having to devote precious resources to default costs, rather than to expanded aid to students.

The bill establishes much needed academies for teachers and school leaders to help them do a better job in the classroom.

Alternative certification demonstration grants are authorized to allow States to experiment with bringing teachers into the classroom that may have an expertise that makes them valuable, but who have not been certified by traditional certification requirements.

Community colleges are serving greater numbers of students, particularly nontraditional students who are entering school for the first time or returning to upgrade their employment skills. To meet the special needs of these institutions, an Office for Community and Junior Colleges is authorized within the Department of Education.

Mr. President, this conference agreement reflects a conscientious effort of the conferees to put students first. I believe our institutions of higher education, the students who attend them, and our Nation will be well served by the Higher Education Act Amendments of 1992. I urge Members to support this conference agreement.

Mr. HATFIELD. Mr. President, I am pleased to voice my support today for passage of the conference report to accompany S. 1150, the Higher Education Act Amendments of 1992. I commend my colleagues on the Senate Labor Committee for their work in crafting a higher education package which has many innovative components.

Earlier in this Congress I introduced two legislative initiatives which are now included in this conference report. Senate bill 1336, known as the urban-grant idea, encourages urban education institutions to use their knowledge and resources for the solution of urban problems by forming partnerships with local governments, businesses, school systems and other educational institutions, and nonprofit and civic organizations. This simple concept is designed to foster collaboration within communities to solve severe urban problems.

My bill authorizes partnerships to combat urban problems in at least 50 urban areas—possibly one per State—providing each partnership \$500,000 per year, for projects up to 3 years' duration. For partnerships to help disadvantaged urban students graduate from high school, increase their opportunities for postsecondary education, and improve prospects for productive

employment, this bill provides for at least 30 grants of \$500,000 each year up to 3 years. Institutions receiving these grants will be designated urban grant institutions, reflecting their missions in a manner similar to the successful land-grant college and later, sea grant and space grant universities.

Last year the Senate Appropriations Committee provided \$8 million in first time funding to begin the implementation of the urban grant program. I am pleased we will be able to continue to fund this important program in the years to come through its inclusion in S. 1150.

In addition, I am grateful that the conference committee has acted favorably on s. 463, a bill to increase the representation of community colleges within the Federal Department of Education. The conference report before us today includes a provision for a new position within the Department—a liaison for junior and community colleges. This designee, appointed by the Secretary of Education, must have attained an associate degree from a community or junior college or must have been employed in a community or junior college setting for not less than 5 years. The Liaison will report directly to the Secretary and will serve as principal advisor to the Secretary on matters affecting community and junior colleges and will provide guidance to programs within the Department dealing with functions affecting these institutions.

Again, Mr. President, the Senate Appropriations Committee included language in the fiscal year 1992 Labor, HHS, and Education Appropriations bill calling on the Department to designate such a position. Since community, junior and technical colleges enroll more than 6 million students annually in accredited programs and another 4 million additional students in noncredit, continuing education courses, they now serve the largest sector of the higher education community. The lack of representation in the ranks of the professional and executive positions within the Department will now be remedied through this position. These wonderful institutions deserve no less and I am anxious for the swift implementation of this provision.

There are many other important components of this legislation—many of which I thoroughly support—which require that we move forward as rapidly as possible. I urge final adoption of the conference report.

Mr. WOFFORD. Mr. President, in passing the higher education reauthorization bill, the Senate is taking an important step in adapting our Nation's system of higher education to the realities of the 1990's and the challenges of the next century. This legislation will improve access to education for low and middle-income students who, in recent years, have been squeezed be-

tween spiraling tuition costs and the unavailability of scholarships and student loans. I hope this bill marks the beginning of a new commitment to focusing our resources on investments in our Nation's most precious natural resources—our children.

I am particularly pleased about two elements of the measure. First, this higher education reauthorization includes a provision that will make it easier for middle-income families to send their children to college. This provision—which is based on the very first piece of legislation that I introduced in the Senate, S. 1140—will stop the collision of two American dreams: the dreams of owning a home and the dream of sending children to college. Families who have college-bound children understand too well that they can't get financial aid because of the accumulated equity in their homes. Families who spent years paying off their mortgages should not be penalized for their efforts by our system of financial aid.

The provision I underscore tonight excludes the value of a family's home or farm from the calculation of the parents' assets. It helps struggling middle-class families on limited incomes send their children to college. No longer will college aid be out of reach for children from families whose home is their only major asset. Tonight we send to the President, a bill to protect the American dream, and to make certain that parents seeking to pass on a better and brighter future to their children can do just that. In many respects that is the essence of the American Dream: hope for a better life for our children.

The second element of this bill I want to highlight is our improvement of the Federal Work-Study Program. When Congress created the Work-Study Program almost 30 years ago, it envisioned that many of the college students who received this new form of student financial assistance would give back to their communities through service. Congress called upon colleges and universities to develop opportunities for work-study students to work "in the public interest," providing education, health, recreation, and other services that would not otherwise be available to the community.

Over the past decades, Congress has repeatedly encouraged colleges and universities to incorporate community service into their work-study programs.

A recent GAO report makes clear, however, that only a tiny fraction of youth who receive work-study are engaged in community service. Students—representing a vast resource of skills, talents and energy—who could be performing work of real benefit to the community are all too often left with low-skilled jobs unrelated to either societal needs or students' personal goals.

This conference report changes that and incorporates a number of practical changes designed to restore community service to its intended role as an essential component of any work-study program. Most significantly, it includes a modest and practical mandate—that at least 5 percent of Federal work-study dollars go to students engaged in community service. In addition, the measure makes several improvements in the community service aspects of the Work-Study Program:

Adopting a single broad definition of community service which encompasses both on- and off-campus service, including support services to students with disabilities;

Ensuring that work-study recipients learn about the opportunity to work in community service rather than more typical work-study jobs;

Permitting colleges to devote a higher proportion of work-study funds to locating and developing community service jobs for students;

Increasing the authorized appropriations for work-study and increases the maximum Federal share for typical work-study jobs, which will ensure that institutions will retain the ability to place work-study students in essential on-campus jobs;

As an added incentive, distributing reallocated moneys to colleges and universities that attain a threshold of 10 percent of their work-study dollars going to students engaged in community service.

As the former college president of Bryn Mawr and the State University of New York at Old Westbury, I hope that colleges and universities will rise to the occasion and go far beyond the 5 percent mandate.

In total, this measure will constructively redirect funding to allow thousands of young people to direct their creative energies to the tremendous needs of our Nation—tutoring, mentoring, battling illiteracy, serving the elderly, feeding the hungry, and housing the homeless.

Mr. DODD. Mr. President, I rise to express my strong support for the conference report on the Higher Education Amendments of 1992. First, my compliments to my colleagues on the Education Subcommittee, Senators PELL, KENNEDY, KASSEBAUM, and HATCH for their years of hard work and leadership on this measure.

Mr. President, this bill is, I believe, one of the most important measures that we will pass this Congress. I consider my work on it during these past 2 years as some of the most important, and rewarding, that I have done to move the country forward.

Daily, we hear of the importance of this measure or that measure, of tax breaks, of balanced budget amendments and of a myriad of other things which will, it is claimed, help secure our Nation's future.

But there is little more important to our Nation than securing the future of our children. And that is what this legislation is all about.

America has long prided itself on the strength of its institutions of higher education, which provide first-class education and training to millions of Americans. Our achievements in higher education have strengthened our workforce and economy and provided millions of Americans with the opportunity to improve their standard of living.

However, as we know, these benefits are not achieved without significant cost and, over the last decade with skyrocketing tuitions, the costs of higher education have risen beyond the reach of many American families. The Federal Government plays a key role in ensuring that access to higher education is expanded for all students and families regardless of income, gender or race. And I am pleased that this bill further enhances this critical role.

Most importantly, we expand eligibility for Federal student aid programs—both grants and loans—to more middle-income families. It was clear to me, after several hearings in my State over 1 year ago, that it was unreasonable that a family's equity in their home or farm was used to determine eligibility for student aid and I authored a bill to eliminate the consideration of this factor for many middle-income families. I am pleased that in the conference we were able to go even further than I originally proposed and eliminated the consideration of home and farm equity for all families. This one change alone will increase access to families earning over \$30,000.

In further recognition of the rising costs of education, we changed the law to provide for increased grants to students. Originally, we proposed a Pell grant entitlement to ensure that all students received the maximum grant for which they are eligible. Unfortunately, given the budget situation, we were unable to include that provision in either the House or the Senate bill. In this conference report, however, the Pell grant maximum is increased to \$3,700. I recognize that, with the shortfall in the Pell Program, it is unlikely that maximum grants will reach that level this year; however, our intent is clear and I would urge the Appropriations Committee to look carefully at our proposals.

In addition, loan limits are raised to provide students with resources sufficient to meet the high cost of higher education. Students and parents will be able to borrow more under existing federally subsidized programs. Additionally, all students, no matter what their or their family's income, will be eligible to borrow unsubsidized loans under the existing GSL Program.

We also establish a direct loan pilot program to test this new, exciting idea.

This program is carefully structured to ensure a fair test of this idea and look forward with great anticipation to seeing the results. This provision has been one of the most controversial in this complex measure and, while I am fully supportive of the pilot program, I am pleased that an agreement was reached so that we could pass this measure with full bipartisan support.

Beyond providing students with additional resources, this measure also strengthens the integrity of Federal student aid programs. The heart of this effort is our new part H in title IV, which defines the roles and responsibilities of accrediting bodies, State licensing agencies and the Federal Government in the certification of institutions as eligible to participate in Federal student aid programs.

This measure also recognizes that access is not simply a matter of money for many first generation college students. Too often their opportunities are stifled by poor preparation. In an effort to combat this problem, the higher education bill strengthens Federal programs such as upward bound and talent search to prepare such youth for the college experience. These programs have been operating successfully in my home State of Connecticut to make the dream of college a reality for a new generation of Americans.

The higher education bill also works to enhance efforts for overall educational reform through the expansion of programs to recruit, train, and retain quality teachers in our elementary and secondary schools. The training of teachers has always been a special responsibility of higher education institutions and this measure provides additional Federal support for these critical efforts to educate and train a new generation of qualified teachers. I am pleased that included in this section is a measure I introduced last year establishing the National Board for Professional Teaching Standards.

I fully believe, Mr. President, that with this legislation we are moving in the right direction—providing students with increased resources to pursue higher education, restoring access to middle-income families who were to a great extent cut out of these programs during the early 1980's and enhancing program integrity. This measure renews the Federal Government's strong commitment to quality higher education. In this regard, I urge my colleagues to join me in support of this critical measure.

Mr. RIEGLE. Mr. President, I would like to commend the distinguished chairmen of the committee and subcommittee, Senator KENNEDY and Senator PELL, and the ranking members, Senator HATCH and Senator KASSEBAUM, for their efficient handling of the Higher Education Reauthorization Act. This bill is one of the most important legislative items to come before Con-

gress this year and I would like to add my support for its immediate passage.

The legislation, which authorizes \$23.4 billion for higher education programs, contains many provisions that will improve lower and moderate income students' access to student aid and expand eligibility for grants. In addition, this legislation works to strengthen minority education programs and develop new systems for recruiting and retaining qualified teachers. These components and others are essential in guaranteeing students the opportunity to pursue a postsecondary education.

Another key portion of this legislation allows institutions to take part in a \$500 million demonstration project to determine whether student loans could be made more efficiently if they come directly from the Federal Government. A recent GAO study concluded that by adopting a direct lending method of financing student loans, the Federal Government could save as much as \$4.5 billion over 5 years. I believe that the demonstration project will be a good testing ground for this innovative approach to financing student aid.

I would also like to comment on a provision in this legislation that concerns Federal assistance to Olympic training centers. In a matter of weeks the summer Olympics will be opening in Barcelona. Millions of Americans from around the country will unite in their support of some of our Nation's finest athletes. This legislation includes a provision I offered along with my colleague, Senator LEVIN, that authorizes \$5 million to help student athletes finance their education while training at an Olympic training or education center. Currently, there are three active training centers located in Marquette, MI, Lake Placid, NY and Colorado Springs, CO. A fourth site is planned for San Diego, CA.

In 1989, the U.S. Olympic Committee designated Northern Michigan University in Marquette, Michigan as the site for the Nation's first U.S. Olympic Education Center. The Marquette training center is unique in that it allows athletes to continue their education at Northern Michigan University while training for the Olympics. Currently, students training at the Olympic Education Center pay in-State tuition and their room and board is financed by the State of Michigan. However, due to severe budget cuts, the State is finding it difficult to finance the education of these athletes, who, I might point out, come from many States and not just Michigan.

The importance of helping America's Olympic athletes is without question. This legislation will help students continue their education without sacrificing their opportunity to train for and participate in the Olympic games. These athletes go through rigorous training, often at great personal ex-

pense, to represent our country at the international games. They deserve our support in their effort to further their education.

Mr. DOMENICI. Mr. President, I would like to take a moment to express my thanks to the conferees who worked on the reauthorization of the Higher Education Act of 1965 for all the hard work they put into this bill. It is rare that such a lengthy bill passes in both bodies of Congress so quickly, and I appreciate all the time and effort the members of both the Senate and House Education Committees have dedicated to this important piece of legislation.

I know there were a few contentious issues that needed to be reconciled before an acceptable compromise could be achieved. Specifically, I have some concerns about the direct loan program we have put into place in this bill, which places oversight of a pilot program under the Department of Education. However, I am willing to give the Department of Education and participating colleges and universities the chance to prove that such a program will work to the satisfaction of the Congress.

If this direct loan program works out as intended, it will improve our student loan system, and expand access to middle-income students, which are clearly steps in the right direction. I know the President, Secretary Alexander, and OMB Director Darman worked with the conferees to find an acceptable middle ground on this portion of the bill, and I appreciate their efforts.

I am very pleased with much of what is in the final version of the bill, and I would like to express my gratitude to the conferees for leaving intact the Teacher Corps provision of title V, which the Senate included in its version of the bill. This section of the bill creates a program to provide annual scholarships to meet the educational expenses of prospective teachers. I am happy that this section of the bill allows State agencies to give special consideration to individuals who intend to teach students with disabilities, to those who intend to teach limited-English proficient students, and to students who are from disadvantaged backgrounds or are underrepresented in the teaching profession. These are unique groups, worthy of special consideration.

Because we cannot always find enough good people to teach on Indian reservations in New Mexico—and Senators AKAKA and MURKOWSKI had expressed similar concerns about finding teachers for Native Alaskans and Hawaiians—I am pleased the conferees included my amendment, which was originally a part of my college honors legislation, that would give special consideration to students who express an intent to teach these underserved groups. These are students that have traditionally not received the special

attention they deserve, and I think it's time we encouraged top-quality teachers to teach in these hard-to-reach areas.

We have also included my language to give special consideration to students who intend to teach math or science. When we are consistently bombarded with report after report on how poorly our children are doing in math and science achievement, we need to encourage our top math and science students in our universities to bring their expertise into the classroom where it is obviously sorely need. I am pleased the conferees obviously agree. I would also like to thank Senators AKAKA, MURKOWSKI, COCHRAN, CONRAD, and PRESSLER, who supported my efforts to address this issue with my college honors bill.

Mr. President, as I stated when we passed this bill in the Senate in February, this legislation goes a long way toward restoring the buying power of Federal student loans, and ensuring that financial aid remains accessible to all Americans who require it. The reauthorization of the Higher Education Act reconfirms our commitment to providing educational opportunities to more and more students. It is an investment in our own future.

(At the request of Mr. MITCHELL, the following statement was ordered to be printed in the RECORD.)

• Mr. BRADLEY. Mr. President, about a year and a half ago, I began working on a new option to pay for better education. I called it self-reliance scholarships. The idea was that anyone who needs a better education deserves the opportunity to invest in his or her own future by using the 74-percent higher income that a higher education will bring in order to pay for that education. I am very pleased that after many twists and turns through the legislative process, the conference on the reauthorization of the Higher Education Act will make that opportunity real for many students.

As I began to talk about self-reliance with families and students last year, I found that I was not alone in believing that there is a fundamental connection between education and our sense of optimism or, more recently, our anxiety about the future. Last July, 57 percent of the people in my State of New Jersey said that they thought their children would have a worse life than their own. The cost of higher education is as central to that pessimism as are worries about health care, taxes, or economic competitiveness.

We have before us a bill that could turn that pessimism around. For the first time, we are looking at financial aid from the point of the student and the family, rather than government bureaucrats. There are only two questions that matter when a family is sitting around the kitchen table trying to figure out how to handle college: Will

we be eligible? And, will the repayments on loans be manageable?

To make the answer to those questions "yes," we need a program that: First, everyone is eligible for; second, offers repayment based on income after graduation; and third, uses the power of Government to put funds directly in students' hands, rather than using taxpayer money to induce banks to make loans they would not make otherwise.

This conference report does not quite offer all three of these options to all students, but it goes a long way. It does offer loans to everyone, without the burdensome forms and income formulas that always leave people with less than they need. It does offer repayment as a percentage of income to some number of students, enough to demonstrate that it can work. And it will help us find out whether the Government can handle direct lending and gain the savings that the General Accounting Office predicts. I have no doubt that these programs will succeed and will demonstrate that full-fledged Self-Reliance Scholarship Program would offer all their benefits to all students.

I am also pleased that President Bush has dropped his ill-advised threat to veto this bill. I did not understand how the "Education President" could veto a bill that opens the doors of education to so many people. Not only that, but it resembles a program that he himself proposed, though without details, months after I proposed self-reliance and weeks after both the House and Senate passed this bill. There is clearly some politics going on here, but our colleagues realized that students do not have time to wait through a Presidential campaign tactic before they find out whether they can pay for their fall semester.

This conference report is the end of a long process of reauthorization of an expiring program, but I believe it is the beginning of a shift in the principles by which we help Americans attend college. Next year and the year after, as we see the efficiency and appeal of these programs, I intend to fight to take this all the way. Instead of a mishmash of programs, some at some schools, some at a smaller number of schools, we need a seamless universal system, like self-reliance. It should give every student, at every age, at every school, universal access to loans and the same options for income-contingent repayment. Self-reliance loans can be the next generation of financial aid for students.

To demonstrate the need for self-reliance, let me quote from a letter I received last year, as I began working on this idea. A young woman in New Jersey wrote

When it was time for me to apply to college in the late 1970s, my choice of college was practically unlimited because of the comprehensive Federal financial aid pro-

grams. * * * Today my youngest sister, who is now 18 years old, finds herself in a very different situation. My sister has been forced to apply to colleges based on finances rather than her considerable academic ability. Her choices were severely curtailed by my parents' modest, middle-class income and the fact that she is the last remaining dependent child in their home. Even though my parents are "better off" than in the 1970s, my sister does not even have the same opportunity I had fourteen years ago.

For most of our history, higher education was the experience of very few Americans. World War II changed all that with the passage of the GI bill. With mature veterans filling the ranks, the number of college students nearly doubled. The result was the most talented work force in the world and a new recognition of the value of higher education. State legislatures, alumni, and even the Federal Government began to invest in higher education. By 1970, enrollment doubled again to about 9 million students. A recent study shows that low-income students increased their access to higher education by 41 percent between 1966 and 1977. Families, many without a college graduate in the house, came increasingly to see education's value and to recognize that, without it, life chances diminished.

In the 1980's, college costs increased by 50 percent in real terms while Federal funds for student aid rose by only half that amount. And tightened eligibility took college loans away from 500,000 students in the last decade. That 41-percent access gain for low-income students in the decade ending in 1977 was wiped out by 1987.

The college cost trap hits the 85 percent of Americans who earn less than \$50,000 after they are already bearing the strain of health care costs, energy costs, housing costs, interest rates, stagnant incomes and taxes. Many of those families have not been eligible for financial aid. This bill would make them eligible. Many worry that after graduation they would not be able to pay their loans, or would have to compromise on their career decisions to pay their loans. This bill would allow them to choose a school where repayment would always be affordable.

Universal access and income-contingent repayment harness the value of a college education to get past the hurdle of paying for it. Students' own earning potential, not what their parents happen to earn, would open the door to whatever colleges they were able to get into. Students whose families earned too little to pay a State college tuition would not be turned away. Students whose families might earn a little too much to get aid under current programs would not be turned away. The 28-year-old who has worked for a decade out of high school only to find that escaping a dead-end job requires new skills, and the mother who has raised children and now, at 36 or 40

years for the independence that a college education can bring, would all be eligible.

For the United States to remain the No. 1 economic power in the world, we have to be ready for jobs that involve computers, information, numbers and intense creativity. We have to demand more from students, but we also have to promise more. We should promise that if you work hard, if you have ability, if you believe in yourself, and if you can get into college, you will be able to go. This conference report brings us closer to that promise, and gives me hope that we will soon make that promise real for all.

I commend the conference for its achievement, and in particular I would like to thank Senator KENNEDY for his many years of interest in finding a better way to pay for college, and Senators SIMON and DURENBERGER for their diligent work on this debate all year and for helping us find the principles that we all share.●

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to. Mr. KENNEDY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

DR. EDWARD ZIGLER'S CONTRIBUTION TO HEAD START

Mr. KENNEDY. Mr. President, nearly three decades ago, Dr. Edward Zigler, professor of psychology at Yale University, created a program designed to help economically disadvantaged children achieve their full potential. As part of the War on Poverty, the program began as a 6 to 8 week summer camp funded at \$96.4 million in 1965. The program was called Project Head Start. It pioneered a unique approach to supporting young children, with a strong emphasis on parental involvement and the delivery of comprehensive, family-centered services. Years later this community-based, one-stop-shopping program has become a hallmark for effective Federal action.

From its modest beginning, Head Start has steadily expanded over the years, and it will soon reach 700,000 children and families. Throughout this growth, Dr. Zigler has remained steadfast in his determination that program quality must not be compromised by increased enrollment with inadequate resources. He has been a brilliant advisor to Congress, and a persistent conscience for the program—affirming again and again that we cannot do more with less. Our children and families deserve better.

Dr. Zigler reaffirmed these fundamental views in an eloquent op-ed piece in the New York Times last weekend. He calls on Congress and the administration to put our resources

where our rhetoric is—in Head Start. He reminds us that praise for the Head Start Program alone will not allow children to begin school ready to learn, or provide low-income families with the support they need to seek self-sufficiency. If we are to bring Head Start to all eligible children, who are currently waiting, we need to act.

I hope that Members will heed Dr. Zigler's advice, and I ask unanimous consent that his op-ed article may 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, June 27, 1992]

HEAD START FALLS BEHIND

(By Edward Zigler)

NEW HAVEN, CT.—The head Start program is not controversial these days. Everybody loves it. Republicans and Democrats extol its merits. President Bush was photographed at a Maryland Head Start center announcing his proposal to increase funding by \$600 million. Yet this highly publicized love amounts to no more than public whispers of sweet nothings. When political push came to budgetary shove, Head Start lost.

In negotiations between Congress and the Administration, \$250 million that would have let centers for 220,000 children stay open this summer was dropped from the emergency urban aid bill passed last week. Instead, 95 percent of the centers have closed until fall, and inner city preschoolers have lost a safe, familiar place to play and grow away from hot apartments and violent streets.

This is a familiar story. This year's Head Start budget is \$2 billion below the financing level set in the 1990 Head Start Reauthorization Act. And President Bush's proposed \$600 million increase for next year falls \$3 billion short of the schedule set in 1990.

Head Start has earned its good reputation. Government research shows that its graduates are less likely than their peers to be held back a grade or to need special education services. The program may even reduce criminality: I oversaw a review of juvenile delinquency programs (American Psychologist magazine will publish the findings this year) that indicated that early childhood programs like Head Start are more effective in steering children away from juvenile crime than are traditional preventive efforts like homes for delinquent children or parent counseling.

Despite its performance, the program is still threatened. Quality began to slip in the 1970's because of rapid inflation. In many locations, full-year programs shrank to 10 months, then to eight, even six, months. Teacher training was reduced, salaries did not grow and staff turnover reached unacceptable levels. It is not surprising that teachers leave Head Start: 47 percent will make less than \$10,000 this year.

Head Start family support services are crucial to combat increased drugs and violence, yet in 1990 caseloads for social service coordinators were almost double the recommended level in seven out of 10 programs. The Administration's concern with the number of eligible 3- to 5-year-olds served (now 30 percent), rather than the quality of care received, has diluted Head Start's success formula.

Since Head Start began in 1965, 11 million low-income children have passed through its doors. They have received free health

screenings and nutritious meals, and have learned how to play in groups. Their parents have participated as volunteers; one-third gained employment through Head Start. Yet during the same 27 years 50 million children who qualified for Head Start were left out.

We can offer poor children more than sweet nothings. Congress can make sure that at least a \$1 billion increase for Head Start is part of the second urban initiative it is planning. Congress and the President can support Senator Edward Kennedy's School Readiness Act, which guarantees money to enroll every eligible child in Head Start by 1997 and sets aside adequate funds for improving the quality of care. And we can apply Head Start to more years of a child's life, from birth through the early elementary grades. Every low-income child could benefit from a longer, stronger dose of the Head Start formula.

YELTSIN NEEDS US—WE NEED YELTSIN

Mr. HATCH. Mr. President, several weeks ago former President Richard Nixon met with Boris Yeltsin to discuss internal developments in the former Soviet Union. Upon return from his trip to Russia, President Nixon wrote an extremely interesting editorial for the New York Times. In the article, President Nixon observes that President Yeltsin is promoting democratic reform in Russia and urges our expedient assistance through the Freedom Support Act. President Nixon suggests that the United States has vital interests at stake in Russia's democratic reform movement.

Mr. President, this op ed, which I submit for the RECORD, clearly explains the importance of a comprehensive multilateral effort that will help President Yeltsin push the reform process along in Russia. I hope my colleagues will take the time to read this article.

The article follows:

[From the New York Times, June 12, 1992]

YELTSIN NEEDS US—WE NEED YELTSIN

(By Richard Nixon)

PARK RIDGE, N.J.—President Boris Yeltsin of Russia will come to the summit meeting in Washington on June 16 and 17 not looking for a handout but to join hands in a new partnership based on shared democratic values. The U.S. must seize this opportunity not only because of our ideals but also because of our interest in peace and progress.

Those who question President Yeltsin's commitment to democracy and free-market reforms and urge the West to keep Russia at arm's length make a tragic mistake.

In my meeting with him a week ago, President Yeltsin exuded enthusiastic and unequivocal commitment to free elections, free markets and free peoples. He has the magnetic power of a major charismatic figure and has assembled a first-rate team of policy experts. Most important, because those who oppose his reforms have no leader and no program, there is no better alternative.

President Yeltsin has dramatically demonstrated his commitment to reform through deeds and words. He showed not only personal courage in facing down the card-carrying killers in the August coup but also political courage by adopting painful but necessary economic reforms such as freeing

prices. He has slashed defense spending, offered dramatic nuclear arms reductions, cut off aid to anti-U.S. regimes such as Cuba and Afghanistan, accepted the independence of other republics of the former Soviet Union and established full diplomatic relations with them.

President Yeltsin is the most pro-Western Russian leader in history. Therefore, the U.S. should lead the West in forging a partnership for economic development with the new Russia. The biggest roadblock to such a partnership is the obstructionism in the Russian Parliament, which President Yeltsin inherited from Mikhail Gorbachev and is dominated by old-line Communists who took office without competitive elections.

President Yeltsin made it clear to me that he is determined to implement his reforms. He will try to do so through the existing Parliament; if that fails, he will impose them by decree or dissolve Parliament and hold elections for a parliament that has a mandate for reform.

In the meantime, Congress should stop its foot-dragging and pass President Bush's Freedom Support Act, which provides for America's contribution to \$24 billion in Western aid. Congress' approval of International Monetary Fund assistance will create an incentive for the Parliament to approve the Yeltsin reforms. If we link our aid to passage of those reforms, we will give President Yeltsin greater leverage in his battle.

One indispensable reform is to make the ruble fully convertible. As the architect of economic reform, First Deputy Prime Minister Yegor T. Gaidar, has argued, without a free-floating ruble at a fairly stable exchange rate, trade will be stymied and foreign companies will not want to invest in Russia.

While the International Monetary Fund must prescribe strong medicine, it should not be so strong that it kills the patient. I.M.F. prescriptions assume a market economy already exists, but in Russia such institutions are only embryonic. President Yeltsin will not backslide, but we must be realistic about the economic austerity the Russians can bear without triggering social unrest that will abort reform.

A high priority must be placed on debt relief. Russia's economy is straining under the burden of repaying loans Western banks and governments recklessly made to President Gorbachev's Communist regime. If we do not reschedule the \$81 billion debt, new aid will be recycled into Western banks without strengthening Russia's economy. It would be unconscionable to ask the U.S. taxpayer to bail out bankers who made bad loans to the former Soviet Government.

But foreign aid is only a small part of the solution. Our primary goal should be to unleash the American private sector's potential investment in Russia's emerging private sector. Because every Western country is going into or coming out of recession, government-to-government assistance will be severely limited by budgets. But private-sector investment will be limited only by opportunity.

Western aid should focus on developing Russia's private sector; it must not be used to prop up failed state-owned enterprises. It should be used for technical assistance to guide Russia in creating property, tax and commercial law conducive to the growth of a free market. We should also channel funds into loans to new small businesses, which will not only hire unemployed workers but also begin the essential accumulation of domestic capital.

President Yeltsin is committed to establishing the kind of legal framework and economic environment for private enterprise found in the West. Dwayne Andreas, chairman of Archer Daniels Midland, the agricultural exporter, estimates that when President Yeltsin achieves that goal, Western companies will commit themselves to investments of \$100 billion in the first 18 month period, \$200 billion in the second such period and \$400 billion in the third.

The major advantage of private rather than government assistance is that private assistance brings the management expertise, training and new technology needed for the transition from a command to a free-market economy.

A new American-Russian partnership is not charity. Forty-five years ago, the U.S. adopted the Marshall Plan to insure the survival of freedom in Western Europe. By doing so, we gained allies in the cold war and trading partners who fueled our postwar prosperity with purchases of American products.

Those same interests, peace and progress, are at stake today. If President Yeltsin's reforms succeed, we will save tens of billions of dollars in defense spending and create hundreds of thousands of new jobs to supply Russia with the new capital and consumer goods it will require.

If the reforms fail, a new despotism will take power in Russia, threatening its neighbors, sending our peace dividend down the tube and providing aid and comfort to totalitarian rulers in China and elsewhere.

President Yeltsin has shown extraordinary political skill in trying to bring about his reforms. Despite Russia's severe economic hardship, his popularity remains extraordinarily high. By telling the Russian people that conditions would be hard and get harder, he has held their confidence; by embracing Western values, he has given them hope and inspiration.

For 75 years, the Soviet state imposed sacrifices on the people in order to provide a better life for the Communist elite. Today, the Russian President is calling for sacrifice to build a better future for all families and Russia. He can succeed because he has given the people a cause they can believe in.

Many in America's foreign policy establishment underestimated President Yeltsin because they preferred the more sophisticated President Gorbachev. Some portrayed President Yeltsin as an uneducated boob. President Gorbachev's reforms made President Yeltsin possible. But President Yeltsin holds President Gorbachev's place in history in his hands. If President Yeltsin fails, President Gorbachev fails with him.

Both were born peasants. President Gorbachev became a man of the world. President Yeltsin remained a man of the people. President Gorbachev, preoccupied with foreign policy, lost touch with the people. President Yeltsin has revolutionized Russia. Unlike President Gorbachev, he has repudiated Communism and Socialism. If he keeps placing top priority on his problems at home, he can become a statesman who will change the world.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination: Calendar 674.

I further ask unanimous consent that the Senate proceed to its immediate consideration; that the nominee be confirmed; that any statements appear in the RECORD as if read; that the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nomination considered and confirmed is as follows:

IN THE AIR FORCE

The following-named officer for reappointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Thomas J. McInerney, xxx-xx-xxxx
U.S. Air Force.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

AMENDING ENGROSSMENT OF
SENATE JOINT RESOLUTION 281

Mr. FORD. Mr. President, I ask unanimous consent that in the engrossment of Senate Joint Resolution 281, the title be amended to read as follows:

An act designating the week beginning September 14, 1992 and ending on September 20, 1992 as "National Rural Telecommunications Services Week."

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

EXTENSION OF AGREEMENT BETWEEN
THE UNITED STATES
AND INDONESIA ON PEACEFUL
USES OF NUCLEAR POWER—
MESSAGE FROM THE PRESIDENT—
PM-256

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)), the text of an exchange of diplomatic notes between the United States and Indonesia dated August 23, 1991, constituting an agreement to extend for 10 years

the Agreement for Cooperation Between the United States of America and the Republic of Indonesia Concerning Peaceful Uses of Nuclear Energy signed at Washington, June 30, 1980. I am also pleased to transmit my written approval, authorization, and determination concerning the extension and a memorandum by the Director of the United States Arms Control and Disarmament Agency including a Nuclear Proliferation Assessment Statement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which also includes other agency views, is also enclosed.

The proposed extension of the agreement for cooperation with the Republic of Indonesia has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 and as otherwise amended. In my judgment, the proposed extension meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. It provides for the agreement to remain in force for an additional period of 10 years. In all other respects, the text of the agreement remains the same as that reviewed favorably by the congress in 1980/1981.

Indonesia is a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and is fully in compliance with its nuclear non-proliferation commitments under that Treaty.

I have considered the views and recommendations of the interested agencies in reviewing the proposed extension and have determined that continued performance of the agreement for cooperation will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I approved the agreement on extension and authorized its execution. I urge that the Congress give it favorable consideration.

This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

GEORGE BUSH.

THE WHITE HOUSE, June 30, 1992.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 12:01 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. 459. Joint resolution designating the week beginning July 25, 1992, as "Lyme Disease Awareness Week."

At 6:38 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, each without amendment:

S. Con. Res. 102. A concurrent resolution to provide for a Joint Congressional Committee on Inaugural Ceremonies; and

S. Con. Res. 103. A concurrent resolution authorizing the rotunda of the United States Capitol to be used on January 30, 1993, in connection with the proceedings and ceremonies for the inauguration of the President-elect and the Vice President-elect of the United States.

The message also announced that the House agrees to the amendments of the Senate numbered 1, 2, and 3 to the bill (H.R. 2032) to amend the act of May 15, 1965, authorizing the Secretary of the Interior to designate the Nez Perce National Historical Park in the State of Idaho, and for other purposes; and that the House agrees to the amendment of the Senate numbered 4 to the said bill, with an amendment, in which it requests the concurrence of the Senate.

The message further announced that pursuant to the provisions of Senate Concurrent Resolution 102, 102d Congress, the Speaker appoints to the Joint Congressional Committee on Inaugural Ceremonies the following Members on the part of the House: Mr. FOLEY, Mr. GEPHARDT, and Mr. MICHEL.

The message also announced that the House has agreed to the amendment of the Senate to the bill (H.R. 429) to amend certain Federal reclamation laws to improve enforcement of acreage limitations, and for other purposes, with an amendment; it insists upon its amendment to the amendment of the Senate to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses, and appoints the following as managers of the conference on the part of the House:

From the Committee on Interior and Insular Affairs, for consideration of titles I and VII-XXXIX of the House amendment, and titles I and VII-XXXVIII of the Senate amendment, and modifications committed to conference: Mr. MILLER of California, Mr. RAHALL, Mr. GEJDENSON, Mr. VENTO, Mr. KOSTMAYER, Mr. DE LUGO, Mr. LEHMAN of California, Mr. MARKEY, Mr. HANSEN, Mr. RHODES, Mr. THOMAS of Wyoming, Mr. YOUNG of Alaska, and Mr. MARLENEE.

From the Committee on Interior and Insular Affairs, for consideration of titles II-VI of the House amendment, and titles II-VI of the Senate amendment, and modifications committed to conference: Mr. MILLER of California, Mr. RAHALL, Mr. GEJDENSON, Mr. VENTO, Mr. KOSTMAYER, Mr. DE LUGO, Mr. LEHMAN of California, Mr. OWENS of Utah, Mr. HANSEN, Mr. RHODES, Mr. THOMAS of Wyoming, Mr. YOUNG of Alaska, and Mr. MARLENEE.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of titles II-VI, IX, XXX, and XXXIV of the House amendment, and titles II-VI, IX, XXXIII, XXXIV, XXXVI, and XXXVIII of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, Mr. HUGHES, Mr. HERTEL, Mr. CARPER, Mr. MANTON, Mrs. LOWEY of New York, Mrs. UNSOELD, Mr. DAVIS, Mr. FIELDS, Mr. HERGER, Mr. DOOLITTLE, and Mr. CUNNINGHAM.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of titles I, VII, XI, and XVIII-XX of the House amendment, and titles I, VII, XI, XII, XIV, XV, XIX, and XX of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, and Mr. DAVIS.

As additional conferees from the Committee on Public Works and Transportation, for consideration of section 3411 of the House amendment, and titles XXI, XXXI, and XXXVIII and sections 3001-3004, 3007, 3508, and 3509 of the Senate amendment, and modifications committed to conference: Mr. ROE, Mr. ANDERSON, Mr. MINETA, Mr. NOWAK, Mr. BORSKI, Mr. KOLTER, Mr. VALENTINE, Mr. HAYES of Louisiana, Mr. HAMMERSCHMIDT, Mr. SHUSTER, Mr. CLINGER, Mr. PETRI and Mr. PACKARD.

As additional conferees from the Committee on Public Works and Transportation, for consideration of title VII of the House amendment, and title VII and section 3404(c)(7) of the Senate amendment, and modifications committed to conference: Mr. ROE, Mr. NOWAK, and Mr. HAMMERSCHMIDT.

As additional conferees from the Committee on Agriculture, for consideration of title XXV and section 212 of the House amendment, and section 212 of the Senate amendment, and modifications committed to conference: Mr. DE LA GARZA, Mr. ENGLISH, Mr. DOOLEY, Mr. CONDIT, Mr. HUCKABY, Mr. STENHOLM, Mr. STALLINGS, Mr. CAMPBELL of Colorado, Mr. COLEMAN of Missouri, Mr. MORRISON of Washington, Mr. HERGER, Mr. SMITH of Oregon, and Mr. MARLENEE.

As additional conferees from the Committee on Agriculture, for consideration of titles XIX and XX and sections 301, 305, 308, and 2302 of the House amendment, and titles XIII, XIV, XVIII, and XXXVI and section 202 of the Senate amendment, and modifications committed to conference: Mr. DE LA GARZA, Mr. VOLKMER, and Mr. COLEMAN of Missouri.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 5260) to extend the emergency unemployment compensation program, to revise the trigger provisions contained in the extended unemployment compensation

program, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Ways and Means, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. FORD of Tennessee, Mr. DOWNEY, Mrs. KENNELLY, Mr. ANDREWS of Texas, Mr. ARCHER, Mr. VANDER JAGT, and Mr. SHAW.

From the Committee on Energy and Commerce, for consideration of section 105 of the House bill, and section 104 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SWIFT, Mr. ECKART, Mr. SLATTERY, Mr. SIKORSKI, Mr. LENT, Mr. RITTER, and Mr. RINALDO.

From the Committee on Government Operations, for consideration of title VI of the House bill, and modifications committed to conference: Mr. CONYERS, Mrs. BOXER, Mr. LANTOS, Mr. WISE, Mr. SYNAR, Mr. HORTON, Mr. KYL, and Mr. CLINGER.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3516. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act to deny farm operating loans to applicants delinquent in repaying other loans, and to authorize the Secretary of Agriculture to (1) limit the periods of eligibility for insured or guaranteed farm operating loans, and (2) limit to 7 years the period for which farm operating loans may be rescheduled; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3517. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, notice that the performance of the C-17 Full Scale Development contract will continue for a period exceeding ten years; to the Committee on Armed Services.

EC-3518. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on H.R. 5132, the Dire Emergency Supplemental Appropriations, Fiscal Year 1992; to the Committee on the Budget.

EC-3519. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, a report stating that it is necessary to construct modifications to Steinaker Dam, Vernal Unit, Central Utah Project, Utah, in order to preserve its structural safety; to the Committee on Energy and Natural Resources.

EC-3520. A communication from the Secretary of Energy, transmitting, for the information of the Senate, his reasons for submitting legislation to allow the sale of two hy-

droelectric units in Alaska; to the Committee on Energy and Natural Resources.

EC-3521. A communication from the Secretary of Energy, transmitting a draft of proposed legislation to authorize the Department of Energy to sell the Eklutna and Snettisham Projects administered by the Alaska Power Administration, and for other purposes, along with reports on each of the plants; to the Committee on Energy and Natural Resources.

EC-3522. A communication from the Secretary of the Interior, transmitting, for the information of the Senate, notice of a delay in the submission of a report on Federal and State expenditures that can be identified for the conservation of endangered and threatened species; to the Committee on Environment and Public Works.

EC-3523. A communication from the Director of the Office of Management and Budget, Executive Office of the President and the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Federal Claims Collection Act of 1966, as amended by the Debt Collection Act of 1982; to amend the Deficit Reduction Act of 1984; and for other purposes; to the Committee on Governmental Affairs.

EC-3524. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-232 adopted by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3525. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-233 adopted by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3526. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 9-234 adopted by the Council on June 23, 1992; to the Committee on Governmental Affairs.

EC-3527. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the Indian Health Care Amendments for fiscal year 1989; to the Select Committee on Indian Affairs.

EC-3528. A communication from the Counsel of the National Tropical Botanical Garden, transmitting, pursuant to law, the annual audit report of the National Tropical Botanical Garden for calendar year 1991; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, with an amendment in the nature of a substitute and an amendment to the title:

S. 523. A bill to authorize the establishment of the National African-American Memorial Museum within the Smithsonian Institution (Rept. No. 102-306).

S. 1598. A bill to authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and for other purposes (Rept. No. 102-307).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. 2910. An original bill to authorize appropriations for the American Folklife Center

for fiscal years, 1993, 1994, 1995, 1996, and 1997 (Rept. No. 102-308).

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

H.R. 2850. A bill to make technical and conforming changes in title 5, United States Code, and the Federal Employees Pay Comparability Act of 1990, and for other purposes.

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 1298. A bill to designate the facility of the United States Postal Service located on Highway 64 East in Hiddenite, North Carolina, as the "Zora Leah S. Thomas Post Office".

S. 2253. A bill to designate the building located at 20 South Montgomery in Trenton, New Jersey, as the "Arthur J. Holland United States Post Office Building."

S. 2834. A bill to designate the United States Post Office Building located at 100 Main Street, Millsboro, Delaware, as the "John J. Williams Post Office Building".

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. BENTSEN (for himself, Mr. DANFORTH, Mr. BINGAMAN, and Mr. KERREY):

S. 2909. A bill to amend the Tariff Act of 1930 to establish an Office of Trade and Technology Competitiveness in the International Trade Commission; to the Committee on Finance.

By Mr. FORD from the Committee on Rules and Administration:

S. 2910. An original bill to authorize appropriations for the American Folklife Center for fiscal years, 1993, 1994, 1995, 1996, and 1997; placed on the calendar.

By Mr. WARNER (for himself, Mr. COATS, Mr. NUNN, Mr. WALLOP, and Mr. BINGAMAN):

S. 2911. A bill to require the Secretary of Defense to establish an Office of Technology Transition to facilitate the transition of technological advancements resulting from national security research and development activities to nondefense commercial applications in the private sector of the United States; to the Committee on Armed Services.

By Mr. PRESSLER:

S. 2912. A bill to designate the United States Post Office Building located at 555 15th Street, Northwest in Huron, South Dakota as the "Gladys Pyle Post Office Building" to the Committee on Governmental Affairs.

By Mr. CHAFEE (for himself, Mr. PELL, and Mr. CRANSTON):

S. 2913. A bill to prohibit the manufacture, importation, exportation, sale, purchase, transfer, receipt, possession, or transportation of handguns and handgun ammunition, with certain exceptions; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. ROCKEFELLER, and Mr. PACKWOOD):

S. 2914. A bill to direct the Secretary of Health and Human Services to make separate payment for interpretations of electrocardiograms; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HATCH) (by request):

S. 2915. A bill to reauthorize the Office of Justice Programs, the Bureau of Justice As-

sistance, the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, and for other purposes; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. 2916. A bill to amend chapter 11 of title 38, United States Code, to provide that veterans who are former prisoners of war shall be deemed to have a service-connected disability rated as total for the purposes of determining the benefits due to such veterans; to the Committee on Veterans' Affairs.

By Mr. COCHRAN:

S. 2917. A bill to amend the National School Lunch Act to authorize the Secretary of Agriculture to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. DANFORTH, Mr. BINGAMAN, and Mr. KERREY):

S. 2909. A bill to amend the Tariff Act of 1930 to establish an Office of Trade and Technology Competitiveness in the International Trade Commission; to the Committee on Finance.

TRADE AND TECHNOLOGY COMPETITIVENESS ACT

Mr. BENTSEN. Mr. President, right now, somewhere in the halls of Japan's Ministry of International Trade and Industry [MITI], there is an office hard at work on the next century. Every 10 years or so, MITI brings together a distinguished panel of business leaders, academics, scientists, labor leaders, and the press to map out the country's economic strategy for the coming decade. They identify the key technologies that the country needs to develop and the industries they need to promote in order to ensure that Japan's economy will maintain its competitive edge. And they take stock of where their industries are and where they need to be to achieve those goals. The fruits of these efforts are called visions and are meant to set priorities and economic goals for the next decade.

I am not suggesting, Mr. President, that we must mimic Japan. But I am deeply troubled that the U.S. Government lacks even the most basic information about how our technology base stacks up against our competitors, and how our industries are doing in this extremely competitive global environment.

The Japanese have been examining their economy, in microscopic detail, for more than 30 years—identifying the technologies that are critical to their industries and then putting in place the policies necessary to promote them. In the United States, it took us 30 years of divisive debate to get to that first step—to get to the point where our Government and our industries were comfortable with the idea of

simply identifying so-called critical technologies.

Finally, I believe we have reached a general consensus on what those critical technologies are for the American economy. In the past couple of years, we have seen lists from all quarters—from the private sector, from the Commerce Department, from the Defense Department, from a special panel that we in the Congress set up just to identify these critical technologies.

These lists are remarkably similar. They point to high performance computers, ceramics, software, data storage technology, high definition displays, microelectronics, molecular biology, and a range of other technologies as the necessary building blocks for the future competitiveness of our industries.

We do not need any more lists. We need to move to phase II: We need to take a hard look at our strengths and weaknesses, and we need to understand where—and why—our competitors are beating us.

I sure do not want to see the United States take another 30 years to get to that point. We have already paid a very high price for our indecision. While we were debating whether it was a good idea even to identify those critical technologies, some of our most important industries migrated offshore.

Just take a look at the electronics industry. A recent report by the private sector Council on Competitiveness identified seven electronic components technologies, including memory chips, liquid crystal displays, and printed circuit board technology, as technologies in which the United States—and I quote—"is losing badly or has lost." These losses are felt throughout our economy because these technologies are crucial building blocks for many other industries.

The bad news does not stop there. That same report identified eight other key technologies in which the United States is losing badly, and another 18 technologies where we are weak. These conclusions do not give us much comfort. I was particularly troubled by one conclusion reached by the Council on Competitiveness: namely, that many of the United States losses are in areas where concentrated foreign efforts, including a variety of trade and investment policies, have hurt the competitiveness of this country.

It is time to do something to stop the erosion of our industrial base. If we look back at the 1970's, approximately 24 percent of our GNP was generated by industrial production. Today it is less than 20 percent. Therefore, I rise today, Mr. President, to introduce a bill that will move us to phase II and help us get back into the game.

Mr. President, I am introducing today the Trade and Technology Competitiveness Act of 1992. Its goal is to establish within the U.S. Government

the permanent capability to analyze and monitor the performance of our critical technology industries relative to our chief global competition.

This bill is intended to be a remedial step. Frankly, Mr. President, we should have developed this capability a long time ago.

The bill sets up in the International Trade Commission [ITC] a new Office of Trade and Technology Competitiveness. That office will have the primary responsibility in the Government for monitoring our progress in critical technologies and taking stock of where we are relative to other countries—letting us know who is winning and who is losing this high stakes game.

The Office will take as its starting point the list of critical technologies developed by the National Critical Technologies Panel, a list that the Congress mandated back in 1989. Every 2 years, the panel identifies the product and process technologies that the United States must develop to promote our long-term national security and economic prosperity. That list has been characterized as one of the most exhaustive lists of critical technologies and includes all of the ones I mentioned earlier.

As a first step, our bill will require the ITC to look at each technology on that list and summarize all of the studies that compare how our performance in each of the critical technologies stacks up against our competitors. This is valuable information that our manufacturers can feed into their strategic planning.

Next, the bill requires the ITC to go a step further. The bill directs the ITC to report annually to the Congress on the competitive position of the United States in each of those critical technologies. We want to know how much progress has been made, or, alternatively, how much has not been made. Where we have made progress, we want to understand why and how that progress has come about. Where we have fallen behind, we want to understand what factors contributed to our setback. And where our competitors have taken us to the cleaners, we want to know how they have gotten there.

Then, the ITC will be required to project how each of our critical technology industries will perform over the next 10 years, taking into account where we are, where our competitors are, and any expected changes in the tax, trade, and investment policies of the United States or of our competitors.

Mr. President, this bill grows out of a recommendation made earlier this year by the Competitiveness Policy Council, a bipartisan group of experts set up by the Congress in the 1988 Trade Act, which I sponsored. The Council recommended that an agency be designated to raise the Nation's awareness of our competitiveness problems by

giving it a higher profile, assess the course of key American industries, and monitor the activities of foreign governments in these same technology fields.

I am pleased to have Senators DANFORTH, BINGAMAN, and KERREY join me as cosponsors of this legislation. Senator DANFORTH has been one of the most thoughtful participants in the competitiveness debate. His insights and understanding of the underpinnings of global competitiveness have helped shape this country's response. In 1990, Senator DANFORTH recognized the need for more information on the global competitiveness of our advanced technology manufacturing industries. At his urging, the Finance Committee launched a series of investigations by the ITC, which has now completed investigations on three sectors and is conducting studies on three more. This bill is a natural extension of those activities. And Senator BINGAMAN has long been recognized as a leader in the competitiveness debate, shaping the agenda and keeping our eyes trained on how our industries are faring in global competition. Every citizen of this country is indebted to Senator BINGAMAN for pushing us and pulling us toward a greater understanding of all the elements—education, training, research and development, capital formation, trade, and tax policies—that determine how our industries stack up against their competitors.

Senators DANFORTH, BINGAMAN, KERREY and I have taken it upon ourselves to act on the Council's recommendation by introducing this bill. We need to move on to phase II. We need to advance the debate as to how to maintain our competitive strengths and how to eliminate our weaknesses. We can only do that if we have a basic understanding of where we are and how we got here. This bill launches that debate. Ultimately, I hope that we will learn how we can rebuild our industrial base, because that will determine whether or not we can compete in the 21st century.

Mr. DANFORTH. Mr. President, I am pleased to join Senator BENTSEN, Senator BINGAMAN, and Senator KERREY in introducing legislation to provide for an annual assessment of the competitiveness of U.S. critical technology industries.

Our economic competitiveness is eroding slowly but steadily. Average real wages are lower today than 20 years ago. Our trade deficits over the last decade totaled \$1 trillion. Our national savings rate is less than half of that of Japan. It has become the conventional wisdom that we need to do more to promote the competitiveness of key U.S. industries. And, while we can all agree on the general problem, the consensus seems to break down when we get to possible solutions. Instead of approaching the question in a

comprehensive fashion, we seem to get bogged down in a series of unrelated, sector-specific debates, focusing on HDTV one year, semiconductors the next, and then aerospace.

Earlier this year, the Competitiveness Policy Council, a Federal advisory committee created by the 1988 Trade Act, issued its first annual report. In that report, the Council called for the establishment of a comprehensive competitiveness strategy. As one key element of that strategy, the Council recommended that we designate an agency in the Federal Government to monitor and assess the relative competitiveness of key U.S. industries, as well as the activities of foreign governments and firms in those same sectors.

The legislation we are introducing today—the Trade and Technology Competitiveness Act of 1992—is designed to implement this recommendation. It will establish a new Office of Trade and Technology Competitiveness within the International Trade Commission. This Office will be responsible for monitoring and assessing the long-term performance of U.S. critical technology industries relative to those of our trading partners. The Office will also monitor the activities of foreign governments and firms with respect to the development and exploitation of critical technologies. Finally, the bill requires the ITC to submit to Congress an annual report analyzing the international competitive positions of the United States and key competitor nations in each critical technology.

Mr. President, this legislation is a natural extension of several prior congressional initiatives. It builds on the work of the Finance Committee over the last 2 years to develop a long-term capacity within the ITC to provide the Congress with impartial and detailed information on the competitiveness of advanced technology manufacturing industries in the United States. At the Finance Committee's request, the ITC identified a list of key industries to examine and then began a series of 1-year studies of several of these industries. This legislation would expand that effort to cover the list of critical technologies identified by the National Critical Technologies Panel in its biennial report to the President.

I see the annual competitiveness assessment as akin to the National Trade Estimates report released each year by the U.S. Trade Representative. The NTE report, which we established in the 1984 Trade Act, has been an essential component in the U.S. effort to develop a coherent strategy against foreign trade barriers. Similarly, the report mandated by this legislation is meant to be a broad-based source of information on which to base future policy decisions. It is designed to provide a comprehensive look at what we are doing—and not doing—to maintain our competitive position relative to our

trading partners. The report will enable us to get away from our fragmented approach to this critical question and will provide a benchmark for U.S. action aimed at promoting competitiveness in key industries.

Some may view this legislation as a means to pursue industrial policies like those of our key trading partners. It is not. It is intended to provide a comprehensive and objective analysis of our competitiveness in critical technologies—those technologies that are essential to the long-term national security and economic prosperity of the United States. We already authorize many such studies, but on an ad hoc basis. This legislation would allow the ITC to pursue a more coherent and comprehensive analysis, free from industry-specific pressures. Moreover, by placing responsibility for this effort at the ITC—an independent, bipartisan agency—we can insulate this process from partisan political pressures as well.

Mr. President, the Trade and Technology Competitiveness Act of 1992 is an important first step toward addressing our competitiveness problem. I commend Senator BENTSEN for his leadership and am pleased to join with him in this effort. It is my hope that this legislation will be the beginning of a new bipartisan effort to strengthen the competitiveness of U.S. industry and the U.S. economy.

Mr. BINGAMAN. Mr. President, I am pleased to join Senators BENTSEN, KERREY, and DANFORTH in introducing the Trade and Technology Competitiveness Act of 1992. This bill, if enacted, will be another step in the process toward rational understanding of where this country stands technologically in relation to our economic competitors and determining what we as a government should do about it. The passing of the cold war and the consequent increased importance of economic affairs make the substance of this bill all the more vital to the economic future of this country.

At the outset, it is important to state what this bill would not do. This bill does not mandate the compilation of another list of technologies deemed important to a particular agency or industry sector. A number of such lists have been compiled for specific purposes. However, there is now a general agreement on the broad economic importance of the technologies contained in the National Critical Technologies List prepared by the National Critical Technologies panel.

This bill takes the next step beyond the act of compiling a list of critical technologies—that is, to determine where the United States national critical technologies stand vis-a-vis our main international competitor nations. The International Trade Commission, an independent agency of the U.S. Government, will be authorized to mon-

itor, on an ongoing basis, the development of critical technologies in the United States and other countries. This agency will provide hard data as well as impartial analysis and projections.

With this new information, the Government can begin to make rational choices about where to focus the country's efforts and where to spend the country's resources. The resulting information is necessary to shape education priorities, research and development spending, tax politics, and capital availability strategies. In other words, this bill is an addition to the Government's toolkit of means to foster an environment of increased U.S. industrial competitiveness. It is vital, however, that the Government actively use this new information, this new tool, rather than letting it lie idle. Our economic future and that of our children and grandchildren depends on the active involvement and cooperation of the national Government in strengthening our national economic position in the world.

This bill is one additional, important element in a broader strategy for reviving and expanding American industrial and technological competitiveness. Navigators exploring the seas in the time of Columbus used the stars and constellations to guide them in unfamiliar waters. Like the explorers and navigators of old, we have identified the critical technology lodestars, now we must chart our course for the future.

I encourage my colleagues to support this important legislation.

By Mr. WARNER (for himself, Mr. COATS, Mr. NUNN, Mr. WALLOP, and Mr. BINGAMAN):

S. 2911. A bill to require the Secretary of Defense to establish an Office of Technology Transition to facilitate the transition of technological advancements resulting from national security research and development activities to nondefense commercial applications in the private sector of the United States; to the Committee on Armed Services.

DEPARTMENT OF DEFENSE OFFICE OF TECHNOLOGY TRANSITION

• Mr. WARNER. Mr. President, I rise today to introduce legislation which I believe will raise the level of the technological base of our private industrial sector and make us more competitive in world markets at virtually no additional cost to the Government.

This legislation establishes an Office of Technology Transition within the Department of Defense to facilitate the transition of DOD-developed technology into the private sector.

The Department of Defense has recognized the importance of maintaining technological superiority and has structured its new acquisition policies to emphasize science and technology—

research and development—over procurement.

At the same time we are increasing our emphasis on research and technology in our defense establishment, we are facing increasingly competitive world markets where technological advantages in engineering, manufacturing and product development are critical to economic competitiveness and growth. Indeed, the economic well-being of our Nation rests to a great degree on our ability to develop new technologies and integrate these technologies into the marketplace.

As I have watched the development of these kinds of technologies, it has become apparent that many of them have great potential for application in the private sector. In fact, many of the technological advances made as a result of DOD research have already found their way into the private sector.

As the Deputy Secretary of Defense, Mr. Atwood, recently testified in a hearing before the Armed Services Committee:

"... many defense technologies also have commercial applications. To expedite that potential, we are encouraging industry to pursue the commercial application of those dual-use technologies developed for use in military weapons."

I believe we can and should do a much better job of transitioning the technologies we develop through defense research efforts to our private commercial sector. We should make an intense and determined effort to apply these technological advances to raise the level of technology in the industrial base of our private sector—producing better products for the people of our Nation and improving our competitiveness in world markets.

Therefore, Mr. President, I am introducing today the Technology Transition Act, which will direct the Secretary of Defense to create within the Office of the Secretary of Defense the Office of Technology Transition, whose role will be to facilitate the transition of technologies developed through DOD research programs into the private sector.

I envision that this Office will consist of no more than 6 to 20 people working under the Director of Defense Research and Engineering, and operating with points of contact established through DOD's research and development community.

One of the primary functions of the Office of Technology Transition will be to raise the levels of awareness and interest in the commercialization of DOD-developed technologies by the private sector. The Director of this Office must become the advocate for moving DOD-developed technology into the private sector. The Office formed under this act will assist firms in the private sector in overcoming problems with DOD security and technology transfer restrictions, proprietary rights and

other problems associated with the transition of appropriate technologies.

I anticipate that this Office may also surface problems which require legislative solutions and I expect and encourage the Department to coordinate with the Congress so that we can assist in resolving those problems.

I should point out, Mr. President, that the administration clearly recognizes the value to the private sector of commercializing Government-developed technology. The White House recently announced the elimination of recoupment fees that Government contractors were required to pay when technologies developed under Government contracts were sold by the contractors to other parties. This move by the administration will help preserve the competitiveness of U.S. defense contractors and help other firms in the private sector as well.

Mr. President, I have noted that some technologies developed by DOD have already found their way into the private sector—but I believe we can do better. The taxpayers of this Nation pay for the research and development efforts in the Department of Defense. While they are clearly getting their money's worth as far as a technologically advanced military is concerned, we also have a responsibility to ensure that appropriate technologies are transitioned to the private sector. The establishment of the Office of Technology Transition will help accomplish this mission.

This legislation provides that the Secretary of Defense will establish and staff this new office within the resources currently provided to the Department of Defense. I am confident that the Secretary of Defense will recognize the importance of this initiative, and I hope that the reports required by this legislation, which will describe the progress and accomplishments of the Office of Technology Transition, will be made public so that the American people will be aware of the additional benefits accrued by the dollars spent on defense research.

Mr. President, there have been legislative initiatives in the past addressing these types of issues, but no prior legislative initiative established an office with the specific mission of facilitating the transition of DOD-developed technology to the private sector.

I believe the only way to ensure that the transition of this technology takes place is to establish an entity and staff it with good, enthusiastic people whose mission every day is focused principally on the transition of DOD-developed technology to the private sector.

The legislation which I am introducing today focuses only on research and development funded through the Department of Defense. I consider this as a first step—a pilot project. As this program develops, I will introduce legislation to direct the establishment of

similar Offices of Technology Transition in other agencies of the Federal Government, such as the Department of Energy, NASA, the National Institutes of Health and other departments and agencies engaged in research and development activities.

Mr. President, one might ask why I have chosen the term "technology transition" as opposed to "technology transfer." The term "technology transfer" has been closely associated with the movement of U.S.-developed technology to foreign countries. The term "transition" is intended to apply to the sharing of Federal Government-developed technology with State and local governments and the private sector. It is important to distinguish between these two situations. In consulting Webster's dictionary, I extracted the following definitions: Transfer—to move from one place or position to another. Transition—a development that forms part of an ordered progression.

I believe that "transition" more closely resembles what we are trying to accomplish.

Mr. President, in the conduct of research on this legislation, I learned of a number of technologies developed through DOD programs which have potential as well as demonstrated application to the private sector. Several of these specific technologies have been developed through the SDI program, and I request unanimous consent that several of these summaries be included for the RECORD.

Mr. President, I thank you and my colleagues and am confident that this legislation will have the full support of this body.

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

OPTICAL PROCESSING: A TECHNOLOGY IN TRANSITION

Optical processing is a maturing technology that has extensive application to the processing of information in realtime. Military applications are being demonstrated that are difficult for the most sophisticated digital processing systems known or envisioned. Optical processing for the military application provides a technology for multi-object, multivariant target recognition and multitarget tracking. Optical architectures are under development that implement the large scale parallelism need to simulate neural networks, the working model for brain functioning. These processing systems take advantage of the extreme low power consumption of an optical processor operation and the high degree of integration achievable with optical interconnects and communication, resulting in very compact systems. The computational complexity of optical processors exceeds those achievable in electronic cases by several orders of magnitude—ideal for artificial intelligent systems, robotic and machine vision. Large information data base handling such as fingerprinting and DNA classification are possible with optical processing multilayered systems, which are configured from the single layer systems. This technology is ready for transition and commercial applications.

The current state-of-the-art in optical processing is such that certain computing functions can be performed at 1,000's of times faster than the digital systems. Optical technology that can perform greater than 10^{12} operations per second is nearing a stage of maturity that would make it attractive for commercial uses. By integrating optical processors with digital processors in a fashion to take advantage of the peculiar strengths of each, extremely powerful systems of considerable commercial value could be produced. Realtime processing becomes possible for such things as sorting and routing of mail, recognition of counterfeit bills and checks in routine bank and business transactions, and speech pattern recognitions. Optical systems could be the heart of new computer systems that can do calculations and process data at much higher rates than is currently available to the scientific and large volume data handling communities. A specific example would be the application of optical signal/data processing to the massive amount of data that will be generated by the Earth Observation (EM) satellite system to be deployed in the near future.

Prototypes have been built and demonstrated that can operate in the industrial/commercial environment where quality/process control requires high speed inspection. The application in product manufacturing will reduce cost, increase efficiency and reduce waste/scrap. The present technology base is available for large scale commercial exploitation of these powerful systems.

COMMERCIAL APPLICATIONS OF DIAMOND FILMS

It is well known that diamond is the hardest substance known. Less well known is diamond's other unusual properties. Diamond is highly resistant to chemical attack, has a very low coefficient of friction, is transparent to x-rays, visible, and ultraviolet radiation and conducts heat better than any other known substance. These unusual properties make diamond ideal for use in harsh environments.

General Electric first prepared artificial diamonds by heating graphite at high temperature and pressure. However, commercial use of this ultra high temperature-pressure diamond process is limited.

The Strategic Defense Initiative through the SBIR program, has supported the development of economical low temperature/pressure processes for coating a variety of materials with diamond films. These alternative methods of diamond coating promise the introduction of diamond to a wide variety of commercial applications that take advantage of its unique characteristics.

Wear resistant optical devices such as laser windows, lenses, mirrors, fiber optics and even sun glasses; heat sinks that allow tightly packed electronic devices to run faster and hotter in computers; temperature resistant sensors and semiconductors for jet engines and automotive electronics; wear resistant coatings for magnetic tape recorder heads and data storage disks; reinforcing fibers for advanced composites in aircraft skins; teeth, bones and other prosthetic devices and engine components are but a few of the many applications that are ready for exploitation.

SDIO SPIN-OFF TECHNOLOGY UNDER COMMERCIAL DEVELOPMENT

During the last several years the Strategic Defense Initiative Office (SDIO) and the U.S. Army Strategic Defense Command (USASDC) have been involved in the development of sophisticated, miniature, rugged

spectrally agile imaging sensors for missile interceptors used in strategic missions. These activities have been pursued under Phase I and Phase II SBIR (Small Business Innovation Research) contracts developing tunable lasers, tunable optical modulators, and tunable detection and imaging devices. These SBIR programs provide technology development funding to small businesses with highly innovative concepts that have significant commercial potential. This sophisticated SDIO technology has numerous commercial applications which include clinical diagnostics and prognostics, flow cytometry, portable analytical spectrometers, and on-line sensors for chemical analysis in industrial process control. Coordinated by the USASDC personnel, joint ventures are being formulated that include multiple SBIR contractors, major industry, State matching funds, and private funds. Some applications actively pursued by these ventures include the development of three products that exploit this SDIO spin-off technology:

Fluorescence Microscopy and Flow Cytometry

Flow cytometry is a clinical instrument used in the diagnostic, prognostic, and monitoring of cancer and other diseases such as AIDS and/or HIV infection. The insertion of the SDIO technologies offer higher resolution of the data in the diagnostic, prognostic, and monitoring process. Flow cytometry sorts populations of cells into different groups thereby typing, staging, and monitoring the disease in question. The upgraded flow cytometer would allow these diseases to be exploited in the normal blood work provided today by the pathologist.

Optical Sensors for On-Line Chemical Analyses and Process Control

The industrial process control sensor market is, at present, primarily comprised of devices that measure flow, fluid level, pressure, temperature, and viscosity. An important change taking place in this market is an increasing trend to incorporate analytical measurement techniques (traditionally performed off-line in the laboratory) into on-line process monitoring and control systems. Industries which will benefit the most from these innovations and which are fueling the growth of the analytical sensor market segment are the chemical, pharmaceutical, pulp and paper, food and beverage, petrochemical and biomedical sectors. This market opportunity created by an unfilled need for rugged, sensitive, spectrally-agile sensor to reliably and rapidly monitor the presence of specific organic compounds in complex process mixtures, are being addressed by this SDIO technology commercialization effort.

Portable Spectrometers for In-situ Environmental Testing

Existing monitoring technology relies typically on expensive, labor intensive, discrete methods that introduce uncertainty in the sampling and handling procedures. Often there is a long delay between sample collection and communication of results caused by the inability of conventional methods to provide in-situ real-time monitoring. There is a market opportunity for light, rugged, simple-to-use, portable analytical instruments to measure specific pollutants or classes of pollutants. The SDIO technology transfer into these markets includes monitoring ground water contamination from hazardous waste sites and underground storage tanks, monitoring effluents from waste treatment plants and industrial waste water, rapid on-site identification of oil spills, monitoring crop protection chemicals, and food safety inspection.

MEDICAL APPLICATION OF ADVANCED MATERIALS TECHNOLOGY: CARDIAC PACEMAKER ELECTRODES

The ion beam surface texturing work performed by Spire Corporation under the U.S. Army Strategic Defense Command Advanced Optical Materials Program has been applied to the surface of pacemaker electrodes. The Spire process (SPI-TEXT) creates micron sized structures that greatly increase the electrode-human tissue contact area and encourage tissue growth around the electrode. Pacemaker battery life is increased by 300%. Animal studies have been successfully completed. The first human implant has been made and the unit is working as designed. No complications have developed. The innovation increases battery life to 15-18 years using existing battery technology. Given the advancements projected for battery development over the next few years, this electrode technology could easily result in a non-nuclear solution to the problem of a permanent pacemaker implant. The patient thus avoids the pain, expense, and risk of cardiac arrest associated with battery replacement.

Completion of human studies and transition of the technology to general availability will have a major positive impact for heart patients who require pacemakers. Most (60 to 80 percent) pacemaker patients are in the 30 to 50 year age group and have arrhythmia without other complications. Such patients now receive an "activity based" pacemaker. Following pacemaker implant under the right clavicle and threading of leads through the chest muscle wall to the heart, life expectancy reverts to that for similar individuals with no heart disease. The "activity based" unit adjusts the heart rate to match the body demand level and allows participation in all activities normal for that individual's age group. However, there is a price associated with the use of the "activity based" pacemaker—the battery will fail within 5 to 6 years due to the increased load. With widespread use of the new technology, this problem can be significantly reduced, or eliminated.

The dramatic success of the cardiac pacemaker electrode has encouraged further exploration of the medical potential of the process. Experiments in neurostimulator, orthopaedic, implanted defibrillator, and dental applications have been initiated.

The above technology transition to civilian medical application is of particular significance in that it represents a direct benefit to the physical well-being of a large number of individuals. Spire Corporation's recognition of the potential for this type of advance is typical of the overall innovative spirit and capability they have demonstrated throughout their work on the advanced optical baffles program.

LASER COMMUNICATIONS TECHNOLOGY

Laser communications technology is a rapidly evolving and maturing technology that has extensive application to strategic defense missions, as well as the commercial communications industry. Recent research sponsored by the SDIO has demonstrated in a laboratory environment that approximately 50 times the current radio frequency communications capability can be achieved by using laser communications. These satellites are capable of both digital and video information transmission. The laser transmitters/receivers can be achieved at less than half the size/weight and by using less than half the power of current radio frequency systems.

The prime reason for increased attention to laser systems is the rapid evolution of

solid state laser diodes which can be used as laser transmitters. This technology development has made laser satellite communications technology an attractive alternative to radio frequency systems for the communications industry.

COMMERCIAL APPLICATIONS OF SUPERCONDUCTIVITY

Due to its unique electrical properties, high temperature superconductors will have major impacts on future electronic applications. These unique properties include very low electrical resistance and the quantum mechanical tunneling which result in electronic devices with the following properties: Low loss-low noise, high speed-wide signal bandwidth, quantum-limited electromagnetic detection, low power dissipation. However, the very short coherence lengths reported for the high temperature superconducting materials present severe obstacles to the fabrication of high quality Josephson Junctions required for mixers and detectors, and for logic and memory functions.

The U.S. Army Strategic Defense Command, through its program with the University of Cambridge, has supported the development of the electronic beam technique for the production of Josephson Junctions. This technique is fast, convenient, simple, low cost, and controllable. This fabrication technique will introduce high temperature superconducting electronics to a wide variety of commercial applications.

Quantum-limited high frequency detectors, mixers and amplifiers high speed logic and memory devices and circuits, signals transmission lines, and other high frequency components are some of the components that have potential for transition to commercial application.

• Mr. COATS. Mr. President, the bill which Senator WARNER and I are offering today I believe will allow us to direct the critical developments made in defense technology to commercial applications.

We continue to hear about the problems that the United States has in competing overseas in new technological fields. This bill would help provide an opportunity to address this problem—and at virtually no additional cost to the Government.

This legislation would create an office of technology transition as a part of the Defense Department to advance the transfer of military technology to the private sector as appropriate. Some of this obviously is already occurring. But I believe that a coordinated effort under the direction of the Secretary of Defense could have an enormous impact and benefit to the Nation. The technology identified for commercial application could have the same revolutionary impact in the civilian sector as it has had in providing our military the best, most innovative weapons systems in the world.

I believe the possible spin-off applications could be overwhelming. In this day of greater competition for overseas markets, we need to be doing everything we can to encourage not only the development of new technology but the application, the manufacturing, and the marketing of the technology for commercial application.

The Defense Department could play a critical role in a very essential part of this process—identifying key technologies already developed which could have a potential commercial use and facilitating the transition of this technology to the private sector.

This legislation will direct the Secretary of Defense to establish the Office of Technology Transition within the Office of the Secretary of Defense to become the chief advocate for ensuring this important technology transition occurs. I believe that this can succeed at relatively low cost—simply by ensuring that a dedicated team of perhaps less than 10 individuals are assigned this responsibility as their primary focus.

This office would take on the job of making the private sector aware of certain technological innovations developed through defense R&D projects. They would then serve to assist companies through the various regulations and restrictions associated with the technology transfer.

Mr. President, it is time to take full advantage of the creativity and energy of Americans whose ingenuity has given the Department of Defense some extraordinary technological breakthroughs and of the tax dollars which have gone into the development of these programs. By establishing an office to advocate and oversee moving such technology to the private sector, Americans will gain enormous benefit.

As Senator WARNER has said, this will be a pilot program in the Department of Defense. However, the potential to identify technologies being developed for other agencies such as NASA and Department of Energy is great. We will look in the future at establishing similar offices in these agencies where their technology can have an impact on the private sector.

Our extraordinary accomplishments in the military are well known. It is time to find ways to achieve practical, commercial uses from these technological innovations. I call on the rest of this body to support this legislation to provide a significant beginning to an all-out effort to focus on making effective use of technology to the greater benefit of the American people.

By Mr. PRESSLER:

S. 2912. A bill to designate the U.S. Post Office Building located at 555 North 15th Street, Northwest in Huron, SD, as the "Gladys Pyle Post Office Building"; to the Committee on Governmental Affairs.

GLADYS PYLE POST OFFICE BUILDING

Mr. PRESSLER. Mr. President, today I am introducing legislation that pays tribute to an outstanding South Dakotan—the first Republican woman elected to the U.S. Senate. Gladys Pyle was a compassionate public servant, progressive leader, effective teacher, and successful businesswoman. She

served the State of South Dakota in many capacities. She was a pioneer and a South Dakota heroine. She attained many milestones in her 98 years. She never forgot her roots and always put the needs of others before her own.

The legislation I am introducing today will establish a lasting tribute to Gladys Pyle in the community where she was born, grew up, attended college, taught school, ran a business, and died in 1989. This legislation designates the new U.S. Postal Service Regional Mail Processing Center, located at 555 15th Street, Northwest, in Huron, SD, as the Gladys Pyle Post Office Building."

Gladys Pyle opened many doors for women in South Dakota and, indeed, our Nation. She served in the South Dakota House of Representatives, was secretary of state of South Dakota, headed the Republican ticket for Governor, and in 1936 was elected to the U.S. Senate. She also had significant accomplishments in the business world. She paved the way for many of the women who currently hold public office and who lead in the world of business.

Gladys Pyle was born in Huron on October 4, 1890. She attended public schools and graduated from Huron College in 1911. For the next 6 years she was employed as a teacher in public high schools in Miller, Wessington, and Huron, SD. Pyle served in the South Dakota House of Representatives from 1923 to 1927. Throughout her tenure there, she fought for ratification of the proposed constitutional amendment to prohibit child labor. She was secretary of state of South Dakota from 1927 to 1931, and from 1931 to 1933, she was a member of South Dakota's securities commission. In 1933, she started a new career in the life insurance business.

A long-time Republican, Pyle made her bid to become South Dakota's first woman Governor while she was secretary of state, basing her campaign on a call for reform of the State banking department. In a five-person primary contest, she received a plurality of votes—over 28 percent of the total cast. South Dakota law, however, specifies that if a primary winner does not receive 35 percent of the vote, the nomination shall be decided by a State party convention. Pyle received the most votes on several early ballots at the subsequent convention, but, ironically, Warren Green, the contestant with the fewest votes in the primary, eventually received the GOP nomination and was elected Governor in the general election.

In 1938, Republican Party officials persuaded Pyle to enter an unusual special election for the remaining 2 months of the late Peter Norbeck's term, extending from the November general election to the January opening of the next Congress. Democrat Herbert Hitchcock, Norbeck's appointed successor, had left Washington

when the Senate adjourned on November 8, to enter the regular senatorial race. Republicans, meanwhile, were afraid that President Roosevelt would call a special post-election session of Congress; Pyle argued that a Republican should represent South Dakota in such a session. She won the special election, while Chan Gurney won the general election for the 6-year Senate term beginning in January 1939.

Pyle remained active for many years in the insurance business, farm management, and politics. In 1940, she was a delegate to the Republican National Convention. From 1943 to 1957, she served on the South Dakota Board of Charities and Corrections, and she was long active with the Red Cross and Salvation Army.

Senator Pyle received many humanitarian and civic awards, including the Beta Sigma Phi First Lady of the Year in 1952; Huron College Alumni Association Distinguished Service Award in 1956; Huron College honorary degree, and doctor of laws in 1958; Huron's Chamber of Commerce Citizen of the Year Award in 1964; Beta Sigma Phi Order of the Rose in 1970; American Association of University Women National Fellowship established in her honor in 1972; South Dakota Press Association Distinguished Service Award; and the State Business and Professional Women Bicentennial Award in 1976.

Senator Pyle had the respect of Democrats and Republicans alike. She was one of the great South Dakotans, and I am pleased to honor her today by introducing this bill to name a Federal building after her.

I ask unanimous consent that a resolution of the city of Huron, SD, as well as the text of my bill, appear in the RECORD.

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

S. 2912

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States Post Office Building located at 555 15th Street, Northwest in Huron, South Dakota is designated as the "Gladys Pyle Post Office Building".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the post office building referred to in section 1 is deemed to be a reference to the "Gladys Pyle Post Office Building".

"RESOLUTION NO. 24-92

"Whereas, Gladys Pyle, 1890-1989, was a native Huronian; and

"Whereas, she was the first woman elected to the South Dakota Legislature, the first woman elected as South Dakota Secretary of State and a candidate for Governor of South Dakota; and

"Whereas, Gladys Pyle was the first woman elected as a United States Senator in 1938; and

"Whereas, Gladys Pyle received the Distinguished Service Award, South Dakota Press Association, 1976; Bi-centennial Woman, South Dakota Business and Professional Women; portrait hung in State Capitol in Pierre and other numerous honors from state and national organizations throughout her life; and

"Whereas, throughout her life, she gave endlessly of her time, energy and knowledge to many civic and community organizations for the betterment of the community, state and country;

"Now, therefore, be it resolved that the Board of City Commissioners of the City of Huron hereby requests that the U.S. Postal Service Regional Mail Processing Center located in Huron, South Dakota be named in honor of Gladys Pyle whose long and exemplary career was an inspiration to all those who knew her.

By Mr. CHAFEE (for himself, Mr. PELL, and Mr. CRANSTON):

S. 2913. A bill to prohibit the manufacture, importation, exportation, sale, purchase, transfer, receipt, possession, or transportation of handguns and handgun ammunition, with certain exceptions; to the Committee on the Judiciary.

PUBLIC HEALTH AND SAFETY ACT

Mr. SMITH. Mr. President, there is no Senator in this Chamber who is a better friend or a more diligent advocate than the Senator from Rhode Island, Mr. CHAFEE. It is therefore with deep regret that I rise in opposition to his legislation, introduced today, to impose a Federal ban on handgun ownership.

Unfortunately, this legislation is predicated on the old notion that gun control, rather than crime control, is the solution to the problem of crime on the Nation's streets.

If anyone is under the misconception that gun bans curb crime, he should take a look at the District of Columbia. Here is a jurisdiction which bans automatics, semiautomatics, new handguns, chemical mace, and martial arts weapons of virtually all types. Yet, since 1976, when most of these bans were put into place, crime in the District has continued to soar exponentially.

Because roughly 80 percent of all illegally used firearms are acquired illegally, this bill would do little to curb the incidence of crime and violence on America's streets. Even if the Chafee bill were successful in effectuating the seizure of all 60,000,000 handguns currently in private hands—something which would be neither achievable, desirable, nor constitutional—thefts of police weapons, such as the guns which have regularly been disappearing from D.C. police storerooms, would insure that criminals were armed, even if ordinary law-abiding citizens were not. Mr. President, I ask unanimous consent that the article in the Washington Post about the theft of D.C. police weapons be inserted at this point in the RECORD:

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

SEIZED WEAPONS STOLEN FROM DC POLICE

(By Gabriel Escobar and Brian Moor)

About 40 weapons that were due to be destroyed have been stolen from the D.C. police department's property vault, including one gun that turned up again during an arrest last week in Northwest Washington, D.C. police said.

The theft, which officials classified as an extremely serious security breach and "an inside job," has prompted an internal investigation and cast a shadow on a division responsible for securing thousands of weapons, drugs and other items seized annually by police.

"I don't know that you can get more serious than this," said Assistant Police Chief Max J. Krupo, who as head of the technical services bureau oversees the property division. "I'm not sure it's at all different from a bank president heading south with a couple of million dollars."

"Someone is going to jail over this. Big time," he said.

The property division's vault includes thousands of weapons that are or were part of criminal investigations. The department seizes about 3,000 weapons annually, officials said.

The weapons that are missing had been released by the U.S. attorney's office and were destined to be melted at a facility in Baltimore. Krupo said they had been catalogued last year and were stored in boxes, all kept in a section of a vault at the department's Southeast Washington facility.

The problem came to light May 29, a day after members of the department's Rapid Deployment Unit confiscated a .45-caliber handgun during a routine arrest. As with all weapons recovered, the gun's serial number was checked against a computer record kept by the department.

The initial check revealed that the gun had been processed by the department, and a more thorough search using firearm identification records showed it should have been in the property division, a police official said.

Later that day, the internal affairs division was notified and an investigation began. Krupo declined to say how many officers and civilian employees have access to the vault. Seven of the weapons have been recovered, police said last night, but officials did not release any more details because the matter is under investigation.

The theft apparently is limited to the cache of weapons that had been cleared for destruction and does not involve other guns in the division or any of hundreds of items that are stored there, officials said.

When setting aside weapons cleared for destruction, property division officials take an inventory and prepare a separate sheet that includes all serial numbers. Before they are sent to Baltimore, the guns are matched to the serial numbers on the sheet.

Krupo said that safeguard makes it likely that the thefts were limited to the shipment currently in the vault.

The suspect who was carrying the stolen gun, Jerry Darnel Simpson Wells, 29, of the District, has been questioned by internal affairs officers, who are trying to find out how he got it, one source said. Another senior official said the department will transfer an unspecified number of employees out of the property division today, pending the outcome of the investigation.

Access to the vault also has been restricted, and no fewer than three people are allowed inside at a time. Before the theft was discovered, Krupo said, regulations allowed individuals who worked in that section to enter the vault alone.

The discovery of the thefts was a carefully guarded secret, in part because officials immediately knew that a member or members of the department were involved. Chief Isaac Fulwood Jr. was described by other officials as angry and anguished over the thefts.

Mr. SMITH. Mr. President, this reality is illustrated even more clearly the fact that virtually every jurisdiction which has enacted handgun bans, waiting periods for firearm purchases, or other forms of gun control has witnessed an increase in violent crime substantially exceeding the national average.

For example, Indiana, California, Minnesota, New York, and Connecticut all have waiting periods. California now has a semiautomatic ban. New York City has among the most draconian gun control ordinances in the country. For the period between 1967 and 1989, these States all witnessed homicide increases exceeding the national average.

In Indiana, homicide rates rose 70 percent.

In California, rates increased 82 percent.

Minnesota rates were up 56 percent. In Connecticut, the increase was 146 percent.

And in New York—gun control Nirvana—the homicide rate increase was 131 percent.

Now, Mr. President, consider the homicide rates, over the same time period, in states with NO waiting periods and little or no gun control:

In Alaska, homicide rates were down 16 percent.

In Nevada, rates declined 24 percent. Delaware homicide rates dropped 35 percent.

Vermont homicide rates plummeted 39 percent.

And, in Idaho, homicide rates were down 40 percent.

Violent crime statistics tell the same story. States with waiting periods, gun bans, and other forms of gun control have experienced vast increases in violent crime when compared to States without stringent gun control:

In New Jersey, the violent crime rate rose a whopping 223 percent between 1967 and 1989.

In Massachusetts, the rate was up an incredible 429 percent.

And, in Connecticut, the rate of violent crime soared an astronomical 434 percent.

In progun states, over the same period of time, violent crime climbed at a considerably less precipitous rate:

In Virginia, the violent crime rate was up 63 percent.

In West Virginia, the rate increased 51 percent.

And in Montana, the rate of violent crime rose at a rate of 38 percent.

I am not happy with the rates of violent crime in any of these States, but the fact is, the average rate increases in Virginia, West Virginia and Montana, three non-waiting period States, was 51 percent. The average increase in New Jersey, Massachusetts, and Connecticut, the three waiting period States with extensive gun control, was 362 percent. In other words, the rate of increase in violent crime in these three gun control States was over seven times that of the three States with lenient gun laws.

FBI crime statistics point out that a majority of crime occurs in jurisdictions with waiting periods or gun permit systems in place. In fact, these gun control jurisdictions account for two-thirds of U.S. homicides and three-quarters of U.S. violent crime.

According to FBI Supplementary Homicide Reports, the average rate of domestic homicide in cities with waiting periods is 2½ times the average rate of domestic homicide rate in the cities without waiting periods.

Do the people of America want:
a 97 percent increase in homicide rates?

a sevenfold increase in violent crime rates?

a 2½-time increase in domestic homicide?

I don't think so. The American people want to decrease the incidence of homicide and slow the growth of violent crime and domestic crime.

Ironically, the Washington interest groups pushing these dubious gun control solutions such as the Chafee bill are, in some cases, the same people who, a decade ago, were blaming society for the incidence of crime in our country. Congressional liberals who, throughout the decade of the 1970's, were proposing the legalization of marijuana use and the reduction of penalties for violent crime, are not running for political cover. And unfortunately, their targets are not violent felons, but rather peaceful law-abiding gunowners.

The American people are far ahead of Congress on this issue. They realize that violent crime is both a serious problem and an avoidable one. They realize it is criminals—not society and not gunowners—who are responsible for crime. Furthermore, they realize that the only way to reduce crime on our Nation's streets is to take those criminals off the streets. Unless Congress begins to punish the criminals, rather than the American people—I am convinced that the people will find leaders who will.

Mr. President, the Chafee bill will take us backward, rather than forward. For this reason, I will fight to insure that it never sees the light of day.

Mr. SYMMS. Mr. President, I rise in opposition to the gun control bill introduced today by the Senator from Rhode Island [Mr. CHAFEE] because this

proposal would rewrite the second amendment to the Constitution. I do this with regret because of my admiration for the Senator—but I must because I oppose both his premise and his solution.

The rationale behind Senator CHAFEE'S bill is the tired old notion that, by restricting gun ownership, we could reduce the number of instances of gun-related deaths. All of the evidence contradicts this idea.

Two leading academic scholars on the subject, James D. Wright of Tulane University and Gary Kleck of Florida State University, have demonstrated that restrictive gun control laws will have no impact on the levels or amount of violence we are experiencing in the United States. For example, New Hampshire, which has no gun control, has 1.9 homicides per hundred thousand residents. On the other hand, the District of Columbia, which has almost total gun control, has 77.8 homicides per hundred thousand residents. This is but one example, but it makes the obvious point that gun control does not equal fewer gun-related deaths.

The fact is there is ample evidence that gun control causes crime. FBI crime statistics point out that a majority of crime occurs in jurisdictions with waiting periods or gun permit systems in place. In fact, these gun control jurisdictions account for two-thirds of U.S. homicides and three-quarters of U.S. violent crimes.

Indiana, California, Minnesota, New York, and Connecticut all have waiting periods. California bans semi-automatics. New York bans virtually all guns. Yet, for the period between 1967 and 1989, these States all witnessed homicide increases exceeding the national average.

In Indiana, homicide rates rose 70 percent.

In California, rates increased 82 percent.

Minnesota rates were up 56 percent.

And, in New York, the homicide rate increase was 131 percent.

On the other hand, homicide rates over the same period, in States with little gun control and no waiting period, declined.

In Alaska, homicide rates were down 16 percent.

In Nevada, rates declined 24 percent.

Delaware homicide rates dropped 35 percent.

Vermont homicide rates plummeted 39 percent.

And in Idaho, homicide rates were down 40 percent.

These statistics clearly show that gun control does not equal fewer gun related deaths.

In fact, only about 10 percent of violent crimes committed in our Nation each year involve handguns. This points to the true nature of the problem. The incredible crime problem in this country is not a result of a break-

down in other fundamental aspects of society as a whole. The problem is with the inadequate education system, with the decline in the family's foundation. There are the prominent issues which deserve our immediate attention.

A second argument for gun control suggests that gun control legislation would reduce health care costs. This is also unfounded. The estimated cost of treating gunshot wounds represents less than 1 percent of the Nation's medical expenditures. Therefore, implementing gun control legislation would only reduce that 1 percent of the total cost, even if it were effective, which it is not.

Most legislation regarding the restriction of firearms usually fails to affect those people it targets. Instead, it affects those it aims to protect. People who use guns to commit murder are not going to register them, or even attempt to work within the framework of the law. They acquire weapons illegally. This leaves honest citizens at a disadvantage because, working within the system, waiting the designated amount of time, or not owning a firearm at all, they are defenseless against those who do not. Thomas Jefferson said it best when he quoted Cesare Beccaria as saying:

Laws that forbid the carrying of arms . . . disarm only those who are neither inclined nor determined to commit crimes. . . Such laws make things worse for the assaulted and better for the assailants; they serve rather to encourage than to prevent homicides, for an unarmed man may be attacked with greater confidence than an armed man.

Banning the importation, export, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns would not eliminate handguns. In fact, it would create a situation similar to that in the District of Columbia, the Nation's murder capital.

The right to keep and bear arms remains a constitutional right guaranteed by the second amendment, rendering the Chafee bill sadly unconstitutional. The second amendment clearly states that "the right of the people to keep and bear arms, shall not be infringed."

George Mason said, "To disarm the people is the best and most effectual way to enslave them." The U.S. Government is a government of the people, by the people, and for the people. The Chafee bill makes a mockery of that principle. Therefore, I will vigorously oppose it.

Mr. President, I ask unanimous consent to insert the Harry Summers article from the Washington Times in the RECORD.

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

[From the Washington Times, June 4, 1992]

LIMITING GUNS AND ARMS

(By Harry Summers)

If nothing else, the riots in Los Angeles last month pointed up one of the inherent

fallacies put forth by advocates of gun control—the failure to take basic human instincts into account. Sociologists portray this "hierarchy of needs" as a pyramid, with survival as its base and idealism and self-actualization as its apex. Those at one level find it difficult if not impossible to understand the views of those at another.

The arguments of those at the apex who oppose the sale of ownership of handguns are a case in point. Safe and secure themselves, protected by their environment and in no danger of mayhem or violence, they have the luxury of approaching the issue from an idealistic standpoint. Their beliefs that guns cause more problems than they prevent sounds good, and in a perfect world there could be no quarrel with their logic.

But the world is far from perfect. Those at the bottom of the pyramid insecure even in their own homes, with armed thugs looting and burning around them, unable to count on the police for even rudimentary protection, have an entirely different point of view. There the arguments of the advocates of gun control smacks of the advice of Queen Marie Antoinette to the French sansculottes.

To her, "Let them eat cake" was a perfectly reasonable response to a those who complained that they had no bread. After all, that is what she would have done. And "let them rely on the police instead of handguns" makes perfect sense to those work and reside where one can do just that.

But to those living in areas where the police are impotent and have long since abdicated control of the streets to thugs, drug dealers and armed gangs, such advice is sheer nonsense. Survival, not idealism, is the primary motivator there. Thus the rush to buy guns in the wake of the riots. Idealists may decry such actions, but to those whose lives and families are in danger it is simply a matter of survival and common sense.

It should be obvious that the way to control guns is not through legislating bans on their sale or possession. As in Washington, which has the strictest gun control laws in the nation, it may even be counterproductive. Since those laws were enacted, the District of Columbia has become the murder capital of the country, where ordinary citizens are shot just for kicks. The way to control guns is to create an environment similar to that in which most idealists reside, an environment where guns serve no useful purpose.

Until that is done, citizens will continue to provide for their own survival, and if that means buying a gun, then so be it. That is true in the international community as well, for survival forms the basis for international arms control as surely as it does for gun control at the local level. In 1788, during the debate on the Constitution, James Madison said it as well as it can be said:

"How could a readiness for war in time of peace be safely prohibited, unless we could prohibit in like manner the preparations and establishments of every hostile nation?" he said. "The means of security can only be regulated by the means and dangers of attack. They will in fact be ever determined by those rules and by no others.

"It is vain," he warned, "to impose constitutional barriers to the impulse of self-preservation." And it is equally vain to think that it is possible to impose such barriers on arms sales today. The views of idealists at the top of the pyramid who take security from outside attack for granted differ completely from those at the bottom whose borders are not so secure.

Nuclear arms control has been successful because there is a shared perception in the

world community that nuclear weapons are not so much military as political weapons, more useful for deterrence than for fighting a war. But conventional arms are another matter. Here Madison's logic still applies.

"If one nation maintains constantly a disciplined army ready for the service of ambition or revenge," he noted, "it obliges the most pacific nations, who may be within reach of its enterprises, to take corresponding precautions." That need "to take corresponding precautions" for the survival of the nation was at the heart of the "arms race" during the Cold War, and remains the root issue with arms control today.

To blame the "merchants of death" for arms sales abroad is like blaming the National Rifle Association for gun sales at home. It attacks a symptom rather than a cause. The solution is to create an international environment where such "corresponding precautions" are no longer necessary. Until that time, arms sales, as with gun sales, will continue to proliferate.

By Mr. DURENBERGER (for himself, Mr. ROCKEFELLER, and Mr. PACKWOOD):

S. 2914. A bill to direct the Secretary of Health and Human Services to make separate payment for interpretations of electrocardiograms; to the Committee on Finance.

SEPARATE PAYMENT FOR EKG INTERPRETATIONS

• Mr. DURENBERGER. Mr. President, before January 1 of this year, Medicare paid different doctors different amounts for the same service. It rewarded doctors for doing more procedures, rather than spending time with patients, and it allowed wide variation in payments to physicians practicing in different parts of the country.

It was for all those reasons, and more, that my colleague from West Virginia and I worked so hard to pass the Medicare physician payment reform legislation which took effect January 1. We wanted to create a fair payment system.

Today we join to introduce a bill to correct a problem in the OBRA '90 legislation which created inequities in EKG reimbursement. OBRA '90 prohibited separate payment for the interpretation of EKG's that are performed or ordered to be performed as part of a visit to a physician. My bill reestablishes separate payment for EKG interpretations.

An EKG test measures the heart's electrical activity. Its interpretation is valuable to the Medicare population for two reasons. First, the American College of Cardiology reports that of those over 65 with a diagnosis of heart disease, 59 percent of men and 48 percent of women display EKG abnormalities. Furthermore, 35 percent of all people over the age of 65 exhibit a major EKG abnormality, with or without a history of cardiovascular disease. An accurate interpretation of the EKG by a skilled physician is important in the treatment of Medicare beneficiaries.

Second, the value of the EKG in detecting heart problems is only as good

as the skill of the physician who interprets it. The test itself does not detect cardiac abnormalities. For the EKG to be useful, trained physicians must intelligently interpret the tracings from the test and diagnose the problem based on their own skill and judgment. But under the OBRA '90 provision, the interpretation is no longer separately reimbursed.

Because HCFA was prohibited from establishing separate payment for EKG interpretation in the Medicare fee schedule, it increased the reimbursement for office visits and consultations. In other words, it bundled EKG reimbursement into the visit and consultation billing codes. However, in this case, the provision redistributes moneys to physicians who never interpret EKG's and does not sufficiently pay physicians who interpret many EKG's. Because the use of EKG's varies widely by specialty, it is not currently possible to construct a bundled fee for office visits that, on average, would balance out fairly over time.

As one of the two Senate authors of physician payment reform, I feel a responsibility to ensure that the program is carried out in the manner intended by both the Congress and the physician community that must make it work. My years of experience with Medicare fee-for-service have taught me that we get what we pay for. In the case of EKG's, we are not paying for what we want: Reliable interpretation of these tests. Rather we have created a financial disincentive which may discourage physicians from interpreting EKG's. We have to make a change in the fee schedule to eliminate this false economy and deliver the quality care Medicare patients deserve.

Physician payment reform was supposed to improve Medicare payments for undervalued visits and consultations. It was supposed to provide better reimbursement for services of primary care physicians. It was supposed to establish the principle that all future Medicare payments would be based on the resource costs of providing the service.

The OBRA '90 EKG prohibition violates all of these objectives, Mr. President. By eliminating payments for EKG interpretation, the gains for other visits and consultations are completely canceled out.

Let me assure my colleagues, our failure to act now to rectify a major problem in the physician fee schedule will lead to endless debate and problems down the road, which will require congressional intervention. Our failure to act last year, prior to the implementation of the fee schedule, is already showing its effects.

In closing, Mr. President, I think it is important that we remember our primary goal when we passed the physician payment reform legislation: To do a better job meeting the access and

quality needs of Medicare beneficiaries. Mr. President, this legislation is designed to correct physician payment reform, so we end up closer to our goal of better services for senior citizens.

Mr. President, I ask unanimous consent that a copy of the bill and a technical explanation of it be printed in the RECORD at the end of my statement.

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

S. 2914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMITTING SEPARATE PAYMENT FOR INTERPRETATION OF ELECTROCARDIOGRAMS.

(a) IN GENERAL.—Section 1848(b) of the Social Security Act (42 U.S.C. 1395w-4(b)) is amended by striking paragraph (3).

(b) DEVELOPMENT OF SEPARATE FEE SCHEDULE AMOUNTS FOR ELECTROCARDIOGRAM INTERPRETATIONS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereafter in this subsection referred to as the "Secretary") shall make separate payment, under the fee schedule established under section 1848 of the Social Security Act (42 U.S.C. 1395w-4), for the interpretation of electrocardiograms performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician.

(2) ADJUSTMENT OF VISIT AND CONSULTATION RELATIVE VALUES.—The Secretary shall adjust the relative values established for medical visits and consultations under part 415 of title 42 of the Code Federal Regulations, so as not to include relative value units for electrocardiogram interpretation in the relative value for medical visits and consultations.

(3) ADJUSTMENT OF FEE SCHEDULES.—The Secretary shall adjust—

(A) the fee schedule amounts which are determined under section 1848(a)(2)(A) of the Social Security Act (42 U.S.C. 1395w-4(a)(2)(A)) and used in application of the special rules for 1993, 1994, and 1995, under section 1848(a)(2)(B) of such Act (42 U.S.C. 1395w-4(a)(2)(B)), and

(B) the relative values for all services established under section 1848(b) of such Act (42 U.S.C. 1395w-4(b)).

to reflect the separate payment for electrocardiogram interpretations under paragraph (1) so as not to increase or decrease expenditures under such section as determined without regard to paragraph (1).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the provisions of subsection (b) shall apply to services furnished on or after January 1, 1993.

TECHNICAL EXPLANATION FOR EKG BILL

CURRENT LAW

The Omnibus Budget Reconciliation Act of 1990 (OBRA '90) prohibited separate payment for the interpretation of EKG's that are performed or ordered to be performed as part of or in conjunction with a medical visit or consultation. This provision was effective for services furnished beginning January 1, 1992.

In the regulations implementing the Medicare fee schedule, the Department of Health and Human Services (HHS) bundled payment for EKG interpretation into medical visit and consultation fees. HHS included relative value units valued at \$0.73 in office visits, of-

office consultations and emergency visits; \$1.11 in hospital visits, hospital consultations and critical care services; and \$0.10 in all other visits.

PROBLEM

Bundling of services provides incentives for appropriate utilization of services. However, in this case, the provision redistributes monies to physicians who never interpret EKGs and does not sufficiently pay physicians who interpret many EKGs. There have been scattered reports about EKGs in hospitals not being interpreted as well as reports of physicians finding ways to circumvent the provision.

BACKGROUND

Last year, we introduced S. 1810, the Medicare Physician Payment Reform Implementation Act of 1991. S. 1910 included a provision to establish separate payment for EKG interpretation. However, this legislation was drafted with the expectation that legislation would have been enacted before the fee schedule was implemented.

Now that the fee schedule has been implemented, establishment of separate payment for EKG interpretations is more complicated for two reasons.

(1) Due to a technical error, an insufficient number of relative value units for EKG interpretation was bundled into the medical visits and consultations.

(2) Because more EKG interpretations go to the full fee schedule immediately than medical visits, during the transition, separate payment for EKG interpretations is not budget-neutral; there is a budget cost. In effect, the adjustment to the historical payment basis that HHS made last year to achieve budget neutrality would have been greater if the EKG separate payment legislation had been passed last year and been effective January 1, 1992.

PROPOSED LEGISLATION

Our bill would establish separate fee schedule amounts for EKG interpretations performed or ordered to be performed as part of or in conjunction with a visit to or a consultation with a physician. The separate payment would apply for interpretations furnished in all settings.

HHS would use the same transition provisions and rules for EKG interpretations that were used for all services in 1992. That is, the historical payment basis would be calculated for EKG interpretations for each locality and the statutory transition rules would be applied to determine a 1992 payment. The statutorily specified transition rules for 1993, 1994 and 1995 would apply in those years.

The relative values established in the November 25, 1992 physician fee schedule final regulation were 0.35 relative value units for codes 93000 and 93010 and 0.29 relative value units for codes 93040 and 93042. Using the 1992 conversion factor of \$31.00, the fees would be \$10.85 and \$8.99. It is important to stress that these will not necessarily be the full fee schedule amounts in 1993 for EKG interpretations. The relative values or conversion factor for EKG interpretations. The relative values or conversion factor could change as a result of legislative amendments or changes that HHS makes as a result of the relative value refinement process.

The bill would require HHS to subtract the relative value units for EKG interpretations that were actually bundled into the medical visit and consult relative value units for 1992. This will result in the following reductions for services paid at the full fee schedule (and a proportional amount for services in transition):

Office visits, office consultations and emergency visits: \$0.73;

Hospital visits, hospital consultations and critical care services: \$1.11; and

All other visits: \$0.10.

Another adjustment is needed to account for the shortfall of relative value units that were actually bundled into the medical visits and consults. The bill would require HHS to make an across-the-board adjustment to the relative values for all services established to cover the insufficiency. The adjustment is currently estimated to be a 0.37 percent reduction. This reduction applies only to services paid at the full fee schedule.

Had a sufficient number of relative value units been bundled in the HHS regulation last year this adjustment would not have been necessary. However, because of the insufficiency, the initial fee schedule conversion factor is too high by this amount. This adjustment is now necessary and appropriate to restore the conversion factor to the level it should have been set at initially.

An adjustment is needed to make the legislation budget-neutral during the transition because more EKG interpretations go to the full fee schedule immediately than medical visits and consultations. My bill requires HHS to adjust the historical fees used during the transition.

Technically, the adjustment would work as follows. For services in transition, the 1992 fees that would be updated and used for blending with the fee schedule in 1993, 1994 and 1995 would be reduced across the board for all services, including EKGs, visits and consults, by a figure estimated to be 1.3 percent. This reduction would not apply to any payments for services 1992 nor would it apply to services paid at the full fee schedule (i.e., services not in transition). This adjustment accounts for the insufficiency of relative value units bundled into the visits and consultations during the transition and the costs of the differential transition between EKG interpretations and medical visits and consultations. There would be no permanent effect of this adjustment when all fees are paid at the fee schedule in 1996.

In summary, the costs of this legislation would be paid for by three related provisions. The effect of the legislation varies depending on whether the service is in transition or paid at the full fee schedule, and depending on whether the service is a medical visit, consultation, EKG interpretation or another service.

First, for services in transition (other than visits and consultations), the total effect on payments in 1993 is a 1.07 percent reduction. This is based on a blend of 75 percent of 1992 payments reduced by 1.3 percent and 25 percent of relative values reduced by 0.37 percent. The reduction would be 0.84 percent in 1994 and 0.6 percent in 1995. Relative to the payment amounts under the fully implemented fee schedule published in the November 25, 1991 Federal Register, there will be a 0.37 percent reduction in the 1996 fee schedule amount.

Second, visit and consultation services in transition would be reduced by 1.07 percent in 1993, 0.84 percent in 1994 and 0.6 percent in 1995, as well as by a percentage of the total relative value units bundled into the visit and consultation payments to account for EKG interpretation (15% in 1992, 25% in 1993, 33% in 1994 and 50% in 1995) depending on the type of medical visit or consultation. There will also be a 0.37 percent reduction in the 1996 fee schedule amounts relative to the values in the fee schedule final regulation.

And third, for services paid at the full fee schedule (other than visits and consulta-

tions), 1993 payments would be reduced by 0.37 percent relative to the current payment amounts. For visits and consultation services paid at the full fee schedule, 1993 payments would be reduced by \$0.73, \$1.11 or \$0.10 depending on the type of medical visit, as well as by 0.37 percent relative to the current payment amounts.●

● Mr. PACKWOOD. Mr. President, I am pleased to join my colleagues today in introducing this legislation which seeks to correct an inequitable Medicare payment provision.

When Congress prohibited Medicare from making separate payments for electrocardiogram [EKG] interpretations in 1990, it did so to address the overutilization and overpayment for EKG's which had resulted in considerable excess costs to the Medicare Program. In retrospect, however, it is apparent that this prohibition has produced an inequity in physician payment and is inconsistent with the Medicare resource-based fee schedule.

I have heard from numerous physicians in my State of Oregon, complaining about the inequity of this prohibition. Hospitals have also experienced problems having EKG's for Medicare patients interpreted.

In implementing this prohibition, the Health Care Financing Administration bundled the relative values for EKG interpretation into physician visits. As a result, all physicians are receiving some reimbursement for EKG interpretation as part of their payments for visits. Some of these physicians never do EKG's while others do many. This isn't fair and conflicts with the premise on which the new Medicare fee schedule is based.

The bill we are introducing today restores separate Medicare payment for EKG interpretation. It provides that this change be accomplished in a budget-neutral way. Thus, the enactment of this legislation will not cost Medicare any more money.

I am still concerned about overutilization of EKG's. I believe, however, that the problem can be better addressed through other means, such as by developing practice guidelines which outline when an EKG is appropriate.

The new Medicare fee schedule is the most comprehensive change to physician payment since the inception of the Medicare Program. Its implications go well beyond the Medicare Program as many private insurers have already, or are considering, adopting it. Therefore, it is important that problems with the fee schedule be corrected as soon as possible. I hope that we can pass this legislation soon, so that payments for EKG interpretations can be incorporated into the new fees which will be paid beginning in January 1993.●

By Mr. THURMOND (for himself and Mr. HATCH) (by request):

S. 2915. A bill to reauthorize the Office of Justice Programs, the Bureau of

Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, the Office of Juvenile Justice and Delinquency Prevention, and for the other purposes; to the Committee on the Judiciary.

REAUTHORIZATION OF OFFICE OF JUSTICE PROGRAMS AND OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION PROGRAMS

Mr. THURMOND. Mr. President, I rise today to introduce the administration's bill to reauthorize the Department of Justice's Office of Justice Programs, and its components, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, and the Office of Juvenile Justice and Delinquency Prevention. This bill would extend the OJP's operating authority, which is scheduled to expire this year.

The changes proposed by this bill would create a more efficient and effective organizational structure which fosters cooperation, coordination, and communication between the OJP and the bureaus which it oversees. The improved structure should eliminate the problems of duplication of efforts and fragmentation of goals and programs. As a result, the OJP is able to more effectively provide national leadership, direction, and assistance to State and local governments against violent crime and drug use in America.

Legislative efforts to decrease intra-agency disputes and inter-agency turf battles should be given strong consideration. At a time when Congress must appropriate limited resources wisely, greater coordination and communication between bureaus must be encouraged.

In addition, the bill removes the Bureau of Justice Statistics from the authority of OJP to place it on the same organizational level as other Federal statistical agencies, such as the Bureau of Labor Statistics and the Bureau of the Census.

This bill reauthorizes the OJP, BJA, BJS, NIJ, and OJJDP for an additional 4 years. Continuing the activities of the OJP and its bureaus will reduce impediments to coordination. It will enhance the effectiveness of the various programs, particularly those aimed at assisting State and local jurisdictions in waging the war against violent crime and drugs.

I urge my colleagues to carefully consider this proposal. There are obvious benefits to enacting this legislation. As the Senate studies this issue, I look forward to working with my colleagues on the Judiciary Committee. While I may differ with the administration on a few of the specific proposals contained in this legislation, I firmly believe this proposal merits strong consideration.

Mr. President, I ask unanimous consent that the entire bill be printed in the RECORD, along with a section-by-section analysis, immediately following my remarks.

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

S. 2915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—OFFICE OF JUSTICE PROGRAMS
SEC. 101. DUTIES AND FUNCTIONS OF ASSISTANCE ATTORNEY GENERAL.

(a) Section 102 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3712(a)) is amended—

(1) by inserting “, subject to the authority of the Attorney General,” after “General”;

(2) by redesignating paragraphs (1), (2), (3), (4), (5), and (6) as paragraphs (5), (6), (7), (4), (8), and (9), respectively;

(3) by inserting before paragraph (4), as redesignated by paragraph (2), the following new paragraphs:

“(1) be responsible for all matters of administration and management, except those otherwise delegated by the Attorney General, with respect to the Bureau of Justice Assistance, National Institute of Justice, Office of Juvenile Justice and Delinquency Prevention, and Office for Victims of Crime (referred to in this part as the ‘OJP bureaus’), which matters include allocation of resources and preparation of final budget submissions, Congressional and public affairs activities, financial and program monitoring of grant recipients, management information systems support functions, financial management activities, facilities allocation, and procurement activities;

“(2) establish policies and priorities for the OJP bureaus;

“(3) provide coordination among the OJP bureaus;” and

(4) in paragraph (4), as redesignated by paragraph (2), by striking “the Bureau of Justice Statistics”.

TITLE II—NATIONAL INSTITUTE OF JUSTICE

SEC. 201. PURPOSES.

Section 201 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3721) is amended—

(1) by inserting “and” at the end of subsection (2);

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

SEC. 202. ESTABLISHMENT, DUTIES AND FUNCTIONS.

Section 202 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3722) is amended—

(1) in subsection (b) by striking the second sentence;

(2) in the third sentence of subsection (b) by inserting “, subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General” before the period;

(3) in subsection (c)(2)—

(A) by striking subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (B) and inserting at the end of that subparagraph “and potential prevention and intervention”; and

(C) by inserting after subparagraph (B), as redesignated by clause (ii), the following new subparagraph:

“(C) to improve the application of science and technology to criminal justice problems;” and

(4) in subsection (d)—

(A) by striking “and” at the end of paragraph (4);

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following new paragraph:

“(5) receive funds appropriated to the Office and its bureaus and (with their consent) Federal agencies, for the purpose of conducting justice-related research and development and administering programs and projects of mutual concern and benefit; and”.

TITLE III—BUREAU OF JUSTICE STATISTICS

SEC. 301. PURPOSES.

Section 301(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3731(a)) is amended in the first sentence by striking “to provide for and encourage the collection and analysis” and inserting “to establish a Bureau of Justice Statistics, which shall be the principal national center for the collection, analysis, reposition, and dissemination”.

SEC. 302. ESTABLISHMENT, DUTIES, AND FUNCTIONS.

Section 302 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3732) is amended—

(1) in subsection (b)—

(A) by striking the second sentence; and
(B) in the third sentence by striking “through the Assistant Attorney General”;

(2) in subsection (c)—

(A) in paragraph (3) by striking “crime, civil disputes, and juvenile delinquency,” and inserting “crime and civil disputes”;

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

“(4) collect and analyze information concerning juvenile delinquency, including characteristics of juveniles and young adults in juvenile facilities, current offenses, drug and alcohol use, and criminal histories;”

(D) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(E) by inserting after paragraph (7), as redesignated by subparagraph (C), the following new paragraph:

“(8) develop a mechanism to share criminal justice data and information among the States and to access Federal and State data and information electronically;”

(F) by redesignating paragraphs (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), (17), and (18) as paragraphs (9), (10), (11), (12), (13), (14), (15), (16), (17), (18), (19), and (20), respectively;

(G) by inserting after paragraph (20), as redesignated by subparagraph (E), the following new paragraph:

“(21) conduct or provide support for national programs to improve the Nation's criminal history record information systems and provide direct grants to State and local agencies to increase the accuracy, completeness, timeliness, and utility of criminal history record information for criminal and noncriminal purposes;”

(H) by redesignating paragraphs (19), (20), (21), and (22) as paragraphs (23), (24), (25), and (26);

(I) by inserting after paragraph (25), as redesignated by subparagraph (G), the following new paragraph:

“(26) performs principal analysis of the data from the National Incident Based Reporting System collected by the Federal Bureau of Investigation and provide such information to the President, the Congress, and the general public;” and

(J) by striking paragraph (23); and

(3) in subsection (d)—

(A) by striking “and” at the end of paragraph (4);

(B) by striking the period at the end of paragraph (5) and inserting a semicolon; and (C) by adding at the end the following new paragraphs:

"(6) receive funds appropriated to the Office of Justice Programs and its bureaus and (with their consent) Federal agencies for the purposes of conducting justice-related statistical analyses and administering programs and projects of mutual concern and benefit; and

"(7) exercise the powers and functions set out in part H."

TITLE IV—BUREAU OF JUSTICE ASSISTANCE

SEC. 401. DUTIES AND FUNCTIONS OF THE DIRECTOR.

(a) GENERAL AUTHORITY.—Section 401(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3741(b)) is amended in the third sentence by inserting ", subject to modification by the Assistant Attorney General in accordance with policies and priorities set by the Attorney General" before the period.

(b) DUTIES.—Section 402 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3742) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following new paragraph:

"(8) Receive funds appropriated to the Office and its bureaus and (with their consent) Federal agencies, for the purposes of conducting programs under the Edward Byrne Memorial State and Local Law Enforcement Assistance formula and discretionary grant programs and administering programs and projects of mutual concern and benefit."

SEC. 402. DESCRIPTION OF THE DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM.

Section 501(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3751) is amended—

(1) by striking "and" at the end of paragraph (20);

(2) by striking the period at the end of paragraph (21) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(22) providing funding for the purpose of supporting litigation pertaining to Federal habeas corpus petitions in capital cases."

SEC. 403. GRANT LIMITATIONS.

Section 504(a)(1) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3754(a)(1)) is amended by striking "1991" and inserting "1993".

SEC. 404. PURPOSES OF DISCRETIONARY GRANTS.

Section 510(b) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3760) is amended by inserting "or inter-agency and intra-agency agreements" after "contracts".

SEC. 405. CORRECTIONAL OPTIONS GRANTS.

(a) REPEAL.—Chapter B of Subpart 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3762a et seq.) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of title I of the Omnibus Crime and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking the items relating to chapter B of subpart 2 of part E.

SEC. 406. ADMINISTRATIVE PROVISIONS.

Section 520(a)(2) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3766(a)(2)) is amended by striking "sections 511 and 515" and inserting "section 515".

TITLE V—ADMINISTRATIVE PROVISIONS

SEC. 501. RECORDKEEPING REQUIREMENT.

Section 811 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3789f) is amended by striking subsection (e).

TITLE VI—DEFINITIONS

SEC. 601. TECHNICAL CHANGES TO DEFINITIONS.

Section 901 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791) is amended—

(1) in paragraph (3) by striking "and," and inserting "or";

(2) by adding "and" at the end of paragraph (20);

(3) by adding a period at the end of paragraph (21); and

(4) by striking paragraphs (22) and (23).

TITLE VII—FUNDING

SEC. 701. AUTHORIZATION OF APPROPRIATIONS.

Section 1001(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)) is amended—

(1) in paragraph (a)(1)—

(A) by striking "\$30,000,000" and inserting "such sums as are necessary";

(B) by striking "1989, 1990, 1991 and 1992" and inserting "1993, 1994, 1995 and 1996";

(2) in paragraph (2)—

(A) by striking "\$30,000,000" and inserting "such sums as are necessary";

(B) by striking "1989, 1990, 1991 and 1992" and inserting "1993, 1994, 1995 and 1996"; and

(C) by inserting ", of which sum in each such fiscal year not less than 10 percent shall be used to evaluate the effectiveness of projects or programs carried out under this title" before the period;

(3) in paragraph (3)—

(A) by striking "\$25,500,000 for fiscal year 1989"; and

(B) by striking "1990, 1991 and 1992" and inserting "1993, 1994, 1995, and 1996";

(4) in paragraph (5) by striking "\$900,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal year 1992" and inserting "such sums as are necessary for each of fiscal years 1993, 1994, 1995, and 1996";

(5) by striking paragraph (6), relating to chapter B of part 2 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968";

(6) by striking paragraph (7), relating to part M of that title;

(7) in paragraph (6), relating to part N of that title, by striking "\$25,000,000 for each of the fiscal years 1991, 1992, and 1993" and inserting "such sums as are necessary for each of fiscal years 1993, 1994, 1995 and 1996"; and

(8) by striking paragraph (7), relating to part O of that title.

TITLE VIII—PUBLIC SAFETY OFFICERS' BENEFITS PAYMENTS

SEC. 801. TECHNICAL AMENDMENTS.

(a) HEADING.—The heading of part L of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) is amended by inserting "AND DISABILITY" after "DEATH".

(b) PAYMENT OF BENEFITS.—Section 1201 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796) is amended—

(1) in subsection (b) by inserting "and proximate" after "disabled as the direct"; and

(2) in subsection (i) by inserting ", and with respect to the disability of a public safety officer shall be the amount payable under subsection (b) as of the date of the catastrophic injury to the officer".

SEC. 802. LIMITATION OF BENEFITS.

Section 1202 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796a) is amended—

(1) by striking "or" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(6) to any individual who would otherwise be entitled to a benefit under this part if medical evidence indicates that the individual voluntarily ingested or otherwise used or consumed any quantity of a controlled substance in violation of the Controlled Substances Act (12 U.S.C. 801 et seq.) prior to death, except—

"(A) ingestion, use, or consumption of a controlled substance that was medically prescribed or involuntarily ingested, used, or consumed;

"(B) passive ingestion because of exposure to another person's use; or

"(C) passive ingestion or absorption by handling the substance as part of assigned duties."

SEC. 803. DEFINITIONS.

Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(8) 'controlled substance' has the meaning stated in section 102 of the Controlled Substance Act (21 U.S.C. 802).

TITLE IX—RURAL DRUG ENFORCEMENT ASSISTANCE

SEC. 901. REPEAL OF RURAL DRUG ENFORCEMENT ASSISTANCE.

(a) REPEAL.—Part O of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796bb et seq.) is repealed.

(b) TECHNICAL AMENDMENT.—The table of contents of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by striking the items relating to part O.

TITLE X—TRANSITION

SEC. 1001. CONTINUATION OF PROJECTS.

Section 1601(d) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3797(d)) is amended—

(1) by striking "The Administrator of the Law Enforcement Assistance Administration" and inserting "the Assistant Attorney General, Office of Justice Programs";

(2) by striking "approve comprehensive plans for the fiscal year beginning October 1, 1979," after "agreements";

(3) by inserting "for program or administrative purposes" after "obligate";

(4) by striking "for the continuation of projects in" and inserting "or prior years in"; and

(5) by striking ", as in effect on the day before the date of the enactment of the Justice System Improvement Act of 1979".

TITLE XI—EMERGENCY FEDERAL LAW ENFORCEMENT ASSISTANCE

SEC. 1101. AUTHORIZATION OF APPROPRIATIONS.

Section 609Y(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 10513(a)) is amended by striking "\$20,000,000 for each fiscal year ending after September 30, 1984," and inserting "such sums as are necessary for each fiscal year."

TITLE XII—AMENDMENTS TO JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

SEC. 1201. ESTABLISHMENT OF OFFICE.

Section 201(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611(b)) is amended—

(1) in the first sentence by striking “, from among individuals who have had experience in juvenile justice programs”; and

(2) by adding at the end the following new sentence: “The policies and priorities of the Administrator shall be subject to modification by the Assistant Attorney General in accordance with policies and priorities set by the Attorney General.”

SEC. 1202. CONCENTRATION OF FEDERAL EFFORTS.

Section 204 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5614) is amended—

(1) in subsection (a) by inserting “, subject to modification by the Assistant Attorney General in accordance with policies and priorities set by the Attorney General,” after “priorities”; and

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(3) by inserting after subsection (g) the following new subsection:

“(h) receive funds appropriated to the Office of Justice Programs and its Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Institute of Justice, and the Office of Victims of Crime, and (with their consent) Federal agencies, for the purpose of developing juvenile delinquency programs relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system, and administer programs and projects of mutual concern and benefit.”

SEC. 1203. SPECIAL STUDIES AND REPORTS.

Section 248 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5662) is repealed.

SEC. 1204. SPECIAL EMPHASIS PREVENTION AND TREATMENT PROGRAMS.

Section 261 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5665) is amended—

(1) in subsection (a)—

(A) by striking “shall” and inserting “may”; and

(B) by striking “each of the following during each fiscal year” after “for”; and

(2) in subsection (b)(6)(B) by striking “of Justice” and inserting “for Juvenile Justice and Delinquency Prevention;”

(3) by striking subsection (c);

(4) by redesignating subsection (d) as subsection (c); and

(5) by striking subsection (e).

SEC. 1205. AUTHORIZATION OF APPROPRIATIONS.

Section 291(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671) is amended to read as follows:

“(a) There are authorized to be appropriated to carry out part A and part C \$3,902,000 and \$7,250,000, respectively, for fiscal year 1993 and such sums as are necessary for each of fiscal years 1994, 1995, and 1996. Funds appropriated for any fiscal year shall remain available for obligation until expended.”

SEC. 1206. DUTIES AND FUNCTIONS OF THE ADMINISTRATOR.

Section 404 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5773) is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by striking “nonprofit”;

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following new subsection:

“(c) The Administrator may conduct and support evaluations and studies of the performance and results achieved by Federal missing children’s programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in place of those being administered on the date of enactment of this subsection.”

SEC. 1207. GRANTS.

Section 405(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5775(a)) is amended—

(1) in the matter preceding paragraph (1) by striking “agencies or nonprofit private organizations or combinations thereof, for research” and inserting “or private agencies, organizations, institutions, or individuals to conduct research, evaluations, conferences”; and

(2) by amending paragraph (4) to read as follows:

“(4) to prevent a child’s abduction or exploitation and to increase knowledge of and develop effective treatments pertaining to the psychological consequences, on both parents and children, of a child’s abduction or exploitation;”

(3) by striking “and” at the end of paragraph (8);

(4) by striking the period at the end of paragraph (9) and inserting “; and”; and

(5) by adding at the end the following new paragraph:

“(10) to disseminate information, data, standards, advanced techniques, and program models to enhance the capability of public and private organizations to prevent child abductions and to assist in the location, recovery, reunification with family, and treatment of the missing child.”

SEC. 1208. AUTHORIZATION OF APPROPRIATIONS.

Section 407 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5777) is amended by striking “1989, 1990, 1991, and 1992” and inserting “1993, 1994, 1995, and 1996”.

SEC. 1209. CONFIDENTIALITY OF PROGRAM RECORDS AND INFORMATION.

Title IV of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5778 et seq.) is amended by adding at the end the following new section:

“CONFIDENTIALITY OF PROGRAM RECORDS AND INFORMATION

“SEC. 409. (a) IN GENERAL.—Except as authorized by law, program records or information disclosing the identity of individual juveniles or of persons providing confidential information, gathered for purposes of this title, may not be disclosed without the consent of the service recipient or legally authorized representative, or the individual providing confidential information, except as is necessary to carry out this title.

“(b) NAMES OF SERVICE RECIPIENTS.—Under no circumstances may program reports or findings available for dissemination to the general public disclose the names of individual service recipients.”

SECTION-BY-SECTION ANALYSIS

TITLE I—OFFICE OF JUSTICE PROGRAMS

Section 101—Duties and Functions of Assistant Attorney General

Sec. 102 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3712) is amended as follows:

(1) insert the words “subject to the authority of the Attorney General,” after the word “General,” in subsection (a).

This ensures that the Attorney General’s authority over the Office of Justice Programs is maintained, particularly with regard to areas outside the authority of the Assistant Attorney General, OJP.

(2) redesignate “(a)(1)” as subsection “(a)(5)”, “(a)(2)” as subsection “(a)(6)”, “(a)(3)” as subsection “(a)(7)”, “(a)(4)” as subsection “(a)(8)”, and “(a)(6)” as subsection “(a)(9)”.

This is a technical change.

(3) add a new subsection “(a)(1)” to read as follows: “be responsible for all matters of administration and management, except those otherwise delegated by the Attorney General, with respect to the Bureau of Justice Assistance, National Institute of Justice, Office of Juvenile Justice and Delinquency Prevention, and Office for Victims of Crime (hereinafter in this part referred to as the OJP bureaus). These matters include, but are not limited to, allocation of resources and preparation of final budget submissions, allocation of personnel resources, Congressional and Public affairs activities, financial and program monitoring of grant recipients, management information systems support functions, financial management activities, facilities allocation and procurement activities.”

(4) add a new subsection “(a)(2)” to read as follows: “establish policies and priorities for the OJP bureaus.”

(5) add a new subsection “(a)(3)” to read as follows: “Provide coordination among the OJP bureaus.”

These three subsections will create an organizational structure that establishes a clear line of authority between OJP and its bureaus. These changes will significantly enhance the administration and management of the OJP bureaus thereby improving integration and coordination of the grant programs and funds. They will also create an environment that fosters improved communication and cooperation and will enable OJP to be more responsive to the policies and initiatives set forth by the Department of Justice and the Administration, e.g. the Weed and Seed initiative. These changes will codify the OJP statute to conform with the Attorney General’s delegation Order No. 1473-91, February 19, 1991.

(6) redesignate “(a)(5)” as subsection “(a)(4)” and strike the words “Bureau of Justice Statistics” after the words “National Institute of Justice”.

This is a technical change.

TITLE II—NATIONAL INSTITUTE OF JUSTICE

Section 201—Purposes

Sec. 201 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3721) is amended as follows:

(1) insert the word “and” at the end of subsection (2).

(2) strike subsection “(3)”.

The deletion of Sec. 201(3) reflects the recognition that authority to conduct research and development in alternative dispute resolution already exists under the broad mandates of Sec. 202, particularly Sec. 202(c)(2)(A).

(3) redesignate subsection “(4)” as subsection “(3)”.

This is a technical change.

Section 202—Establishment, Duties and Functions

Sec. 202 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3722) is amended as follows:

(1) strike the second sentence of subsection “(b)”.

This deletes provisions that proscribe specific qualifications beyond the advice and

consent of the Senate for those whom the President may nominate, and infringe upon the President's appointment prerogative.

(2) insert the words ", subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General," after the word "Institute" the second time it appears in subsection (b).

This change codifies the OJP statute to conform with the Attorney General Delegation Order 1473-91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

(3) strike subsection "(c)(2)(B)". This eliminates redundancy.

(4) redesignate "(c)(2)(C)" as subsection "(c)(2)(B)" and insert the words "and potential prevention and intervention" at the end of subsection (c)(2)(B).

This recognizes current priorities within criminal justice research and the need to focus on prevention and intervention strategies.

(5) add a new subsection "(c)(2)(C)" to read as follows: "to improve the application of science and technology to criminal justice problems;"

This more clearly defines NIJ's role as a conduit to the criminal justice system of new scientific techniques and technological advancements, and recognizes current priorities within the criminal justice community.

(6) strike the word "and" at the end of subsection (d)(4).

(7) redesignate "(d)(5)" as subsection "(d)(6)" and add new subsection "(d)(5)" to read as follows: "receive funds appropriated to the Office and its bureaus, and Federal agencies, with their consent, to conduct justice-related research and development and administer programs and projects of mutual concern and benefit" and"

This more clearly defines the authority of NIJ to enter into collaborative efforts through inter and intra agency agreements with OJP bureaus and other Federal agencies. OJP bureaus have a long history of collaborative agreements and joint funding of projects. All funds are and will continue to be used for their statutory purposes, which is to benefit state and local criminal justice systems. The benefits of collaborative efforts include the sharing of expertise and experience on issues of vital importance to state and local governments; the realization of greater efficiencies by pooling resources, preventing duplication, and coordinating like activities; and less money being spent on overhead. No functions, powers and duties are transferred or delegated. These agreements and efforts help focus on the importance of coordinating the resources among OJP's bureaus, by providing a comprehensive approach in addressing complex law enforcement issues. There are currently a myriad of State and local programs now being funded by the OJP through collaborative agreements that are providing crucial assistance and enhancements which aid State and local units of government in successfully fighting our nation's war against crime and drugs, e.g., Weed and Seed. The rationale for entering into these types of collaborative agreements is to ensure that the most qualified provider is utilized in rendering services to state and local units of government. Utilizing this expertise more directly and cost-effectively serves the interest of States and localities. Collaborative efforts do not augment the other bureau's appropriation. In this time of fiscal restraint and budget constraints, it makes sense to more formally recognize this practice.

TITLE III—BUREAU OF JUSTICE STATISTICS

Section 301—Purposes

Sec. 301 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3731), is amended as follows:

(1) strike the words "to provide for the encourage the collection and analysis" after the word "part" the first time it appears in subsection (a) and insert the words "to establish a Bureau of Justice Statistics which shall be the principal national center for the collection, analysis, reposition, and dissemination" in lieu thereof;

This improves and clarifies the establishment of the Bureau of Justice Statistics (BJS) by standardizing the language for establishment of a specific agency responsible for the functions outlined in Sec. 301. This added language provides a reference for the subsequent citing within Sec. 301 to the Bureau. Furthermore, it delineates the additional repository and dissemination responsibilities accorded by BJS.

Section 302—Establishment, Duties, and Functions

Sec. 302 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3732), is amended as follows:

(1) strike the second sentence of subsection (b).

This deletes provisions that proscribe specific qualifications beyond the advice and consent of the Senate for those whom the President may nominate, and infringe upon the President's appointment prerogative.

(2) strike the words "through the Assistant Attorney General" after the words "Attorney General" in subsection (b).

This removes BJS from the Office of Justice Programs. BJS has unique Federal statistical responsibilities, distinct from the responsibilities and functions of the other OJP offices and bureaus. National level criminal justice data collection and analysis requires a strong and continuing Federal commitment, and is essential to sound national policies for combatting crime across the nation. BJS has in-house analytical capabilities unique among the other Department agencies and components. This data collection, analyses and information dissemination needs of the Department-at-large may be better met by assigning to BJS a more central position. The targeted and specialized state information and record improvement programs administered by BJS would not be compromised and conceivably might even be enhanced by a relocation of BJS within the Department. Finally, BJS would be given a status and organizational placement similar to that of other Federal statistical agencies such as the Bureau of Labor Statistics and the Bureau of the Census. The mission of BJS would be to provide the entire Department with the most accurate and complete data and analyses possible relating to the nation's justice system.

(3) strike the words ", and juvenile delinquency," after "civil disputes" the second time it appears in subsection "(c)(3)". Strike the comma after the word "crime" the second time it appears in subsection "(c)(3)" and insert the word "and" in lieu thereof.

Juvenile delinquency reference will be consolidated in one subsection.

(4) redesignate "(c)(4)" as subsection "(c)(5)" and add a new subsection "(c)(4)" to read as follows: "collect and analyze information concerning juvenile delinquency, including characteristics of juveniles and young adults in juvenile facilities, current offenses, drug and alcohol use, and criminal histories;"

Consolidates responsibilities for juvenile justice statistics in one subsection.

(5) redesignate "(c)(5)" as subsection "(c)(6)"

(6) redesignate "(c)(6)" as subsection "(c)(7)" and insert a new subsection "(c)(8)" to read as follows: "develop a mechanism to share criminal justice data and information among the States and to access Federal and state data and information electronically;"

This accords specific authority to BJS for the development of a national infrastructure for the collection of common justice statistical data and the electronic exchange of data and information among the states and BJS.

(7) redesignate "(c)(7)" as subsection "(c)(9)"; redesignate "(c)(8)" as subsection "(c)(10)"; redesignate "(c)(9)" as subsection "(c)(11)"; redesignate "(c)(10)" as subsection "(c)(12)"; redesignate "(c)(11)" as subsection "(c)(13)"; redesignate "(c)(12)" as subsection "(c)(14)"; redesignate "(c)(13)" as subsection "(c)(15)"; redesignate "(c)(14)" as subsection "(c)(16)"; redesignate "(c)(15)" as subsection "(c)(17)"; redesignate "(c)(16)" as subsection "(c)(18)"; redesignate "(c)(17)" as subsection "(c)(19)"; and redesignate "(c)(18)" as subsection "(c)(20)".

(8) redesignate "(c)(19)" as subsection "(c)(22)" and insert a new subsection "(c)(21)" to read as follows: "conduct or provide support for national programs to improve the nation's criminal history record information systems; provide direct grants to state and local agencies to increase the accuracy, completeness, timeliness and utility of criminal history record information for criminal and noncriminal purposes;"

This clarifies existing BJS authority to conduct national programs and provide direct grant support to improve the nation's criminal history record information (CHRI) systems. This additionally emphasizes BJS' extensive responsibility in this area and incorporated existing authority under a single subsection.

(9) redesignate "(c)(20)" as subsection "(c)(23)"; redesignate "(c)(21)" as subsection "(c)(24)"; and redesignate "(c)(22)" as subsection "(c)(25)".

(10) add a new subsection "(c)(26)" to read as follows: "performs principal analysis of the data from the National Incident Based Reporting System collected by the Federal Bureau of Investigation and provide such information to the President, the Congress, and the general public;"

This accords authority to BJS to include analysis of NIBRS data as part of the agency's responsibility to analyze statistical information concerning crime and criminal justice. BJS has been instrumental in coordinating establishment of NIBRS at the state level. The addition of this specific responsibility clarifies BJS' role in this program, and permits analysis that draws upon information gained from other surveys conducted by BJS.

(11) redesignate "(c)(23)" as subsection "(d)(7)"

This is merely a technical correction reflecting that these are powers more appropriately exercised by the Director of BJS.

(12) insert new subsection "(d)(6)" to read as follows: "receive funds appropriated to the Office of Justice Programs and its bureaus and Federal agencies, with their consent, to conduct justice-related statistical analyses and administer programs and projects of mutual concern and benefit;"

This clarifies the applicability of BJS administering funds appropriated to the Office of Justice Programs and its bureaus and

other Federal agencies. BJS has administered the CHRI funds appropriated to BJA for the past three years. This language will allow for future cooperative arrangements and the transfer of funds to BJS for the operation of programs and the conduct of statistical analyses for which BJS is more technically suited to administer and perform, but for which funding is appropriated elsewhere. BJS should have the flexibility to provide statistical analyses for other federal agencies on pay-for-service and reimbursable bases.

TITLE IV—BUREAU OF JUSTICE ASSISTANCE

Section 401—Duties and Functions of the Director

Sec. 401 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 41 U.S.C. 3741) is amended as follows:

(1) insert the words "subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General." after the word "Bureau" the second time it appears in subsection (b).

This codifies the OJP statute to conform with the Attorney General Delegation Order 1473-91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

Sec. 402 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 41 U.S.C. 3742) is amended as follows:

(1) redesignate "(8)" as subsection "(9)", and add a new subsection "(8)" to read as follows: "receive funds appropriated to the office and its bureaus, and Federal agencies, with their consent, to conduct programs under the Edward Byrne Memorial State and Local Law Enforcement Assistance formula and discretionary grant programs, and administer programs and projects of mutual concern and benefit."

This more clearly defines the authority of BJA to enter into collaborative efforts through inter and intra agency agreements with OJP bureaus and other Federal agencies. OJP bureaus have a long history of collaborative agreements and joint funding of projects. All funds are and will continue to be used for their statutory purposes, which is to benefit state and local criminal justice systems. The benefits of collaborative efforts include the sharing of expertise and experience on issues of vital importance to state and local governments; the realization of greater efficiencies by pooling resources, preventing duplication, and coordinating like activities; and less money being spent on overhead. No functions, powers and duties are transferred or delegated. These agreements and efforts help focus on the importance of coordinating the resources among OJP's bureaus, by providing a comprehensive approach in addressing complex law enforcement issues. There are currently a myriad of State and local programs now being funded by the OJP through collaborative agreements that are providing crucial assistance and enhancements which aid State and local units of government in successfully fighting our nation's war against crime and drugs, e.g., Weed and Seed. The rationale for entering into these types of collaborative agreements is to ensure that the most qualified provider is utilized in rendering services to state and local units of government. Utilizing this expertise more directly and cost-effectively serves the interest of States and localities. Collaborative efforts do not augment the other bureau's appropriation. In this time of fiscal restraint and budget constraints, it makes sense to more formally recognize this practice.

Section 402—Description of the Drug Control and System Improvement Grant Program

Sec. 501 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3751) is amended as follows:

(1) add subsection "(b)(22)" to read as follows: "providing funding for the purpose of supporting litigation pertaining to Federal habeas corpus petitions in capital cases.";

This establishes an additional purpose area which will encourage states to use BJA formula grant funds in support of their efforts to litigate federal habeas corpus petitions in capital cases. While states may currently use their BJA formula funds for this purpose under existing law, the establishment of a separate purpose area more clearly defines the need for states focus on such funding priorities. This is consistent with the emphasis and importance placed by the Justice Department on enabling states to use federal funds for this purpose and helps offset Federal monies that currently support death penalty appeals through capital resource centers. Additionally, it is responsive to the imbalance in litigation resources that has resulted in one-sided federal support of defendants' efforts to overturn capital convictions and sentences.

Section 403—Grant Limitations

Sec. 504 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3754) is amended as follows:

(1) strike the word "1991" from subsection "(a)(1)" and insert the word "1993" in lieu thereof;

This reflects current law as embodied in P.L. 102-104, the Department of Justice's Fiscal Year 1992 Appropriations bill.

Section 404—Purposes of Discretionary Grants

Sec. 510 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3760) is amended as follows:

(1) add the words "or inter and intra agency agreements" after the word "contracts" in subsection "(b)".

This is a technical change to address the long-standing use by OJP of inter and intra agency agreements.

Section 405—Correctional Options Grants

Chapter B—Grants to Public Agencies of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 41 U.S.C. 3762a) is amended as follows:

(1) strike "Chapter B-Grants to Public Agencies" in its entirety.

These sections deal with Correctional Options grants which were included over the Administration's strong opposition in the Crime Control Act of 1990. While the Department of Justice strongly supports expansion of the range of available criminal sanctions to enhance public safety, it believes that this grant program is unnecessary and excessive, and includes features that are unsound. The Department currently supports and assists a wide-range of intermediate sanctions projects through the programs of OJP (including BJA) and the National Institute of Corrections. There is no adequate reason for separating out this particular function from the existing funding and assistance programs.

Section 406—General Requirements

Chapter C—General Requirements of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 3763) is amended as follows:

(1) Redesignate "Chapter C" as "Chapter B"

This is a minor technical change.

Section 407—Technical Changes to General Requirements

Sec. 517 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3763) is amended as follows:

(1) Redesignate "Sec. 517" as "Sec. 513" and strike the words "or 515" at the end of subsection "(a)(1)"

This is a minor technical change.

Section 408—Period of Award

Sec. 518 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3764) is amended as follows:

(1) redesignate "Sec. 518" as "Sec. 514"

This is a minor technical change.

Section 409—Administrative Provisions

Sec. 520 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3766) is amended as follows:

(1) strike the words "sections 511 and 515" in subsection "(a)(2)" and insert "section 515" in lieu thereof.

This is a minor technical change to conform with the elimination of Chapter B—Grants to Public Agencies—Correctional Options Grants.

TITLE V—ADMINISTRATIVE PROVISIONS CONSULTATION, ESTABLISHMENT OF RULES AND REGULATIONS

(This title will be reviewed by JMD attorney)

Section 501—Recordkeeping Requirement

Sec. 811 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3789f) is amended as follows:

(1) strike subsection "(e)" in its entirety.

This subsection is no longer relevant.

TITLE VI—DEFINITIONS

Section 601—Technical Changes to Definitions

Sec. 901 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3791) is amended as follows:

(1) Strike subsection "(a)(22)" and subsection "(a)(23)".

This is a technical correction to conform with the changes made in Title IV with regard to the elimination of the Correctional Options grant program.

TITLE VII—FUNDING AUTHORIZATION OF APPROPRIATION

Section 701—Extension of Authorization

Sec. 1001 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3793) is amended as follows:

(1) strike the word "\$30,000,000" in subsection "(a)(1)" and insert the words "such sums as may be necessary" in lieu thereof; and strike the words "1989, 1990, 1991 and 1992" in subsection "(a)(1)" and insert the words "1993, 1994, 1995 and 1996" in lieu thereof.

The BJS four-year authorization expires at the end of fiscal year 1992. This extends the BJS authorization for another four year period.

(2) strike the word "\$30,000,000" in subsection "(a)(2)" and insert the words "such sums as may be necessary" in lieu thereof; and strike the words "1989, 1990, 1991, and 1992" in subsection "(a)(2)" and insert the words "1993, 1994, 1995, and 1996" in lieu thereof; and strike the period after the word "Justice" and insert the words "of the amount appropriated in each of these fiscal years, not less than 10% shall be used to evaluate the effectiveness of projects or programs carried out under this title." in lieu thereof.

The NIJ four-year authorization expires at the end of fiscal year 1992. This extends the NIJ authorization for another four year period.

(3) strike the words "\$25,500,000" for fiscal year 1989 and "in subsection (a)(3)"; strike the words "1990, 1991 and 1992" in subsection (a)(3) and insert the words "1993, 1994, 1995 and 1996" in lieu thereof.

The OJP and BJA four-year authorization for programs other than those specifically addressed in this subsection expires at the end of fiscal year 1992. This extends the OJP and BJA authorization for another four year period.

(4) strike the words "\$900,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal year 1992" in subsection (a)(4), and insert the words "such sums as may be necessary for each of the fiscal years 1993, 1994, 1995 and 1996" in lieu thereof.

The BJA four-year authorization for programs under parts D and E expires at the end of fiscal year 1992. This extends the BJA authorization for another four year period.

(5) strike the words "there are authorized to be appropriated \$220,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal year 1992 to carry out chapter B of part 2 of part E of this title" in subsection (a)(6).

This eliminates authorization for appropriations and conforms with the changes made in Title IV with regard to the elimination of the Correctional Options grant program.

(6) strike the words "\$25,000,000 for each of the fiscal years 1991, 1992, and 1993" in subsection (a)(6) and insert the words "such sums as may be necessary for each of the fiscal years 1993, 1994, 1995 and 1996" in lieu thereof.

The BJA four-year authorization for programs under part N expires at the end of fiscal year 1992. This extends the BJA authorization for another four year period.

(7) strike the words "there are authorized to be appropriated \$15,000,000 for fiscal year 1989 and such sums as may be necessary for fiscal year 1992 to carry out chapter B of subpart 2 of part E of this title" in subtitle (a)(7).

This eliminates the authorization for appropriations and conforms with the changes made in Title IV with regard to the elimination of the Correctional Options grant program.

(8) strike the words "there are authorized to be appropriated \$20,000,000 for fiscal year 1991, and such sums as may be necessary for fiscal years 1992 and 1993, to carry out part O" in subtitle (a)(7).

This eliminates the authorization for appropriations and conforms with the changes made in Title with regard to the elimination of the Rural Drug Enforcement Assistance grant program.

TITLE VII—PUBLIC SAFETY OFFICERS' BENEFITS PAYMENTS

Section 801—Technical Corrections

Part L of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3796) is amended as follows:

(1) insert the words "and Disability" after the word "Death".

Sec. 1201 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3796) is amended as follows:

(1) insert the words "and proximate" in subsection (b)", after the words "disabled as the direct";

This is a technical change that makes the disability criteria conform with those existing for death benefits.

(2) inserting the words "or disability" in subsection (i)", after the words "to the death";

This is a technical change to reflect the expansion of the program to include permanent disability.

(3) inserting the words "and subsection (b) as of the date of the catastrophic injury of such officer" at the end of subsection (i)"; This is a technical change to reflect the expansion of the program to include permanent disability.

Section 802—Limitation of Benefits

Sec. 1202 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, U.S.C. 3796a) is amended as follows:

(1) adding a new subsection (6)" to read as follows: "to any individual who would otherwise be entitled to a benefit under this part if medical evidence indicates that such individual voluntarily ingested or otherwise used or consumed any quantity of a controlled substance (as set out in 21 U.S.C. 801 et seq.) prior to death. Excepted from this limitation is the ingestion, use or consumption of a controlled substance that was medically prescribed; involuntarily ingested, used or consumed; passively ingested because of exposure to another person's use; or passively ingested or absorbed by handling the substance as part of assigned duties."

This proposes to make voluntary controlled substance use a basis for denial of payments just as in cases of alcohol intoxication, intentional death (suicide), or gross negligence.

Section 803—Definitions

Sec. 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3796b) is amended as follows:

(1) add subsection (8)" "controlled substance" as defined under the Controlled Substance Act (21 U.S.C. 801 et seq.)

This is a technical change that adds a definition of "controlled substance" in this section.

TITLE IX—RURAL DRUG ENFORCEMENT ASSISTANCE

Section 901—Repeal of Rural Drug Enforcement Assistance

Part O of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3796bb) is amended as follows:

(1) Strike Part O in its entirety.

These sections refer to Rural Drug Enforcement Assistance grants which were included over the Administration's opposition in the Crime Control Act of 1990. The Edward Byrne Memorial State and Local Law Enforcement formula grant program administered by BJA, provides funding designed to enable state and local governments to determine program priorities in a systematic manner through the development of a comprehensive statewide crime and anti-drug strategy. Programs such as rural enforcement are currently authorized. The vast majority of states fund a wide array of multi-jurisdictional task force efforts which cast a wide net to include rural areas.

Also, under this program states are authorized to fund law enforcement training and technical assistance programs. The new grant program established in this section is duplicative and unnecessary.

TITLE X—TRANSITION—EFFECTIVE DATE REPEALER CONTINUATION OF RULES, AUTHORITIES, AND PROCEEDINGS

Section 1001—Technical Changes

Part P of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 3797) is amended as follows:

Sec. 1601:

(1) redesignate "Part P" as "Part O".

(2) strike the words "The Administrator of the Law Enforcement Assistance Administration" at the beginning of subsection (d)" and insert "the Assistant Attorney General, Office of Justice Programs" in lieu thereof.

(3) strike the words "approve comprehensive plans for the fiscal year beginning October 1, 1979," in subsection (d)" after the word "agreements,"

(4) insert the words, "for program or administrative purposes" in subsection (d)" after the word "Obligate"

(5) strike the words "for the continuation of projects in" in subsection (d)" after the word "1979," the second time it appears and insert "or prior years in" in lieu thereof

(6) strike the words "as in effect on the day before December 27, 1979," after the word "title," in subsection (d)" the first time it appears.

These are technical amendments.

TITLE XI—EMERGENCY FEDERAL LAW ENFORCEMENT ASSISTANCE

Section 1101—Authorization

Sec. 609Y. of the Omnibus Crime Control and Safe Streets Act of 1968 (P.L. 90-351, 42 U.S.C. 10513) is amended as follows:

(1) strike the words "\$20,000,000 for each fiscal year ending after September 30, 1984," in subsection (a)" and insert "such sums as may be necessary for each fiscal year," in lieu thereof.

This is a minor technical change.

TITLE XII—AMENDMENTS TO JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

Section 201—Establishment of Office

Sec. 201 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5611) is amended as follows:

(1) strike the words ", from among individuals who have had experience in juvenile justice programs" after the word "Senate" in subsection (b).

This deletes provisions that proscribe specific qualifications beyond the advice and consent of the Senate for those whom the President may nominate, and infringe upon the President's appointment prerogative.

(2) insert the words "and the policies and priorities of the Administrator are subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General" after the word "1968" in subsection (b).

This change codifies the OJP statute to conform with the Attorney General Delegation Order 1473-91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

Section 1202—Concentration of Federal Efforts

Sec. 204 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5614) is amended as follows:

(1) insert the words ", subject to modification by the Assistant Attorney General in accordance with the policies and priorities set by the Attorney General" after the word "priorities" in subsection (a).

This change codifies the OJP statute to conform with the Attorney General Delegation Order 1473-91, February 19, 1991 and helps establish a clear line of authority between OJP and its bureaus.

(2) redesignate "(h)" as "(i)" and "(i)" as "(j)" and add a new subsection "(h)" to read as follows: "receive funds appropriated to the Office of Justice Programs and its bureaus, the Bureau of Justice Assistance, the Bureau of Justice Statistics, the National Interstate of Justice and the Office for Victims of Crime, and Federal agencies, with their consent, to develop juvenile delinquency programs relating to prevention, diversion, training, treatment, rehabilitation, evaluation, research, and improvement of the juvenile justice system, and administer programs and projects of mutual concern and benefit."

This more clearly defines the authority of OJJDP to enter into collaborative efforts through inter and intra agency agreements with OJP bureaus and other Federal agencies. OJP bureaus have a long history of collaborative agreements and joint funding of projects. All funds are and will continue to be used for their statutory purposes, which is to benefit state and local criminal justice systems. The benefit of collaborative efforts include the sharing of expertise and experience on issues of vital importance to state and local governments; the realization of greater efficiencies by pooling resources, preventing duplication, and coordinating like activities; and less money being spent on overhead. No functions, powers and duties are transferred or delegated. These agreements and efforts help focus on the importance of coordinating the resources among OJP's bureaus, by providing a comprehensive approach in addressing complex law enforcement issues. There are currently a myriad of State and local programs now being funded by the OJP through collaborative agreements that are providing crucial assistance and enhancements which aid State and local units of government in successively fighting our nation's war against crime and drugs, e.g. Weed and Seed. The rationale for entering into these types of collaborative agreements is to ensure that the most qualified provider is utilized in rendering services to state and local units of government. Utilizing this expertise more directly and cost-effectively serves the interest of States and localities. Collaborative efforts do not augment the other bureau's appropriation. In this time of fiscal restraint and budget constraints, it makes sense to more formally recognize this practice.

Section 1203—Special Studies and Reports

Sec. 248 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5662) is amended as follows:

(1) strike the heading "SPECIAL STUDIES AND REPORTS" and all of "Section 248". This is a technical amendment reflecting that these one-time reports have been completed.

Section 1204—Special Emphasis Prevention and Treatment Programs

Sec. 261 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5665) is amended as follows:

(1) strike the word "shall" after the word "Administrator" in subsection "(a)" and insert "is authorized" in lieu thereof.

(2) insert the word "to" after the word "individuals" in subsection "(a)".

(3) strike the words "each of the following during each fiscal year" after the word "for" in subsection "(a)".

(4) strike the words "of Justice" in subsection "(b)(6)(B)" and insert the words "for Juvenile Justice and Delinquency Prevention" in lieu thereof.

(5) strike subsection "(c)".

(6) redesignate subsection "(d)" as subsection "(c)".

(7) strike subsection "(e)".

This provides more discretion to the Administrator OJJDP on the utilization of limited discretionary funding; places within OJJDP's National Institute of Juvenile Justice the responsibility to designate exemplary programs and deletes the set-aside requirements.

Section 1205—Authorization of Appropriation

Sec. 291 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 94-415, 42 U.S.C. 5671) is amended to read as follows:

"To carry out the purposes of this subchapter (other than Part B and Part D),

there are authorized to be appropriated to carry out Part A and Part C, \$3,902,000 and \$7,250,000, respectively, for fiscal year 1993 and such sums as may be necessary for each of fiscal years 1994, 1995, and 1996. Funds appropriated for any fiscal year may remain available for obligation until expended."

This reauthorizes Title II excluding parts B and D for 1993 through 1996 for such sums as may be necessary. No authorization for parts B and D is requested, consistent with the Administration's FY 1993 budget request.

Section 1206—Duties and Functions of the Administrator

Sec. 404 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5773) is amended as follows:

(1) strike the word "nonprofit" after the words "agencies or" in subsection "(b)";

(2) redesignate subsection "(c)" as subsection "(d)";

(3) add a new subsection "(c)" to read as follows "The Administrator is authorized to conduct and support evaluations and studies of the performance and results achieved by Federal missing children's programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in lieu of those currently being administered," in lieu thereof.

The Administrator would be able to make awards to for profit organizations.

Section 1207—Grants

Sec. 405 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5775) is amended as follows:

(1) strike the words "agencies or nonprofit private organizations, or combinations thereof, for research" in subsection "(a)" after the word "public" and insert the words "or private agencies, organizations, institutions, or individuals to conduct research, evaluations, conferences" in lieu thereof;

The Administrator would be able to make awards to for profit organizations.

(2) strike subsection "(a)(4) (A) and (B)" and insert a new "(a)(4)" to read as follows "to prevent a child's abduction or exploitation and to increase knowledge of and develop effective treatment pertaining to the psychological consequences, on both parents and children, of a child's abduction or exploitation;" in lieu thereof.

This expands the role of OJJDP to include prevention as well as treatment and intervention programs.

(3) strike the word "and;" at the end of subsection "(a)(8)"

(4) strike the period and add the word "and;" at the end of subsection "(a)(9)"

(5) add subsection "(a)(10)" to read as follows: "to disseminate information, data, standards, advanced techniques, and program models to enhance the capability of public and private organizations to prevent child abductions and to assist in the location, recovery, family reunification, and treatment of the missing child."

This provides for dissemination of information concerning child abduction and exploitation.

Section 1208—Authorization of Appropriation

Sec. 407 of the Juvenile Justice and Delinquency Prevention Act of 1974 (P.L. 93-415, 42 U.S.C. 5777) is amended.

By Mr. D'AMATO:

S. 2916. A bill to amend chapter 11 of title 38, United States Code, to provide that veterans who are former prisoners of war shall be deemed to have a serv-

ice-connected disability rated as total for the purposes of determining the benefits due to such veterans; to the Committee on Veterans' Affairs.

DISABILITY RATING FOR FORMER PRISONERS OF WAR

• Mr. D'AMATO. Mr. President, I rise today to introduce a bill to provide comprehensive benefits to veterans who are former prisoners of war. This legislation—like its House companion, introduced by my colleague from New York, Congressman HAMILTON FISH—would provide 100 percent compensation for all former prisoners of war.

Medical science has demonstrated that the trauma of enduring even short periods of time as a prisoner of war can have severe long-lasting and late-developing effects. It is in recognition of the tremendous hardship endured by our former prisoners of war that I am introducing this legislation today. My bill would amend chapter 11 of title 38 of the United States Code to provide that all veterans who are former prisoners of war will be deemed to have a 100 percent disability for the purpose of determining their veteran's benefits. It will provide these benefits regardless of the war or conflict in which the veteran served.

Mr. President, other nations provide their POW veterans with comprehensive benefits. Isn't it time—as we mark the 50th anniversary of the Bataan Death March—for our Nation to offer full benefits to its former POWs? With more than 99 percent of all former POW's approaching the age of 70, it is urgent that we enact this legislation without delay so that they may enjoy the benefits they are due.

Mr. President, I have always supported our veterans to the highest degree. Nothing is more noble than to dedicate one's life to the defense of his country. Yet when it comes to compensating those servicemen and women who have sustained the hardship of imprisonment at the hands of our enemies, we have fallen woefully short.

It is time to correct this injustice. It may be late, but it's better late than never. I urge my colleagues to join as cosponsors of this bill, and I urge its swift passage. Hopefully, we can join together to do at least this much for our former POW's.

I ask unanimous consent that the full 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. 2914

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DISABILITY RATING FOR FORMER PRISONERS OF WAR.

(a) RATING OF DISABILITY.—Chapter 11 of title 38, United States Code, is amended—

(1) by striking subsection (b) of section 1112;

(2) by redesignating subsection (c) of section 1112 as subsection (b); and

(3) by inserting after section 1116 the following new section:

§1117. Disability rating for former prisoners of war

"A veteran who is a former prisoner of war shall be deemed to have a service-connected disability rated as total for the purpose of determining the benefits due such veteran under this title."

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections at the beginning of chapter 11 of title 38, United States Code, is amended by inserting after the item relating to section 1116 the following new item:

"1117 Disability rating for former prisoners of war."•

By Mr. COCHRAN:

S. 2917. A bill to amend the National School Lunch Act to authorize the Secretary of Agriculture to provide financial and other assistance to the University of Mississippi, in cooperation with the University of Southern Mississippi, to establish and maintain a food service management institute, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD SERVICE MANAGEMENT INSTITUTE

• Mr. COCHRAN. Mr. President, today I am pleased to introduce a bill which clarifies the administration of the Food Service Management Institute in Mississippi. This legislation is necessary to provide the Department of Agriculture the authority to make grants and/or enter into cooperative agreements for the specific purposes for which the institute was established. There is no additional cost associated with this bill.

In 1989, Public Law 101-147 authorized the establishment of a National Food Service Management Institute, and funding was provided in 1990. That act prescribed the functions and duties of the Institute, and it has been operating successfully for 2 years.

However, there are some concerns that make administration of the institute difficult. The legislation I am introducing will clarify the status and administration of the institute. Specifically, it authorizes the Secretary of Agriculture to provide financial and other assistance to the Institute established and maintained by the University of Mississippi, in cooperation with the University of Southern Mississippi. USDA does not have any current authority to make grants or enter into cooperative agreements for the purposes expressed for the Food Service Management Institute. Enactment of this legislation will enable the Institute to leverage its appropriated funds through gifts and private sector grants, as well as be eligible to compete for contracts with other Federal agencies.

Among the activities conducted by the institute thus far has been the development of a national satellite network for providing training and education to child nutrition program personnel. The first program was telecast on April 28, 1992, and was received in 49 states at more than 700 sites and viewed by an audience of about 20,000 personnel.

In addition, research is being conducted on the administrative and programmatic needs of child nutrition programs in relation to nutrition management of children with special needs, and a national workshop is scheduled for late October on this subject. Training and education related to Agriculture Secretary Madigan's goals for implementing the "Dietary Guidelines for Americans" is in progress. All of these activities and more have been successful.

The institute is fulfilling its congressional mandate to conduct activities to improve the quality and operation of the child nutrition programs. The legislation I am introducing today will clarify its administration and will help the Institute to build a "Better Future Through Child Nutrition Programs."

I hope we can act very quickly on this measure, and I urge my colleagues to support it.•

ADDITIONAL COSPONSORS

S. 89

At the request of Mr. DURENBERGER, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 89, a bill to amend the Internal Revenue Code of 1986 to permanently increase the deductible health insurance costs for self-employed individuals.

S. 1361

At the request of Ms. MIKULSKI, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1361, a bill to remedy the serious injury to the United States shipbuilding and repair industry caused by subsidized foreign ships.

S. 1451

At the request of Mr. BIDEN, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 1627

At the request of Mr. FORD, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1627, a bill to amend section 615 of title 38, United States Code, to require the Secretary of Veterans Affairs to permit persons who receive care at medical facilities of the Department of Veterans Affairs to have access to and to consume tobacco products.

S. 1838

At the request of Mr. PRYOR, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1838, a bill to amend title XVIII of the Social Security Act to provide for a limitation on use of claim sampling to deny claims or recover overpayments under Medicare.

S. 1933

At the request of Mr. KENNEDY, the name of the Senator from Nebraska

[Mr. EXON] was added as a cosponsor of S. 1933, a bill to amend titles VII and VIII of the Public Health Service Act to reauthorize and extend programs under such titles, and for other purposes.

S. 2244

At the request of Mr. THURMOND, the names of the Senator from California [Mr. SEYMOUR], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Florida [Mr. MACK], the Senator from Kentucky [Mr. FORD], the Senator from Delaware [Mr. BIDEN], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Oklahoma [Mr. NICKLES], the Senator from Rhode Island [Mr. PELL], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of S. 2244, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

S. 2362

At the request of Mr. MCCAIN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2362, a bill to amend title XVIII of the Social Security Act to repeal the reduced Medicare payment provision for new physicians.

S. 2385

At the request of Mr. RIEGLE, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 2385, a bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of United States permanent resident aliens, and for other purposes.

S. 2387

At the request of Mr. LEAHY, the names of the Senator from Louisiana [Mr. JOHNSTON], the Senator from Rhode Island [Mr. PELL], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 2387, a bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children (WIC) and of Head Start programs, to expand the Job Corps program, and for other purposes.

S. 2560

At the request of Mr. SIMON, the names of the Senator from North Dakota [Mr. CONRAD], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 2560, a bill to reclassify the cost of international peacekeeping activities from international affairs to national defense.

S. 2624

At the request of Mr. GLENN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 2624, a bill to authorize

appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2632

At the request of Ms. MIKULSKI, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 2632, a bill to establish the National Environmental Technologies Agency.

S. 2644

At the request of Mrs. KASSEBAUM, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 2644, a bill to require the Secretary of Transportation to require passenger and freight trains to install and use certain lights for purposes of safety.

S. 2682

At the request of Mr. BUMPERS, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Tennessee [Mr. SASSER] were added as cosponsors of S. 2682, a bill to direct the Secretary of the Treasury to mint coins in commemoration of the 100th anniversary of the beginning of the protection of Civil War battlefields, and for other purposes.

S. 2696

At the request of Mr. DOMENICI, the names of the Senator from Hawaii [Mr. AKAKA], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 2696, a bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes.

S. 2711

At the request of Mr. GLENN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 2711, a bill to ensure the fair treatment of members of the Selected Reserve of the Ready Reserve of the Armed Forces who are adversely affected by certain reductions in the size of the reserve components of the Armed Forces.

S. 2836

At the request of Mr. MCCAIN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2836, a bill to promote economic development on Indian reservations by making loans to States to assist States in constructing roads on Indian reservations.

S. 2865

At the request of Mr. REID, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2865, a bill to provide assistance for workers adversely affected by a nuclear testing moratorium.

S. 2870

At the request of Mr. RUDMAN, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from

North Dakota [Mr. CONRAD], the Senator from Michigan [Mr. LEVIN], the Senator from Arkansas [Mr. BUMPERS], the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Ohio [Mr. GLENN], the Senator from Colorado [Mr. WIRTH], the Senator from Maryland [Mr. SARBANES], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 2870, a bill to authorize appropriations for the Legal Services Corporation, and for other purposes.

SENATE JOINT RESOLUTION 265

At the request of Mr. SEYMOUR, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of Senate Joint Resolution 265, a joint resolution to designate October 9, 1992, as "National School Celebration of the Centennial of the Pledge of Allegiance and the Quincentennial of the Discovery of America by Columbus Day."

SENATE JOINT RESOLUTION 278

At the request of Mr. DODD, the names of the Senator from Hawaii [Mr. INOUE], the Senator from Michigan [Mr. LEVIN], the Senator from North Dakota [Mr. BURDICK], the Senator from Tennessee [Mr. SASSER], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of Senate Joint Resolution 278, a joint resolution designating the week of January 3, 1993, through January 9, 1993, as "Braille Literacy Week."

SENATE JOINT RESOLUTION 292

At the request of Mr. SMITH, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Joint Resolution 292, a joint resolution to provide for the issuance of a commemorative postage stamp in honor of American prisoners of war and Americans missing in action.

SENATE CONCURRENT RESOLUTION 126

At the request of Mr. SHELBY, the names of the Senator from North Dakota [Mr. BURDICK], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Concurrent Resolution 126, a concurrent resolution expressing the sense of the Congress that equitable mental health care benefits must be included in any health care reform legislation passed by the Congress.

SENATE RESOLUTION 301

At the request of Mr. SIMON, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Resolution 301, a resolution relating to ongoing violence connected with apartheid in South Africa.

AMENDMENT NO. 2453

At the request of Mr. SPECTER his name was withdrawn as a cosponsor of

Amendment No. 2453 proposed to S. 2733, an original bill to improve the regulation of Government-sponsored enterprises.

AMENDMENTS SUBMITTED

FEDERAL HOUSING REGULATORY REFORM ACT

MITCHELL (AND SASSER) AMENDMENTS NOS. 2521 THROUGH 2524

(Ordered to lie on the table.)

Mr. MITCHELL (for himself and Mr. SASSER) submitted four amendments intended to be proposed by them to amendment No. 2447 proposed by Mr. SEYMOUR to the bill (S. 2733) to improve the regulation of Government-sponsored enterprises, as follows:

AMENDMENT NO. 2521

On page 1, in section 1 of the amendment, strike "by law".

AMENDMENT NO. 2522

On page 1, in section 2 of the amendment, strike "by law".

AMENDMENT NO. 2523

On page 2, in section 5 of the amendment, strike "by a joint resolution, adopted by a majority of the whole number of each House, which becomes law".

AMENDMENT NO. 2524

On page 2, in section 6 of the amendment, strike "by appropriate legislation, which" and insert "and".

GRAMM AMENDMENTS NOS. 2525 THROUGH 2533

(Ordered to lie on the table.)

Mr. GRAMM submitted nine amendments intended to be proposed by him to an amendment to the bill S. 2733, supra, as follows:

AMENDMENT NO. 2525

Strike all after the first word and insert in lieu thereof the following:

"the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2526

Strike all in the pending amendment and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2527

Strike all in the pending amendment after the word "on" in line 1, and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by the majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2528

In lieu of the matter proposed to be inserted, insert the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2529

In lieu of the matter proposed to be inserted, insert the following:

"the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority

of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2530

Strike all in the pending amendment and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2531

Strike all after the first word in the pending amendment and insert in lieu thereof the following:

"the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the constitution if

ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each house shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2532

Strike all in the pending amendment and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is earlier."

AMENDMENT NO. 2533

Strike all after the enacting clause and insert in lieu thereof the following:

"That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years and one day after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a roll call vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1998 or with the second fiscal year beginning after its ratification, whichever is later."

MITCHELL (AND SASSER) AMENDMENTS NOS. 2534 THROUGH 2642

(Ordered to lie on the table.)

Mr. MITCHELL (for himself and Mr. SASSER) submitted 109 amendments intended to be proposed by them to an amendment to the bill S. 2733, *supra*, as follows:

AMENDMENT NO. 2534

After "the disbursements of the", insert the following: "the Unemployment Trust Fund."

AMENDMENT NO. 2535

After "the disbursements of the", insert the following: "the Highway Trust Fund, the Airport and Airway Trust Fund."

AMENDMENT NO. 2536

After "the disbursements of the", insert the following: "the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund."

AMENDMENT NO. 2537

After "the disbursements of the", insert the following: "the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund."

AMENDMENT NO. 2538

After "the disbursements of the", insert the following: "Black Lung Disability Trust Fund."

AMENDMENT NO. 2539

After "trust fund", insert the following: "the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund"

AMENDMENT NO. 2540

After "trust fund," insert the following: "the Unemployment Trust Fund"

AMENDMENT NO. 2541

After "trust fund", insert the following: "the Highway Trust Fund, the Airport and Airway Trust Fund."

AMENDMENT NO. 2542

After "trust fund", insert the following: "the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund"

AMENDMENT NO. 2543

After "trust fund", insert the following: "the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund"

AMENDMENT NO. 2544

After "trust fund", insert the following: "Black Lung Disability Trust Fund"

AMENDMENT NO. 2545

After "trust fund", insert the following: "Federal emergency disaster relief funds"

AMENDMENT NO. 2546

After "trust fund", insert the following: "or veterans' compensation benefits"

AMENDMENT NO. 2547

After "trust fund", insert the following: "veterans' pensions"

AMENDMENT NO. 2548

After "trust fund", insert the following: "Medicaid"

AMENDMENT NO. 2549

After "trust fund", insert the following: "farm price supports"

AMENDMENT NO. 2550

After "trust fund", insert the following: "food stamps"

AMENDMENT NO. 2551

After "trust fund", insert the following: "Aid to Families with Dependent Children"

AMENDMENT NO. 2552

After "trust fund", insert the following: "child nutrition"

AMENDMENT NO. 2553

After "trust fund", insert the following: "Supplemental Security Income"

AMENDMENT NO. 2554

After "trust fund", insert the following: "the highway trust fund"

AMENDMENT NO. 2555

After "trust fund", insert the following: "the airport trust fund"

AMENDMENT NO. 2556

After "trust fund", insert the following: "the Military Retirement Trust Fund"

AMENDMENT NO. 2557

After "trust fund", insert the following: "the Civil Service Retirement and Disability Trust Fund"

AMENDMENT NO. 2558

After "trust fund", insert the following: "the Foreign Service Retirement and Disability Trust Fund"

AMENDMENT NO. 2559

After "trust fund", insert the following: "the Judicial Officers' Retirement Trust Fund"

AMENDMENT NO. 2560

After "trust fund", insert the following: "the Postal Service"

AMENDMENT NO. 2561

After "trust fund", insert the following: "Federal emergency disaster relief funds"

AMENDMENT NO. 2562

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2563

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2564

At the end of the matter proposed to be inserted in the amendment, insert the following: "Congress may not decrease below current services levels the disbursements of the Federal Old-age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2565

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Unemployment Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2566

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Unemployment Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2567

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway and airport trust funds, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2568

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway and airport trust funds, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2569

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2570

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the highway trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2571

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the airport trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2572

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the airport trust fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2573

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund, the Civil Serv-

ice Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, and the Judicial Officers' Retirement Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2574

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, and the Judicial Officers' Retirement Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2575

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2576

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Military Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2577

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Civil Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2578

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Civil Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2579

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Judicial Officers' Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2580

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Judicial Officers' Retirement Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2581

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Foreign Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2582

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the For-

ign Service Retirement and Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2583

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Postal Service shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2584

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Postal Service shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2585

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2586

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, and any successor fund, shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2587

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Black Lung Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2588

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of the Black Lung Disability Trust Fund and any successor fund shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2589

In lieu of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of Federal emergency disaster relief funds shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2590

At the end of the matter proposed to be inserted by the amendment, insert the following: "Receipts and disbursements of Federal emergency disaster relief funds shall not be counted as receipts or outlays of the United States."

AMENDMENT NO. 2591

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"The Congress may by concurrent resolution appoint an officer who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with."

AMENDMENT NO. 2592

At the end of the matter proposed to be inserted by the amendment, insert the following:

"The Congress may by concurrent resolution appoint an officer who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with."

AMENDMENT NO. 2593

In lieu of the matter proposed to be inserted by the amendment, insert the following: "The Congress may by appropriate legislation designate who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with."

AMENDMENT NO. 2594

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Congress may by appropriate legislation designate who shall have sole authority to determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with."

AMENDMENT NO. 2595

In lieu of the matter proposed to be inserted by the amendment, insert the following: "The Comptroller General shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with."

AMENDMENT NO. 2596

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Comptroller General shall determine whether the provisions of this article and legislation to enforce the provisions of this article have been complied with."

AMENDMENT NO. 2597

In lieu of the matter proposed to be inserted by the amendment, insert the following: "This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Chief Financial Officer estimates that the Nation will be in a period of recession during that fiscal year."

AMENDMENT NO. 2598

At the end of the matter proposed to be inserted by the amendment, insert the following: "This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Chief Financial Officer estimates that the Nation will be in a period of recession during that fiscal year."

AMENDMENT NO. 2599

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the President, the Comptroller General, or the Congressional Budget Office estimates that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an

imminent and serious military threat to national security and it is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law."

AMENDMENT NO. 2600

At the end of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the President, the Comptroller General, or the Congressional Budget Office estimates that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and it is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law."

AMENDMENT NO. 2601

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Congress by concurrent resolution or the President finds that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years."

AMENDMENT NO. 2602

At the end of the matter proposed to be inserted by the amendment, insert the following:

"This article shall be suspended for any fiscal year and the first fiscal year thereafter if a declaration of war is in effect or if the Congress by concurrent resolution or the President finds that real economic growth will be less than one percent for two consecutive quarters during the period of those two fiscal years."

AMENDMENT NO. 2603

In lieu of the matter proposed to be inserted by the amendment, insert the following: "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 10 percent".

AMENDMENT NO. 2604

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 10 percent".

AMENDMENT NO. 2605

In lieu of the matter proposed to be inserted by the amendment, insert the following: "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 15 percent".

AMENDMENT NO. 2606

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Congress may waive the provisions of this article for any fiscal year when nec-

essary to prevent the rate of unemployment from exceeding 15 percent".

AMENDMENT NO. 2607

In lieu of the matter proposed to be inserted by the amendment, insert the following: "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 20 percent".

AMENDMENT NO. 2608

At the end of the matter proposed to be inserted by the amendment, insert the following: "The Congress may waive the provisions of this article for any fiscal year when necessary to prevent the rate of unemployment from exceeding 20 percent".

AMENDMENT NO. 2609

In lieu of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with appropriate legislation enacted by Congress."

AMENDMENT NO. 2610

At the end of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with appropriate legislation enacted by Congress."

AMENDMENT NO. 2611

In lieu of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with the exercise of congressional and executive powers under the first and second articles."

AMENDMENT NO. 2612

At the end of the matter proposed to be inserted by the amendment, insert the following: "This article shall be enforced only in accordance with the exercise of congressional and executive powers under the first and second articles."

AMENDMENT NO. 2613

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2614

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2615

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Un-

employment Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2616

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Unemployment Trust Fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2617

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' compensation benefits unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2618

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' compensation benefits unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2619

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' pensions unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2620

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of veterans' pensions unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2621

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplemental Medical Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2622

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, or any successor fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2623

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, or any successor trust fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2624

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Military Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund, or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2625

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Black Lung Disability Trust Fund or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2626

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Medicaid unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2627

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for farm price supports unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2628

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursement for food

stamps unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2629

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Aid to Families with Dependent Children unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2630

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for child nutrition unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2631

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Supplemental Security Income unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2632

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"Congress may provide for payments to foreign states or persons only with the concurrence of three fifths of the Members of the House of Representatives and the Senate, duly chosen and sworn."

AMENDMENT NO. 2633

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may provide for payments to foreign states or persons only with the concurrence of three fifths of the Members of the House of Representatives and the Senate, duly chosen and sworn."

AMENDMENT NO. 2634

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, or any successor trust fund, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2635

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Mil-

tary Retirement Trust Fund, the Civil Service Retirement and Disability Trust Fund, the Foreign Service Retirement and Disability Trust Fund, the Judicial Officers' Retirement Trust Fund, or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2636

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements of the Black Lung Disability Trust Fund or any successor trust fund unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2637

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Medicaid unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2638

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for farm price supports unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2639

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for food stamps unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2640

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Aid to Families with Dependent Children unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2641

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for child nutrition unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

AMENDMENT NO. 2642

At the end of the matter proposed to be inserted by the amendment, insert the following:

"Congress may not decrease below current services levels the disbursements for Supplemental Security Income unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific decreases and such bill has become law."

**FREEDOM FOR RUSSIA AND
EMERGING EURASIAN DEMOC-
RACIES AND OPEN MARKETS
SUPPORT ACT**

**PRESSLER AMENDMENTS NOS. 2643
AND 2644**

(Ordered to lie on the table.)

Mr. PRESSLER submitted two amendments intended to be proposed by him to the bill (S. 2532) entitled the "Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act," as follows:

AMENDMENT NO. 2643

On page 52, after line 13, add the following new section:

SEC. . POLICY TOWARD MOLDOVA.

(a) FINDINGS.—The Congress finds that—

(1) many, including civilians, have died in conflict in Moldova in recent weeks;

(2) on June 17, 1992, Presidents Bush and Yeltsin signed a Charter for American-Russian Partnership and Friendship in which the countries agreed to "reaffirm their respect for the independence and sovereignty and the existing borders of the CSCE-participating states, including the new independent states, and recognize that border changes can be made only by peaceful and consensual means, in accordance with the rules of international law and the principles of CSCE";

(3) actions by Transdniestrian officials for secession from Moldova, including their use of force and the imposition of an economic blockade, violate CSCE principles and international law;

(4) the presence of the Russian 14th army in Moldova and the use of at least some of its units in the Moldovan conflict aggravates the situation, violates international law and the independence and sovereignty of the Republic of Moldova;

(5) the presence of the Russian army in foreign countries formerly part of the Soviet Union without the agreement of the host country is a potential cause of instability and conflict; and

(6) the appointment of international observers, under the aegis of the United Nations, the CSCE, or other international fora to monitor the withdrawal of Russian troops from Moldova would serve to lessen tensions and promote a more orderly withdrawal of former Soviet troops.

(b) POLICY.—It is the sense of the Congress that—

(1) the United States should urge, through all possible means, the Russian Government to withdraw the 14th army from the independent and sovereign state of the Republic of Moldova;

(2) the United States should urge the parties to the conflict in Moldova to abide by a cease-fire and urge an end to the economic blockade of the Republic of Moldova;

(3) during and after the negotiating process on a timetable for the withdrawal of Russian

armed forces from Moldova, the United States should support the establishment of a joint military monitoring committee consisting of representatives of the military of all affected states, the United States, and the representatives of other countries, as mutually agreed upon, to observe the orderly and expeditious withdrawal of former Soviet troops from Moldova; and

(4) the activities of this group should be similar to the greatest extent practicable to the activities of the Joint Military Monitoring Committee on Angola.

AMENDMENT NO. 2644

On page 52, after line 13, add the following new section:

SEC. 21. RUBLE STABILIZATION.

(a) FINDINGS.—The Congress finds that—

(1) the lack of a convertible currency is a significant obstacle to the achievement of economic growth and a barrier to United States trade and investment in the independent states of the former Soviet Union;

(2) due to the nature of the Communist economic system, the economies of the states of the former Soviet Union have inherited a monetary system in which the ruble remains the medium of commerce and trade;

(3) the sovereign states of Estonia, Latvia, and Lithuania have indicated their intent to issue, or have issued, currencies independent of the Russian ruble;

(4) the sovereign state of Ukraine, as well as other states of the former Soviet Union, have indicated their desire to issue separate currencies independent of the Russian ruble;

(5) the International Monetary Fund requires control of fiscal and monetary policy as well as the establishment of a commercial banking system and a central bank compatible with international norms, as a prerequisite for a stabilization fund;

(6) section 10(b) of this Act states that the United States will support the establishment of a fund or, alternatively, funds, under the International Monetary Fund;

(7) the introduction of a stabilization fund for the Russian ruble without similar stabilization programs for the Ukrainian grivna, Lithuanian litas, Latvian lett, Estonian kroon, and other currencies issued by states currently tied economically to the ruble could precipitate disastrous fiscal and monetary conditions, including higher inflation, devaluation of property, commodity hoarding, shortages, and a further decline in agricultural and industrial production that will complicate the steps these governments have taken toward genuine market reform; and

(8) Article IV, section 1, subsection (iii) of the IMF Articles of Agreement states that each member shall "avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage over other members".

(b) POLICY.—It is the sense of the Congress that the President should urge the Secretary of the Treasury to instruct the United States executive director to the International Monetary Fund to take concrete steps to support the right of these sovereign and independent states to issue currencies independent of the Russian ruble.

Mr. PRESSLER. Mr. President, tomorrow the Senate will continue consideration of S. 2532, the Freedom Support Act of 1992. I believe the Senate must be careful in its consideration of this bill. Although well intentioned,

this bill is currently flawed. It is my hope it can be improved during consideration by the full Senate.

For this reason, I plan to offer several amendments on the floor. One amendment, sponsored by Senator DECONCINI and myself, requires the President to certify that significant progress has been made on troop withdrawal from the Baltic States before United States taxpayer assistance can be granted to Russia. This prudent standard must not be compromised.

Another amendment concerns the tragic situation in the Republic of Moldova. It calls for United States support for the withdrawal of the Russian Army from Moldova and upholds the CSCE principle that borders must not be changed by force.

A third amendment is designed partially to remind the Senate that this is not only a Russian aid bill. I remember when the distinguished minority leader, Senator DOLE, introduced S. 9 at the beginning of the 102d Congress. His bill was an attempt to remind the State Department that assistance efforts to the then Soviet Union and Yugoslavia should not be monopolized by Russia and Serbia. His reasoning was absolutely correct then and it remains pertinent today. Fifteen countries suffered during the Soviet empire. Today, several of them, most notably the Baltic States and Ukraine, have issued, or plan to issue, their own currencies. They have asked for United States and IMF support of their efforts. My amendment urges the U.S. representative to the IMF to take concrete steps to support their efforts to return to the world financial community.

MANUFACTURING STRATEGY ACT**METZENBAUM AMENDMENT NO.**

2645

Mr. FORD (for Mr. METZENBAUM) proposed an amendment to the bill (S. 1330) to enhance the productivity, quality, and competitiveness of United States industry through the accelerated development and deployment of advanced manufacturing technologies, and for other purposes; as follows:

At the end of the bill, add the following new subsection:

(c) APPLICATION OF ANTITRUST LAWS.—Nothing in this Act shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

NOTICES OF HEARINGS**COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY**

Mr. LEAHY. Mr. President, I would like to announce that the hearing that the Senate Committee on Agriculture,

Nutrition, and Forestry, had scheduled for Thursday, July 2, 1992, at 9:30 a.m., in SR-332 concerning cosmetic standards and pesticide use on fruits and vegetables, has been rescheduled for Thursday, July 30, 1992, at 9:30 a.m., in SR-332. Senator WYCHE FOWLER will preside.

For further information please contact Woody Vaughan of the Agriculture Committee staff at extension 4-5207.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON HEALTH FOR FAMILIES AND THE UNINSURED

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Health for Families and the Uninsured of the Committee on Finance be authorized to meet during the session of the Senate on June 30, 1992. At 2:30 p.m. to hold a hearing on access to health care for those who live far from doctors and treatment centers.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, June 30, at 2:30 p.m. to hold hearings on Treaty Doc. 102-20, Treaty between the United States and the U.S.S.R. on the reduction and limitation of strategic offensive arms—the START Treaty—and protocol thereto dated May 23, 1992, Treaty Doc. 102-32.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on the needs of women veterans who were sexually abused during service. The hearing will be held at 10:15 a.m. on June 30, 1992, in room 50 on the ground floor of the Dirksen Building.

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

SUBCOMMITTEE ON DISABILITY POLICY

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Disability Policy of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, June 30, 1992, at 9 a.m., for a hearing on the reauthorization of the Rehabilitation Act of 1973.

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

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on

Tuesday, June 30, 1992, at 10 a.m., to conduct a hearing on the status of HUD reform and to receive and review the HUD Office of Inspector General's semiannual report.

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

SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT AND COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources and the Subcommittee on Energy and Water Development of the Committee on Appropriations be authorized to meet during the session of the Senate, 9:30 a.m., June 30, 1992, to receive testimony on the superconducting super collider.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation and the National Ocean Policy Study, be authorized to meet during the session of the Senate on June 30, 1992, at 10 a.m. on S. 2538—Consumer Seafood Safety Act.

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

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, June 30, 1992, at 2 p.m. to hold an oversight hearing on the Department of Justice.

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

ADDITIONAL STATEMENTS

A TRIBUTE TO IRA BORNSTEIN

• Mr. DIXON. Mr. President, I rise today to pay tribute to a man that I know and respect, Ira Bornstein of Argonne National Laboratory in Illinois, who has received the L'Ordre des Palmes Academiques, a decoration that exemplifies outstanding service achieved in the field of education.

The French Minister of National Education has presented this honor to Ira for his notable accomplishment in education and in the continual advancement of studies in both the literary and artistic fields.

During the past 16 years, Ira Bornstein has coordinated an extensive student exchange program, which places engineering and science students from American universities in France, Germany, Japan, and Mexico and students from those countries come to the United States to work on summer assignments at Argonne National Laboratory. Some of the main sponsors of this program are the American Nuclear Society [ANS], the European Nuclear

Society [ENS], Argonne National Laboratory [ANL], and the Department of Energy [DOE]. These young men and women receive hands-on experience dealing with the detailed technical work in a foreign country, and the cooperation and good will that results is something in which we, as United States citizens, can take much pride.

I am proud to pay tribute to Ira for his commitment to excellence. Furthermore, I am pleased to personally acknowledge this gentleman's dedication to the improvement of our country's education. Ira Bornstein represents a continuing symbol of hope for our future. •

S. 2236, THE VOTING RIGHTS ACT LANGUAGE AMENDMENTS

• Mr. D'AMATO. Mr. President, I rise to cosponsor legislation, S. 2236, the Voting Rights Act Language Amendments of 1992. The right of vote is a cornerstone of our democratic system in the United States. However, many language-minority citizens are unable to partake in this right simply because they do not possess the necessary knowledge of the English language to understand a ballot. This bill will address this inequity.

S. 2236 reauthorizes section 203 of the Voting Rights Act, which grants bilingual voting assistance for native American, Asian-American, and Hispanic-American citizens. Such assistance occurs when 5 percent of the voting age citizens in a county are members of a single language minority who do not sufficiently speak nor understand English. This legislation extends section 203 of the Voting Rights Act for a period of 15 years.

In addition, the bill includes a provision to assist large concentrations of language minorities that do not make up 5 percent of the voting age population and are located in heavily populated counties. Under the provision, bilingual ballot access would be made available to language minority group which exceed 10,000 individuals in a county. For example, in Queens County, NY, there are over 50,000 Hispanic-American and over 19,000 Chinese-American citizens who do not speak English well, but are excluded from bilingual ballot access because each total is below the required 5 percent of the county's voting age population. This provision will guarantee that significant concentrations of citizens from language-minority groups are granted bilingual ballot access.

Mr. President, the right to vote is one of the fundamental rights that we enjoy as citizens. We should not establish impediments to those who have this right, but because of their language skills, are unable to take advantage of this right. By reauthorizing section 203 of the Voting Rights Act, and especially with the inclusion of the

10,000 person threshold for bilingual ballot access in large counties, we have the opportunity to increase voter participation in our democracy. This is a goal that all can support. I urge my colleagues to join me in cosponsoring this important legislation.●

CONGRESSIONAL COMPLIANCE WITH THE ADA

● Mr. PACKWOOD. Mr. President, if there is one thing certain to raise the ire of our constituents, it is that Congress exempts itself from certain laws it imposes on others.

This practice, particularly prevalent in the areas of labor and civil rights laws, creates public frustration with Congress. It gives weight to arguments that Members of Congress do not understand their constituents' problems. But much worse than the image created, is the reality created. Exemption from Federal laws denies legal protection or recourse to many of our employees and visitors.

My colleagues all know the Federal laws of which I speak: OSHA, Fair Labor Standards Act, title VII of the Civil Rights Act, to name a few. I have spoken before about congressional accountability to the Federal employment laws it rightly sets, and today I want to look at one other example of Congress lagging when it should be leading. I want to speak about Congress failure to comply with provisions in the Americans With Disabilities Act, the ADA.

As a cosponsor of this important piece of legislation, and as an employer and friend of someone with a mobility impairment, this is an important issue to me.

The purpose of the ADA is to allow full participation in American life for our disabled citizens. Beyond being a matter of justice for them, it is of critical importance to us all that our society not be denied the productivity and contributions of everyone.

The ADA calls for the promulgation of regulations mandated to cities, municipalities, States, and businesses of all sizes, in all areas of our country. While everyone must follow these rules, Congress treats them more like guidelines than mandates.

Congress is not exempt from any of the ADA's regulations. It is, however, shielded from the lawsuits which give urgency to reaching compliance. As I have indicated in the past, I have a clear philosophical problem with Congress avoiding responsibilities placed on every other American. There is no excuse for Congress to protect all workers except its own.

On March 3 of this year, my respected friend from Arizona, Senator MCCAIN, addressed the Senate on congressional compliance with the ADA. He did not call for a radical change. He called for fairness, for the removal of

inconveniences to people with disabilities, and for respect to laws which we rightly mandated to our constituents.

Senator MCCAIN cited areas where Congress is not in compliance with ADA code. He proposed holding open hearings before the Senate Rules Committee—to gather information and grievances, and to help guide our progress toward compliance. Such hearings would be consistent with the ADA outline to resolve problems through conciliation before litigation. Open hearings would be the best way for Congress to learn where it falls short of expectations, and to discuss how to improve our efforts to comply.

I mentioned a moment ago that I became interested in this issue after speaking with Senate employees who use wheelchairs. If I may take a moment, I would like to offer some examples of noncompliance which I learned of from my friend and former employee Joani Wales, who works in the Commerce Committee, and from Pat Geren, a Senior Citizen Intern from Oregon who worked in my office this spring.

As my colleagues may know, there is a code book—the Uniform Federal Accessibility Standards—which outlines the regulations set in the ADA. These codes identify such diverse requirements as the placement of ramps and curb cuts, the availability of restrooms adequate for people with impairments, and the percentage of parking places which must be reserved for people with disabilities.

Let us just look at one example—parking spaces. For the 4,029 parking spaces operated by the Senate, a total of 50 should be permanently reserved for disabled parking. Yet, do you know how many actually are reserved? Only four. Four spaces out of 4,029.

This is an exemption that cannot be taken by a city leader in Myrtle Point, OR, or by a businessperson in Portland. My constituents must comply with the ADA. And so should Congress.

In addition to the parking problem, I have a list which was put together by several Hill staffers with disabilities. They offered many examples, such as: inaccessibility to the subway cars which link the Capitol to Senate office buildings, limited availability of restrooms which meet ADA requirements, and lack of flush curb cuts in important locations.

I know that the Architect of the Capitol is working to come into compliance with aspects of the ADA. But the fact is, we are past the January 26 deadline for compliance, there are areas which need improvement, and we have a long way to go.

Mr. President, we should be leaders in offering Americans the benefits of the law we passed. All of us gain immensely from the participation of people who, through the ADA, are finally able to fully participate in American life.

We can fulfill our obligation and commitment to the ADA by holding hearings before the Senate Rules Committee to gather information about areas where we need to comply with the ADA. Then, we can put together a plan to apply to Congress the same laws which are followed by our friends in Phoenix, OR or Phoenix, AZ.●

JUNE IS TURKEY LOVERS' MONTH AND ONCE AGAIN NORTH CAROLINA RANKS NO. 1

● Mr. HELMS. Mr. President, June is Turkey Lover's Month, and I could not let the month end without saying a few words about North Carolina's turkey industry. I am proud to join North Carolina's Governor Jim Martin in doing a little bragging about the turkey industry in our State. But remember, "bragging ain't bragging if you can prove it—and Jim Martin and I can prove it.

Although North Carolina is something of a newcomer to the turkey industry, it has become one of the major participants in the turkey industry's phenomenal growth during the last decade. As Americans were eating more and more turkey, North Carolina production was reaching record levels.

Mr. President, for many years I have had the feeling that Washington, DC, is the turkey capital of the world, but I had another kind of turkey in mind. When it comes to delicious, succulent turkeys—the eating kind—the U.S. Department of Agriculture reports that more than 58.8 million turkeys were raised during the past year in North Carolina—the largest number ever produced by any State in a calendar year. This number represents 20 percent of the Nation's yearly turkey production.

More important than the records, however, is the positive impact the industry has on the economy of my State. North Carolina's turkey industry generates more than \$450 million in jobs alone. In addition, the turkey industry has been, and remains a vital part of our national economy.

North Carolina is the leader in production, and also in the industry itself. The current president of the National Turkey Federation, Bruce Cuddy, is the president of Cuddy Farms which is headquartered in Marshville, NC. In addition, five other Tar Heels have served as president of the National Turkey Federation: Wyatt Upchurch, 1990; John Henrick, 1984; Bill Prestige, 1982; Billy Shepard, 1974; and Marvin Johnson, 1968.

Mr. President, turkey consumption continues to rise for some simple reasons: turkey is one of the healthiest foods available, and it is an economic bargain. Low in fat and cholesterol, high in protein and other nutrients, turkey is now available in countless products from deli slices to ground turkey, from turkey bacon to tenderloins.

The old image of turkey is a "Thanks-giving-only" whole bird is long gone, and now Americans enjoy turkey as an easy-to-prepare, year round product.

So, I reiterate that I am delighted to join Governor Martin in recognizing—and bragging about—a fine industry. It is an honor to provide the industry with well-deserved recognition.●

ABA PRO BONO SERVICE AWARD RECEIVED

● Mr. D'AMATO. Mr. President it is with pride that I stand here today to speak about one of my constituents, Joseph S. Genova, who is the recipient of the 1992 ABA Pro Bono Service Award. Mr. Genova has been selected by the American Bar Association as one of the five Pro Bono Publico Award winners from across the country.

Mr. Genova exemplifies all of the finest qualities associated with the legal profession. His contributions have truly made a difference in the lives of many New Yorkers. He has led the New York State Bar Association's significant efforts to promote pro bono service to benefit the indigent of New York State.

Mr. Genova is a partner in the 250-plus member New York City based firm of Milbank, Tweed, Hadley, and McCloy. In addition to his regular client obligations to the firm, Mr. Genova does a super job as chair of the firm's pro bono committees which requires him to coordinate all of this large firm's pro bono efforts. Mr. Genova also manages to find time for pro bono clients and cases of his own by participating through community law office, the volunteer division of the Legal Aid Society in New York City.

Joseph Genova has done much to encourage the private bar to take a leadership role regarding access to justice for the poor. Starting as a member of the New York State Bar Association's Committee on Legal Aid and advancing to fill the chair's position, Mr. Genova has led the way with new and innovative programs designed to increase the delivery of volunteer legal services.

Mr. Genova currently serves as a member of Chief Judge Sol Wachtler's pro bono review committee, a committee of bar leaders and others whose purpose is to monitor the private bar's voluntary pro bono efforts.

Joseph Genova has dedicated his time and talents to the cause of pro bono publico in the State of New York. I can think of no one who has worked as tirelessly and as effectively for the enhancement of pro bono legal service to the poor in New York than Mr. Genova and for this he is most deserving of this distinct honor.

Mr. Joseph S. Genova has had a distinguished career and has given of himself freely to New York and to the United States of America. It is indeed an honor to pay tribute to this exemplary man today.●

RESPONSIBILITY OF OWNING A FIREARM

● Mr. SYMMS. Mr. President, I rise today to share with you a letter to the editor that I feel is worth sharing with our distinguished colleagues. It was written by Victor Roberts of Idaho Falls. Mr. Roberts demonstrates that the right to own a firearm is a responsibility and firearms should be treated with respect and maintained safely.

The article follows:

There has been great emphasis in the media lately on firearms and children. The incidents cited range from accidental death and injury to gang-related deaths and injuries caused by firearms.

The most professed cure for all these ills is to restrict the possession or use of firearms by law-abiding citizens. One statistic I heard cited the most common cause of death for black males between the ages of 15 and 19 as shootings. I may be wrong, but I assume most of those who shoot a teen are themselves in the same age group. It is already against the law for people in this age group to possess firearms (except in some states while hunting or in the presence of an adult). Restricting the law-abiding citizen from owning firearms will not change the minds or hearts of those who are predisposed to break the law.

A prevalent attitude I've seen is that only "bad" people have guns. This may create in the mind of a child a sense of mystery. Without an understanding of what harm the gun can do, and no idea of how to safely handle one, a child can turn a poorly secured firearm into a death trap. Children should not have access to guns except under strictly controlled circumstances. They should have the opportunity to learn firearms safety and that firearms have legitimate uses such as hunting, sporting activities and personal protection. Marksmanship training and competition for young people sponsored by local, state and federal governments could instill a sense of discipline as well as safety. History lessons on the significance of firearms in the development and growth of the United States might shed light on some ingrained attitudes and open minds to the idea that maybe some "good" people have guns, too.

The framers of the documents that gave life to our government felt so strongly about individuals being able to possess firearms, that they included the Second-Amendment to the Constitution: "A well-regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed." This clearly states the people have a right to keep and bear arms, not, the state has the right to keep arms for the people to bear. It is also clear that right shall not be infringed. Licensing and registration are infringements.

Only a tyrannical government fears an armed citizenry, and with just cause as evidenced by this country's fight for independence.

But opposite from tyranny is anarchy. Whether in general such as a riot, or localized such as a break-in and robbery, anarchy may well be the greatest fear of the American people. When an armed criminal is breaking into a home, the police will probably not be present. Even when the police are only five minutes away it will be little comfort to an unarmed resident.

We need to change our attitudes about firearms. It has been said that violence begets violence, but it is possible that an able,

armed, and concerned general public would deter violence and crime.●

FARNHAM CELEBRATES 100 YEARS

● Mr. D'AMATO. Mr. President, I rise today to raise my voice in celebration of the village of Farnham's 100 years of incorporation. Farnham is the smallest incorporated village in Erie County in western New York. The village has planned a whole day of celebration to commemorate their centennial which will be held on July 19, 1992.

Farnham was originally established in 1839 and was called Mill Branch, a settlement in the town of Brant. In 1852 a railroad station was established on land in the town of Brant owned by the one-time sheriff of Erie County, Leroy Farnham, and took the name of Farnham Station. This was shortened to Farnham when the village was incorporated in 1892.

In the late 1800's and early 1900's Farnham became a thriving community with two stores, a hotel, a steam sawmill, blacksmith shop, a barber shop, and two churches. Later came two auto garages, a successful canning industry, and a commercial greenhouse.

In the latter part of the 19th century, two important railroads, New York Central and the Pennsylvania and Nickel Plate, crossed Farnham. Thus, Farnham became a flourishing railroad center. It served as a shipping center for fruits, vegetables, fuels, and raw materials and as a center for passenger train services.

With the onslaught of change that was brought about by the automobile came the population decline of Farnham. More mobility meant more accessibility to cities for younger people. The population of Farnham decreased and so did stores, industries, businesses, and schools. Today, Farnham has a hotel, two churches, an insurance business, a small diner, and a plastic molding factory.

The population of Farnham has remained between 300 and 600 in recent memory. Today's population is 427. Farnham offers a strong sense of community, pleasant atmosphere and low taxes.

The village of Farnham, in the western end of the town of Brant, has survived 100 years as a community. I congratulate them on 100 successful years and wish them 100 more.●

BUDGET EFFECTS OF TITLE XIX OF H.R. 776

● Mr. BENTSEN. Mr. President, I ask that the following letter from the Congressional Budget Office [CBO] be included in the RECORD at this point. This letter provides a cost estimate from the CBO for the revenue title—title XIX—of H.R. 776, which the Finance Committee has filed as reported.

The letter follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 24, 1992.
Hon. LLOYD BENTSEN,
Chairman, Committee on Finance, U.S. Senate,
Washington, DC.

DEAR MR. CHAIRMAN: The following table provides the information you requested in your letter of June 22, 1992 on Title XIX of H.R. 776, the Comprehensive National Energy Policy Act, as amended and reported by the Senate Committee on Finance on June 18, 1992. The Joint Committee on Taxation (JCT) and CBO estimate that Title XIX of H.R. 776, as amended by the Finance Committee, would decrease the deficit by \$72 million in fiscal year 1992 and by \$48 million over the 1993 through 1997 period through changes in direct spending and receipts. The year-by-year receipt and outlay effects are summarized below.

BUDGET EFFECTS OF TITLE XIX OF H.R. 776, AS ORDERED
REPORTED BY THE SENATE FINANCE COMMITTEE

[By fiscal year, in millions of dollars]

	1992	1993	1994	1995	1996	1997	1992-97
Estimated outlays	45	275	282	289	295	302	1,488
Net receipts	117	454	354	325	242	118	1,609
Deficit effect	-72	-179	-72	-36	53	184	-120

Note:—Details may not add to totals due to rounding.

The Congressional Budget Office prepared a cost estimate of H.R. 776, as reported from the Senate Committee on Finance on June 18, 1992, and transmitted the letter on June 18, 1992. The information summarized in this letter is consistent with the estimates supplied in the original CBO cost estimate.

If you wish further details, please feel free to contact me or your staff may wish to contact John Stell at 226-2720 for receipts, or Cory Oltman at 226-2820 for outlays.

Sincerely,

ROBERT D. REISCHAUER,
Director.●

F/A-18E/F MILESTONE IV

● Mr. D'AMATO. Mr. President, for the last 6 weeks the Pentagon has flatly refused to share with me any of the materials associated with the F/A-18E/F Milestone IV review before the Defense Acquisition Board [DAB]. Imagine my surprise, then, when the Navy released to several defense periodicals a study, entitled "Cost and Operational Effectiveness Analysis Summary for F/A-18 Upgrade Program," that identified the F/A-18E/F as superior to the F-14D "Quick Strike", Super Tomcat-21, Attack Tomcat-21, A-6, F/A-18C/D, a new start aircraft, and a naval version of the advanced tactical fighter. By all appearances, the COEA summary, dated May 4, 1992, is a distillation of the COEA required for the F/A-18E/F DAB hearing.

Appearances, however, can be deceiving. We know, thanks only to the diligence of the DOD Inspector General's Office, that, contrary to Department of Defense regulation and Congressional direction, a COEA was not prepared for the F/A-18E/F DAB review, that the Navy depended on contractor trade

studies to justify the F/A-18E/F program, and that the Navy strenuously objected to conducting side-by-side analyses of the F/A-18E/F with anything but the F/A-18C/D.

By its very nature, the COEA summary is a fraud. No COEA was done! Just what the COEA summary is a summary of, and who drafted it, are questions I have put to the Navy.

My suspicion is that the COEA summary is nothing more than a marketing pitch produced by McDonnell Douglas. What disturbs me is the incestuous relationship that seems to exist between the contractor and the Navy leadership. I have reason to believe that the Assistant Secretary of the Navy, Research, Development, and Acquisition, presented the COEA summary as an authoritative cost-effectiveness analysis to the Under Secretary of Defense, Acquisition. It was so presented by the Navy to the press. Were it not for the IG, we would have never known otherwise.

I believe the Navy gambled that the fact that no COEA was done for the F/A-18E/F DAB review would never be known outside the bureaucracy. Obviously, no one in the Navy counted on the IG revealing in grim detail the mishandling of the DAB review. Without the IG's exhaustive research, the only F/A-18E/F documents available to Congress would have been sales brochures put out by the contractor.

Mr. President, there is something sinister going on in the Pentagon. Responsible officials have short circuited the acquisition process they are pledged to safeguard. These very same officials have sought to obstruct congressional oversight of both the acquisition process and the \$88 billion F/A-18E/F program it has produced. What are they hiding? What is the truth? I will not rest, nor will they, until I find out.●

TRIBUTE TO THE WORKERS OF
SUMMAGRAPHS CORPORATION
ON THE OCCASION OF ITS 20TH
ANNIVERSARY

● Mr. DODD. Mr. President, I rise today to make a tribute to the employees of Summagraphics Corp., a Connecticut company that celebrates its 20th year on the cutting edge of computer input technology.

Since its founding in Fairfield, CT, in 1972, Summagraphics has been a world leader in a field known as digitizing tablet technology. Not everyone may be familiar with digitizing tablets, Mr. President, but the technology on which they are based is one of the most advanced of its kind.

Through the use of digitizing tablets, architects, engineers and other designers can translate graphic images drawn by hand into digital images that can be read by computers. These digital images can be manipulated and displayed

by Computer Aided Design systems or used in countless other ways. The digitizing tablet literally serves as the electronic gateway for a world of infinite possibility.

Mr. President, this month Summagraphics celebrates its 20th anniversary, and its employees can certainly look back with pride. Their ingenuity has made Summagraphics the world's leading maker of digitizing tablets. And their constant dedication to excellence has made Summagraphics the standard bearer for the entire industry.

Mr. President, I take great pride in commending the employees of Summagraphics on this special occasion. They should be honored for what they have already accomplished—and for what, I have no doubt, it still yet to come.●

F/A-18E/F

● Mr. BOND. Mr. President, today, the House Armed Services Committee is holding a hearing on the Pentagon's handling of the Defense Acquisition Board [DAB] review of the F/A-18E/F development program. The only witness at the hearing will be the acting DOD inspector general [IG] who will discuss a recent report released by his office which was critical of the F/A-18E/F DAB.

Since the committee did not see fit to have a balanced panel of witnesses at today's hearing, it is necessary to provide the "other side of the story" regarding the IG report.

The report concluded that the Navy failed to submit a formal Cost and Operational Effectiveness Analysis [COEA] and therefore did not fully evaluate the available options to the F/A-18E/F during the Defense acquisition review process. Mr. President, that is an incomplete and unfair evaluation of the F/A-18E/F DAB process and, given the importance of this issue to the future of naval aviation, it is necessary to set the record straight.

The fact of the matter is that extensive studies and analyses were performed on the alternatives—5 years worth—and a formal COEA was not required. Based on all the data presented to OSD in preparation for the DAB, the Under Secretary of Defense for Acquisition stated in his May 12, 1992, memorandum approving the F/A-18E/F program:

A COEA is not required in this case either by law or DOD Directive 5000.1/Instruction 5000.2. I have considered whether a COEA should nevertheless be prepared as a matter of policy in light of the financial magnitude of this development effort, but concluded that a COEA need not be prepared. Sufficient information in the context of this decision is already available to me.

The data presented to OSD to support the F/A-18E/F program was the result of studies and analyses conducted

over the past 5 years. Eight trade study volumes and 26 briefings were presented to summarize this data for the OSD staff. They firmly established the effectiveness of the E/F and the fact that sufficient design trade studies were executed which support the program. Based on the data presented by the Navy and on its own analysis, OSD's Office of Program Analysis and Evaluation concluded that the cost effectiveness of the F/A-18E/F versus the F/A-18C/D and F-14 derivatives was adequately verified.

While those intent on killing the F/A-18E/F program have suggested otherwise, the F-14D Quickstrike was considered in detail. A side-by-side comparison showed that the F-14D was more expensive, less reliable and less survivable than the F/A-18E/F. In fact, the Quickstrike was shown to be even less capable than the current F/A-18C/D, which the F/A-18E/F will replace. Other reasonable options also were considered and eventually rejected, including other derivatives of the F-14. Although one derivative—the STC-21—was found to offer equivalent performance to the F/A-18E/F, the studies concluded it was simply too expensive and significantly more risky.

In a head-to-head comparison of the F/A-18E/F with the F-14D Quickstrike, the Navy found that the F-14D was not as survivable in the Strike role, was more expensive to procure, and was more expensive to operate and support; and less capable than the F/A-18C/D in the strike role.

When the F/A-18E/F was compared to new versions of the F-14, the ATC-21/STC-21, the Navy found that the F-14 derivatives would require more squadron manpower to support the aircraft, would be more expensive to operate, would have high development cost risk, would not be acceptable for use by the Marine Corps and would not be suitable for foreign military sales.

In summary, Pentagon regulations clearly state that a COEA is not required for the F/A-18E/F. The Navy and OSD followed proper procedure in evaluating the E/F development program. The decision to go forward was made after all viable alternatives to the F/A-18E/F were considered in great detail and fully evaluated by the Pentagon. Every other option was found to be either too expensive, too risky or not as capable as the F/A-18E/F.

A summary of this information was presented to the IG, who, by all available accounts, chose to ignore it. I ask that this summary be included in the RECORD at this time.

The summary follows:

COST AND OPERATIONAL EFFECTIVENESS ANALYSIS SUMMARY FOR F/A-18 UPGRADE PROGRAM

1. REQUIREMENT

The Navy's warfighting capability today is well prepared to support national policy. This warfighting capability is expected to be

adequate in dealing with the projected threat out past the turn of the century. At that time, the Navy will need to replace F-14, A-6, and early model F/A-18's all of which will be rapidly approaching the end of their fatigue lives. Earlier plans for replacing our maturing air wings centered around the A-12 and a carrier version of the Air Force's Advanced Tactical Fighter. Cancellation of the A-12 caused the Navy to rethink plans for naval aviation. The top priority for naval aviation is the successful development of the long range medium attack aircraft designated AX. The Navy requires sixty fighter and attack aircraft per air wing but cannot afford two "high-end" aircraft. Figure (1) shows that the availability inventory meets force structure requirements until the turn of the century when retirements result in a rapid decline in the available aircraft.

[Figure 1 not reproducible in the RECORD.]

To mitigate the impact of the shortfall, the Navy has initiated aggressive programs to extend the service life of its existing front line carrier aircraft. These programs consist of a structural upgrade of the F-14 and detailed fatigue life tracking and management for the F/A-18. The Navy has contracted with Grumman Aircraft Corporation to perform additional fatigue tests on the F-14 airframe to attempt to increase life from 6000 flight hours to 7500 flight hours. The automated digital fatigue life measurement system incorporated into F/A-18 aircraft indicates the Navy will be able to get more than 7500 flight hours. Even with these service life enhancements in place, there is a shortfall in the out years. The Navy must procure new aircraft to maintain the base force. The Navy plans to have the AX on line in 2005. That begins to reduce the shortfall but is short of the total number of aircraft required. Considering the warfighting requirements for fighter and attack aircraft and the expected budget in the out years the Navy needs another aircraft ready to purchase sooner than AX at a lower cost.

2. METHODOLOGY

Figure (2) depicts the methodology by which the Navy arrived at the decision to pursue the F/A-18E/F. The F/A-18C/D cannot continue to meet the requirement for the Navy's "low-end" strike fighter for the air wing mix because of its current limitations. Other alternatives included development of new aircraft and modification of existing carrier aircraft to fulfill the requirement for the low end of the carrier air wing mix. MAR (Major Aircraft Review) I and MAR II ruled out new starts and STC/ATC-21 as too expensive. An additional iteration was performed after the F-14 contractor submitted an unsolicited proposal for a less expensive strike fighter upgrade called F-14D Quick Strike (QS).

[Figure 2 not reproducible in the RECORD.]

Several approaches have been considered to meet the Navy requirement. The first approach is to do nothing—simply continue to purchase the F/A-18C/D to fill out Navy's inventory requirements. The F/A-18C/D is itself in need of an upgrade. The limitations of the F/A-18C/D (radius, growth, carrier recovery payload, survivability, and payload) would require a significant change in strategic policy with regard to use of carrier aviation to project power. For a decade and a half the F/A-18 has been able to take advantage of and integrate new weapons and warfighting capability as it became available. Although it has been a dependable and capable strike fighter, it is reaching the end of its ability to grow without major structural modifications.

The F/A-18 has been progressively upgraded since 1979 through the addition of improved avionics, stronger structure, and an enhanced performance engine. These improvements are projected to add about 1462 pounds of weight to the aircraft. This weight growth will reduce the F/A-18C/D operating range by about 17% for both strike and escort missions. Moreover, the added weight will reduce the weapons recovery payload by about 48% for day operations and 74% for night operations. Carrier aircraft will increasingly operate at night and with increasingly expensive weapons that should not be jettisoned to meet fuel reserve minimums. Additional tanker support could provide partial relief. By 1995, additional avionics will have exhausted available growth volume in the aircraft. Additionally, the F/A-18C/D airframe is no longer amenable to survivability enhancements through reductions in observability.

While these are significant limitations, the F/A-18C/D could continue to be employed well into the next century. Limited range would constrain operations unless extensive tanking support were provided. Its survivability limitations would either constrain operations to lower threat areas or require extensive defense suppression operations. Peacetime recovery payload reductions might be offset by developing light weight training versions of stand-off weapons or by increasing tanker support. Combat recovery payload limitations would remain and necessitate jettisoning of costly ordnance or time consuming shore divers to download the weapons.

The Navy evaluated options for modifying the F/A-18C/D to accommodate increased radius and growth without extending the length of the fuselage. Options evaluated included adding fuel to the dorsal area, miniaturizing avionics components and aggressive weight reduction. These configurations were unsatisfactory because they seriously degraded combat performance, carrier suitability or both. Results of these studies have been provided to OSD staff.

3. THREAT CONSIDERATIONS

The key components of potential threats have stabilized during the last two years in response to Eastern European political and economic shifts. CIS emphasis on development and deployment of advanced air, ground, and naval weapons has greatly declined. The AAW threat has particularly declined since timeliness for introduction and export of new types of such weapons and projected follow-on systems have increased significantly. STAR NAVMIC #TA037-92 contains a detailed description of threat projections. Navy concept of operations for the carrier air wing includes two state of the art multi-mission aircraft—a long range strike aircraft, and a lower cost strike fighter.

4. MEASURES OF EFFECTIVENESS

The key measures of effectiveness are listed in figure 3. An objective measure of survivability is radar cross section (RCS). A lower RCS reduces the capability of threat systems while enhancing the effectiveness of own aircraft electronic counter measures. The best measure of vulnerability is vulnerable area. Denying or delaying engagement opportunities, and presenting a smaller vulnerable area to fragments and projectiles offers the best prospects for successfully executing a mission in a threat environment. Unit replacement cost for combat losses is closely linked to survivability and vulnerability. Simply put, a very cheap aircraft may be able to sustain large losses because it

may be easy and quick to replace. Strike mission radius determines the flexibility with which the air wing commander can employ the system. The longer the strike mission radius, the farther from hostile shores the carrier can stand-off. A longer radius allows the commander to reach more targets and dedicate fewer resources to tanking. A strike-fighter will be called upon to perform some air defense and air warfare missions and must be capable of successfully engaging and defeating threat systems beyond visual range and in close. Carrier suitability refers to recovery and launch wind-over-deck (WOD) required to operate the aircraft from the deck safely. High WOD requirements increase the space required for the carrier force to launch and recover its aircraft. Weapons system features and armament flexibility are closely related measures that indicate the effectiveness of a platform as a strike fighter which can be called upon to perform a wide range of combat missions sometimes simultaneously. A strike fighter should be capable of effectively employing all Navy strike and fighter weapons in the inventory and under development.

Figure 3. COEA Measures of Effectiveness
Survivability/vulnerability, Combat loss unit replacement cost, Strike mission radius, Carrier suitability, Fighter performance, Weapons system features, and Armament flexibility.

5. ALTERNATIVES

This study process considered the full range of candidates (Figure 4) for fighter, strike fighter, and attack aircraft including F-14 derivatives, F/A-18 derivatives, A-6 derivatives, ATA, and a Navy variant of the ATF (NATF). During 1990/91, the Navy participated in two OSD Major Aircraft Reviews

(MAR). The initial review (MAR-1) investigated alternatives to the ATA (April 1990) such as F-14 Attack Tomcat 21 (ATC-21), F/A-18F(AW), and an A-6 Advanced Intruder (AI). Later evaluations (MAR-II) investigated fighter alternatives (September 1990 with an April 1991 update) such as NATF, F-14 Super Tomcat 21 (STC-21) and F/A-18E/F. These carrier air wing and MAR evaluations included postulated threat scenarios, weapons systems capabilities, operational effectiveness, development cost, procurement, reliability, maintainability, personnel requirements, and life cycle costs. Additionally, affordability considerations drove the Navy from the current high-low force structure mix of three fighter attack aircraft types to two because limited resources prohibited replacement of two high end aircraft (VF and VAM) types simultaneously.

Figure 4. Alternatives Considered

- Naval Variant ATF (NATF).
- F-14 Derivatives, Super Tomcat 21 (STC-21), Attack Tomcat 21 (ATC-21), F-14D Quick Strike (QS).
- A-6 Advanced Intruder (AI).
- F/A-18 Derivatives, F/A-18C/D, F/A-18E/F, All Weather F/A-18F (AW).
- New Start (Clean Sheet).

6. SUMMARY OF COEA MEASURES OF EFFECTIVENESS

After several years of comprehensive analysis including the results of MAR-I and MAR-II, the Navy concluded that ATA and NATF were beyond the limits of affordability and judged the A-6 AI as lacking sufficient survivability to justify further consideration. This narrowed the candidate field to only the F/A-18E/F and the ATC-21/STC-21 as viable alternatives to fulfill carrier aviation's force structure, low end strike fighter

requirements. The MAR studies concluded that the STC/ATC-21 were capable of achieving survivability and vulnerability comparable to the F/A-18 derivative. Fighter performance is somewhat better for the F-14 derivatives. Because of the increased gross weights, carrier suitability measures are degraded for the F-14 derivatives compared to the F/A-18 derivative. With the development of an upgraded AEGIS system for the outer air battle and reduction of the long range Soviet bomber threat the F-14 was designed to counter, the Navy concluded it is reasonable to trade better high end fighter performance for reduced cost and comparable performance for other measures. This left the Navy with only two viable alternatives, the F-14D variant called Quick Strike (QS) and the F/A-18E/F. The F-14D QS variant is more costly than the F/A-18C/D and less capable in the strike mission area. The Navy concluded that, without the airframe upgrades in the STC/ATC-21 and F/A-18 derivative to improve survivability and vulnerability, the F-14D QS is too vulnerable to ground based threats. Other considerations included Marine Corps requirements and Foreign Military Sales customer base. The Marine Corps can not use the F-14 or its variants to satisfy its mission requirements. The F/A-18 already has concluded FMS arrangements with Australia, Canada, Spain, Kuwait and Switzerland. Figures (5) and (6) present a summary of the COEA measures of effectiveness for the F/A-18 and F-14 candidate aircraft. Figure (7) summarizes the life cycle costs associated with different candidate air wings considered.

[Figures 5 and 6 not reproducible in the RECORD.]

FIGURE 7.—CWV COST COMPARISONS

(Billions of FY90\$; 20 years; 13 CWVs; Basis for Estimates: F/A-18E/F is Budget Quality; F-14D(QS) & STC-21 are Rough Order of Magnitude)

	CWV A 40 F/A-18E/F	CWV B		CWV C		CWV D 40 F-14D(QS)	CWV E 40 STC-21
		20 F/A-18E/F	20 F-14D(QS)	20 F/A-18C/D	20 STC-21		
E&MD	\$4.88	\$4.88	\$0.33	\$0.50	\$2.58	\$0.33	\$2.58
Total procurement	43.48	24.96	29.10	16.55	31.50	47.15	54.34
Operations and support	23.54	11.77	15.92	11.34	15.62	31.84	31.39
Total	71.90	41.61	45.35	28.39	49.70	79.32	88.31

Notes.—Aircraft quantities determined to maintain force level at 13 CWVs. CWV A: 962 F/A-18E/F. CWV B: 481 F/A-18E/F; 595 F-14D(QS)=75 remanufactured + 520 new. CWV C: 481 F/A-18C/D; 500 STC-21. CWV D: 1084 F-14D(QS). CWV E: 997 STC-21. STC-21 Estimate from MAR II Study adjusted for revised quantities and assumes bridge production of F-14Ds; cost of F-14D bridge production not included in estimate.

7. SUMMARY

Over the course of the last five years several major reviews and analyses have produced the data which substantiates the Navy's F/A-18E/F decision. The need to replace large quantities of retiring fighter and attack aircraft in the late 1990s within a constrained fiscal environment is the basis for the Navy's requirement. Less substantial modification to the F/A-18C/D was rigorously evaluated, but all postulated solutions incurred additional costs without improvements in carrier suitability, combat performance, survivability, and growth potential. New start aircraft were considered as prohibitively expensive. The A-6 AI was eliminated as not adequately survivable in the projected threat environment. All F-14 derivatives, while offering equivalent or slightly better fighter capability compared to the F/A-18E/F, proved to be too expensive compared to expected future funding for naval aviation. The data as summarized in Figure 8 confirm the Navy's F/A-18E/F decision.

Figure 8. Summary

F-14D(QS): not as survivable in strike role, more expensive to procure, more expensive

to operate and support, less capable than F/A-18C/D in strike role.

F-14 derivatives (ATC-21/STC-21): require more squadron manpower, more expensive to operate, high development cost risk (ROM estimates), not acceptable for Marine Corps, not suitable for foreign military sales.

F/A-18E/F configuration based upon 5 years COEA trade studies.

F/A-18E/F cost effective solution to meet inventory requirements.*

SENATE CONCURRENT RESOLUTION 126

● Mr. D'AMATO. Mr. President, I rise today to join Senators DOLE, SHELBY, SIMON, and others in supporting Senate Concurrent Resolution 126 which expresses the sense of the Congress that equitable mental health benefits be included in any national health care reform legislation passed by the Congress.

We recognize that mental illness can be as debilitating in terms of social and business costs as any physical illness

or medical condition. It can result in lost productivity, lost dreams and lost lives. In the interests of fairness and equity, we need to be sure that we make treatment programs available to those who need them. Almost 1 out of 5 Americans will suffer from a diagnosable mental illness during any 6 month period. Only one-fifth of these will have access to any treatment.

Currently, almost two-thirds of private health insurance programs do not provide the same levels of coverage for mental illness as for physical conditions. The impact this has on access to mental health care is compounded by the fact that copayments for mental health benefits are often more than twice those for medical treatments.

We have an opportunity to correct this inequity as we consider legislation to reform our nation's health care system. We have a chance to return those who suffer from mental illness to productive, satisfying lives. I agree wholeheartedly with my distinguished col-

leagues that a small investment of health care dollars in this area will yield a large return for America.

Just as I am committed to working toward providing adequate health care to those Americans currently without access to such care, I am equally committed to ensuring that this health care coverage includes adequate mental health care coverage. I urge my colleagues to join me in supporting this resolution, and I urge its immediate adoption.●

THE 1992 NATIONAL WETLANDS CONSERVATION AWARD TO WESTVACO CORP.

● Mr. FORD. Mr. President, I rise today to recognize Westvaco Corp., a valued corporate citizen of the Commonwealth of Kentucky for nearly a quarter of a century, for receiving the U.S. Department of Interior, Fish and Wildlife Service, 1992 National Wetlands Conservation Award.

The award is given annually to recognize private sector accomplishments in the field of wetlands conservation. Criteria include acreage of wetlands protected, benefits of wetlands projects, and leadership and innovation in wetlands conservation.

I am pleased to share with my colleagues my enthusiasm about this prestigious award and the Westvaco Wildlife Management Area located in western Kentucky. I feel that it is important that we get the message out that economic and environmental goals can be reached when the private sector and public sector work together. Westvaco has worked long and hard to be both responsible and proactive in its environmental stewardship.

During the years I have represented the people of Kentucky and worked on behalf of the over 500 employees at Westvaco's Wickliffe, KY, fine paper mill, I have had the pleasure of knowing Mr. John A. Luke, president and CEO. Today, Mr. Luke accepted the National Wetlands Conservation Award on behalf of Westvaco and I would like to read into the RECORD the following remarks offered by Mr. Luke at a company hosted luncheon in honor of this very special recognition of the company's environmental good work.

I am John Luke, President and CEO, of Westvaco. It is my pleasure to welcome each of you, and on behalf of all Westvaco employees, extend our appreciation to you for joining us this afternoon. Like the National Wetlands Conservation Award Westvaco received on Tuesday, June 30, so much of Westvaco's success depends upon cooperation with the many individuals and groups who interact with and mean so much to our company. We are glad to have you here today to share our enthusiasm about the wetlands award and the Westvaco Wildlife Management Area.

*** I would like to emphasize that the award we received today honors just one step in Westvaco's lengthy history of outstanding environmental performance. Companywide cumulative investments totaling more than

\$420 million are reflected in leading-edge environmental protection systems at each Westvaco facility. We are adding to those investments at a rate of \$35 to \$50 million per year, and we incur about \$50 million in annual costs to operate these systems.

Similar commitment marks our management of timberlands for multiple use—wildlife habitat, recreational opportunities, and wood to make a host of products and provide jobs. Our 1.5 million acres of forests are important contributors to the environment. We plant more than two trees for each one we cuts, and these young, vigorous forests are literally oxygen factories, consuming in the process way more carbon dioxide each year than we emit from our manufacturing operations. That is an environmental fact of global importance and one in which we take a very full measure of special pride.

It is also with great pride that I say that we at Westvaco are, and have long been, environmentalists. We believe in sound science, and we believe in sound environmental practice. It is our conviction that safe and healthy workplaces, communities, and products are essential to the conduct of a successful business, and we simply do not compromise. We would not be so naive as to profess perfection in these complex and demanding areas, but you can be assured that our commitment to health, safety, and the environment is absolute.

The close proximity of the Westvaco Wildlife Management Area to our Wickliffe, Kentucky, mill illustrates once again that well-managed manufacturing and forestry can operate in full harmony with sound environmental purposes. The project also demonstrates the value of cooperation among group with a common goal. In this case, it is Westvaco, the U.S. Fish and Wildlife Service, the Kentucky Department of Fish and Wildlife Resources, and conservation organizations like Ducks Unlimited joining forces to back the North American Waterfowl Plan. It is our hope and firm intention that its collaborative effort becomes a model for similar future endeavors throughout the country.●

NATIONAL WETLANDS CONSERVATION AWARD

● Mr. ROCKEFELLER. Mr. President, I rise today to highlight a success story. It is a true story in which an innovative company, Westvaco Corp., joined forces with the Department of Fish and Wildlife Resources in Kentucky and together brought about a joint private and State wildlife refuge. This was done in consultation with Ducks Unlimited, other conservation groups, and with the support of the U.S. Fish and Wildlife Service. The result of the combined efforts was the June 1991 signing of a 20-year agreement between Westvaco and the Commonwealth of Kentucky, establishing the Westvaco Wildlife Management Area.

Today, Westvaco Corp., a major manufacturer of paper, packaging, and chemical products, is being honored by the U.S. Department of Interior, Fish and Wildlife Service with the 1992 National Wetlands Conservation Award for these efforts. The award was presented in a ceremony conducted in Washington, DC, by the Department of Interior to mark the dedication of the 1992-93 Federal duck stamp.

Westvaco was honored for its work with the Kentucky Department of Fish and Wildlife Resources [KDFWR] to establish the Westvaco Wildlife Management Area [WMA] in western Kentucky. The WMA, which includes 3,000 acres owned by the company, is located south of Westvaco's Wickliffe, KY, mill and adjacent to the Mississippi River.

The WMA is managed as key wintering habitat for waterfowl that migrate along the Mississippi flyway. It is an integral part to help meet the goals of the North American waterfowl management plan [NAWMP]. The waterfowl plan is a cooperative effort among Canada, Mexico, and the United States intended to halt the decline of duck and other waterfowl populations by setting aside and protecting 6 million acres of new habitat. The NAWMP coordinating agency in this country is the U.S. Fish and Wildlife Service.

Westvaco, since its founding over 100 years ago, has been an important corporate resident of my own State, West Virginia. Its founders came to West Virginia 104 years ago to commercialize their conviction that paper could be better and more economically made from wood than from rags, which were the raw material of that day. Their innovative determination prevailed, and Westvaco was born. Even though the company has since grown to global proportions, it has kept its roots firmly planted in West Virginian soil.

Westvaco owns 400,000 acres of timberlands in West Virginia; and 300,000 more are owned by 350 individual, West Virginia landowners as members of the company's Cooperative Forestry Management Program. Westvaco and these private landowners have a goal of managing the forests with the most advanced technology and on the multiple use of these forests for the benefit of all—wildlife, recreation, hunting, and forest products jobs for West Virginians.

I join Westvaco today in celebrating recognition of this impressive example of what can be accomplished when public wildlife agencies, conservation groups such as Ducks Unlimited, and private enterprise team up for the protection and improvement of natural resources. I know that this award will inspire Westvaco to try to broaden its contribution to the environment, and I can promise that West Virginia's leaders and citizens look forward to pursuing this common goal.●

A TRIBUTE TO THE WESTVACO'S PROTECTION OF WETLANDS

● Mr. MCCONNELL. Mr. President, several weeks ago I called attention to the outstanding conservation efforts undertaken by Westvaco Corp. in expanding the Westvaco Wildlife Management Area in western Kentucky. Today, I am pleased to congratulate Westvaco for

being named by the U.S. Fish and Wildlife Service as the winner of the 1992 National Wetlands Conservation Award for their innovative work and environmental commitment in establishing this haven for migrating waterfowl.

In a ceremony held today at the Department of the Interior, Mr. John A. Luke accepted this prestigious award on behalf of Westvaco. Acknowledging the award following the ceremony, Mr. R. Scott Wallinger, senior vice president, offered the following words of praise for the company's efforts and briefly explained why Westvaco decided to establish the Westvaco Wildlife Management Area.

I want to share Mr. Wallinger's remarks with my colleagues.

The remarks follow:

Westvaco has been in western Kentucky since the construction of the Wickliffe fine papers mill overlooking the Mississippi River. In the years preceding and following the mill's opening in 1967, farmers converted much of what had been hardwood forests near the river into soybean fields. Over time, Westvaco acquired some of these bottomlands, and chose to retain the existing natural wooded areas as well as add plantation hardwoods. These natural and plantation forests are managed for multiple uses. In this case, such a management approach meant our property was in prime condition to become a wildlife refuge.

In 1986, the governments of Canada, Mexico, and the United States set forth the ambitious North American Waterfowl Management Plan and its goal of restoring waterfowl habitat. Kentucky's goal in support of that plan was to create 50,000 acres of new waterfowl habitat through a mixture of Federal, State and private projects.

Wildlife officials identified the Upper Columbus bottoms just south of our mills as an excellent refuge site, and there was considerable discussion about how the site might fit into the Kentucky plan. At Westvaco, we already hoped to acquire more land in Columbus Bottoms, and we had prior experience with public hunting areas on our land in South Carolina, Tennessee, Illinois, Virginia, and West Virginia, as well as Kentucky. A private/public joint venture looked like a possibility to us.

Walt Penny, Manager of our Central Woodlands, and Don McCormick, Commissioner of Kentucky's Department of Fish and Wildlife Resources, thoroughly explored the feasibility of a joint private and state refuge on the site. This was done in consultation with Ducks Unlimited, other conservation groups, and with the support of the U.S. Fish and Wildlife Service.

The result of our combined efforts was the June 1991 signing of a 20-year agreement between Westvaco and the Commonwealth of Kentucky establishing the Westvaco Wildlife Management Area.

Westvaco has placed 3,000 acres in the wildlife management area. Work is progressing on projects to improve food supply and resting places for ducks and geese. Columbus Bottoms only varies in elevation by about 10 feet. It consists of broad silty ridges used for trees and crops that alternate with long sloughs that collect water. One of the difficulties for ducks and geese migrating along the Mississippi Flyway is that the river doesn't always flood these low-lying areas in time for their seasonal arrival, and of course, they're limited in area.

Work has begun on a series of dikes and wells that will slightly enlarge these slough areas and impound water at the right depth regardless of rain or winter conditions. Since they can be drained, too, the right type of vegetation for waterfowl food can be maintained. And since we don't harvest or work on our plantations in the low-lying areas during the winter, it all works out very nicely and harmoniously for us and the ducks.

All plans for the refuge are jointly developed with Kentucky wildlife officials. Westvaco is paying for all wildlife habitat capital improvements on its property within the management area in addition to assigning company wildlife biologists to the project. Kentucky wildlife officials govern public access to the property, and any hunting that might be allowed.

In closing, I would like to emphasize how proud we at Westvaco are of this wildlife management area as part of our Tree Farm. For us, it is one more example of how commercial forestry can coexist on Tree Farms with wildlife and other forest values. We have 25,000 acres in various states open to the public that are managed as Game Management Areas in cooperation with state agencies. We sell about 30,000 hunting permits annually and lease 650,000 acres to over 700 hunting clubs. And we have a Special Areas Program to protect and manage sites with unique characteristics.

Today, many people are using the term "Sustainable Development" to suggest that people, industry, and nature can find ways to live in harmony. We believe the Westvaco Wildlife Management Area clearly demonstrates that waterfowl, other wildlife, commercial forestry, and a world-class paper mill can be good neighbors. We look forward to the project's continuing development."

JUNE IS TURKEY LOVERS' MONTH

• Mr. SEYMOUR. Mr. President, California long has been the Nation's leader in many facets of agriculture production. This month, Gov. Pete Wilson has chosen to honor one of our foremost products by proclaiming June "Turkey Lovers' Month" in California.

In making his proclamation, Governor Wilson congratulated the California turkey industry for the many contributions they make to our State and its economy. I would like to take a moment today to join the Governor and tell our colleagues a little more about this thriving industry.

California has been a leader in turkey production for more than 50 years, recognized nationally and internationally for its preeminence in breeding, hatching, raising, processing, and marketing turkey products throughout the world. California turkey products are noted for their superior quality, their outstanding nutritional profile, their ease of preparation, and their year-round availability.

During this past half-century, California also has been one of the Nation's most prolific producers of turkey. Last year was no exception. According to the Department of Agriculture, the California turkey industry produced more than 30 million turkeys during 1991—the third-highest total in the Nation—worth about \$250 million in wholesale value.

The value of the industry to the State's economy is immeasurable. Thousands of Californians are employed in some facet of the turkey industry. These hard-working men and women play a vital role in our economic growth, and their efforts help guarantee that the turkey industry remains an integral part of California's future.

Production and jobs are not the only way the industry contributes, though. The industry's product has played a leading role in shaping California's image as a trendsetter in healthy lifestyles. Californians know that turkey is low in fat, low in cholesterol, and high in protein. Last year, California's turkey consumption was about 24 pounds per person while the national average was approximately 19 pounds.

We expect both the production and consumption trends to continue for years to come. That is why I once again would like to join with Governor Wilson, the National Turkey Federation, and the California Poultry Industry Federation in celebrating the turkey industry's growth and in wishing the industry continued future success.●

TRIBUTE TO JAMES J. WALTERS

• Mr. MCCONNELL. Mr. President, today I rise to honor a Louisvillian who has made many outstanding contributions to the State of Kentucky. From his days as Humana Inc.'s director of architecture and construction to his current position as president and chief executive officer of the architecture firm Bravura, Mr. James Walters has continued to excel in his profession.

Mr. Walters' legacy can already be seen in such Louisville landmarks as the Kentucky Center for the Arts, the Kentucky Derby Museum, the Humana Building, the national Presbyterian headquarters, and the Gardencourt Restoration. Also included, several hospital facilities around the world constructed during his time with Humana.

Among the highlights of his service to the city of Louisville include his influential role in persuading the Presbyterians to relocate their national headquarters from New York to Louisville. Once the church agreed to come to Louisville, Mr. Walters lived up to his reputation by constructing a beautiful complex, on time and within budget. One of his colleagues recently remarked, "Jim combines artistic vision with the pragmatic ability of finishing projects on time and within budget. That's a rare combination."

In addition, Mr. Walters is also the former chairman of Stage One: Children's Theatre. Under his competent guidance, Stage One went from being a theater of local prominence to one with an international reputation. Stage One became a national touring group and

Mr. Walters even went to Russia to open a play.

Mr. Walters' efforts are now focused on his newest venture, Bravura Corp. As president and chief executive officer, he oversees the 12-member firm. As is his nature, Mr. Walters is looking toward the future, and predicting his firm will grow to 30 or 40 employees as well as be reckoned with on a national scale.

I urge my colleagues to join me in recognizing this hardworking Kentuckian who makes a difference wherever he is. In addition, I would like to ask that an article from the June 22, 1992, Business First be included in the RECORD.

The article follows:

WALTERS DRAWS ON HUMOR TO COMBAT JOB PRESSURE

(By Ron Cooper)

Jim Walters' motto is: "Don't take things too seriously." The 48-year-old Louisville architect, whose trademark is spread all over the city—the Humana Building, the Kentucky Center for the Arts, the Kentucky Derby Museum, the Gardencourt Restoration—was in Biloxi, Miss., during the summer of 1987 when one of those unexpected things happened.

He was part of the team assembled by Louisville civic and business leaders to persuade the Presbyterian Church (U.S.A.) to choose Louisville over Kansas City, Mo., for the church's headquarters.

"I was showing some slides of Louisville on a huge 40-by-40-foot screen when all of a sudden there were no slides where there should have been, only a big white light coming out of the projector," Walters recalls, snickering.

"So, I gave the audience a shadow show, doing rabbits and alligators and other animals with my hands until the slides started rolling again. It broke the ice, and they all laughed."

Walters and the Presbyterians were destined to get to know each other better, as the church leaders did choose Louisville over its stalwart competitor, Kansas City.

Then Walters' task was to adapt part of the former Belknap Inc. building complex along Louisville's riverfront for the Presbyterian headquarters, housing about 800 church employees.

He had 14 months to finish the job, in time for the Presbyterians' big move to the city from New York in August 1988.

John Mulder, president of the Louisville Presbyterian Seminary and part of the city's 1987 delegation to Biloxi, says although Walters was working under "incredible pressure" to meet that deadline, he did so with a remarkable sense of humor.

"He tells a lot of corny jokes and is a good punster," Mulder says. "His love of laughter is a great release amidst his great work volume."

In 1987, Walters worked as Humana Inc.'s director of architecture and construction.

David Jones, Humana's chairman and chief executive officer, was a prime mover and shaker behind the successful effort to get the Presbyterians to move here.

He provided the church space in the former Belknap complex that he then owned. Humana now owns the complex, where the Waterside Building houses the hospital company's burgeoning insurance division. Walters redesigned the Waterside Building for Humana.

Jones says he watched in amazement as Walters coupled two warehouse buildings on Washington Street that now serve as the church's headquarters.

Between the buildings was a railroad siding with rubbish on it," Jones says. "All I saw was a railroad siding. But Jim said, 'That's where the atrium will go.' I thought he was crazy. But he connected the buildings with the atrium. He's an architectural genius."

Jones echoes what others say about Walters: That he's quick to tell a joke and makes everyone feel at ease.

"Jim works under a lot of pressure, but you never see him upset, and he always has a funny story to tell," Jones says.

Walters sees the Presbyterian headquarters every work day. His office located right next door in the Business First Building, where the newspaper also has offices.

Since March 1991, Walters has headed his own firm—Bravura Corp.—but still works closely with Humana and with Jones.

The architectural and design outfit is involved in a number of projects, but one sizeable one is the development of remaining buildings in the Belknap complex for Humana.

Along with San Francisco architect George Hargreaves, Bravura is also in charge of developing the \$115 million riverfront project for the Waterfront Development Corp.

Jones, who heads the fund-raising for the riverfront project, says bemusingly: "Jim started out working for me, but now I'm working for him."

State Sen. David Karem, Waterfront Development president, says Walters has "tremendous credentials" that enable him to tackle a project the size and scope of the riverfront—which calls for parks, a harbor and other public facilities.

Bravura is making a mark in other kinds of projects in addition to the riverfront, however.

Walters says Bravura has been retained by Metro United Way to evaluate space needs for the non-profit organization, which now works out of a 50,000-square-foot building at 334 E. Broadway.

Bravura has also been hired by the city of Elizabethtown to convert an old bank building into a new city hall and is doing some interior-design work for the developers of the Capital Holding Corp. office tower, which is beginning to take shape over the Louisville skyline.

"We develop ideas for clients," Walters says. "Those ideas may be architecture, but not necessarily."

As a young man, James J. Walters felt pulled to architecture naturally.

He says he was a better-than-average student in his high school drafting class, and always enjoyed sketching buildings and landscape during his growing-up years in Elkhart, Ind., a town of 45,000 near South Bend in the northern part of the Hoosier state.

His father was a tool-and-die maker, his mother a homemaker; they continue to live in Elkhart.

Jim Walters also has a younger sister. Because of his flair for drawing, Walters chose architecture as his college major.

"Dad told me that engineering would be more marketable for a job, but I decided to go into architecture," recalls Walters, who enrolled in a six-year program at the University of Cincinnati.

He graduated with a bachelor's degree in architecture in 1968, but not before he'd had the chance to serve an internship with a group of Cincinnati architects and got his first taste at hospital design.

At graduation time, Walters recalls, the draft board in Elkhart wanted to know how he intended to fulfill his military-service obligation. At the time, the Vietnam War was raging.

As it turned out, his architectural skills were exactly what was needed by the U.S. Public Health Service, which operates government hospitals.

He served 2½ years at a San Francisco hospital run by the government agency.

Following his service in 1970, he returned to Cincinnati and worked for an architectural firm that did work for Humana. It was a heady time for Humana, which was buying up or building hospitals all over the world.

"They were in the middle of a big growth spurt" when Walters went to work for the hospital chain in 1973. He worked for the company for 15 years.

"At the high-water mark, our department was responsible for \$380 million in construction projects in one year and 90 people worked for me," he says.

Walters and his staff developed Humana facilities in 30 states, and in England, Switzerland, Spain and Mexico.

Jones says that Walters did an excellent job.

"Jim combines artistic vision with the pragmatic ability" of finishing building projects on time and within budget, Jones says, "That's a rare combination."

While architect Michael Graves did the design and got the glory for the \$60 million Humana Building, Jones says, Walters played an instrumental role in its construction.

His Humana years shaped him, he says, working around such high-powered executives as Jones and the late Wendell Cherry.

"I was allowed to be innovative and never found my time with the company restrictive," he says. "I felt that our department had a lot of sway" in decisions.

"I had a lot of challenges come my way at Humana," he says. "It was kind of like a drug, in an intellectual sense."

During his Humana years, Walters contributed his talents to the design of many civic structures. The best known perhaps is the Kentucky Center For the Arts.

Marlow Burt, the center's president, says Walters toiled alongside him for four years on the project.

"He's always been part of our family over here," Burt says. "He's an immensely creative guy. He and his (Humana) staff supervised the work."

While he recognizes his talents, Walters seems embarrassed at hearing words of praise.

"I feel awkward about taking credit when I know a lot of other people work hard on projects," he says. "When you're not concerned with taking the limelight, you get more out of people."

Rowan Claypool, Bravura's marketing director and Walters' tennis partner Monday nights at Bellarmine College, says his boss stresses teamwork over strictly individual performance.

"He doesn't demand the spotlight and lets accolades go to others," Claypool says. "He wants to get the job done" through teamwork.

Over the last three years, Walters has begun to make his own individual mark on the regional architectural scene.

In 1989, he formed Main Street Realty for Jones to develop the former Belknap complex, which includes the Waterside Building.

Through Bravura, which he formed in March 1991, he will develop the remaining buildings in the complex.

When he's not busy building a new company, Walters is a devoted father to his two children: Nathan, 18, a freshman at the University of Notre Dame in Indiana, and Jennifer, 20, a junior majoring in graphic design at Walters' alma mater, the University of Cincinnati.

Walters, who is divorced, likes to cook gourmet food and relishes travels with his children. He has lived in the Highlands neighborhood for nearly 20 years.

Over the last few years, he has acted as his kids' tour guide to such places as Russia, Japan, Canada and Mexico.

The voluntary position that he's most proud of is his service as president of Stage One: Children's Theatre a few years ago.

"I was involved during the time that the theatre became a national touring group, and I traveled to Russia to open a play," he says.

Walters' future is solidly tied to Louisville and Bravura, he says.

"We have 12 people in the firm now, and I'd say that we could grow to as many as 30 to 40 people," he says. "I'd like for us to be a firm of national importance."

BIO: JAMES J. WALTERS

Title: President and chief executive officer, Bravura Corp.

Age: 48.

Hometown: Elkhart, Ind.

Education: Bachelor's degree, architecture, University of Cincinnati, 1968.

Family: Children: Jennifer, 20; Nathan, 18.

● **Mr. HARKIN.** Mr. President, today the Subcommittee on Disability Policy, which I chair, held a hearing on the Reauthorization of the Rehabilitation Act of 1973, as amended. One of the witnesses, Justin Dart, chair of the President's Committee on Employment of People With Disabilities, testified as an individual advocate for the rights and empowerment of people with disabilities. His statement was so eloquent that I thought it should be shared with the entire Senate not just my colleagues on the subcommittee. Justin's statement is particularly relevant with the second anniversary of the passage of the Americans With Disabilities Act occurring on July 26, 1992.

Mr. President, I ask that Mr. Dart's testimony be printed in the RECORD.

The testimony follows:

REMARKS BY JUSTIN DART ON THE REAUTHORIZATION OF THE REHABILITATION ACT, SENATE SUBCOMMITTEE ON DISABILITY POLICY, JUNE 30, 1992

Mr. Chairman, distinguished members of the subcommittee, it is a privilege to appear before the people who gave us the world's first comprehensive national civil rights law for people with disabilities.

Like our Constitution and Bill of Rights, ADA is a masterwork in the art of democracy—beautiful in its simplicity and mainstreet practicality—profoundly powerful in its utilization of minimal Government control to effect the ultimate productive fusion of equal opportunity and free enterprise democracy. It will lower the overhead and raise the quality and the productivity of the culture.

I am proud of President Bush, who signed ADA before 3,000 advocates on the south lawn of the White House, and who has empowered disability rights advocates to help implement the law.

I am proud of Senators Harkin, Hatch, Durenburger, Simon, Jeffords, Metzenbaum,

Adams, and Bob Silverstein, and all the courageous Members and staff of Congress who created ADA as a true declaration of equality.

And I am especially proud to be associated with each one of the 20th century patriots here today and around the Nation who pioneered the services, the jobs, the legislation, and the advocacy that made ADA possible.

Mr. Chairman, I address you today not as a Presidential appointee, but as an individual advocate for the rights and empowerment of people with disabilities.

ADA is magnificent. But ADA is not equality. It is not employment. ADA is a promise to be kept. It is morally and economically imperative for people with disabilities, and for the Nation, that ADA be fully implemented in every American community. We have made a great start.

But the promise of ADA cannot be kept without a strong, independence oriented Rehabilitation Act.

The Rehabilitation Act is a good law with a long record of solid contribution to the productivity and quality of life of people with disabilities. Like the model T and the DC 3 it has been so successful that it demands dynamic development to fulfill the magnificent potential which it has helped to create.

There are millions of people with disabilities previously assumed to be unemployable that we now know can be productive participants in the culture—if they have appropriate opportunities and services.

During the last year I have traveled to each of the 50 States to dialogue with more than 5,000 leaders of the disability community about the implementation of ADA and disability policy in the post ADA period.

People with disabilities called for vigorous, universal implementation of ADA and for a national disability policy designed to keep the promise of ADA—including affordable health care and personal assistance services for all; a fiber optics telecommunications system that is mandated by law to be affordable and accessible to all; reforms of the Social Security and rehabilitation systems.

There was an overwhelming consensus for a substantial revision of the Rehabilitation Act that would reflect and implement the spirit of ADA.

A majority felt that the basic counselor system should be retained, but that the philosophy, process and practice of independent living must be infused into every aspect of the Act.

There must be greatly increased control by people with disabilities of the entities, policies and processes that impact their lives.

The goal of every process, and the requirements for eligibility should be defined not only in terms of immediate salaried employment, but also in terms of maximizing abilities and opportunities to be productive of quality of life.

Salaried employment is always of primary concern. However there are many other kinds of productivity which contribute to the quality and quantity of the GNP and to the quality of individual and cultural life. There are many kinds of productivity which are indispensable prerequisites for salaried employment.

An arbitrary decision that an individual cannot be immediately employed is too often a self-fulfilling prophecy, and a sentence to life in poverty.

If we are to break through the two-thirds unemployment barrier that has frustrated us for decades, we must establish a science of empowering people to be productive, and we

must effect a revolutionary reallocation of resources in every process of society from paternalism, obsolete systems and self-indulgence to empowerment.

The Rehabilitation Act should be substantially expanded. It must not become a welfare law, but it would provide comprehensive, lifelong productivity services to all who need them.

There is a difference between welfare and rehabilitation. The test is empowerment to be productive.

The processes through which services are provided must be substantially streamlined and fully computerized on a national basis. Overhead, red tape and waiting time can be drastically reduced.

People must be treated as customers rather than dependents. There is no reason why a consumer of rehabilitation services should not be able to make a transaction with the same speed, efficiency, dignity and control as a client of Merrill Lynch.

Mr. Chairman, speaking as an individual citizen, I congratulate you on the draft reauthorization which your committee has prepared.

It does not contain all of the changes which I have described, but it does state a sound philosophical and policy blueprint for progress. Given the current political and economic reality, there is responsible movement toward empowerment.

I know that under your leadership—the leadership that brought us ADA—there will be further progress, now and in the future.

Mr. Chairman, we are in the midst of a cultural revolution which is unprecedented in all history. Science and free enterprise democracy give us the means to achieve a quality of existence heretofore assigned to myth and to heaven.

ADA and independence oriented rehabilitation are at the heart of the decisive pro-empowerment, pro-job, anti-paternalist, anti-debt policy which is supported in concept by the President, Members of both parties, and the majority of Americans. This policy is the only solution to the massive problems which challenge the Nation: unemployment, escalating welfare, the poverty gap, exploding deficits and debt.

But translating potential into reality is not going to be easy.

Inertia, perceptions of vested interest in obsolete systems and relationships, are dangerous barriers. ADA is still under attack by a well meaning but uninformed few. Demagogues pander to an unprecedented public passion for painless, quick fix solutions.

The magnitude of our personal responsibility is almost beyond comprehension.

We do well to recall that most initially successful democratic revolutions have failed in the implementation stage because of apathetic abdication of power to demagogues, and disunity among patriots.

If we unite in decisive leadership for empowerment, America, the world will follow. If we do not, people with disabilities will remain dependent and poor, and America and the world will be disabled. The results for our grandchildren will be beyond words and beyond tears.

Let us, as we dialogue about this reauthorization, maintain the positiveness and the unity that carried us to victory for ADA. Let us go forward together with the spirit of Gandhi and Martin Luther King, with love and with truth, with patient rationality, with militant firmness in the principles of equality and empowerment.

We must unite. We must act. We must win. Together, we have overcome. Together, we shall overcome. ●

SUPPORTING AMERICAN STEEL COMPANIES FILING TRADE CASES AGAINST UNFAIR FOREIGN IMPORTS

• Ms. MIKULSKI. Mr. President, I am here to stand up in support of America's steel industry and to fight for American jobs. Today major U.S. steel companies have announced that they are filing 48 separate trade cases against dumped and subsidized foreign steel.

It is time that America used its trade laws against unfair foreign imports. Seven thousand Baltimore workers and their families need fair trade in steel to keep their jobs. I am battling in every way I can to make sure those jobs are not lost.

I was in Dundalk, MD, the other day, and I talked to a steelworker from Bethlehem Steel who fought in the Korean war. He said to me, "Barb, I once fought for Korea, but now I need to know who is fighting for me against Korea?" I told him that is my job as a U.S. Senator—to fight for American jobs.

Our steelworkers helped build this country, and I want to make sure they can keep building in the 21st century. The steel industry has gotten a lot stronger and leaner in the 1980's, and I want to keep moving forward. That is why I introduced a resolution in April to call on the President to keep steel quotas in place—and keep them until we get a new international steel agreement.

But the President let those steel quotas die. He told our steelmakers to use America's trade laws to protect against any unfair foreign imports.

That is why we are here today—to make sure America's trade laws work for American workers. I am calling on the administration to enforce our laws against unfair imports. We cannot play politics with American jobs.

I will keep giving my all to make sure American steelworkers get a chance to compete fairly, not have their jobs stolen by foreign subsidies and dumping. Maryland's steelworkers deserve a fair deal so they will have their jobs today, and have their jobs tomorrow. •

JUNE IS NATIONAL FRESH FRUIT AND VEGETABLE MONTH

• Mr. SEYMOUR. Mr. President, United Fresh Fruit and Vegetable Association, the national trade organization representing the produce industry, has proclaimed June as National Fresh Fruit and Vegetable Month.

United created Fresh Month to help consumers better understand the tremendous benefits fresh fruits and vegetables can play as part of a health lifestyle. The month of June was chosen because of the abundance of fruits and vegetables available throughout the Nation during this month.

In accordance with dietary guidelines established by the U.S. Department of Agriculture and Health and Human Services, it is recommended Americans eat at least five servings of fruits and vegetables a day. Fresh Month includes the 5-a-day campaign, adopted by the National Cancer Institute, which teaches consumers of the importance of eating fruits and vegetables as part of a healthy diet.

United originally proclaimed June, Fresh Month in 1991. At that time, United targeted the top 16 media markets in the country to promote fresh fruits and vegetables. Due to the enthusiastic support for this promotion, United has since expanded its efforts to include an additional 12 media markets. Volunteer ambassadors representing each market, ranging from Atlanta to Los Angeles, coordinate produce shows and school tours, deliver fruits and vegetable baskets to popular public figures, conduct media interviews, and encourage supermarkets and restaurants to participate in the celebration.

Many of the volunteer ambassadors are planning special events and activities in their communities to celebrate Fresh Month. For instance, Los Angeles ambassador Jan DeLyser, executive director of the Fresh Produce Council, is organizing a basket brigade to deliver fruit promotional baskets to the largest media outlets in the city. In addition to Ms. DeLyser, California is represented by three other ambassadors helping to spread this important message throughout the State: Cathy Werblin of Primus Labs in Castro Valley; Bruce Moncrief of Stewart Packing in Salinas; and Joe Arbios of J.C. Produce in Sacramento.

Thanks to the hard work and dedication of these ambassadors, as well as the 24 others across the country, information detailing the substantial healthy benefits associated with a balanced diet including fresh fruits and vegetables is reaching consumers.

Fresh fruits and vegetables are essential in order to maintain a health and balanced diet. With a wide variety to choose from, consumers can enhance simple meals or enjoy a delicious snack. For these reasons, I join the United Fresh Fruit and Vegetable Association's celebration of June as National Fresh Fruit and Vegetable Month. •

NATIONAL FLOOD INSURANCE REFORM ACT OF 1992

• Mr. KERRY. Mr. President, yesterday Senator ALAN CRANSTON and I introduced the National Flood Insurance Reform Act of 1992, S. 2907. This bill is a compromise developed after months of discussions and negotiations involving environmentalists, property owners, lenders, the administration, officials of State and local governments, concerned Senators, and others.

Due to the interest this compromise legislation is generating, and to make it easier for those who want to examine its text carefully, I ask unanimous consent that the text of S. 2907 be printed in the RECORD in its entirety following my remarks, accompanied by my remarks and those of Senator CRANSTON on the Senate floor yesterday when the bill was introduced, a section-by-section analysis of the bill, and a short summary of its key components.

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

S. 2907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Flood Insurance Reform Act of 1992".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Congressional findings.
Sec. 3. Declaration of purpose under the National Flood Insurance Act of 1968.

Subtitle A—Definitions

Sec. 111. Flood Disaster Protection Act.
Sec. 112. National Flood Insurance Act of 1968.

Subtitle B—Compliance and Increased Participation

Sec. 121. Existing flood insurance purchase requirements.
Sec. 122. Expanded flood insurance purchase requirements.
Sec. 123. Escrow of flood insurance payments.
Sec. 124. Penalty for failure to require flood insurance or notify.
Sec. 125. Ongoing compliance with flood insurance purchase requirements.
Sec. 126. Notice requirements.
Sec. 127. Standard hazard determination forms.

Sec. 128. Federal Financial Institutions Examination Council.
Sec. 129. Conforming amendment.

Subtitle C—Ratings and Incentives for Community Floodplain Management Programs

Sec. 131. Community rating system and incentives for community floodplain management.
Sec. 132. Funding.

Subtitle D—Mitigation of Flood and Erosion Risks

Sec. 141. Office of mitigation assistance in Federal insurance administration.
Sec. 142. Mitigation assistance program.
Sec. 143. Establishment of National Flood Mitigation Fund.

Sec. 144. Insurance premium mitigation surcharge.
Sec. 145. Mitigation transition pilot program.

Sec. 146. Repeal of program for purchase of certain insured properties.
Sec. 147. Community erosion hazard identification.
Sec. 148. Premium increase for flood and erosion dual risk hazard areas.
Sec. 149. Claims for imminent collapse and subsidence.
Sec. 150. Limitation on availability of flood insurance for properties in erosion hazard areas.

- Sec. 151. Riverine erosion study.
 Sec. 152. Coordination with coastal zone management programs.
 Sec. 153. Loans secured by uninsured structures.
- Subtitle E—Flood Insurance Task Force
- Sec. 161. Flood insurance interagency task force.
- Subtitle F—Miscellaneous Provisions
- Sec. 171. Maximum flood insurance coverage amounts.
 Sec. 172. Flood insurance program arrangements with private insurance entities.
 Sec. 173. Flood insurance maps.
 Sec. 174. Regulations.
 Sec. 175. Flood control restoration zone.
 Sec. 176. Study of agricultural buildings.
 Sec. 177. Increased cost of construction study.
 Sec. 178. Floodplain management implementation report.

SEC. 2. CONGRESSIONAL FINDINGS.

- The Congress finds that—
- (1) with respect to flood damage, a structured prefunded insurance program is preferable to a response based on post-disaster relief;
- (2) the Federal Government and State and local governments must work together to successfully carry out the national flood insurance program;
- (3) a Federal flood insurance program that combines predisaster mitigation efforts together with an insurance and compliance program will reduce the physical and economic effects of flood damage on the Federal Government, State, and local governments, and individuals;
- (4) the national flood insurance program and the citizens of the United States have benefited from a low incidence of major storms and hurricanes in recent years;
- (5) the present reserve in the national flood insurance program of nearly \$400,000,000 remains extremely vulnerable to another major storm causing billions of dollars in damage claims, which could deplete the national flood insurance fund, exacerbate the Federal budget deficit, and threaten the safety and soundness of financing institutions holding uninsured mortgages on properties in flood-prone areas;
- (6) only 1,900,000 of an estimated 11,000,000 buildings in special flood hazard areas are protected by flood insurance;
- (7) the number of properties insured against floods remained roughly constant during the 1980's despite continuing growth in real estate activity in coastal, lakeshore, and riverine areas;
- (8) encouraging flood insurance coverage for structures subject to private mortgages (in addition to those subject to federally related mortgages) will result in a more comprehensive flood-risk insurance program;
- (9) the floodplain management and land use and control measures adopted by communities participating in the national flood insurance program have resulted in lower claims for structures constructed in compliance with such measures;
- (10) the national flood insurance program should require and provide for notification regarding flood insurance purchase requirements under the program to homeowners, mortgage lenders, and mortgage servicers;
- (11) lending to aid development of areas within the Coastal Barrier Resources System is inherently risky and can affect the financial condition of federally insured financial institutions;
- (12) the Federal regulatory agencies for depository and nondepository institutions

should, in the course of examinations of institutions, pay particular attention to the quality of loans that would aid the development of coastal barriers within the Coastal Barrier Resources System;

(13) incentives in the form of reduced premium rates for flood insurance under the national flood insurance program should be provided in communities that have adopted and enforced exemplary or particularly effective measures for floodplain management and coastal erosion hazard area management;

(14) a community-based approach to mitigation and erosion management, to reduce losses in floodplains, is the most comprehensive, effective, and cost-efficient method of minimizing losses in floodplains and reducing disaster assistance expenditures;

(15) such community-based mitigation and loss prevention methods should be incorporated in the national flood insurance program;

(16) unprecedented growth in population and development has occurred along coasts and rivers of the United States and it is estimated that a significant portion of the United States population is exposed to the hazard of floods, flooding disasters, and erosion damage;

(17) repeat claims, which involve about 2 percent of total insured properties, account for 32 percent of the total losses from the flood insurance fund, amounting to over \$1,000,000,000 since January 1978;

(18) given the problems of homelessness and housing shortages in the United States, many usable homes located in high risk areas that are being destroyed should be removed to safer areas and used;

(19) no comprehensive Federal program exists to assist in the removal of structures out of high risk areas, such as regulatory floodways and coastal high hazard zones, before disaster strikes;

(20) flood and erosion hazards can be significantly reduced by deterring development in wetlands and open-space and recreational areas;

(21) gradual, long-term retreat of portions of the Nation's coastline and the resulting inland advancement of flood hazards is increasing the exposure of insured structures to flood damages;

(22) coastal erosion management can provide a variety of mitigation alternatives to reduce erosion losses to existing structures and protect new structures from erosion losses, thereby reducing Federal expenditures due to erosion;

(23) delineation of coastal erosion hazard areas and providing communities incentives to manage those areas will lead to safer development along the Nation's shorelines, and will reduce Federal expenditures due to erosion damage;

(24) since enactment 4 years ago, section 1306(c) of the National Flood Insurance Act of 1968 has not functioned as envisioned or intended and has resulted in a preference for demolition of buildings subject to erosion damage, which is more costly than relocating structures;

(25) there has been a recognized need for the Federal Emergency Management Agency to formally assess, on an ongoing basis, the accuracy of flood hazard maps for communities, thereby ensuring that maps are updated and revised in a timely fashion as needed;

(26) the level of flood insurance coverage that an individual can purchase has not been increased since 1977;

(27) due to substantial increases in construction costs, many property owners are

prevented from purchasing flood insurance for the replacement value of the building, potentially resulting in an owner not receiving a payment to fully restore flood-damaged property;

(28) wise use of the floodplain minimizes adverse impacts upon the natural and beneficial functions of the floodplain, such as moderation of flooding, retention of floodwaters, reduction of erosion and sedimentation, preservation of water quality, groundwater recharge, and provision of fisheries and wildlife habitat; and

(29) the relative rise of sea level and the rise in water levels of the Great Lakes exposes the national flood insurance program to greater risks, and such risks must be adequately considered under the program.

SEC. 3. DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Section 1302(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4001(e)) is amended—

(1) by redesignating clauses (3), (4), and (5), as clauses (4), (5), and (6), respectively; and

(2) by inserting after the comma at the end of clause (2) the following: "(3) encourage State and local governments and Federal agencies to protect natural and beneficial floodplain functions that reduce flood-related losses.".

Subtitle A—Definitions

SEC. 111. FLOOD DISASTER PROTECTION ACT.

(a) IN GENERAL.—Section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)) is amended—

(1) by striking paragraph (5) and inserting the following new paragraph:

"(5) 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision, approval, or regulation of the institution;"

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) 'lender' includes any regulated lending institution and Federal agency (to the extent the agency makes direct loans subject to the provisions of this Act), but does not include any agency engaged primarily in the purchase of mortgage loans;

"(8) 'regulated lending institution' means any bank, savings and loan association, credit union, or similar institution subject to the supervision, approval, regulation, or insuring of a Federal entity for lending regulation;

"(9) 'portfolio review' means a review of all or a portion of a lender's outstanding loans secured by improved real estate or a manufactured home to determine—

"(A) whether the building or manufactured home is located in an area that has been identified by the Director as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968; and

"(B) if so located, whether the building or manufactured home is covered for the term of the loan by flood insurance in the amount required by the National Flood Insurance Act of 1968;"

(b) CONFORMING AMENDMENTS.—

(1) REQUIREMENTS TO PURCHASE FLOOD INSURANCE.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended by striking "Each Federal in-

strumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation direct such institutions" and inserting "Each Federal entity for lending regulation shall by regulation direct regulated lending institutions".

(2) EFFECT OF NONPARTICIPATION IN FLOOD INSURANCE PROGRAM.—Section 202(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106(b)) is amended by striking "Federal instrumentality described in such section shall by regulation require the institutions" and inserting "Federal entity for lending regulation and the appropriate head of each Federal agency acting as a lender, shall by regulation require the lenders".

SEC. 112. NATIONAL FLOOD INSURANCE ACT OF 1968.

(a) IN GENERAL.—Section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) the term 'coastal' means relating to the coastlines and bays of the tidal waters of the United States or the shorelines of the Great Lakes, but does not refer to bayous or riverine areas;

"(8) the term 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision, approval, or regulation of the institution;

"(9) the term 'lender' includes any regulated lending institution and Federal agency (to the extent the agency makes direct loans subject to the provisions of this Act), but does not include any agency engaged primarily in the purchase of mortgage loans;

"(10) the term 'natural and beneficial floodplain functions' means—

"(A) the functions associated with the natural or relatively undisturbed floodplain that moderate flooding, retain flood waters, or reduce erosion and sedimentation, and

"(B) ancillary beneficial functions, including maintenance of water quality, recharge of ground water, and provision of fish and wildlife habitats;

"(11) the term 'erosion-prone area' means an area along the coast including, but not limited to, embayments, inlets, fjords, sounds, and deltas, where waves and other forces are anticipated to cause significant erosion or avulsion within the next 60 years and may result in the damage or loss of buildings and infrastructure; and

"(12) the term 'bayou' means a slow-moving stream that follows a winding course through alluvial lowlands, coastal swamps or river deltas, in the lower Mississippi River basin, that does not open directly onto the Gulf of Mexico."

(b) CONFORMING AMENDMENT.—Section 1322(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4029(d)) is amended by striking "federally supervised, approved, regulated, or insured financial institution" and inserting "regulated lending institution".

Subtitle B—Compliance and Increased Participation

SEC. 121. EXISTING FLOOD INSURANCE PURCHASE REQUIREMENTS.

Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)) is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2) Paragraph (1) may not be construed to permit the provision of any amount of financial assistance with respect to any building or manufactured home and related personal property for which flood insurance is required under such paragraph, unless the requirements under such paragraph are complied with in full. The prohibitions and requirements under paragraph (1) relating to financial assistance may not be waived for any purpose."

SEC. 122. EXPANDED FLOOD INSURANCE PURCHASE REQUIREMENTS.

(a) IN GENERAL.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)), as amended by the preceding provisions of this Act, is further amended—

(1) by inserting "(1)" after "(b)";

(2) by adding at the end the following new paragraphs:

"(2) A Federal agency may not make, increase, extend, or renew any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, unless the building or mobile home and any personal property securing such loan is covered for the term of the loan by flood insurance in the amount provided in paragraph (1). After the expiration of the 5-year period beginning on the date of enactment of the National Flood Insurance Reform Act of 1992, each Federal agency shall require that each of its loans then outstanding that is secured by improved real estate or by a mobile home that is located in an area which has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, be covered for the term of the loan by flood insurance in the amount provided in paragraph (1). The head of each Federal agency acting as a lender shall issue any regulations necessary to carry out this paragraph. Such regulations shall be consistent with and substantially identical to the regulations issued under paragraphs (1) and (2).

"(3) Notwithstanding any other Federal or State law, any lender may charge the borrower a reasonable fee (as determined by the Director) for the costs of determining whether the improved real estate or mobile home securing the loan is located in an area of special flood hazards, but only if such determination is made pursuant to the making, increasing, extending, or renewing of a loan described under paragraph (1), (2), or (3) that is initiated by the borrower.

"(4) If a borrower under a loan disputes or challenges the determination of the lender that the improved real estate or mobile home securing the loan is located in an area of special flood hazards, the lender shall review its determination, taking into consideration information that is relevant, as determined by the Director of the Federal Emergency Management Agency, that is submit-

ted to the lender or servicer by the borrowers. The lender or servicer may rely upon the determination that a property is in an area that has been designated by the Director as an area having special flood hazards whenever such designation has been provided by a person who guarantees the accuracy of the information in accordance with section 1365(d) and such regulations as the Federal Emergency Management Agency shall provide. The borrower may submit information to rebut that determination in accordance with such regulations as may be necessary to carry out this section. The Director of the Federal Emergency Management Agency shall issue such regulations not later than 6 months after the date of enactment of this paragraph."

(b) APPLICABILITY AND DETERMINATIONS.—

(1) IN GENERAL.—The amendment made by subsection (a)(2) shall apply only with respect to—

(A) any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of the enactment of this Act; and

(B) any loan outstanding after the expiration of the 5-year period beginning on the date of the enactment of this Act.

(2) REQUIRED DETERMINATIONS REGARDING COMPLIANCE.—

(A) IN GENERAL.—Except as provided in paragraph (3), each Federal entity for lending regulation shall by regulation require each such lender to conduct a review of all loans of the lender outstanding upon the expiration of the 5-year period beginning on the date of the enactment of this Act. The review shall determine whether such loans are in compliance with the flood insurance purchase requirements under section 102(b) of the Flood Disaster Protection Act of 1973. Not later than the expiration of the period, each regulated lending institution shall evidence the results of the determination and compliance of each such loan with the requirements under such section 102(b) using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968.

(B) FEE FOR CONDUCTING DETERMINATIONS.—A lender may charge to the applicant under a loan of the lender that is outstanding on the date of the enactment of the National Flood Insurance Reform Act of 1992 a reasonable fee for costs of making a determination for such loan in connection with a review under subparagraph (A). The fee may not exceed the reasonable costs of making a determination (as established by the Director), may be charged only for a determination made within 5 years after the date of the enactment of this Act, and may be charged only once with respect to each such loan.

(3) EXEMPT LENDERS.—A lender shall not be required to conduct a review under paragraph (2) if—

(A) the lender—

(i) during the 36-month period ending on the date of the enactment of the National Flood Insurance Reform Act of 1992, has conducted a review of all loans held by the lender (to the satisfaction of the appropriate Federal entity for lending regulation, for purposes of determining compliance of the loans with the requirements under section 102(b) of the Flood Disaster Protection Act of 1973); and

(ii) upon the expiration of the 36-month period, is regularly providing for escrow of flood insurance premiums and fees for any loans held by the lender (for which flood insurance is required) in a manner substantially in compliance with the provisions of

section 102(d) of such Act (as added by section 203(a)); or

(B) before the expiration of the 5-year period beginning on the date of the enactment of this Act, the lender conducts a review of not less than 5 percent of all loans held by the lender (or such lesser number of loans held by the lender, which number and review criteria shall be established by the Director, after consultation and coordination with the Federal Financial Institutions Examination Council, and Federal agencies under this section, and shall be statistically valid and significant for purposes of the loan review under this subparagraph) for purposes of analyzing the accuracy of the lender's outstanding determination regarding the applicability of the flood insurance purchase requirements (under section 102(b) of the Flood Disaster Protection Act of 1973) with respect to the loans, and demonstrates (to the satisfaction of the Federal entity for regulation) that—

(i) the lender's outstanding determination regarding the applicability of flood insurance purchase requirements is correct with respect to not less than 90 percent of the loans reviewed; and

(ii) if any loans reviewed that are secured by property for which flood insurance is required under section 102(b) of the Flood Disaster Protection Act of 1973, not less than 90 percent of such properties are covered by a policy in force for flood insurance in the required amount.

The requirement for minimum accuracy percentages in the preceding sentence is a one-time standard applicable only to the portfolios of mortgage loans existing on the date of enactment of this Act for the purpose of determining the need for further portfolio review and are not intended as a standard of accuracy for loans closed after the date of enactment of this Act, nor as a measure of compliance with any other regulations or guidelines of Federal regulatory agencies or instrumentalities.

(c) REQUIRED PURCHASE OF FLOOD INSURANCE.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

“(c)(1) Notwithstanding any other Federal, State or local law or regulation, if, during the term of a loan secured by improved real estate or by a mobile home located in an area that has been identified by the Director as an area having special flood hazards and in which flood insurance has been made available under this title, a lender or servicer discovers that the building or mobile home and any personal property securing such loan held or serviced by a lender or servicer is not covered by any flood insurance or is not covered by flood insurance in an amount at least equal to the amount required by subsection (b)(1), a lender or servicer shall request the borrower to obtain, at the borrower's expense, an amount of flood insurance that is at least the amount required by subsection (b)(1), for the term of the loan. If the borrower fails to purchase such additional flood insurance and the lender has complied with all notification requirements subject to this Act, a lender or servicer shall purchase such insurance on behalf of the borrower and may charge the borrower for the actual cost of premiums and fees incurred by a lender or servicer to purchase such flood insurance.

“(2) Subsection (c)(1) shall apply to all loans outstanding on or after the effective date of this section.”.

SEC. 123. ESCROW OF FLOOD INSURANCE PAYMENTS.

(a) **IN GENERAL.**—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

“(d)(1) For loans secured by residential real estate, each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation direct that, if the lender or other servicer of loans requires the escrowing of taxes, insurance premiums, fees, or other charges, then any charges under the National Flood Insurance Act of 1968 for the residential real estate shall be paid to the lender or servicer of the loan. Premiums, fees, and other charges paid to the lender or servicer shall be paid in a manner sufficient to make payment as due for the duration of the period during which the lender or servicer maintains an escrow account. Upon receipt of the premiums, fees, or other charges, the lender or servicer of the loan shall deposit the premiums, fees, or other charges in an escrow account on behalf of the borrower. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the lender or servicer shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees, and other charges owed.

“(2) The appropriate head of each Federal agency acting as a lender shall by regulation require and provide for escrow and payment of any flood insurance premiums and fees relating to residential property securing loans made by the agency under the circumstances and in the manner provided under paragraph (1). Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1).

“(3) Escrow accounts established pursuant to this subsection shall be subject to the provisions of section 10 of the Real Estate Settlement Procedures Act of 1974.

“(4)(A) Notwithstanding any State or local law, the Federal entities for lending regulation, and the appropriate heads of Federal agencies acting as lenders, shall by regulation direct that any lender or servicer who purchases flood insurance or renews a contract for flood insurance where it is required on behalf of, or as an agent of, a borrower of a loan secured by residential real estate for which (i) flood insurance is required, and (ii) an escrow account for payment of taxes, insurance premiums, or other charges has not been established, shall provide to the borrower written notice of the purchase or renewal (as the Director determines appropriate), on at least 2 separate occasions before the purchase or renewal.

“(B) The notice under this paragraph shall contain the following information:

“(i) A statement that the lender will purchase or renew the flood insurance on behalf of or as an agent of the borrower.

“(ii) The date on which such purchase or renewal will occur.

“(iii) The cost of the insurance coverage as purchased or renewed by the lender.

“(iv) A statement that the borrower may avoid the purchase or renewal by the lender by purchasing flood insurance coverage under the national flood insurance program or from private insurers, either of which may be available at a lower cost.

“(v) Any other information that the Director considers appropriate.”.

(b) **APPLICABILITY.**—The amendment made by subsection (a) shall apply with respect to—

(1) any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of the enactment of this Act; and

(2) any loan outstanding after the expiration of the 5-year period beginning on the date of the enactment of this Act.

SEC. 124. PENALTY FOR FAILURE TO REQUIRE FLOOD INSURANCE OR NOTIFY.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(e)(1) Any regulated lending institution that is found to have a pattern or practice of committing violations under paragraph (2) shall be assessed a civil penalty by the appropriate Federal entity for lending regulation of not more than \$350 for each such violation. A penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record.

“(2) The violations referred to in paragraph (1) shall be—

“(A) after the date of the enactment of the National Flood Insurance Reform Act of 1992, making, increasing, extending, or renewing a loan in violation of escrow requirements under subsection (d) of this section; and

“(B) with respect to any loan made, increased, extended or renewed after the expiration of the 1-year period beginning on such date of enactment and any loan outstanding after the expiration of the 5-year period beginning on such date of enactment, making, increasing, extending, or renewing any such loan in violation of the regulations issued pursuant to subsection (b) of this section or the notice requirements under section 1364 of the National Flood Insurance Act of 1968.

“(3) The total amount of penalties assessed under this subsection against any single lender for any calendar year may not exceed \$100,000.

“(4) Notwithstanding any State or local law or regulation, for purposes of this subsection, any lender or servicer that purchases flood insurance or renews a contract for flood insurance on behalf of or as an agent of a borrower of a loan for which flood insurance is required shall be considered to have complied with the regulations issued under subsection (b).

“(5) Any sale or other transfer of a loan by a lender who has committed a violation under paragraph (1), that occurs subsequent to the violation, shall not affect the liability of the transferring lender with respect to any penalty under this subsection. A lender or servicer shall not be liable for any violations relating to a loan committed by another lender or servicer who previously held the loan.

“(6) Any penalties collected under this subsection shall be paid into the National Flood Mitigation Fund established under section 1367 of the National Flood Insurance Act of 1968.

“(7) Any penalty under this subsection shall be in addition to any civil remedy or criminal penalty otherwise available.

“(8) No penalty may be imposed under this subsection for any violation under paragraph (1) after the expiration of the 5-year period beginning on the date of the occurrence of the violation.”.

SEC. 125. ONGOING COMPLIANCE WITH FLOOD INSURANCE PURCHASE REQUIREMENTS.

(a) IN GENERAL.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(f)(1) Except as provided in paragraphs (2), (3), and (4), before the sale or transfer of any loan secured by improved real estate or a mobile home, the seller or transferor of the loan shall determine whether the property is in an area that has been designated by the Director as an area having special flood hazards. The seller or transferor shall, before sale or transfer, notify the purchaser or transferee and any servicer of the loan in writing regarding the results of the determination. A determination under this paragraph shall be evidenced using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968.

“(2) For any loan secured by improved real estate or a mobile home, a determination and notice under paragraph (1) shall not be required if, during the 5-year period ending on the date of the sale or transfer of the loan—

“(A) a determination and notice under paragraph (1) has been made for the property secured by the loan; or

“(B)(i) the loan has been made, increased, extended, or renewed; and

“(ii) the lender making, increasing, extending, or renewing the loan was subject, at the time of such transaction, to regulations issued pursuant to paragraph (1), (2), or (3) of subsection (b).

“(3)(A) For any loan secured by improved real estate or a mobile home that is sold or transferred by the Federal Deposit Insurance Corporation acting in its corporate capacity or in its capacity as conservator or receiver, the purchaser or transferee of the loan shall determine whether the property is in an area that has been designated by the Director as an area having special flood hazards.

“(B) Such determination and notice shall not be required for any loan—

“(i) sold or transferred to an entity under the control of the Federal Deposit Insurance Corporation; or

“(ii) for which the purchaser or transferee exercises any available option to transfer or put the loan back to the Federal Deposit Insurance Corporation.

“(C) A purchaser or transferee of a loan required to make a determination and notification under subparagraph (A) shall notify the flood insurance insurer of record, if any, and any servicer of the loan of the results of the determination (using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968) before the expiration of the 90-day period beginning on the later of (i) the purchase or transfer of the loan, or (ii) the expiration of any option that the purchaser or transferee may have to transfer or put the loan back to the Federal Deposit Insurance Corporation.

“(4)(A) For any loan secured by improved real estate or a mobile home that is sold or transferred by the Resolution Trust Corporation acting in its corporate capacity or in its capacity as a conservator or receiver, the purchaser or transferee of the loan shall determine whether the property is in an area that has been designated by the Director as an area having special flood hazards if—

“(i) the Resolution Trust Corporation acquires the loan after the date of the effectiveness of this subsection and sells or transfers the loan before the expiration of the 12-

month period beginning on such effective date; or

“(ii) the Corporation holds the loan on the date of the effectiveness of this subsection and sells or transfers the loan before the expiration of the 6-month period beginning on such effective date.

“(B) A purchaser or transferee of a loan required to make a determination and notification under subparagraph (A) shall notify the flood insurance insurer of record, if any, and any servicer of the loan of the results of the determination (using the standard hazard determination form under section 1365 of the National Flood Insurance Act of 1968) before the expiration of the 90-day period beginning upon the purchase or transfer of the loan.”

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to any loan outstanding or entered into after the expiration of the 1-year period beginning on the date of the enactment of this Act.

SEC. 126. NOTICE REQUIREMENTS.

Section 1364 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a) is amended to read as follows:

“NOTICE REQUIREMENTS

“SEC. 1364. (a) NOTIFICATION OF SPECIAL FLOOD HAZARDS.—

“(1) LENDING INSTITUTIONS.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require such institutions, as a condition of making, increasing, extending, or renewing any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director under this title or the Flood Disaster Protection Act of 1973 as an area having special flood hazards, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) and the servicer of the loan of such special flood hazards, in writing, within a reasonable time as determined by the Director, before execution of the lease or mortgage. The regulations shall also require that the lenders or servicers retain a record of the receipt of the notices by the purchaser or lessee.

“(2) FEDERAL AGENCIES AS LENDERS.—The appropriate head of each Federal agency acting as a lender shall by regulation require notification in the manner provided under paragraph (1) with respect to any loan that is outstanding or is made by the agency and secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Director under this title or the Flood Disaster Protection Act of 1973 as an area having special flood hazards. Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1).

“(3) CONTENTS OF NOTICE.—Written notification required under this subsection shall include—

“(A) a warning, in a form to be established in consultation with and subject to the approval of the Director, stating whether or not the real estate or mobile home securing the loan is located or is to be located in an area designated as having special flood hazards that exist at the time that the loan is made, extended, renewed, or refinanced; and further, warning that a subsequent remapping of an area could result in the subject property, which is not currently designated as falling within the special flood hazard area, at some future time being subject to a requirement to maintain flood insurance be-

cause of a change in the designation of the special flood hazard area;

“(B) a description of the flood insurance purchase requirements under section 102(b) of the Flood Disaster Protection Act of 1973;

“(C) a statement that flood insurance coverage may be purchased under the national flood insurance program and is also available from private insurers; and

“(D) any other information that the Director considers necessary to carry out the purposes of the national flood insurance program.

“(b) NOTIFICATION OF CHANGE OF LOAN HOLDER AND SERVICER.—

“(1) LENDING INSTITUTIONS.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require such institutions, as a condition of making, increasing, extending, renewing, selling, or transferring any loan described in subsection (a)(1), to notify the flood insurance insurer of record, if any, in writing during the term of the loan of the owner and servicer of the loan. Such institutions shall also notify the flood insurance insurer of record, if any, of any change in the owner or servicer of the loan, not later than 60 days after the effective date of such change. The regulations under this subsection shall provide that upon any sale or transfer of a loan, the duty to provide notification under this subsection shall transfer to the transferee of the loan.

“(2) FEDERAL AGENCIES AS LENDERS.—The appropriate head of each Federal agency acting as a lender shall by regulation provide for notification in the manner provided under paragraph (1) with respect to any loan described in subsection (a)(1) that is made by the agency. Any regulations issued under this paragraph shall be consistent with and substantially identical to the regulations issued under paragraph (1) of this subsection.

“(c) NOTIFICATION OF EXPIRATION OF INSURANCE.—The flood insurance insurer of record, if any, shall, not less than 45 days before the expiration of any contract for flood insurance under this title, issue notice of such expiration by first class mail to the owner of the property, the servicer of any loan secured by the property covered by the contract, and the owner of the loan, when known.”

SEC. 127. STANDARD HAZARD DETERMINATION FORMS.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) is amended by adding at the end the following new section:

“STANDARD HAZARD DETERMINATION FORMS

“SEC. 1365. (a) DEVELOPMENT.—The Director, in consultation with representatives of the mortgage and lending industry, the Federal entities for lending regulation, the Federal agencies acting as lenders, and any other appropriate individuals, shall develop standard written and electronic forms for applications relating to real estate loans and mortgages for determining flood hazard exposure of a property.

“(b) DESIGN AND CONTENTS.—

“(1) PURPOSE.—The form under subsection (a) shall be designed to facilitate a determination of the exposure to flood hazards of structures located on the property to which the loan application relates. The form shall be consistent with and appropriate to facilitate compliance with the provisions of this title.

“(2) CONTENTS.—The form shall contain, at a minimum, sufficient information to indi-

cate the flood zone location of a property, the source of information used in making that determination and other relevant data that will provide evidence of compliance with the intent of the Congress, as contained in sections 1364 and 1365 of this Act. The form may also be designed and used for other purposes that carry out the intent of the National Flood Insurance Program.

“(c) REQUIRED USE.—The Federal entities for lending regulation shall by regulation require the use of the form under this section by regulated lending institutions. The appropriate head of each Federal agency acting as a lender shall by regulation provide for the use of the form with respect to any loan made by such agency. The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation shall by regulation require use of the form in connection with loans purchased by such corporations.

“(d) GUARANTEES REGARDING INFORMATION.—In providing information regarding special flood hazards on the form developed under this section any lender making, increasing, extending, or renewing a loan secured by improved real estate or a mobile home may provide for the acquisition or determination of such information to be made by a person other than such institution, only to the extent such person guarantees the accuracy of the information. The Director shall by regulations establish requirements relating to the nature and manner of such guarantees.

“(e) ELECTRONIC FORM.—The Federal entities for lending regulation, and the appropriate head of each Federal agency acting as a lender shall by regulation require any lender using the electronic form developed under this section with respect to any loan to make available upon the request of such Federal entity, Secretary, or agency head, a written form under this section for such loan within 48 hours after such request.”

SEC. 128. FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1006 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3305) is amended by adding at the end the following new subsection:

“(g) The Council shall consult and assist the Federal entities for lending regulation and the Director in developing and coordinating uniform standards and requirements for use by lenders as provided under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973.”

SEC. 129. CONFORMING AMENDMENT.

The section heading for section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended to read as follows:

“FLOOD INSURANCE PURCHASE AND COMPLIANCE REQUIREMENTS AND ESCROW ACCOUNTS”.

Subtitle C—Ratings and Incentives for Community Floodplain Management Programs

SEC. 131. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.

Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended—

(1) by inserting after “SEC. 1315.” the following: “(a) REQUIREMENT FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.—”; and

(2) by adding at the end the following new subsection:

“(b) COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.—

“(1) AUTHORITY AND GOALS.—The Director shall carry out a community rating system program to evaluate the measures adopted by areas (and subdivisions thereof) in which

the Director has made flood insurance coverage available to provide for adequate land use and control provisions consistent with the comprehensive criteria for such land management and use under section 1361, to facilitate accurate risk-rating, to promote flood insurance awareness, and to complement adoption of more effective measures for floodplain and coastal erosion management.

“(2) EROSION MANAGEMENT CRITERIA.—The Director shall establish appropriate land management and use standards designed to encourage adoption of State and local measures to mitigate the effects of erosion hazards in erosion-prone communities. The standards shall provide for—

“(A) consideration of the severity of erosion hazards and risks;

“(B) restriction of land development that is exposed to erosion damage;

“(C) improvement of long-range use and management of erosion-prone areas;

“(D) encouragement for State and local adoption of more stringent measures;

“(E) guidance of all construction and development away from locations of greatest erosion hazard;

“(F) guidance of residential structures away from locations subject to significant erosion hazard;

“(G) guidance of nonresidential structures and residential structures greater than 5,000 square feet away from locations subject to moderate erosion hazard; and

“(H) establishment of construction standards to assure that structures built on locations subject to moderate erosion hazards are readily movable in the future when the erosion risks and hazards have increased or changed.

“(3) INCENTIVES.—The program under this subsection shall provide incentives in the form of adjustments in the premium rates for flood insurance coverage in areas that the Director determines have adopted and enforced the goals of the community rating system under this subsection. In providing incentives under this paragraph, the Director may provide for additional adjustments in premium rates for flood insurance coverage in areas that the Director determines have implemented measures relating to the protection of natural and beneficial floodplain functions.

“(4) FUNDS.—The Director shall carry out the program under this subsection with amounts, as the Director determines necessary, from the National Flood Insurance Fund under section 1310 and any other amounts that may be appropriated for such purpose.

“(5) REPORTS.—The Director shall submit a report to the Congress regarding the program under this subsection not later than the expiration of the 2-year period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992. The Director shall submit a report under this paragraph not less than every 2 years thereafter. Each report under this paragraph shall include an analysis of the cost-effectiveness and other accomplishments and shortcomings of the program and any recommendations of the Director for legislation regarding the program.”

SEC. 132. FUNDING.

Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (4), by striking “and” at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (5) the following new paragraph:

“(6) for carrying out the program under section 1315(b);”.

Subtitle D—Mitigation of Flood and Erosion Risks

SEC. 141. OFFICE OF MITIGATION ASSISTANCE IN FEDERAL INSURANCE ADMINISTRATION.

Section 1105(a) of the Housing and Urban Development Act of 1968 (42 U.S.C. 3533a(a)) is amended—

(1) by inserting “(1)” after “(a)”; and

(2) by adding at the end the following new paragraph:

“(2) The Director, through an Office of Mitigation Assistance, shall carry out flood and coastal erosion mitigation activities under the Federal Insurance Administration, as follows:

“(A) Coordination of all mitigation activities, including administration of the program for mitigation assistance under section 1366 of the National Flood Insurance Act of 1968.

“(B) Administration of the program under section 1366 of this Act for purchase of certain insured properties.

“(C) Administration of the erosion management program under section 1368 of the National Flood Insurance Act of 1968.

“(D) Development and implementation of various mitigation activities and techniques.

“(E) Provision of advice and assistance regarding mitigation to States, communities, and individuals, including technical assistance under section 1366(d).

“(F) Coordination with State and local governments and public and private agencies and organizations for collection and dissemination of information regarding erosion in coastal areas (as defined in section 1370(a)(7) of the National Flood Insurance Act of 1968).”

SEC. 142. MITIGATION ASSISTANCE PROGRAM.

(a) IN GENERAL.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

“MITIGATION ASSISTANCE

“SEC. 1366. (a) AUTHORITY.—The Director, through the Office of Mitigation Assistance, shall carry out a program, with amounts made available from the National Flood Mitigation Fund under section 1367, to make grants to States and communities to carry out eligible mitigation activities.

“(b) ELIGIBLE RECIPIENTS.—Subject to the other requirements of this section and any regulations issued by the Director under this section, the Director may provide mitigation assistance under this section to—

“(1) any State; or

“(2) any community participating in the national flood insurance program under this title that—

“(A) has adopted—

“(i) land use and management criteria that (in the determination of the Director) are more protective against flood losses than the criteria established by the Director under section 1361; and

“(ii) measures that (in the determination of the Director) provide for the protection of natural and beneficial floodplain functions;

“(B) during the 12-month period ending on the date of the community's application for a grant under this section, has incurred flood damage (excluding infrastructure damage) aggregating more than \$250,000; or

“(C) is a community that has suffered recurring flood damages and claims, as deter-

mined by the Director, that is in full compliance with the requirements under the national flood insurance program.

"(c) ELIGIBLE MITIGATION ACTIVITIES.—

"(1) PURPOSE AND DETERMINATION.—Amounts for mitigation assistance under this section may be used only for eligible mitigation activities under this subsection, as the Director shall determine, that are designed to reduce flood-related losses in a proactive manner.

"(2) REQUIREMENTS.—To be eligible for assistance under this section, mitigation activities shall be technically feasible and cost-effective with respect to the particular community or situation and in the best interests of the national flood insurance program. After consultation with representatives of States and communities, the Director shall by regulation establish requirements regarding such feasibility and cost-effectiveness. Such activities may include, but are not limited to—

"(A) elevation of structures;

"(B) relocation of structures;

"(C) flood-proofing of structures;

"(D) the provision of technical assistance by States to communities and individuals; and

"(E) acquisition by States and communities of property, for use for a period of not less than 40 years following transfer for such purposes as the Director determines are consistent with sound land management and use in such area, which property—

"(i) is located in flood-risk area, as determined by the Director;

"(ii) is covered by a contract for flood insurance under this title; and

"(iii) while so covered (I) was damaged substantially beyond repair, (II) incurred significant flood damage on not less than 2 previous occasions over a 5-year period for which the average damage equaled or exceeded 25 percent of the value of the structure at the time of the flood event, or (III) sustained damage as a result of a single casualty of any nature under such circumstances that a statute, ordinance, or regulation precludes its repair or restoration or permits repair or restoration only at a significantly increased construction cost.

"(3) LOCATION.—States receiving mitigation assistance under this section may provide assistance for mitigation activities within the State undertaken by communities and individuals. Communities receiving mitigation assistance may provide assistance for mitigation activities within the community that are undertaken by the State or by individuals.

"(4) STATE AND LOCAL LAWS.—Eligible mitigation activities may be assisted with amounts made available under this section and matching amounts provided in compliance with subsection (g) notwithstanding any conflicting State or local laws.

"(d) TECHNICAL ASSISTANCE.—The Director shall make available, to States and communities interested in receiving assistance under this section, technical assistance in identifying and planning appropriate eligible mitigation activities, and in developing flood risk mitigation plans under subsection (f)(2).

"(e) LIMITATIONS ON MITIGATION ASSISTANCE.—

"(1) AMOUNT.—The amount of mitigation assistance provided under this section may not exceed—

"(A) \$5,000,000, to any State; and

"(B) \$5,000,000, to any community.

"(2) TIMING.—The Director may not provide amounts under this section to any State or community, that has received amounts

for mitigation assistance during the preceding 2 years, except that the Director may provide that, with respect to any mitigation assistance to any State or community in an amount of \$3,000,000 or more, outlays for the mitigation assistance may occur over a period not exceeding 4 years.

"(3) STRUCTURE TYPE.—The Director shall establish maximum limits regarding the amount of assistance that may be provided with amounts from mitigation assistance under this section for single-family dwellings, residential structures containing more than 1 dwelling unit, and nonresidential properties.

"(f) APPLICATION AND MITIGATION PLAN.—

"(1) FORM AND PROCEDURE.—The Director shall provide for the submission of applications for mitigation assistance under this section in the form and in accordance with such procedures as the Director shall establish.

"(2) STATE AND COMMUNITY FLOOD RISK MITIGATION PLAN.—The Director may not approve an application by a State or community for mitigation assistance under this section unless the application proposes eligible mitigation activities identified in a flood risk mitigation plan, which is approved by the Director and includes—

"(A) a statement of the mitigation needs of the State or community;

"(B) a statement of a comprehensive strategy for mitigation activities for the State or community, as applicable, designed to address the mitigation needs referred to in the statement under subparagraph (A), which strategy shall have been adopted by the appropriate public body pursuant to not less than 1 public hearing;

"(C) a statement that the mitigation activities to be assisted with amounts under this section and any activities under the comprehensive strategy are designed in coordination with and comply with other State and regional watershed and stormwater management programs and standards;

"(D) a description of resources that are expected to be made available for purposes of meeting the matching requirement under subsection (g); and

"(E) any other information that the Director considers appropriate.

"(3) NOTIFICATION OF APPROVAL.—The Director shall notify each applicant for assistance under this section of approval or disapproval of the application not later than 6 months after submission of the application. If the Director does not approve an application, the Director shall notify the applicant in writing of the reasons for such disapproval.

"(g) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—The Director may not provide mitigation assistance under this title to any State or community in an amount in excess of 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from non-Federal funds to carry out mitigation activities assisted with amounts provided under this section.

"(2) NON-FEDERAL FUNDS.—For purposes of this subsection, the term 'non-Federal funds' includes State or local agency funds, any salary paid to staff to carry out the mitigation activities of the recipient, the value of the time and services contributed by volunteers to carry out such activities (at a rate determined by the Director), and the value of any donated land, material or building and the value of any lease on a building.

"(h) ALLOCATION OF AMOUNTS.—The Director shall allocate amounts in the National

Flood Mitigation Fund made available for mitigation assistance under this section to States and communities in such amounts and such proportion as the Director shall determine. The Director shall allocate amounts and provide mitigation assistance pursuant to specific applications in a manner that the Director determines best protects the interests of the National Flood Insurance Fund through mitigation of flood risks. In selecting applications to receive mitigation assistance under this section, the Director may establish priorities for applications proposing certain eligible mitigation activities.

"(i) RECAPTURE.—If the Director determines that any State or community that has received mitigation assistance under this section has not made substantial progress in carrying out the mitigation activities proposed in the application for the assistance within 18 months after receipt of the mitigation assistance amounts, the Director shall recapture any unexpended amounts and deposit such amounts in the National Flood Mitigation Fund.

"(j) COMPLIANCE WITH APPLICATION AND MITIGATION PLANS.—The Director shall conduct oversight of recipients of mitigation assistance under this section to ensure that the mitigation assistance is used in compliance with the approved applications for the mitigation assistance and any applicable flood risk mitigation plans.

"(k) DELEGATION OF AUTHORITY TO STATES.—

"(1) IN GENERAL.—The Director may delegate to any State the authority and responsibility of approving applications for mitigation assistance to communities under this section and providing technical assistance under subsection (d), but only upon a finding that a State is capable of making such determinations and providing such assistance.

"(2) GUIDELINES.—The Director shall establish, by regulation, guidelines for delegating authority under this subsection. Such regulations shall be issued not later than 24 months after the date of enactment of the National Flood Insurance Reform Act of 1992.

"(l) DEFINITION OF COMMUNITY.—For purposes of this subsection, the term 'community' has the meaning given the term under section 3(a) of the Flood Disaster Protection Act of 1973."

(b) REGULATIONS.—Not later than the expiration of the 24-month period beginning on the date of the enactment of this Act, the Director of the Federal Emergency Management Agency shall issue regulations implementing section 1366 of the National Flood Insurance Act of 1968.

SEC. 143. ESTABLISHMENT OF NATIONAL FLOOD MITIGATION FUND.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"NATIONAL FLOOD MITIGATION FUND

"SEC. 1367. (a) ESTABLISHMENT AND AVAILABILITY.—The Director shall establish in the Treasury of the United States a fund to be known as the National Flood Mitigation Fund, which shall be credited with amounts described in subsection (b) and shall be available, to the extent provided in appropriation Acts, for mitigation assistance under section 1366.

"(b) CREDITS.—The National Flood Mitigation Fund shall be credited with—

"(1) any premium surcharges assessed under section 1308(e);

"(2) any amounts recaptured under section 1366(i);

"(3) to the extent approved in appropriation Acts, any amounts made available to carry out section 1362 that remain unexpended after the submission of the certification under section 142 of the National Flood Insurance Reform Act of 1992; and

"(4) any penalties collected under section 102(e) of the Flood Disaster Protection Act of 1973.

"(c) INVESTMENT.—If the Director determines that the amounts in the National Flood Mitigation Fund are in excess of amounts needed under subsection (a), the Director may invest any excess amounts the Director determines advisable in interest-bearing obligations issued or guaranteed by the United States.

"(d) REPORT.—The Director shall submit a report to the Congress not later than the expiration of the 1-year period beginning on the date of the enactment of this Act and not less than once during each successive 2-year period thereafter. The report shall describe the status of the Fund and any activities carried out with amounts from the Fund."

SEC. 144. INSURANCE PREMIUM MITIGATION SURCHARGE.

(a) IN GENERAL.—Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following new subsection:

"(e) Notwithstanding any other provision of this title, the Director shall assess, with respect to each contract for flood insurance coverage under this title, a mitigation surcharge of \$5 per policy term. Any mitigation surcharges collected shall be paid into the National Flood Mitigation Fund under section 1367. The mitigation surcharges shall not be subject to any agents' commissions, company expenses allowances, or State or local premium taxes."

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any contract for flood insurance under the National Flood Insurance Act of 1968 issued or renewed after the expiration of the 24-month period beginning on the date of the enactment of this Act.

SEC. 145. MITIGATION TRANSITION PILOT PROGRAM.

(a) AUTHORITY.—The Director of the Federal Emergency Management Agency shall, through the Office of Mitigation Assistance under the Federal Insurance Administrator, carry out a pilot program to provide mitigation assistance to States and communities to carry out eligible mitigation activities under section 1366 of the National Flood Insurance Act of 1968 before the full implementation of the program under such section.

(b) REQUIREMENTS.—The pilot program under this subsection shall be subject to the provisions of such section 1366 and the proposed regulations issued under section 402(b) of this Act and shall terminate upon the first availability of grants under section 1366, but in no case before final regulations implementing the program for mitigation assistance under such section 1366 have been issued.

(c) FUNDING.—From any amounts made available for use under section 1362 of the National Flood Insurance Act of 1968 in fiscal year 1992 and any fiscal year thereafter (until the termination of the pilot program under this subsection) the Director of the Federal Emergency Management Agency may use \$1,250,000 in each such fiscal year to carry out the pilot program under this subsection.

SEC. 146. REPEAL OF PROGRAM FOR PURCHASE OF CERTAIN INSURED PROPERTIES.

(a) REPEAL.—Section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103) is repealed.

(b) TRANSITION.—Notwithstanding the repeal under subsection (a), the Director of the Federal Emergency Management Agency may continue to purchase property under subsections (a) and (b) of section 1362 of the National Flood Insurance Act of 1968, as such section existed immediately before the enactment of this Act, during the period beginning on the date of the enactment of this Act and ending upon the submission to the Congress of a certification under this paragraph by the Director. The certification shall be made upon the first availability of mitigation assistance under section 1366 of the National Flood Insurance Act of 1968 and shall certify the availability of such mitigation assistance. The certification may not be made until final regulations implementing the program for mitigation assistance under such section 1366 have been issued.

SEC. 147. COMMUNITY EROSION HAZARD IDENTIFICATION.

(a) IN GENERAL.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"EROSION MANAGEMENT PROGRAM

"SEC. 1368. (a) ESTABLISHMENT.—The Director shall carry out a program to reduce coastal erosion hazards, subject to the requirements of this section. The Director shall implement the program under this section and issue any regulations necessary to carry out the program not later than the expiration of the 24-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992.

"(b) COMMUNITY AND EROSION HAZARD IDENTIFICATION.—

"(1) DIRECTOR.—Using erosion rate information and other historical data available, the Director shall identify and publish information with respect to erosion hazards of coastal areas and coastal communities that are subject to erosion damage. The Director shall designate any areas subject to special erosion hazards as erosion-prone areas and shall designate any communities containing such areas as erosion-prone communities, for purposes of this section. The Director shall notify erosion-prone communities and erosion-prone areas of such designation not later than 60 days after the designation.

"(2) COMMUNITY REQUEST.—The Director may (pursuant to a request by the community and a determination by the Director) designate as an erosion-prone community any community that—

"(A) contains coastal areas; and

"(B) is not designated as an erosion-prone community under paragraph (1).

"(3) INITIAL DESIGNATIONS.—

"(A) IN GENERAL.—The Director shall complete the initial designations of all areas subject to special erosion hazards and notification of affected communities and areas not later than the expiration of the 60-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992, except that the Director may exclude from such initial designations any areas for which insufficient information exists regarding erosion hazards or for which such information is unavailable.

"(B) AREAS THAT HAVE BEEN AWARDED CLAIMS.—Within 24 months of enactment, the Director shall identify erosion hazard areas and designate as erosion-prone any coastal or Great Lakes community for which a claim under section 1306(c) of the National Flood Insurance Act of 1968 has been awarded.

"(4) EROSION CONTROL PROJECTS.—When defining erosion-prone areas, the Director may

take into account a community's efforts to control erosion through nonstructural or structural projects if such projects are well-designed, well-maintained, do not adversely affect adjacent areas, and the community provides adequate evidence of a commitment to long-term maintenance and financing of the project.

"(5) PUBLIC REVIEW PROCESS.—

"(A) IN GENERAL.—The Director shall consult with State and local governments in the determination of erosion-prone communities and provide for a public hearing and an appeals process to review such determinations.

"(B) BASIS FOR APPEALS.—The basis for appeals under this paragraph shall be knowledge or information that the erosion rates, erosion hazard area designations, or selection of reference features are scientifically or technically incorrect. The Director shall review and take into account any technical or scientific data submitted under appeal, and if appropriate, adjust the erosion rates, designations, or reference feature for use under this title.

"(6) RECOGNITION OF EXISTING STATE EROSION MANAGEMENT PROGRAM.—Where a State or community has adopted enforceable policies based on erosion rates that meet or exceed criteria determined by the Director for the management of erosion hazard areas, those policies and the data upon which they are based shall remain effective for the purposes of this title.

"(c) REGULATIONS.—The Director shall issue any regulations necessary to carry out this section.

"(d) REPORT.—The Director shall submit a report to the Congress regarding the determination of erosion hazard areas under this section not later than the expiration of the 24-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992. The report shall include any findings and recommendations of the Director regarding the program and a description of any regulations and procedures established for the program."

SEC. 148. PREMIUM INCREASE FOR FLOOD AND EROSION DUAL RISK HAZARD AREAS.

With respect to structures within erosion hazard areas that are subject to both flood risks and coastal erosion risks and that are located in communities that choose not to participate in the Community Rating System, premiums shall be increased by 20 percent per claim not to exceed the premium based on actuarial risk for structures that submit claims for flood damages to reflect the dual risks of both coastal flooding and coastal erosion.

SEC. 149. CLAIMS FOR IMMINENT COLLAPSE AND SUBSIDENCE.

Section 1306(c)(7) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)) is amended to read as follows:

"(7) Five years after the date of enactment of the National Flood Insurance Reform Act of 1992, the benefits provided under this subsection shall be available only within communities which have been determined by the Director to qualify for credits under the erosion management criteria established under the Community Rating System for the purposes of this title."

SEC. 150. LIMITATION ON AVAILABILITY OF FLOOD INSURANCE FOR PROPERTIES IN EROSION HAZARD AREAS.

Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(a) Flood insurance coverage under this title may not be provided two years after the date of the notification under section 1368(b)(1) to the erosion-prone community for any structure that is constructed or relocated within designated erosion hazard areas."

SEC. 151. RIVERINE EROSION STUDY.

(a) STUDY.—The Director of the Federal Emergency Management Agency shall conduct a study to determine the feasibility of identifying riverine erosion hazards and methods for management of areas subject to those hazards. Under the study the Director shall—

(1) investigate and assess existing and state-of-the-art technical methodologies for assessing riverine erosion;

(2) examine natural riverine processes, environmental conditions, human-induced changes to the banks of rivers and streams, and examples of erosion and likely causes;

(3) examine examples of erosion control and evaluate their performance; and

(4) analyze riverine erosion management strategies, the technical standards, methods, and data necessary to support such strategies, and methods of administering such strategies through the national flood insurance program.

(b) REPORT.—The Director shall submit a report to the Congress regarding the findings and conclusions of the study under this section not later than the expiration of the 2-year period beginning on the date of the enactment of this Act. The report shall include any recommendations of the Director regarding appropriate methods and approaches for identifying and determining riverine erosion rates and management strategies relating to riverine erosion.

SEC. 152. COORDINATION WITH COASTAL ZONE MANAGEMENT PROGRAMS.

(a) IN GENERAL.—In the implementation of the amendments made pursuant to sections 131 and 147, the Director shall consult with the Under Secretary of Commerce for Oceans and Atmosphere and States to promote full coordination of the coastal erosion management provisions of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) as amended by this Act and the provisions of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.). Furthermore, the Director shall, to the greatest extent possible, utilize State management programs approved under section 306 of the Coastal Zone Management Act of 1972 to facilitate development and implementation of management plans for coastal erosion-prone areas.

(b) COORDINATION REPORT.—The Director and the Under Secretary of Commerce for Oceans and Atmosphere shall jointly prepare a report which details the proposed mechanisms for achieving the coordination required in subsection (a). This report shall be transmitted to the Congress not later than the expiration of the twelve-month period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992.

(c) EROSION MANAGEMENT PROGRAM REGULATIONS.—In issuing any regulations under section 1368(a) of the National Flood Insurance Act of 1968, as amended by this title, the Director shall consider the recommendations of the Coordination Report required under subsection (b).

SEC. 153. LOANS SECURED BY UNINSURED STRUCTURES.

Section 4012(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4012a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(g) Notwithstanding, any other provision of this Act, a private, federally insured institution or lender may make loans secured by structures which are not eligible for flood insurance by reason of a designation by the Director of an area as erosion-prone and limitations placed upon the availability of flood insurance in such areas pursuant to this Act."

Subtitle E—Flood Insurance Task Force

SEC. 161. FLOOD INSURANCE INTERAGENCY TASK FORCE.

(a) ESTABLISHMENT.—There is hereby established an interagency task force to be known as the Flood Insurance Task Force (hereafter in this section referred to as the "Task Force").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Task Force shall be composed of 8 members, who shall be the designees of—

(A) the Director of the Federal Emergency Management Agency;

(B) the Secretary of Housing and Urban Development;

(C) the Secretary of Veterans Affairs;

(D) the Administrator of the Farmers Home Administration;

(E) the Administrator of the Small Business Administration;

(F) a designee of the Financial Institutions Examination Council;

(G) the chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation; and

(H) the chairman of the Board of Directors of the Federal National Mortgage Association.

(2) QUALIFICATIONS.—Members of the Task Force shall be designated for membership on the Task Force by reason of demonstrated knowledge and competence regarding the national flood insurance program.

(c) DUTIES.—The Task Force shall carry out the following duties:

(1) Make recommendations to the head of each Federal agency and corporation under subsection (b)(1) regarding establishment or adoption of standardized enforcement procedures among such agencies and corporations responsible for enforcing compliance with the requirements under the national flood insurance program to ensure fullest possible compliance with such requirements.

(2) Conduct a study of the extent to which Federal agencies and the secondary mortgage market can provide assistance in ensuring compliance with the requirements under the national flood insurance program and submit to the Congress a report describing the study and any conclusions.

(3) Conduct a study of the extent to which existing programs of Federal agencies and corporations for compliance with the requirements under the national flood insurance program can serve as a model for other Federal agencies responsible for enforcing compliance, and submit to the Congress a report describing the study and any conclusions.

(4) Develop guidelines regarding enforcement and compliance procedures, based on the studies and findings of the Task Force and publishing the guidelines in a usable format.

(d) NONCOMPENSATION.—Members of the Task Force shall receive no additional pay by reason of their service on the Task Force.

(e) CHAIRPERSON.—The members of the Task Force shall elect one member as chairperson of the Task Force.

(f) MEETINGS AND ACTION.—The Task Force shall meet at the call of the chairman or a majority of the members of the Task Force

and may take action by a vote of the majority of the members. The Federal Insurance Administrator shall coordinate and call the initial meeting of the Task Force.

(g) OFFICERS.—The chairperson of the Task Force may appoint any officers to carry out the duties of the Task Force under subsection (c).

(h) STAFF OF FEDERAL AGENCIES.—Upon request of the chairperson of the Task Force, the head of any of the Federal agencies and corporations under subsection (b)(1) may detail, on a nonreimbursable basis, any of the personnel of such agency to the Task Force to assist the Task Force in carrying out its duties under this Act.

(i) POWERS.—In carrying out this section, the Task Force may hold hearings, sit and act at times and places, take testimony, receive evidence and assistance, provide information, and conduct research as the Task Force considers appropriate.

(j) SUBCOMMITTEE ON NATURAL AND BENEFICIAL FUNCTIONS OF THE FLOODPLAIN.—The Under Secretary of Commerce for Oceans and Atmosphere, the Director of the United States Fish, and Wildlife Service and the Administrator of the Environmental Protection Agency shall constitute a select subcommittee which shall make recommendations regarding the implementation of the provisions of the National Flood Insurance Reform Act of 1992 which deal with protection of the natural and beneficial functions of the floodplain.

(k) TERMINATION.—The Task Force shall terminate upon the expiration of the 24-month period beginning upon the designation of the last member to be designated under subsection (b)(1).

Subtitle F—Miscellaneous Provisions

SEC. 171. MAXIMUM FLOOD INSURANCE COVERAGE AMOUNTS.

(a) IN GENERAL.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting "and" after the comma at the end of clause (i);

(B) by striking ", and" at the end of clause (ii) and inserting "; and"; and

(C) by striking clause (iii);

(2) by striking subparagraph (B) of paragraph (1) and inserting the following new subparagraph:

"(B) in the case of any nonresidential property, including churches—

"(i) \$100,000 aggregate liability for each structure, and

"(ii) \$100,000 aggregate liability for any contents related to each structure;"

(3) by striking subparagraph (C) of paragraph (1);

(4) in paragraph (2), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount, including the limits specified in clause (i) of subparagraph (A) of paragraph (1), of \$250,000 multiplied by the number of dwelling units in the building;"

(5) in paragraph (3), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount of \$90,000 for any single-family dwelling and \$240,000 for any residential structure containing more than one dwelling unit;" and

(6) by striking paragraph (4) and inserting the following new paragraph:

"(4) in the case of any nonresidential property, including churches, additional flood insurance in excess of the limits specified in clauses (i) and (ii) of subparagraph (B) of paragraph (1) shall be made available to

every insured upon renewal and every applicant for insurance up to an amount of \$2,400,000 for each structure and \$2,400,000 for any contents related to each structure; and"

(b) REMOVAL OF CEILING ON COVERAGE REQUIRED.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (5), by striking "; and" at the end and inserting a period; and

(2) by striking paragraph (6).

(c) CONFORMING AMENDMENTS.—Section 1306(b)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)(5)) is amended—

(1) by striking "(A), (B), or (C)" and inserting "(A) or (B)"; and

(2) by striking "(1)(C)".

SEC. 172. FLOOD INSURANCE PROGRAM ARRANGEMENTS WITH PRIVATE INSURANCE ENTITIES.

Section 1345(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(b)) is amended by striking the period at the end and inserting the following: "and without regard to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.)."

SEC. 173. FLOOD INSURANCE MAPS.

(a) 5-YEAR UPDATES.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsections:

"(e) Once during each 5-year period (the first such period beginning on the date of the enactment of the National Flood Insurance Reform Act of 1992) or more often as the Director determines necessary because of storms, increased erosion rates, increased watershed development, or other extraordinary situations, the Director shall assess the need to revise and update all floodplain areas, flood-risk zones, and erosion hazard areas identified, delineated, or established under this section.

"(f) The Director shall revise and update any floodplain areas, flood-risk zones, and erosion hazard areas—

"(1) upon the determination of the Director, according to the assessment under subsection (e), that revision and updating are necessary for the areas and zones; or

"(2) upon the request from any State or local government stating that specific floodplain areas, flood-risk zones, or erosion hazard areas in the State or locality need revision or updating (if sufficient technical, engineering, or other justification is provided, in the determination of the Director, to justify the request).

"(g) To promote compliance with the requirements of this title and the Flood Disaster Protection Act of 1973, the Director shall make maps and information under this section regarding floodplain areas, flood-risk zones, and erosion hazard areas available, free of charge to States and communities participating in the national flood insurance program pursuant to section 1310.

"(h) The Director shall publish in the Federal Register, within 30 days after the change or revision becomes effective, changes to flood maps issued in the form of Letters of Map Amendments and Letters of Map Revisions. Notices published in the Federal Register shall also include information on how to obtain copies of the aforementioned changes."

(b) USE OF NATIONAL FLOOD INSURANCE FUND.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended by adding at the end the following new paragraph:

"(8) for revising and updating floodplain areas, flood-risk zones, and erosion hazard areas."

SEC. 174. REGULATIONS.

The Director of the Federal Emergency Management Agency and any appropriate head of any Federal agency may each issue any regulations necessary to carry out the applicable provisions of this Act and the applicable amendments made by this Act.

SEC. 175. FLOOD CONTROL RESTORATION ZONE.

Section 1307 of the National Flood Insurance Act of 1968 is amended by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of law, this subsection shall only apply in a community which has been determined by the Director of Federal Emergency Management Agency to be in the process of restoring flood protection afforded by a flood protection system that had been previously accredited on a Flood Insurance Rate Map as providing 100-year frequency flood protection but no longer does so. In such a community, flood insurance shall be made available to those properties impacted by the discreditation of the flood protection system at premium rates that do not exceed those which would be applicable to any property located in an area of special flood hazard, the construction of which was started prior to the effective date of the initial Flood Insurance Rate Map published by the Director for the community in which such property is located. A revised Flood Insurance Rate Map shall be prepared for the community to delineate as Zone AR the areas of special flood hazard that result from the discreditation of the flood protection system. A community will be considered to be in the process of restoration if—

"(1) the flood protection system has been deemed restorable by a Federal agency in consultation with the local project sponsor;

"(2) a minimum level of flood protection is still provided to the community by the discredited system; and

"(3) restoration of the flood protection system is scheduled to occur within a designated time period and in accordance with a progress plan negotiated between the community and the Federal Emergency Management Agency.

Communities that the Director of the Federal Emergency Management Agency determines to meet the criteria of this subsection as of January 1, 1992, shall not be subject to revised Flood Insurance Rate Maps that contravene the intent of this subsection. The Director of the Federal Emergency Management Agency shall develop and promulgate regulations to implement this subsection, including minimum floodplain management criteria, within 24 months of enactment."

SEC. 176. STUDY OF AGRICULTURAL BUILDINGS.

(a) STUDY.—The Director of the Federal Emergency Management Agency shall conduct a study to determine the feasibility of establishing criteria for recognizing that certain agricultural structures are typically designed, constructed, and utilized to minimize damage from flooding. The study shall determine appropriate floodplain management and construction standards applicable to such agricultural structures to assure that they are subject to minimum flood damage while maximizing utilization appropriate to agricultural practices.

(b) REPORT.—Not later than 24 months after the date of enactment of this section, the Director shall submit a report to the Congress describing the study required under subsection (a) and setting forth findings, conclusions, and recommendations resulting from the study.

SEC. 177. INCREASED COST OF CONSTRUCTION STUDY.

(a) STUDY.—The Director of the Federal Emergency Management Agency shall conduct a study to determine the feasibility of providing, as part of the flood insurance policy, insurance coverage to provide for increases in the costs of repair and reconstruction of repetitively and severely flood-damaged insured buildings, in order to repair, reconstruct, or otherwise mitigate future hazards to those buildings to comply with local building codes and floodplain management ordinances to the greatest extent possible. In conducting the study, the Director shall seek involvement from other Federal, State, and local agencies, and representation from the insurance, construction, and floodplain management interests. Under the study the Director shall—

(1) identify potential activities related to repair, reconstruction, or otherwise achieving mitigation required to provide compliance with NFIP standards and local building codes, and evaluate the costs of such activities;

(2) evaluate how this approach could be utilized to achieve economically justified acquisition or relocation of certain structures under certain circumstances;

(3) evaluate the cost of providing the additional coverage and investigate a full range of measures for funding those costs, including changes in coverage, rates, and deductibles;

(4) evaluate the effect changes identified in paragraph (3) would have on the entire policy base, the cost of flood insurance, retention of policies, marketing of policies, the number and magnitude of claims paid, and the economic soundness and value of flood-prone property. The evaluation shall provide detail by State and flood hazard zone; and

(5) identify mechanisms required to identify qualifying structures, determine appropriate mitigation measures, coordination with State and local officials, consistency with State and local plans and programs, delivery of the increased insurance payments, and verification of appropriate actions by policyholders.

(b) REPORT.—Not later than 18 months after the date of enactment of this section, the Director shall submit to the Congress a report describing the study and, conclusions and recommendations.

SEC. 178. FLOODPLAIN MANAGEMENT IMPLEMENTATION REPORT.

(a) IN GENERAL.—Not more than 2 years after the date of enactment of this Act, the Chairman of the President's Council on Environmental Quality (hereafter in this section referred to as the "Chairman") shall submit a report to the President and to the Congress on the status and effectiveness of Federal agency floodplain management policies, plans, and procedures, to reduce the risk of flood loss to minimize the impact of floods on human safety, health, and welfare, and to restore and preserve the natural and beneficial values served by floodplains, as provided in Executive Order No. 11988, and regulations and guidelines promulgated thereunder.

(b) STUDY.—The report required by subsection (a) shall be based upon a study to be conducted by the Chairman in consultation with the Secretary of the Army and the Director of the Federal Emergency Management Agency.

(c) OTHER AGENCIES.—In conducting the study under subsection (b), the Chairman shall also consult with appropriate Federal, State, and local agencies, and representatives of the private sector.

(d) **INTERIM REPORT.**—Not more than 1 year after the date of enactment of this Act, the Chairman shall submit an interim report to the Congress which shall identify any initial findings and any recommendations for administrative actions to improve floodplain management procedures or activities by Federal agencies.

(e) **FINAL REPORT.**—Not more than 2 years after the date of enactment of this Act, the Chairman shall submit a final report to the Congress which shall include—

(1) the status of any recommendations that were included in the interim report;

(2) recommendations for administrative or legislative action to further improve Federal floodplain management and better coordinate Federal floodplain management activities with State and local government entities; and

(3) such other information as the Chairman, the Secretary of the Army and the Director of the Federal Emergency Management Agency deem appropriate.

(f) **AUTHORIZATION.**—There are authorized to be appropriated \$250,000 to carry out this section.

NATIONAL FLOOD INSURANCE REFORM ACT OF 1992, S. 2907—SECTION-BY-SECTION SUMMARY

SECTION 1. SHORT TITLE.

This title may be cited as the "National Flood Insurance Reform Act of 1992."

SEC. 2. CONGRESSIONAL FINDINGS.

SEC. 3. DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Amends section 1302(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4001(e)) by adding a new clause (3) and redesignating clauses (3), (4), and (5), and (4), (5), and (6). The new clause would encourage State and local governments to protect natural and beneficial floodplain functions that reduce flood-related losses.

SUBTITLE A—DEFINITIONS

SEC. 111. FLOOD DISASTER PROTECTION ACT.

Defines: Federal entity for lending regulation; lender; regulated lending institution; and portfolio review. Requires all regulated lending institutions and Federal agencies that act as lenders to enforce mandatory purchase requirements.

SEC. 112. NATIONAL FLOOD INSURANCE ACT OF 1968.

Defines: coastal; Federal entity of lending regulation; lender; natural and beneficial floodplain functions; erosion-prone area; and, bayou.

SUBTITLE B—COMPLIANCE AND INCREASED PARTICIPATION

SEC. 121. EXISTING FLOOD INSURANCE PURCHASE REQUIREMENTS.

Amends Section 102(a) of the Flood Disaster Protection Act of 1973, (42 U.S.C. 4012a(a)) by clarifying that lenders and federal agencies may not waive the mandatory purchase requirement for any purposes or provide any amount of financial assistance without enforcing the mandatory purchase requirement.

SEC. 122. EXPANDED FLOOD INSURANCE PURCHASE REQUIREMENTS.

Extends mandatory purchase requirements to all lenders. Provides for guarantees of flood determinations and requires lenders to review outstanding loans to determine if such loans are in compliance with mandatory purchase requirements. Allows lenders to charge a reasonable fee for flood determinations. Allows exemptions if a review occurred 36 months prior to enactment, or if a lender is regularly providing escrow on loans.

SEC. 123. ESCROW OF FLOOD INSURANCE PAYMENTS.

Requires lender to escrow flood insurance payments if other taxes, insurance, etc. are escrowed. Lenders are also authorized to force place flood insurance coverage if a loan located in a flood hazard area is found to not have coverage in force.

SEC. 124. PENALTY FOR FAILURE TO REQUIRE FLOOD INSURANCE OR NOTIFY.

Imposes a \$350 fine on lenders for failure to require flood insurance. Total amount of penalties for any single lender for any one year is capped at \$100,000. Penalties are paid into the National Flood Mitigation Fund.

SEC. 125. ONGOING COMPLIANCE WITH FLOOD INSURANCE PURCHASE REQUIREMENTS.

Requires a redetermination of whether a structure is located in a flood hazard area before a lender of institution sells or transfers a loan unless such determination has been within five years prior to the date of enactment. Insurers and or servicers of record shall be notified of determination.

SEC. 126. NOTICE REQUIREMENTS.

All new loans must receive notice of the mandatory purchase requirement and availability of flood insurance. Lenders are required to notify in writing a purchaser or transferee within a reasonable time in advance of closing or execution of the purchase or transfer that the structure is located in a flood hazard area. Lenders or servicers must maintain a record of the receipt of notices.

SEC. 127. STANDARD HAZARD DETERMINATION FORMS.

Requires the development and use of a standard flood hazard determination form for inclusion with applications for real estate loans and mortgages. Provides for guarantees regarding the accuracy of flood determination information. Provides for electronic and written forms.

SEC. 128. FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

The Council shall consult and assist Federal regulators and the Director of FIA in developing and coordinating uniform standards and requirements for use by lenders.

SEC. 129. CONFORMING AMENDMENT.

Changes the heading of section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) to read: "Flood Insurance Purchase And Compliance Requirements and Escrow Accounts."

SUBTITLE C—RATINGS AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT PROGRAMS

SEC. 131. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.

Authorizes a Community Rating System which provides reduced premium rates for communities that implement adequate land use and control provisions consistent with a comprehensive criteria for land management under section 1362 to facilitate accurate risk-rating, to promote flood insurance awareness, and to complement effective measures for floodplain and coastal erosion management. The Director shall establish land management standards to mitigate the effects of erosion hazards that consider the severity of erosion, anticipate the impact of erosion, and guide new development away from the highest risk erosion areas. Communities that select to manage erosion risks shall have premium rates for flood insurance adjusted downward. The Director shall submit a report on the cost-effectiveness, accomplishments, and shortcomings of this program.

SEC. 132. FUNDING.

Funds to carry out this program shall be appropriated from the National Flood Insur-

ance Fund under section 1310 and any other amounts appropriated for the purposes of this act.

SUBTITLE D—MITIGATION OF FLOOD AND EROSION RISKS

SEC. 141. OFFICE OF MITIGATION ASSISTANCE IN FEDERAL INSURANCE ADMINISTRATION.

Establishes an Office of Mitigation Assistance, funded through a National Flood Mitigation Fund, to make grants to eligible States and communities; to coordinate all mitigation activities; to administer the erosion management program under section 1368 and flooded property purchase program under section 1362; to develop and implement various mitigation techniques and to provide advice and technical assistance; and, to coordinate the collection and dissemination of information regarding erosion in coastal areas.

SEC. 142. MITIGATION ASSISTANCE PROGRAM.

The Office of Mitigation Assistance shall carry out eligible mitigation activities that are technically feasible and cost effective in any eligible State or community. Such activities may include elevation, relocation, acquisition and floodproofing and technical assistance. Mitigation grants may not exceed \$5,000,000 to any State or community over a two year period. All applications for mitigation assistance must be identified in a State or local flood risk mitigation plan approved by the Director. All mitigation grants require at least a 25% matching State or community contribution. Allows for the recapture of funds not expended for mitigation activities 18 months after receipt of mitigation grant. The Director shall conduct oversight investigations to ensure program compliance.

SEC. 143. ESTABLISHMENT OF NATIONAL FLOOD MITIGATION FUND.

Establishes a National Flood Mitigation Fund credited with any premium surcharges, any amounts recaptured from defaulted mitigation activities, any amounts appropriated to carry out section 1362 that remain unexpended after enactment, and any penalties. The Director shall invest any excess amounts in interest-bearing obligations.

SEC. 144. INSURANCE PREMIUM MITIGATION SURCHARGE.

Provides money for the National Flood Mitigation Fund through a \$5 mitigation surcharge on each flood insurance policy issued or renewed 24 months after enactment.

SEC. 145. MITIGATION TRANSITION PILOT PROGRAM.

Adds a new provision to allow the Director, through the Office of Mitigation Assistance, to carry out a program to make grants to States and communities before full implementation of the mitigation program described in Section 1142. \$1,250,000 per year of the transition program is authorized to carry out the program.

SEC. 146. REPEAL OF PROGRAM FOR PURCHASE OF CERTAIN INSURED PROPERTIES.

Section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103) is repealed. A transition period is provided until enactment of the mitigation assistance program.

SEC. 147. COMMUNITY EROSION HAZARD IDENTIFICATION.

Using erosion rate information and other historical data available, the Director shall identify and publish erosion hazard areas within coastal communities. These areas shall be known as erosion-prone areas, and communities as erosion-prone communities. All erosion-prone communities shall be notified within 60 days after the designation and

all areas shall be designated within 5 years after date of enactment.

SEC. 148. PREMIUM INCREASE FOR FLOOD AND EROSION DUAL RISK HAZARD AREAS.

For structures in communities that do not manage for erosion hazards, structures located in both flood prone and erosion hazard areas are subject to a premium increase of 20 percent per claim for damages not to exceed the actuarial rate to reflect the dual risks of coastal flooding and coastal erosion.

SEC. 149. CLAIMS OF IMMINENT COLLAPSE AND SUBSIDENCE.

Provides for the transition of current Sect. 1306 relocation and demolition assistance and limits availability of benefits to communities that qualify under the erosion management criteria established in the Community Rating System.

SEC. 150. LIMITATION ON AVAILABILITY OF FLOOD INSURANCE FOR PROPERTIES IN EROSION HAZARD AREAS.

Two years after enactment, flood insurance will not be available for new construction in, or relocation to, identified erosion hazard areas.

SEC. 151. RIVERINE EROSION STUDY.

FEMA shall conduct a study to determine the feasibility of identifying riverine erosion hazards and methods for management. FEMA shall examine the riverine environment, man-induced changes, examples of erosion control, and analyze management strategies, standards, methods and data. A report is to be prepared in two years.

SEC. 152. COORDINATION WITH COASTAL ZONE MANAGEMENT PROGRAMS.

FEMA shall consult with NOAA to promote full coordination of the coastal erosion management provisions under this amendment and the Coastal Zone Management Act of 1972. State CZM programs are to be utilized in the development and implementation of erosion management plans. After one year a coordination report is to be filed jointly by FEMA and NOAA.

SEC. 153. LOANS SECURED BY UNINSURED STRUCTURES.

Structures in erosion hazard areas ineligible for flood insurance are still eligible for federally-backed loans.

SUBTITLE E—FLOOD INSURANCE TASK FORCE

SEC. 161. FLOOD INSURANCE INTERAGENCY TASK FORCE.

Establishes an interagency task force consisting of representatives from the Federal Housing Commission, Veterans Affairs Department, Farmers Home Administration, the Small Business Council, the Financial Institutions Examination Council, the Chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation and the Chairman of the Federal National Mortgage Association. The task force shall make recommendations regarding enforcement; shall study how secondary markets can ensure compliance; and, shall develop guidelines on enforcement and compliance. A Subcommittee on Natural and Beneficial Functions of the Floodplain consisting of representatives from NOAA, U.S. Fish and Wildlife Service and EPA shall also be created to evaluate implementation of erosion provisions.

SUBTITLE F—MISCELLANEOUS PROVISIONS

SEC. 171. MAXIMUM FLOOD INSURANCE COVERAGE AMOUNTS.

Insurance coverage amounts are raised for single family residences from \$100,000 to \$250,000; and from \$250,000 to \$2.4 million for non-residential properties.

SEC. 172. FLOOD INSURANCE PROGRAM ARRANGEMENTS WITH PRIVATE INSURANCE ENTITIES.

Conforming amendment.

SEC. 173. FLOOD INSURANCE MAPS.

Every five years starting from the date of enactment, or more frequently if determined by the Director, FEMA shall update and revise any floodplain area, flood risk zone, and erosion hazard area. States can request updates. Maps are available free of charge to states and communities, and all revisions shall be published in the Federal Register either as a Letter of Map Amendment or Letter of Map Revision within 30 days after the change or revision.

SEC. 174. REGULATIONS.

The Director of FEMA and any appropriate head of any Federal agency may each issue regulations necessary to carry out the provisions of this amendment.

SEC. 175. FLOOD CONTROL RESTORATION ZONE.

Creates a new AR zone which delimits special flood hazard areas located in areas where discredited flood protection systems are in the process of restoration. In AR zones flood insurance shall be made available at premium rates comparable to any property in a special flood hazard area. Restoration projects must meet a criteria which includes that the protection system is restorable; that the system affords a minimum standard of protection; and, that restoration is to occur within a designated time as planned for by FEMA and the community.

SEC. 176. STUDY OF AGRICULTURAL BUILDINGS.

FEMA shall conduct a study to determine the feasibility of establishing a criteria for recognizing typical flood-proof designs of certain agricultural structures, and also determine appropriate floodplain management and construction standards. A report shall be issued within 2 years after enactment of this amendment.

SEC. 177. INCREASED COST OF CONSTRUCTION.

FEMA shall conduct a study to determine the feasibility of providing insurance coverage to provide for increases in the costs of repair and reconstruction of repetitively and severely flood-damaged buildings in order to repair, reconstruct, or otherwise mitigate future losses, and to comply with local building codes and floodplain management ordinances. FEMA shall involve Federal, State, and local agencies, and representation from insurance, construction and floodplain management interest. This study will investigate mitigation methods and activities, evaluate costs, investigate funding alternatives and coverages, evaluate effects on the entire policy base, and identify mechanisms to identify qualifying structures and appropriate mitigation activities. A report is to be delivered by FEMA within 18 months after enactment of this amendment.

SEC. 178. FLOODPLAIN MANAGEMENT IMPLEMENTATION REPORT.

The Chairman of the President's Council on Environmental Quality in consultation with the Director of FEMA and the Secretary of the Army shall compile a report on the status and effectiveness of Federal agency floodplain management policies, plans, and procedures as provided in Executive Order No. 11988. An interim report shall be filed one year after enactment and the final report shall include recommendations for administrative or legislative action to further improve Federal floodplain management and better coordination with State and local entities. \$250,000 is authorized for this report.

COMPARISON SUMMARY REGARDING S. 2907, THE NATIONAL FLOOD INSURANCE REFORM ACT OF 1992 and S. 650 THE NATIONAL FLOOD INSURANCE MITIGATION AND EROSION MANAGEMENT ACT OF 1991

MAJOR SECTIONS OF S. 1650 THAT HAVE REMAINED UNCHANGED

1. Lender compliance to assure structures in risk areas are insured and federal government receives all premium income due to it (thus increasing the base across which the risk is spread)

Lenders required to conduct retroactive portfolio review.

Lenders required to conduct compliance reviews on on-going basis.

Lenders required to escrow flood insurance premiums.

2. Community Rating System implemented as incentive for communities to manage land to limit future flood losses

Properties in communities which establish a voluntary system of land management design to reduce construction and presence of structures in flood-prone areas, in order to reduce risk of loss, will receive reductions in premium rate.

3. National Mitigation Grants to states and communities

FEMA will provide grants to states and communities for mitigation activities (e.g., elevation, flood-proofing, relocation) as a risk reduction program. Money for the fund from which the grants will be made will come from a \$5 annual fee added to each flood insurance policy premium, FEMA discretionary funds, and penalties on lenders for violations of #1 above.

THE MAJOR SECTION OF S. 1650 THAT WAS CHANGED SUBSTANTIALLY

4. Erosion Management Section
One basic concept was retained:
FEMA will—as under S. 1650—map erosion hazard areas and identify erosion prone communities in consultation with states.

Several key concessions were made to address Senators' problems with S. 1650:

10-, 30-, and 60-year setbacks will not be determined, nor the staged mandatory restrictions on development/construction, insurance, and mitigation imposed on the 10-30-60 model.

A voluntary erosion management program is established as a component of the Community Rating System (see #2 above). Only communities that meet the erosion hazard standards in the amendment will be eligible for certain benefits (relocation/demolition assistance; reduced premium rates).

No existing flood insurance policies will be canceled because of the location of the insured structures in an erosion-prone area.

Existing state erosion management programs are permitted to remain in effect.

FEMA is required to conduct public hearings before making its erosion hazard area determinations. Communities may appeal those determinations.

Alternative disciplinary mechanisms are used to encourage effective land use management, reduce risk to the National Flood Insurance Fund, and discourage construction in erosion hazard areas:

In communities choosing not to establish suitable erosion management regimes:

Existing structures will not be eligible for relocation/demolition assistance or reduced premiums.

Premiums for existing structures in erosion-prone areas will be increased by 20 percent following every flood claim (not to exceed an actuarially-based premium), to partially take into account the dual erosion/flood risk facing those structures.

New construction in any identified erosion hazard area will be ineligible for flood insurance.

When their portfolio reviews reveal properties required to carry flood insurance which are not carrying such insurance, lenders may obtain the coverage and add the premium to the loan payments. •

THE LEADER AT THE NATIONAL INSTITUTES OF HEALTH AND THE LEADER AT THE WHITE HOUSE

• Mr. DOMENICI. Mr. President, a week ago, I read the Washington Post magazine article about the Director of the National Institutes of Health, Dr. Bernadine Healy. I was very impressed with the article, and for a number of different reasons it reconfirmed my view about the person who is directing the world's largest health research organization.

I realize there are probably segments of this article that Director Healy does not agree with, or certain portrayals of conflicts that she felt were overstated. However, overall I believe the article was evenhanded and fair. It clearly displays the difficulties women in our society face as they work their way to the top of various professions that were previously—and some contend still are—dominated by men.

Most important, I felt the article displayed Director Healy's ideas and principles, and her vision about how those ideas should be implemented at NIH.

Director Healy has taken this opportunity to focus our Nation's awareness on the enormous gaps in our understanding of women's health. She is proposing one of the most comprehensive studies of human health in history.

While this study has been challenged in the scientific community by claims that it lacks the necessary scientific focus, I believe that this effort is a giant step forward as to how we view and treat diseases. This study will help ensure that we are developing the most effective treatments for diseases specific to women, and also help refocus the way we treat disease in men.

There is another aspect of this article that I would also like to highlight: leadership. Director Healy is moving forward and taking NIH with her. We in Congress have fewer and fewer dollars to spend on discretionary items. However, Director Healy's agenda gives specific direction to the mission of NIH. She identifies projects and programs that NIH can point to as necessary for our Nation and worthy of funding. This type of prioritizing is always difficult, and as is the case with any leadership position, she is not winning any popularity contests. Yet, she continues to push ahead.

I also commend President Bush for nominating Director Healy. The President recognizes the importance of NIH as a national resource, as well as the critical role it assumes in the search

for cures for such diseases as AIDS and breast cancer. He understands that research is often free-form and cannot be directed, but that it can be given focus and made more effective.

It is often easy to attack the appointments made by the President. However, this appointment is quite clearly one in which President Bush selected a true leader to take the reins of this impressive institution. I applaud President Bush's selection of Dr. Bernadine Healy as the Director of the National Institutes of Health, and I especially applaud her efforts in advancing the research of women's health needs.

Mr. President, I ask that at this point the full text of the Washington Post article be printed in the RECORD. The article follows:

THE HEALY EXPERIMENT
(By Malcolm Gladwell)

There was—and still is—an all-male eating society at Johns Hopkins University medical school called the Pithotomy Club, which is famous for the comedy revue it stages every year lampooning the school's faculty.

The show dates back almost to the club's founding at the turn of the century, and in its heyday was hugely popular with the alumni. It was a bonding ritual for male students and faculty, a chance for the once and future elite of American medicine to gather for obscene songs and skits, get drunk, and then—because the club had only one toilet—urinate together in the alleyway next door. F. Scott Fitzgerald immortalized the "Pit" in a short story. H.L. Mencken said the only time he had seen something cruder was in a show put on by sailors in London.

Bernadine Healy does not like to talk about the events that led her, 10 years ago this spring, to do battle with the Pithotomy Club. To the woman who now holds the most powerful position in American science, the day the Pithotomy Club made her the subject of its annual show is a distant and traumatic memory, an episode so personally painful that over all of the intervening years she says she has tried to repress it.

But when Healy speaks of the plight of women in science, of her plans to redress the scientific establishment's neglect of women's issues, or when she confronts the establishment with her own new and radical agenda—as she has over and over again in her first year as head of the National Institutes of Health—it is difficult not to call the Pithotomy episode to mind.

Healy was then one of the Hopkins medical school's brightest stars, an intense and ambitious young cardiologist who made an inviting target for the Pithotomy wags. She has recently been divorced from another member of the Hopkins faculty, Gregory Bulkley, and in the show's central skit he was portrayed as mad with jealousy, stalking physicians he suspected of sleeping with his ex-wife. Healy, played by a man dressed in a long blond wig, fish-net stockings and coconut-half brassiere, was depicted performing a variety of pornographic acts on other physicians until, at the end, she was discovered in flagrante by her ex-husband. The show closed with the man who played Bulkley singing "Cardiology Girl," a bawdy takeoff of the Playboy centerfold-inspired hit song "Calendar Girl."

"It would be one thing if a men's club got together and wrote degrading pornographic

things about each other," Healy says, her voice rising with the memory. "But when they started to bring women into it, to bring women faculty into it, I thought it was offensive."

"I had just gone through a divorce. I was very vulnerable. I was a single mother trying to raise a child. This was the final straw. I let it be known that the club had to stop."

She tried to argue that the show was sexual harassment. But this was 1982.

"I got no support when I brought it up. I was rebuffed repeatedly. I kept hearing, 'Bernadine, knock it off. Boys will be boys.'"

Still, she worried that the skit—including what the show's creators conceded was a groundless accusation of infidelity—might damage her reputation. She demanded a list of the participants in the show, and when she was refused, asked again. At staff meetings, she would not let the subject drop. Finally, after she threatened a lawsuit, she got a face-to-face meeting with the club's officers.

"I made every one of them answer how they would have felt if [the skit] was about their sister, their mother or their wife. I went around the table and questioned their integrity, their sensitivity, their character."

Only one friend at Hopkins, Healy remembers—a woman—ever came forward to tell her that what she was doing was right. Other faculty thought she had no sense of humor, no sense of perspective; that she was not playing the game. The dean told her he was worried about her career.

"I was one of the leaders of that institution," she says now. "But after that episode I would go in a room and there were different vibrations. It did not make me popular."

She was gone from Hopkins by the following year.

It's a cold day in February and Bernadine Healy, now the chief of NIH, is at a scientific symposium at the University of Connecticut. To her right is a man, her host, the governor of Connecticut, Lowell Weicker. To her left is another man, and to his left another man and another man and on and on down the lecture hall's long dais, 13 consecutive men in all, all but one white, all but two graying, the aristocracy of science.

In the audience there are more men. Rows of them in suits and ties. Biologists and chemists and clinicians here to listen to Healy's vision for the scientific future.

They do not like what they hear. She is new, and she wants to change things. She says she wants to restructure the American scientific enterprise, to make NIH, its \$9 billion-a-year budget and the thousands of researchers it funds around the country, more responsive to the public. Borrowing metaphors and concepts from the world of industry, she talks of setting priorities, of bringing order to science, and these men—accustomed to the friendly anarchy of academia—shift uneasily in their seats.

Unlike the men who have come before her in this job, she does not soothe her audience or pause to attend to the hundreds of federally funded egos in the room. Instead, she talks powerfully and quickly; in complete, precise sentences separated by semicolons, not periods; in a cadence that leaves little room for contradiction or interruption.

Later, in a series of separate seminars around the building at which parts of Healy's plan are discussed, the scientists will stand up to cavil and complain. It is not that they do not respect her. Or that they doubt her intelligence or commitment. It seems something less intellectual than emotional. It is that she does not fit in.

This has been very much the story of Bernadine Healy's first 12 months at the

held at NIH. At the peak of a career that had taken her from Johns Hopkins to the White House science policy staff in the mid-1980s to the presidency of the Cleveland Clinic, one of the country's most prestigious private medical research groups, the 47-year-old cardiologist came to Washington with an aggressive agenda to reform biomedical science. But she has not always been well received. She is a figure of controversy, intimidating to some and disparaged by others. Her efforts have often been viewed less as an attempt to help medical science regain its footing than as a blunt challenge to the accepted way of doing business.

This is partially the result of Healy's message, a tough-minded diagnosis of medicine's ills that calls for scientists to be more rigorous in setting priorities. It is more the result of the peculiar culture of medical science, which resists direction—and even more the result of the extraordinary, and sometimes overwhelming, character of Bernadine Healy herself.

She is, as head of NIH, one of the country's most important people. This may seem like an overstatement, because she is not a household name and does not draw a crowd when she goes shopping. But she is the person responsible for the hundreds of laboratories scattered around NIH's Bethesda campus as well as the thousands of basic and applied medical research facilities funded by NIH in universities and hospitals across the country, a vast enterprise without parallel anywhere in the world.

That enterprise is now in crisis. NIH has enough money only to fund about one quarter of the very best research proposals it receives. Young scientists are becoming disillusioned and seeking careers elsewhere. Good ideas are being ignored. Many established scientists believe that what limited funds do exist are going to the wrong projects, to politically popular research areas like AIDS and the human genome effort—the multimillion-dollar attempt to map all the genes in the human body—rather than to smaller but crucial basic science projects. At the same time, American medical research is facing increasing scrutiny from Congress over the mismanagement of its resources and because of a perception that it cannot police itself adequately against scientific fraud.

If these challenges are met over the next few years, it will be because Bernadine Healy met them; and if the crisis worsens, she, more than anyone else, will take the blame.

Healy has not shrunk from this responsibility. Upon taking office, she drafted a sweeping plan for the reorganization of NIH. To address the huge gaps in medicine's understanding of women's health, she proposed one of the largest and most expensive studies of human health in history. She has been straightforward about what she sees as the problems with the way science investigates misconduct and has proposed major changes in the investigative arm of NIH. She has spoken her mind. She has charged through the quiet halls of the institutes, raising more of a ruckus in her first few months than many of her predecessors did in a lifetime.

Along the way, Healy has won praise for her energy and her intelligence. But it has not been an easy year. At NIH, where every other director in the institutes' history has been a man, where 12 of the 13 institute directors are men, and where 175 of the 203 top-level officials and 241 of the 294 senior managers are men, she remains something of an outsider. At meetings with the scientific community, her proposals for reform have

drawn skepticism. She has fought with Rep. John Dingell (D-Mich.), the perennial NIH watchdog. Dingell staffers call her a "female John Sununu" because of what they say is her arrogance. She has fought with Nobel Prize-winning biologist James Watson, the longtime head of NIH's Human Genome Office. She has battled with her superiors in the Department of Health and Human Services.

At the University of Connecticut, in her pleated skirt and pearls, she is focused and formidable. She looks a little like Margaret Thatcher—a younger and prettier version, perhaps, but with the same high-frosted blond hair, the same imperious cheekbones, the same iron gaze. She writes on a small notepad. She walks briskly from one seminar room to another, then sits in the back, alone, as the men complain in front of her.

"Maybe it's because I am a woman, but I have never felt like one of the boys," Healy says. "I have never really been in the inner circle. It doesn't matter that I was a professor. It doesn't matter that I was president of the Cleveland Clinic. I have always been on the edge." She says this without rancor, as almost a point of pride: "It doesn't matter to me that the club is angry with me, because I've never been a member."

Bernadine Healy is by profession a cardiologist, medicine's cowboy specialty. Cardiologists are to internal medicine what jet pilots are to the infantry. She is a feminist, a woman who has been outspoken and active on behalf of her sex from the very beginning of her career. And she is a New Yorker, with all the attendant moxie and brashness, who grew up with her three sisters above her parents' mom and pop perfume business in a working-class neighborhood in Queens.

Her parents were the children of poor Irish immigrants, her father, Michael Healy, an "independent character, a great American individualist," as she describes him, a man who quit school at 13 to take the ferry every day from Hoboken, N.J., to his first job as a messenger boy on Wall Street. He met her mother in a New York restaurant, where she waited on his table, and they moved to Long Island City, three blocks from the Queensboro Bridge, where he set up his own business in perfume oils in the family basement.

"My father had a strong sense of the world being a tough place," she says. "He lived through the Depression. He said you have to learn to take care of yourself. He was somewhat humorless when it came to frivolous things. My parents never went out to dinner. Everything was oriented toward improving yourself, toward education, the business, the family. It was very self-contained."

"When I was a little girl, I used to think I wanted to be a nun, and my father would say you can't be a nun—you'd always be taking orders from a priest. My father was a very old-fashioned conservative Irish Catholic, but he was also an unbelievable feminist. He had a strong sense that no doors should be closed to women, especially his daughters."

All four of the Healy girls would go on to bigger things. The eldest attended MIT on scholarship and then Columbia University for graduate school. The two youngest would follow Bernadine to Vassar College, also on scholarship, and one would go on to be a doctor and the other a lawyer. It was Bernadine, however, who was always the most academic, the most driven, the daughter most under the spell of Michael Healy.

"My father was fiercely devoted to the things that he thought were right. Our dinner table conversation was always about how

he would solve the problems of the world from his perch in Long Island City . . . I am most like him. My mother always says that. I'm his girl."

From Vassar, where friends say she was rarely spotted outside of the library, Healy went to Harvard Medical School and then for medical training and a full professorship at Johns Hopkins in Baltimore.

Her résumé glitters. She has been head of the American Federation for Clinical Research and the American Heart Association. She was a star in the Hopkins cardiology department, where she built a reputation as one of the school's most productive and creative researchers. In 1984 she went to the White House for a two-year stint in the Office of Science and Technology Policy and then was hired away by the Cleveland Clinic to head its research institute, which doubled in size during her five-year tenure.

She has two daughters, one from her first marriage to Bulkeley and one from her second to Floyd Loop, a world-famous heart surgeon at the Cleveland Clinic. She and Loop met and married while she was at the White House, and then she joined him soon after she landed the Cleveland Clinic post.

Theirs is a modern, high-powered marriage. Her husband and daughters remain in Cleveland and she flies home to be with them every weekend. They take fax machines with them on their vacations.

Her friends are unremitting in their praise of her. "There are lots of smart people in medicine," says Stephen Achuff, who was a colleague of Healy's at Hopkins. "But what sets her apart is that she is so well organized. She solves a problem and then moves on. She's like Jack Nicklaus. She has this incredible ability to concentrate on something."

"She has these brilliant notions and ways of synthesizing information, which is why people in a room with her are spellbound. She knows how to sort out the baloney," says Myron Weisfeldt, chief of medicine at Columbia University Medical School. "One of the things I've always said about her is that she is never all wrong. It isn't that she never makes mistakes. It is that there is always an element of correctness in what she does."

"The one thing she has is true grit," says her husband. "You don't see that a lot in Washington. Lots of people are going along to get along. But she is not that way at all. She will study the facts and make a decision. She is very decisive."

She is also a formidable opponent, as Dingell found out when he called her before his oversight subcommittee last summer. Dingell summoned her to testify about her handling of a specific case of scientific fraud while she was head of the Cleveland Clinic. It was a critical meeting—the first between Healy and NIH's most forbidding overseer, and the first on the subject of scientific misconduct, an issue with which Dingell has become almost obsessively involved over the past five years.

But while Dingell routinely turns the most senior of government officials into quivering and compliant witnesses, he had no such power over Healy. She came out blazing, by turns combative, sarcastic and brusque.

"I cannot handle this witness," one of Dingell's colleagues on the committee, Rep. Norman Lent (R-N.Y.), said at one point. At another, after Dingell sarcastically told Healy that "I am just a poor foolish lawyer from Detroit and I get a little befuddled in some of these questions," she shot back: "And I'm just a poor girl from New York."

Her most memorable moment, however, was a wisecrack, impeccably delivered, that punctured Dingell's heavy-handed interrogation. At issue was why Healy signed off on a grant application alleged to have been fraudulent before the accused researcher did. Dingell thought it odd. Healy couldn't see how it made any difference. It was an arcane point. But much to Healy's obvious exasperation, Dingell dragged it out.

Healy: "The actual sequences of the signatures, I think, is being blown out of proportion. If he had signed first and then I had signed, you could argue how could he have signed before I gave my institutional assurances that we were going to give him the space. Somebody had to sign first."

Dingell: "That is an indisputable point. The question, though, is why was it you that had to sign first?"

Healy: "I didn't have to sign first. This is the way it was brought to me."

Dingell: "He signed second and you signed first."

Healy (with a comic's timing): "Who's on third?"

The room erupted into gales of laughter. Bernadine Healy works on the fringe of the NIH campus in a red brick building that looks like a college dormitory.

Visitors enter through a plain brown door to the left of the front entrance, on the first floor, just past an unmanned guard's desk, and sit on a chair jammed between two secretaries' desks. Healy's office is adjoining, a long spare room, an unprepossessing arrangement for the head of a multibillion-dollar-a-year enterprise.

This is not a traditional Washington agency, with clean, vertical lines of authority and a corner office for the chief. The men who built NIH purposefully located all the constituent institutes—the Cancer Institute, the Heart, Lung and Blood Institute, the Infectious Disease Institute among others—in separate buildings scattered across 300 rolling acres. They wanted to send a not-so-subtle message about the role the director would play: He was not to lead so much as cheerlead, to be a statesman for science, a bookkeeper, someone to lobby Congress for more money but otherwise stay on the periphery. It was a reflection of what the scientific community believed and continues to believe is critical for the most creative and productive research: that science be as unstructured and scientists be as unfettered as possible, that the best minds be left free to follow the idiosyncratic and unpredictable course of scientific discovery.

It is this idea, this catechism, that Healy has chosen to confront. In speeches to scientists around the country over the past few months, she has been saying that it is no longer acceptable for an agency as large as NIH to be without some kind of coherent, central strategy that governs how it distributes its research money. In the 1950s, she says, when NIH was a sleepy research group, the ad hoc way in which the agency and its member institutes organize themselves might have been acceptable. But biomedical science is now a huge enterprise, she argues. The field of biology is exploding. There are suddenly more ideas to pursue than there are resources to pursue them. Congress, once friendly, has grown wary of the scientific community. Huge areas of medical research, such as women's health, cry out for more attention. Borrowing a line from the popular Oldsmobile commercial, she says, "This is no longer your father's NIH."

In her first six months in office, Healy gathered all the top NIH officials together

and prepared a strategic plan for the future of the agency, a meticulously detailed document that in its draft form ran to hundreds of pages. One by one, research areas of special interest such as vaccines or biotechnology were identified, and specific research initiatives to expand critical areas of knowledge in each field were drawn up, complete with individualized budgets.

It was an enormous undertaking, unprecedented in NIH history. But the response from scientists has been less than overwhelming. Asked to review the draft document, the big biomedical research groups wrote back long rebuttals. It was attacked when Healy presented the plan at a major scientific conference in San Antonio in January and again when she presented it at the University of Connecticut in February.

"The negative feeling that prevails is a feeling that this is corporate mentality of management from the top down," said William Brinkley, dean of the graduate school at Baylor College of Medicine in Houston. "Science in this country is great because of just the opposite philosophy, of ideas coming from the bottom up. The notion is that scientists identify what is important, and that is often quite unexpected and serendipitous. Now it seems that we are being asked to focus our research on what someone at the top thinks is important."

It is not clear how much of this fear is real and how much is imagined. Healy argues that the idea that American biomedical research is currently unfettered is something of a myth. Some of NIH's constituent institutes, she says, do this kind of "top down" research planning already. But they do it behind closed doors. Her plan is also, on a large scale, similar to what Congress did 20 years ago when it gave NIH a big chunk of money with special instructions to look for a cure for cancer. The war was not won, but it produced some of the most stunning advances in biology in the past century, which may some day lead to a cure.

Healy says her plan will not confine the creativity of researchers but simply give the biomedical establishment a loose but necessary structure. A science policy without central direction can sometimes miss hugely important subjects, she says, like the health of women and minorities. She also sees a strategic plan as the best way to get money out of Congress. Why would anyone vote science an extra two or three billion dollars if scientists can't demonstrate convincingly how they would put that money to good use?

"I don't think we will inspire substantial investment unless we have a compelling vision, a compelling statement," she says. "We have so often portrayed ourselves as an agency that only worries about the number of grants. I don't think that is an idea that inspires people."

But the antagonism of the scientific community can't be defused with logic alone; it's partly about something more subtle. It seems as much a difference of language and style as it is of substance, the culture shock caused by introducing an active and powerful leader to a world that never really wanted one. At the conclusion of the San Antonio meeting, for example, the assembled scientists presented Healy with a manifesto. It wasn't so much that the idea of planning was dead wrong, they said, but that she was moving too quickly, moving without consulting the scientists themselves.

At the Connecticut meeting, the men in the audience flinch when she uses the phrase "strategic plan" over and over again. It is the language of MBAs. They are MDs and

PhDs. For people accustomed to the gentle rhythms of laboratory work, there is an unseemly insistence about Healy's manner. "She thinks like a cardiologist," is how one prominent scientist puts it, not meaning the phrase as a compliment.

Within NIH, the unease with Healy seems just as marked.

"There is a lot of waiting in our system, so we learn not to shoot from the hip," says one NIH official. "We have to wait on Congress. We have to wait on our researchers. We have to wait for ideas to come in. We have to wait for paperwork to be done . . . We're never quick to say something is good or bad."

Healy, by contrast, likes argument and open discussion. "I don't mind when people disagree with me," she says. "I love it when people disagree with me." But she says that sometimes when she is seeking frank opinion, she doesn't get it. This puzzles her, and she worries that her colleagues disagree with her behind her back.

At NIH, it also matters that she is a woman in what is still very much a man's world, a fraternity with its own private code. The hallway leading to Healy's office is lined with the solemn-faced portraits of her predecessors, every one a white man. Healy herself is something of an accident: The Bush administration's first six choices, all male, turned down the \$142,800-a-year job. "Many men I've seen have a group around them. They have a large body of people with whom they interact, and they make a decision by the group method," says Florence Haseltine, director of the Center for Population Research at NIH. "But I've never known a woman who has gotten to the top who makes a decision that way. We've always been isolated. There aren't enough of us. We make decisions independently. It's not that we don't consult. It's that we don't have a lot of people we can talk to."

"I suspect that a lot of the old-time men are nervous [about Healy] because they don't know how to access her," Haseltine adds. "Many of them never know her before he came here, and men feel uncomfortable if they don't know how to have a handle on a person in power. Everyone knew [Healy's predecessor James B.] Wyngaarden because he was in the gel, in the matrix. But she doesn't owe her success to anyone. She made it on her own."

Bernadine Healy's most audacious act as director of NIH has been the Women's Health Initiative. The idea came from Congress, from the Congressional Caucus for Women's Issues, which had been pressuring NIH for some time to pay more attention to women's health. When Healy came aboard, she listened.

"I was faced with a choice," she says. "Do I become an apologist for NIH, or do I look at it and say, 'Let's fix it.' We had all been apologizing for years, and now was the time to fix it."

It is an issue about which she has always been outspoken. She comes from a profession, cardiology, that decided to explore heart disease risk factors by studying 15,000 men—and zero women; that looked at aspirin as a preventative therapy for coronary disease in 22,000 men—and zero women; and that tried to answer the question of whether estrogen was protective against heart disease in women by conducting a study of the role of estrogen in preventing heart disease in men.

She successfully pushed for an initiative on women and heart disease while active in the American Heart Association in the 1980's, fighting the indifference of her col-

leagues, she said, and the perception in the field that "women's complaints about chest pain were emotional or inconsequential."

At NIH she saw an opportunity to push the same goal in a much larger scale, and within months of taking office proposed one of the largest and most expensive clinical studies in history, a \$500 million, 10-year trial involving 140,000 American women. The idea of the trial is ambitious: to measure, in a single study, the effectiveness of hormone replacement, dietary modification and vitamin supplements to combat heart disease, breast and colon cancer, and bone loss in post-menopausal women, simultaneously overcoming the huge knowledge deficits that surround both the health of women and the health of the elderly.

The idea is not without its share of critics. In a letter to Healy last summer, a group of epidemiologists complained that the design of the trial seemed rushed, that the premises on which it was based were suspect. Part of the study, for example, involves a comparison of women on a modified low-fat diet with those on a normal diet. But how do you keep a large group of women on a low-fat diet for 10 years? And won't the control group naturally decrease its fat intake over time, as has been the general dietary pattern of the past decade? In other words, after a decade how can anyone be sure there will be any difference in the diets of the two groups?

Another question is age. What if there is a major connection between diet and illness, but it only makes a difference in younger women? Aren't there risks in limiting the trial to post-menopausal women? Finally, does it make sense to gamble on one big study?

"It is a massively expensive study, and it seems rather risky to put so many eggs in one basket," says Lynn Rosenberg, professor of epidemiology at Boston University. "It might be a surer bet to do a larger number of smaller studies so that it wouldn't matter much if one turned out to be a dead end. Whereas if one of the larger studies turned out to be infeasible, it would all have been a huge loss."

Some of these criticisms have been heeded by NIH, and the study design continues to go through refinement. But it is clear that on the big issues of how large the trial should be and how quickly it should proceed, Healy's mind is made up. The boldness that seems to scare off some epidemiologists is precisely what she finds compelling about the idea.

A large trial allows you to include a very diverse population, she says. It allows you to draw conclusions about the lives and experiences of ordinary people. It gets away from the limitations of white male populations usually picked for study by medicine.

She is passionate on the subject. She calls it "one of the most exciting clinical trials ever done." It represents everything she has worked for, everything she's been trying to accomplish by asserting herself among men.

"Women's issues have been ignored because women have not been a force in our society," she says. "Women have not been listened to; even women of professional standing have not been taken seriously."

She remembers when she fought at the American Heart Association for a new focus on women's health, a campaign to educate patients and doctors about the threat of heart disease.

"Initially my efforts were not well received; it wasn't viewed as important." But, she says, she kept pushing anyway, year in, year out, until she got her way.

"It just goes to show that you should never get discouraged if you think you are right." She pauses and reconsiders. "You should never get discouraged if you are right."

Every Friday afternoon, Bernadine Healy flies to Cleveland to be with her husband and two daughters. She gets home in time for dinner on Friday and leaves Monday mornings after she has kissed her children good-bye.

In a year at NIH, she has never missed a weekend home. She has turned down five honorary degrees because they were to be given out on weekends. She has passed up the White House correspondents' dinner and the vice president's Christmas party. She has skipped or rescheduled important meetings.

During the week, she talks with her husband or daughters at least three times a day, more if there is a difficult homework assignment or a dentist's appointment to be arranged.

"Everyone sort of looks at Bernadine," says her husband, and says, "How do you manage?" But the family has been very supportive. We haven't had any problems. The children have been fine. If anything, they are closer to their busy father than they have ever been. And on weekends we spend a lot of time together . . . Call me up in five years and ask me how it is, though, and I might say something else."

In Washington, things have been a little harder. There is Dingell's office, first of all, which has never quite forgiven Healy for her performance at last summer's hearing. Dingell staffers write or call, demanding information, sometimes daily. The men on Dingell's staff gossip about her with reporters, seeming to delight in the slightest innuendo. It is a constant annoyance for Healy, leading some to conclude she made a tactical error in confronting him so boldly last summer.

This spring there was a much-reported flap with James Watson, the Nobel laureate biologist who ran NIH's effort to decode the human genome. He does not like Healy. Years ago, when Healy was at the White House, he blasted her in a speech, saying that the person setting science policy was "either unimportant or a woman." When she came aboard, he publicly criticized her decision to consider patenting human genes isolated by NIH, saying it would stifle research. Later, when officials of the Department of Health and Human Services raised conflict of interest concerns about his stock ownership and directorships in biotechnology firms that were interested in those same patents, he noisily quit, saying that Healy didn't like him and wanted him out.

Then there are Healy's relations with her superiors at HHS. They did not like her original strategic plan. "The only 'strategy' . . . seems to be the acquisition of additional funds," wrote one top official in an internal memo, after estimating that Healy's proposed initiatives would double the NIH budget. Department insiders whisper maliciously that she is campaigning for the job of HHS secretary.

Her press notices have not always been good. In one New York Times profile, she was called impulsive, which rankled.

"I'm many things, but I am not impulsive," she says. "I make up my mind and I'm fierce about pursuing it, and I'm relentless and tenacious. But I'm very rational. I'm very nonemotional in the way I do my business and the way I conduct myself. I bend over backwards to make sure I'm not allowing my emotions to influence my decisions."

Still, the theme has been picked up in one account of Healy after another. Science mag-

azine, reporting on the Watson affair, said that she "lost her cool." The influential Science and Government Report called her the "short-tempered diva of biomedical research." And on and on.

"A woman is bitchy, and a man knows what he wants. A woman is aggressive and harsh, and a man is directed and goal-oriented," says Pam Douglas, a cardiologist at Harvard Medical School. "These things are kind of clichés now, but they are still very true. If we expect women to be emotional and warm and fuzzy, then a woman who knows what she wants and gets it is going to be a real shock."

At the University of Connecticut, there is frustration of a different kind. Healy would like to draw up a list of research topics that deserve to be priorities. She has assembled a sample list to work from. But the scientists in attendance each have their own special interests and quiver at the thought of excluding anything.

A man from the Pfizer pharmaceutical company says he is upset because fermentation technology was excluded. "There is no mention of chemistry," says another. "You have structural biology but not developmental biology." A man from Pittsburgh asks why the document is "unnecessarily defensive about computing." A man from the University of Connecticut worries about the absence of software systems, a man from Brown about biomaterials, another from Brandeis about conventional electron microscopy, and yet another about "parasitic diseases" and the "excess of stress on applied immunology."

They do not like the idea of listing priorities.

"This is not what the scientific community wants to see," says one distinguished-looking gray-haired man. "What we need is the same kind of science-driven process we have always seen. We ought to get back to the basic question of 'Is it good or bad science?'"

There is applause.

At midday, Healy leaves to go back to Washington. On the airplane she reexplains her position carefully. She is philosophical about the reception she has received. It is not the first time she has walked into a room and felt the vibrations changing.

"You can't be NIH director if you want to be loved," Healy says. "You find your love somewhere else. From your husband, your kids, your dog."

She laughs and brightens. Later, she tells a story about taking her troubles home to her daughters. Someone had written an article making fun of the way she talks, about her fondness for quoting Saint Augustine, and it bothered her. In many ways she is quite honest about still being the bookish Catholic schoolgirl. She peppers her speeches with references to everyone from Confucius to Cotton Mather, and she says one of the first things she did after getting the NIH job was read the Constitution. But on the particular day she read the critical news article, after dodging all the other arrows at NIH, it struck her the wrong way.

"I read it to my 12-year-old, saying this is what I have to put up with. But she said, 'Mommy, that's not bad. He's saying you're not a wannabe.'" Girls of her daughter's age, Healy explains, do not want to be wannabes—people whose ambition is to be like someone else.

Healy's features soften. Then her voice rises an octave as she imitates her little girl. "What he's saying is that you're not a wannabe. You're an original."

THE OLD GIRL NETWORK IN ACTION

The centerpiece of Bernadine Healy's attempt to bring women's issues to the attention of medical science is the newly created Office of Research on Women's Health.

Healy appointed one of her former instructors at Massachusetts General Hospital in Boston, Vivian Pinn, to head the office last summer, in one of the only known examples in NIH history of the old girl network in action. Pinn was the only woman and the only black in her medical school class at the University of Virginia in 1963, and was valedictorian of her high school class in Lynchburg, Va., where Jim Crow laws forbade her from using the town's libraries. Later she went on to win numerous teaching awards at Tufts University and in 1982 moved to Howard University, where she served as chairman of the school's department of pathology.

She heads an effort that has strong political backing, both from Congress—in particular the Congressional Caucus for Women's Issues—and from Healy herself, from whom the issue of women's health has become almost an obsession.

The office is the coordinating body for the massive Women's Health Initiative launched by Healy last year. But it also plays a much broader role within the agency as a kind of ombudsman for women's issues, promoting their interests within NIH and the biomedical community.

The office is the traffic cop responsible for fighting the reluctance of many researchers to include women in clinical trials. NIH has had a policy going back almost a decade requiring scientists applying for grants to include women as subjects—or at least to justify why they are not included—but the guidelines had gone largely unheeded. Two years ago NIH stepped in to beef up the requirement, and Pinn has become the enforcer, establishing a tracking system to monitor the use of women in clinical research.

"We're putting teeth into the law," Pinn says.

Pinn's office has begun to hand out money to actively promote the inclusion of women. These supplemental grants, as much as \$50,000 each, go to trials already in progress or just beginning, allowing the organizers to add more women, or to reach women in the inner city who might not otherwise have been included as subjects. This year the office gave out money to include more women in studies on sleeping disorders among the elderly, and hypertension, among others.

The effort is also aimed at getting NIH's 13 disease-oriented institutes to undertake research projects on subjects thought to be of specific interest to women. For example, in May of this year Pinn's office gave \$1 million to the National Institute of Child Health and Human Development to fund five projects in the biology and pathophysiology of endometriosis and myoma, two common and painful reproductive problems that can contribute to infertility.

"These are very common conditions, but we don't really have a good understanding of them," Pinn says. "What we do is suggest areas that need to be addressed. The investigators can come up and design the project. We can stimulate research." Pinn's office also has been given the responsibility for pushing for greater participation of women in the research community itself.

"We feel that if women's health is going to be a continuing concern, we need a critical mass of women out there," Pinn says. "If you look at the data related just to women coming into medical schools, it's averaging

around 40 percent. But if you look at the other end of the spectrum, at the number of women who are tenured professors, you see few, if any, women. When we look at proposals and investigators, we don't see many more. One of the things this office is doing is facilitating the recruitment, retention and advancement of women."

Earlier this month, Pinn's office held its first major conference on women in biomedical careers, featuring Healy and Maxine Singer, president of the Carnegie Institute. Among the topics for discussion: "The Politics Mother Never Taught You," "But We've Always Done It Like This: Challenging the Current Structure," and "The Old Boys Network: Not for Old Boys Only."*

• Mr. CRANSTON. Mr. President, earlier this month, without much fanfare, President Bush announced a \$1.9 billion arms sale to Saudi Arabia. Although this sale will probably not be opposed, I cannot let it go forward without noting the hypocrisy of an administration which has embraced arms control in the Middle East at the same time it is conducting business as usual on the arms sale front.

This arms sale flies in the face of what the President claims he is trying to accomplish with the Middle East Arms Supplier Group, coming just days after the group met in Washington to discuss multilateral controls on arms transfers to the region. How can we expect the world's suppliers to heed our call for restraint when we cannot even restrain ourselves?

The administration's track record in this area is even more discouraging. Last May, President Bush first announced his Middle East arms control initiative, calling for a freeze on the acquisition, production, and testing of surface-to-surface missiles. This was an effort to seek collective self-restraint on the transfer of conventional weapons by the five permanent members of the United Nations Security Council—the major suppliers to the region. Yet, within days, President Bush announced a number of U.S. arms sales to the Middle East.

The administration's policy of trying to play both sides of the issue has certainly been consistent! Unfortunately, the pursuit of short-term economic gain—through these sales—threatens to undermine worthy long-term goals in the region.

Escalating the deadly arms race in the Middle East is also at cross purposes with the Middle East peace process. Secretary of State Baker has worked so hard to nurture. With United States support and hand-holding, delegates from Jordan, Lebanon, Syria, and Israel have even met to discuss arms control in the region.

This sale includes work of a corps of engineers to support the Saudi Arabian Army Ordnance logistic system at \$400 million; contractor support for F-5 and F-15 aircraft at more than \$650 million; Hellfire missiles, Hydra-70 rockets, and Apache helicopters at \$606 million; and there's more. All this is in addition to

the 17 billion dollars' worth of military-related equipment and services we have roughly sold to the Saudis since the beginning of the Persian Gulf crisis.

One of the most disturbing aspects of this sale is the message it sends about U.S. intentions on bigger sales rumored to be in the pipeline. In this sale a precursor to the deadly F-15E fighter jets the Saudis so desperately want? Let one think that lack of opposition to the currently proposed \$1.9 billion sale signals any lack of resolve on the part of Congress to prevent these larger, more threatening sales down the road.

This sale continues a policy of pouring arms into Saudi Arabia when even with the most sophisticated of weapons it is unclear if the Saudis could defend themselves without United States intervention. Arming the Saudis does not make them invulnerable, nor does it abolish the threat of aggression. The Saudi military is just too small and has already demonstrated that it cannot absorb all the new weaponry directed its way.

Furthermore, the Middle East is a volatile region. There is no guarantee that these arms will remain in Saudi hands or that they would not be used at some point against Israel.

How quickly we forget: Saudi Arabia is technically in a self-proclaimed state of war with our truest friend in the region, Israel. The Saudis have consistently supported the Arab armies which have launched four wars or Israel. They continue to coordinate and abide by a boycott of any international company doing business with Israel. Their anti-Israel and anti-Jewish rhetoric does nothing but fan the flames of animosity.

Finally, I am troubled at the notion that we are so actively supporting the Saudi Government despite its abysmal human rights record. Recent Saudi legislation to reform the political system has been revealed as a hollow attempt to appease the West and at best is only a token step toward democratization. By continuing to arm the Saudis we are tolerating a regime which is defying the global trend to institute real democratic reforms and is doing little to protect basic civil and political rights. United States quiescence on Saudi internal policies, coupled with continued arms sales, does little to move the Saudis in the right direction.

Mr. President, while this sale on its own may not seem significant to some, there is a disturbing pattern developing here that ultimately cannot and should not be tolerated. I intend to watch these arms sales closely and take action when necessary. I urge my colleagues to do the same.●

UNANIMOUS-CONSENT REQUEST—
S. 499

Mr. FORD. Mr. President, on behalf of the chairman and ranking member

of the Senate Agriculture Committee, Senators LEAHY and LUGAR, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of S. 499, a bill to remove the requirement that schools participating in the school lunch program offer students specific types of fluid milk and that the bill then be placed on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. SYMMS. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. Mr. President, I regret that my friend must object to this. This has been cleared, of course, with the ranking Republican member of the Agriculture Committee, Mr. LUGAR, to be put on the calendar. This was done at the request of Senator LUGAR with the concurrence of the chairman, Senator LEAHY. So I regret that it has been objected to.

NATIONAL LITERACY DAY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 499, designating "National Literacy Day," just received from the House; that the joint resolution be deemed read three times, passed and the motion to reconsider be laid upon the table and the preamble be agreed to.

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

The joint resolution (H.J. Res. 499) was deemed read the third time and passed.

The preamble was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MANUFACTURING STRATEGY ACT OF 1991

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar 340, S. 1330, the Manufacturing Strategy Act of 1991.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1330) to enhance the productivity, quality, and competitiveness of United States industry through the accelerated development and deployment of advanced manufacturing technologies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Manufacturing Strategy Act of 1991".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares the following:

(1) The development and deployment of advanced manufacturing technologies and other process technologies are vital to the Nation's economic growth, standard of living, competitiveness in world markets, and national security.

(2) New developments in flexible computer-integrated manufacturing, electronic manufacturing networks, and other new technologies make possible dramatic improvements across all industrial sectors in productivity, quality, and the speed with which manufacturers can respond to customers and changing market opportunities.

(3) The United States currently leads the world in research on advanced manufacturing technologies, but often lags behind other nations in the full development, deployment, and use of these new technologies.

(4) Among the steps necessary for the United States to reap the full benefits of advanced manufacturing technology are further research and development activities, testbed projects to test and validate new technology, programs to accelerate the deployment of both new advanced technologies and valuable off-the-shelf equipment, full development of digital product data technology, enhanced transfer of federally-funded technology to industry, and increased cooperation among the Federal Government, industry, labor organizations, and the States.

(5) The Department of Commerce, in cooperation with the Department of Defense and other Federal agencies, has played and can continue to play an important role in assisting United States industry to develop, test, and deploy advanced manufacturing technologies.

(b) PURPOSE.—It is the purpose of Congress in this Act to enhance the ability of the Department of Commerce's technology programs to assist the efforts of private industry in manufacturing and, in the process, to help ensure the continued leadership of the United States in advanced manufacturing technologies.

SEC. 3. AMENDMENT OF THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended by adding at the end the following new title:

"TITLE III—MANUFACTURING TECHNOLOGY

"SEC. 301. STATEMENT OF POLICY AND PURPOSE.

"(a) STATEMENT OF POLICY.—Congress declares that it is the policy of the United States that—

"(1) Federal agencies, particularly the Department of Commerce, shall work with industry to ensure that within 10 years of the date of enactment of this title the United States is second to no other nation in the development, deployment, and use of advanced manufacturing technology;

"(2) because of the importance of manufacturing and advanced manufacturing technology to the Nation's economic prosperity and defense, all the major Federal research and development agencies shall place a high priority on the development and deployment of advanced manufacturing technologies, and shall work closely with

United States industry to develop and test those technologies; and

"(3) the Department of Commerce, particularly the Technology Administration, shall serve as the lead civilian agency for promoting the development and deployment of advanced manufacturing technology, and other Federal departments and agencies which work with civilian industry shall be encouraged, as appropriate, to work through the programs of the Department of Commerce.

"(b) PURPOSE.—It is the purpose of Congress in this title to help ensure, through the programs and activities of the Department of Commerce and other Federal agencies, continued United States leadership in the development and deployment of advanced manufacturing technologies and their applications.

"SEC. 302. ROLE OF THE DEPARTMENT OF COMMERCE.

"(a) MISSION IN MANUFACTURING.—The Department of Commerce shall be the lead civilian agency of the Federal Government for working with United States industry and labor to—

"(1) develop new generic advanced manufacturing technologies; and

"(2) encourage and assist the deployment and use of advanced manufacturing equipment and techniques throughout the United States.

"(b) DUTIES.—(1) The Secretary shall, through the Under Secretary and the Director and, as appropriate, in coordination with the heads of other Federal agencies and with industry, design and manage programs that—

"(A) identify technical, organizational, institutional, and informational barriers to the development, deployment, and use of advanced manufacturing equipment and technologies;

"(B) accelerate the development of advanced manufacturing technologies in such areas as computer-integrated manufacturing, advanced robotics, concurrent engineering, enterprise integration, communications networks for manufacturing, other advanced process technologies, computer software, and quality assurance techniques;

"(C) support projects, centers, and other mechanisms to help United States industry develop, test, and deploy advanced manufacturing and process technologies;

"(D) assist United States industry to—

"(i) develop and disseminate generic manufacturing process models and related techniques, including expert systems and benefit/cost analyses, that significantly increase quality, productivity, and flexibility;

"(ii) expand and speed the use of the best current manufacturing practices, such as total quality management, concurrent engineering, and just-in-time delivery; and

"(iii) develop techniques which help companies define their manufacturing technology needs and select production equipment;

"(E) increase coordination with industry for identifying the need for both interface and systems standards in manufacturing and, as appropriate, support testbeds so that industry can determine at early stages whether new technologies and prototypes are compatible with new standards; and

"(F) accelerate, in partnership with the States and industry, the broad deployment and adoption of advanced manufacturing technologies by medium and small, as well as large, manufacturers throughout the United States.

"(2) The Secretary, acting through the Under Secretary, also shall—

"(A) conduct analyses on how Federal policies and programs can better encourage private sector efforts to develop, test, deploy, and use advanced manufacturing technologies; and

"(B) work with the private sector as a catalyst to help develop new manufacturing business practices, teaching factories, shared manufac-

turing facilities, accounting standards, training methods, improved supplier-customer relations, and other steps which would accelerate the deployment and use of advanced manufacturing technologies by United States industry.

"(c) **RELATION TO NATIONAL PLANS.**—The Secretary, Under Secretary, and Director shall, as appropriate, ensure that Department of Commerce advanced manufacturing technology activities are conducted in a manner consistent with any national advanced manufacturing technology development plans that may be developed by the President or the Director of the Office of Science and Technology Policy.

"(d) **COORDINATION WITH OTHER AGENCIES.**—The Secretary and the Secretary of Defense shall coordinate their policies and programs to promote the development and deployment of advanced manufacturing technologies. The two Secretaries shall, as appropriate, form joint working groups or special project offices to coordinate their manufacturing activities.

"SEC. 303. ADVANCED MANUFACTURING SYSTEMS AND NETWORKING PROJECT.

"(a) **ESTABLISHMENT OF PROJECT.**—(1) In addition to such technology development responsibilities as may be set forth in other Acts, the Secretary, through the Under Secretary and the Director, shall establish an Advanced Manufacturing Systems and Networking Project (hereafter in this title referred to as the 'Project').

"(2) The purpose of the Project is to create a collaborative multiyear technology development program involving the Institute, United States industry, and, as appropriate, other Federal agencies and the States in order to develop, refine, test, and transfer advanced computer-integrated, electronically-networked manufacturing technologies and associated applications.

"(b) **PROJECT COMPONENTS.**—The Project shall include—

"(1) an advanced manufacturing research and development activity at the Institute;

"(2) one or more technology development testbeds within the United States, selected through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), whose purpose shall be to develop, refine, test, and transfer advanced manufacturing and networking technologies and associated applications; and

"(3) one or more information dissemination contracts selected through the provisions of section 25 (d) and (e) of the Act of March 3, 1901 (15 U.S.C. 278k (d) and (e)), for the purpose of providing information and technical assistance regarding advanced manufacturing and networking technologies to these small and medium-sized manufacturers.

"(c) **ACTIVITIES.**—The Project shall, under the coordination of the Director, undertake the following activities:

"(1) test and, as appropriate, develop the equipment, computer software, and systems integration necessary for the successful operation within the United States of advanced manufacturing systems and associated electronic networks;

"(2) establish at the Institute and the technology development testbed or testbeds—

"(A) prototype advanced computer-integrated manufacturing systems; and

"(B) prototype electronic networks linking the manufacturing systems;

"(3) assist industry to implement voluntary consensus standards relevant to advanced computer-integrated manufacturing operations, including standards for integrated services digital networks, electronic data interchange, and digital product data specifications;

"(4) help to make high-performance computing and networking technologies an integral part of design and production processes;

"(5) conduct research to identify and overcome technical barriers to the successful and

cost-effective operation of advanced manufacturing systems and networks;

"(6) facilitate industry efforts to develop and test new applications for manufacturing systems and networks;

"(7) involve, to the maximum extent practicable, both those United States companies which make manufacturing and computer equipment and those companies which buy the equipment, with particular emphases on including a broad range of company personnel in the Project and on assisting small and medium-sized manufacturers;

"(8) train, as appropriate, company managers, engineers, and employees in the operation and applications of advanced manufacturing technologies and networks, with a particular emphasis on training production workers in the effective use of new technologies and thereby expanding the skill base of the workforce and increasing production flexibility and adaptability;

"(9) work with private industry to develop standards for the use of advanced computer-based training systems, including multi-media and interactive learning technologies; and

"(10) exchange information and personnel, as appropriate, between the technology development testbeds and the Regional Centers for the Transfer of Manufacturing Technology created under section 25 of the Act of March 3, 1901 (15 U.S.C. 278k).

"(d) **TESTBED AWARDS.**—(1) In selecting applicants to receive awards under subsection (b)(2) of this section, the Secretary shall give particular consideration to applicants that have existing expertise with digital data product technologies and that, in the case of joint research and development ventures, include both suppliers and users of advanced manufacturing equipment.

"(2) An industry-led joint research and development venture applying for an award under subsection (b)(2) of this section may include one or more State research organizations, universities, independent research organizations, or Regional Centers for the Transfer of Manufacturing Technology (as created under section 25 of the Act of March 3, 1901).

"(e) **RELATIONSHIP TO HIGH-PERFORMANCE COMPUTING PROGRAM.**—(1) The Project shall be considered one of the Department of Commerce's activities under the Federal high-performance computing program and shall be considered a 'Grand Challenge', as that term is defined under that program. The Project shall remain under the jurisdiction of the Secretary, although the Secretary may, as appropriate, invite the participation of other Federal departments and agencies.

"(2) The Secretary and Director, in consultation with the Director of the Office of Science and Technology Policy, shall, as appropriate, direct that the Project conduct manufacturing networking experiments in partnership with the operators of the National Research and Education Network.

"(f) **ADVICE AND ASSISTANCE.**—(1) Within 6 months after the date of enactment of this title, and before any request for proposals is issued, the Secretary, through the Under Secretary and Director, shall hold one or more workshops to solicit advice from United States industry and from other Federal departments, particularly the Department of Defense, regarding the specific missions and activities of the testbeds.

"(2) The Secretary may request and accept funds, facilities, equipment, or personnel from other Federal departments and agencies in order to carry out responsibilities under this section.

"SEC. 304. OTHER AGENCY SUPPORT FOR INDUSTRY-LED RESEARCH IN MANUFACTURING AND PROCESS TECHNOLOGY.

"(a) **SUPPORT OF NATIONAL TECHNOLOGY BASE.**—(1) It shall be a mission of all Federal re-

search and development agencies to support the national technology base upon which both the Federal Government and United States industry draw.

"(2) In order to contribute to the national technology base, each Federal department and agency is authorized and encouraged to provide support for industry-led technology development projects whose purpose is the development of critical generic technologies, particularly manufacturing and processing technologies, which are identified in the biennial critical technologies reports prepared pursuant to section 603 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6633).

"(b) **METHODS OF SUPPORT.**—Each Federal department and agency may support industry-led technology development projects by either—

"(1) using or establishing its own program or programs to support industry-led technology development projects; or

"(2) channeling its funds to support industry-led technology development projects through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n).

"SEC. 305. INSTITUTE FELLOWSHIPS IN MANUFACTURING ENGINEERING.

"(a) **GRADUATE FELLOWSHIPS.**—(1) The Under Secretary and Director, in consultation with other appropriate Federal officials, shall establish a program to provide fellowships to graduate students at institutions of higher education within the United States who choose to pursue masters or doctoral degrees in manufacturing engineering. The purpose of the program is to encourage larger numbers of highly qualified graduate students to enter manufacturing engineering and thereby help improve manufacturing within the United States. Such fellowships shall be awarded through a competitive, merit-based selection process.

"(2) In order to be eligible to receive one of the graduate fellowships established by this subsection, a student must attend or be admitted to a university graduate program which has been certified by the Director as meeting the following criteria:

"(A) at least several manufacturing companies have a continuing relationship with the program;

"(B) the program has at least several faculty members with expertise in manufacturing; and

"(C) the program encourages its graduate students to acquire experience in industry before enrolling for graduate study.

"(b) **MANUFACTURING MANAGERS PROGRAM.**—The Under Secretary and Director also shall establish a program to provide fellowships, on a matching funds basis, to industrial executives with experience in manufacturing to serve for one or two years as instructors in manufacturing at two-year community and technical colleges in the United States. Fellowships shall be made through a competitive, merit-based process. In selecting fellows, the Under Secretary and Director shall place special emphasis on supporting individuals who not only have expertise and practical experience in manufacturing but who also can serve as bridges between two-year colleges and manufacturing firms in their areas.

"SEC. 306. NATIONAL QUALITY LABORATORY.

"(a) **ESTABLISHMENT.**—(1) There is established, within the Institute, a National Quality Laboratory (hereafter in this section referred to as the 'Laboratory'), the purpose of which is to assist private sector quality efforts and to serve as a mechanism by which United States companies can work together to advance quality management programs.

"(2) The Director may, under appropriate contractual arrangements, select one or more

managers to operate such Laboratory activities as the Director deems appropriate, selecting such manager or managers from among individuals or broad-based nonprofit entities which are leaders in the field of quality management and which have a history of service to society.

“(b) ACTIVITIES.—The Laboratory shall—
“(1) provide technical services to manufacturing companies, service companies, and other organizations in the United States to help them improve the quality of their operations and products;

“(2) conduct research and analyses on ways to improve quality; and

“(3) facilitate and assist voluntary efforts by leaders from business, labor, and education to—
“(A) harmonize quality initiatives underway in given industrial sectors;

“(B) train individuals and organizations in the methods and criteria of the Malcolm Baldrige National Quality Award established under section 107 of this Act;

“(C) encourage and aid the creation and operation of State quality councils or institutes;

“(D) develop model criteria and materials, and, as appropriate, conduct workshops to provide employees with the education and training necessary to operate within quality management programs; and

“(E) in general assist in the broad dissemination of best practices available in total quality management, including the practices and quality improvement strategies successfully employed by those firms which have won the Malcolm Baldrige National Quality Award, as well as best practices in the fields of lean production, market-driven product improvement, and customer-supplier relations.

“(c) FUNDING.—The Secretary and the Director are authorized to use appropriated funds to support the operations of the Laboratory. The Secretary and the Director also are authorized to seek and accept gifts from public and private sources to help fund the activities of the Laboratory.”

SEC. 4. TECHNOLOGY EXTENSION AND DEPLOYMENT ACTIVITIES OF THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

(a) MANUFACTURING TECHNOLOGY CENTERS.—Section 25 of the Act of March 3, 1901 (15 U.S.C. 278k), is amended—

(1) by amending the section heading to read as follows: “MANUFACTURING TECHNOLOGY CENTERS”;

(2) in subsection (c)(5), by inserting “, except for contracts for such specific technology extension services as the Director may specify” immediately before the period at the end;

(3) by striking subsection (d); and

(4) by adding at the end the following new subsections:
“(d) If a Center receives a positive evaluation during its third year of operation, the Director may, any time after that evaluation, contract with the Center to provide additional technology extension or transfer services above and beyond the baseline activities of the Center. Such additional services may include, but are not necessarily limited to, the development and operation of—

“(1) prototype regional teleconferencing and digital communications networks for the purpose of expanding the number of States, companies, and employees which can receive a Center’s baseline services;

“(2) programs to assist small and medium-sized manufacturers and their employees in the Center’s region to learn and apply the technologies and techniques associated with systems management technology; and

“(3) programs focused on the testing, development, and application of manufacturing and process technologies within specific technical fields such as advanced materials, electronics

fabrication, or general manufacturing, for the purpose of assisting United States companies, both large and small and both within the Center’s original service region and in other regions, to improve manufacturing, product design, workforce training, and production in those specific technical fields.

“(e) In addition to any assistance provided or contracts entered into with a Center under this section, the Director is authorized to make separate and smaller awards, through a competitive process, to nonprofit organizations which wish to work with a Center to enable those organizations to provide additional outreach services, in collaboration with the Center, to small and medium-sized manufacturers. Organizations which receive such awards shall be known as Satellite Manufacturing Centers. In reviewing applications, the Directors shall consider the needs of rural as well as urban manufacturers. No single award for a Satellite Manufacturing Center shall be for more than three years, awards shall be renewable through the competitive awards process, and no award shall be made unless the applicant provides matching funds at least equal to the amount requested from the Director.”

(b) STATE TECHNOLOGY EXTENSION PROGRAM.—(1) Section 26(a) of the Act of March 3, 1901 (15 U.S.C. 278l(a)), is amended—

(A) by inserting immediately after “(a)” the following new sentence: “There is established within the Institute a State Technology Extension Program.”; and

(B) by inserting “through that Program” immediately after “technical assistance”.

(2) Section 26 of the Act of March 3, 1901 (15 U.S.C. 278l) is amended by adding at the end the following new subsection:

“(c)(1) In addition to the general authorities listed in subsection (b) of this section, the State Technology Extension Program also shall, through merit-based competitive review processes and as authorizations and appropriations permit—

“(A) make awards to State and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988, in order to help States improve their planning and coordination of technology extension activities;

“(B) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

“(C) support State efforts to develop and test innovative ways to help small and medium-sized manufacturers improve their technical capabilities, including innovative methods for transferring Federal technology, for encouraging business networks and shared facilities among small manufacturers, for expanding the skill of the workforce, for identifying new manufacturing opportunities between small and large firms, and for working with the States and, as appropriate, private information companies, to provide small and medium-sized firms with access to data bases and technical experts;

“(D) support cooperative research and technology assistance projects between the Institute and the States, particularly projects, funded on a matching basis, to help firms within the State to improve their manufacturing and process technologies, including manufacturing education institutes;

“(E) as appropriate, promote the creation of industry-led State quality laboratories or institutes affiliated with the National Quality Laboratory established by section 307 of the Stevenson-Wydler Technology Innovation Act of 1980.

“(2) Each application for financial assistance under this subsection shall demonstrate a commitment to derive at least 50 percent of the re-

sources necessary to defray the total cost of the program from non-Federal Government sources, unless the Secretary, acting through the Director, determines that a State government lacks the required resources due to chronic financial difficulties.”

SEC. 5. NATIONAL MANUFACTURING TECHNOLOGY ADVISORY COMMISSION.

(a) ESTABLISHMENT AND PURPOSE.—There is established a National Manufacturing Technology Advisory Commission (hereafter in this section referred to as the “Commission”), for the purpose of examining what steps must be taken by industry and government to ensure that within a decade the United States has a modern industrial infrastructure, including research and development capabilities and equipment and facilities, second to no other nation.

(b) ISSUES.—The Commission shall address, but not necessarily limit itself to, the following issues:

(1) What range of factors affect how willing and able United States companies are to invest in new research, product development, and equipment and facilities, and how do those factors compare with conditions in other major industrialized countries?

(2) How do the cost, availability, and long-term or short-term orientation of capital in the United States affect the ability of companies to make investments and modernize industrial equipment and facilities?

(3) What are the particular industrial modernization problems, including capital problems, insufficient information, and workforce training needs faced by small- and medium-sized manufacturing firms in the United States?

(4) How feasible and appropriate would it be to create a privately-sponsored or government-sponsored enterprise which would serve as a secondary market for private loans for the purchase or lease of advanced manufacturing technology by small- and medium-sized manufacturers within the United States, and could an insurance premium provision be built into such an enterprise to ensure that a sufficient financial reserve would exist to cover any losses incurred by the enterprise?

(5) In general, what steps could the Federal Government, the States, and the private sector take to accelerate the modernization of United States industry, particularly manufacturing firms?

(c) MEMBERSHIP.—(1) The Commission shall be composed of 12 members, none of whom shall serve as full-time Federal employees during their term of service on the Commission, who are eminent in such fields as advanced technology, manufacturing, finance, and international economics and who are appointed as follows:

(A) Four individuals shall be appointed by the President, one of whom shall be designated by the President to chair the Commission.

(B) Four individuals shall be appointed by the Speaker of the House of Representatives, one of whom shall be appointed upon the recommendation of the minority leader of the House of Representatives.

(C) Four individuals shall be appointed by the President pro tempore of the Senate, three of whom shall be appointed upon the recommendation of the majority leader of the Senate and one of whom shall be appointed upon the recommendation of the minority leader of the Senate.

(2) Each member shall be appointed, within 60 days after the date of enactment of this Act, for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) PROCEDURES.—(1) The chairman shall call the first meeting of the Commission within 90 days after the date of enactment of this Act.

(2) Recommendations of the Commission shall require the approval of two-thirds of the members of the Commission.

(3) The Commission may use such personnel detailed from Federal agencies, particularly the Department of Commerce, as may be necessary to enable the Commission to carry out its duties.

(4) Members of the Commission, while attending meetings of the Commission while away from their homes or regular places of business, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

(e) REPORTS.—The Commission shall, within one year after the date of enactment of this Act, submit to the President and Congress a report containing legislative and other recommendations with respect to the issues addressed under subsection (b).

(f) TERMINATION.—The Commission shall terminate 6 months after the submission of its report under subsection (e).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal years 1993 and 1994.

SEC. 6. ANNUAL REPORT ON NEGOTIATIONS POTENTIALLY AFFECTING FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS.

The Secretary of Commerce, after consultation with the Director of the Office of Science and Technology Policy, shall report annually to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives on any current or planned Executive Branch positions in international negotiations, including negotiations regarding subsidies or government procurement, which would affect the activities, funding levels, or eligibility requirements of Federal domestic research and development programs.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATIONS FOR CERTAIN FISCAL YEAR 1993 ACTIVITIES.—Of the amounts otherwise authorized to be appropriated to the Secretary of Commerce for fiscal year 1993—

(1) \$10,000,000 of the amounts authorized for the Manufacturing Engineering Laboratory of the National Institute of Standards and Technology (hereafter in this section referred to as the "Institute") are authorized only for carrying out the Institute's internal portion of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wylder Technology Innovation Act (as added by this Act);

(2) \$30,000,000 of the amounts authorized for the Institute's Advanced Technology Program are authorized only for support of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wylder Technology Innovation Act (as added by this Act); and

(3) \$5,000,000 of the amounts authorized for the Institute's Manufacturing Technology Centers are authorized only for support of Satellite Manufacturing Centers.

(b) ADDITIONAL AUTHORIZATIONS.—In addition to such other sums as may be authorized to be appropriated to the Secretary of Commerce and the Director of the Institute by this or any other Act, there are authorized to be appropriated to the Secretary and the Director—

(1) to carry out responsibilities under section 303 of the Stevenson-Wylder Technology Innovation Act of 1980 (as added by this Act), \$50,000,000 for fiscal year 1994 and \$40,000,000 for fiscal year 1995;

(2) to carry out responsibilities under section 305 of the Stevenson-Wylder Technology Innovation Act of 1980 (as added by this Act), \$5,000,000 for fiscal year 1993, \$30,000,000 for fiscal year 1994, and \$30,000,000 for fiscal year 1995;

(3) to carry out responsibilities under section 306 of the Stevenson-Wylder Technology Inno-

vation Act of 1980 (as added by this Act), \$5,000,000 for fiscal year 1993, \$5,000,000 for fiscal year 1994, and \$5,000,000 for fiscal year 1995; and

(4) to carry out responsibilities under subsections (d) and (e) of section 25 of the Act of March 3, 1901 (as added by this Act), \$60,000,000 for fiscal year 1994 and \$50,000,000 for fiscal year 1995.

SEC. 8. MISCELLANEOUS AND CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 4 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end the following new paragraphs:

"(14) 'Director' means the Director of the National Institute of Standards and Technology.

"(15) 'Institute' means the National Institute of Standards and Technology.

"(16) 'Assistant Secretary' means the Assistant Secretary of Commerce for Technology Policy.

"(17) 'Advanced manufacturing technology' means—

"(A) numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production; and

"(B) techniques and processes designed to improve manufacturing quality, productivity, and practices, including quality assurance, concurrent engineering, shop floor management, inventory management, and upgrading worker skills."

(b) REDESIGNATIONS.—The Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by inserting immediately after section 4 the following new title heading:

"TITLE I—DEPARTMENT OF COMMERCE AND RELATED PROGRAMS";

(2) by redesignating sections 5 through 10 as sections 101 through 106, respectively;

(3) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(4) by redesignating sections 16 through 18 as sections 107 through 109, respectively;

(5) by striking section 19;

(6) by redesignating section 20 as section 110;

(7) by redesignating section 21 as section 206;

(8) by inserting immediately after paragraph 110 (as redesignated by paragraph (6) of this subsection) the following new title heading:

"TITLE II—FEDERAL TECHNOLOGY TRANSFER";

(9) in section 4—

(A) by striking "section 5" each place it appears and inserting in lieu thereof "section 101";

(B) in paragraphs (4) and (6), by striking "section 6" and "section 8" each place they appear and inserting in lieu thereof "section 103" and "section 105", respectively; and

(C) in paragraph (13), by striking "section 6" and inserting in lieu thereof "section 102";

(10) in section 206 (as redesignated by paragraph (7) of this subsection)—

(A) by striking "section 11(b)" and inserting in lieu thereof "section 201(b)"; and

(B) by striking "section 6(d)" and inserting in lieu thereof "section 102(d)"; and

(11) by adding at the end of section 201 (as redesignated by paragraph (3) of this subsection) the following new subsection:

"(h) ADDITIONAL TECHNOLOGY TRANSFER MECHANISMS.—In addition to the technology transfer mechanisms set forth in this section and section 202 of this Act, the heads of Federal departments and agencies also may transfer technologies through the technology transfer, extension, and deployment programs of the De-

partment of Commerce and the Department of Defense."

AMENDMENT NO. 2645

(Purpose: To clarify that the Act does not alter the application of Federal and State antitrust laws)

Mr. FORD. Mr. President, on behalf of Senator METZENBAUM, I send an amendment to the committee substitute to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. METZENBAUM, proposes an amendment numbered 2645.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill, add the following new subsection:

(c) APPLICATION OF ANTITRUST LAWS.—Nothing in this Act shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2645) was agreed to.

Mr. HOLLINGS. Mr. President, I am pleased that the Senate is now considering S. 1330, the Manufacturing Strategy Act, which I introduced on June 19, 1991. In supporting this bill, I am joined by Senators GORE, BINGAMAN, NUNN, ROCKEFELLER, KENNEDY, DIXON, LEVIN, DODD, SHELBY, DASCHLE, LIEBERMAN, RIEGLE, CONRAD, WOFFORD, KERRY, and BENTSEN as cosponsors. The version of S. 1330 now before us is the reported bill, which was approved without objection by the Commerce Committee on October 3, 1991.

This important legislation builds on existing manufacturing technology programs at the Department of Commerce [DOC]. It provides for a new industry-led project to develop advanced manufacturing technologies, expands State-led efforts to help small and medium-sized manufacturers modernize their equipment and processes, and increases assistance to firms wishing to improve manufacturing quality. Passage of this legislation is critical to the future of U.S. technology competitiveness in manufacturing.

THE MANUFACTURING CHALLENGE

Manufacturing remains a central part of the American economy. The U.S. manufacturing sector accounts for approximately 25 percent of the Nation's gross domestic product. It provides 19 percent of the Nation's jobs and still provides many of the country's best-paid positions. It funds most of the Nation's private-sector research

and development [R&D]. It generates approximately 80 percent of this country's total merchandise exports, and in 1990 its exports were responsible for a stunning 90 percent of real U.S. economic growth. Our long-term prosperity and national defense depend on manufacturing—especially high-productivity, high-wage manufacturing.

Yet, despite some bright spots, we all know that America has taken a beating in manufacturing. The United States once had over a dozen color television manufacturers; now it has only one. Today Japan controls over one-quarter of the United States automobile market and about half of the world's semiconductor market. In automobiles, semiconductors, and other fields, American companies are making advancements, but all too often the leading world-class manufacturers are based in Japan, Germany, or other countries.

In 1990, Japanese-manufactured exports nearly equalled those of the United States—\$282 billion in Japanese exports as compared to \$287 billion in U.S. exports. Yet the Japanese economy is only two-thirds the size of the U.S. economy. Also in 1990, Germany led the world in exports of manufactured goods—386 billion dollars' worth of goods, 28 percent more than the United States exported. How did a country with one-third of the U.S. population lead in manufactured exports?

Many factors affect a nation's manufacturing strength—management attitudes, training and labor relations, tax policy, trade policy, technology, and so forth. However, what stands out in countries such as Japan and Germany is a serious, sustained national commitment to excel. Industry, labor, and government in these countries have made manufacturing a true national priority, and they have backed up that priority with real resources and action.

Consider Government support for manufacturing technology and for manufacturing modernization. The Germans and the Japanese do not merely give lip service to these areas; they make major investments in manufacturing technology and in industrial innovation in general.

For example, a recent report by the private Council on Competitiveness on German technology policy identifies the key factor as follows:

Industrial innovation is a direct and specific goal of German government policy. The straightforward German focus on industrial innovation stands in sharp contrast to U.S. public policy. The U.S. federal government does not view industrial innovation as a priority, but as the indirect result of defense spending or basic research. Therefore, while U.S. public support for industrial innovation is fragmented and unfocused, German policy encourages and supports a dense network of research institutions and industry organizations that provide complementary services to the private sector. * * *

Among other programs, Germany operates 40 so-called Franhofer Insti-

tutes—applied research facilities which help large and smaller firms improve products and manufacturing processes. Total expenditures in 1989 totalled \$409 million, with approximately half of this amount from industry and the remainder from German federal and state agencies. About 50 percent of the budget is devoted to new production technologies and microelectronics.

Japan has programs to help both smaller and larger manufacturers. Small and medium-sized manufacturing companies have access to a nationwide publicly supported system of 169 examination and assistance centers. These so-called kohsetsushi centers help small firms with both the development and adoption of advanced production technologies. The centers receive \$500 million a year in public funding from municipal, prefectural, and central government agencies. For larger firms, the Ministry of International Trade and Industry [MITI] has proposed a \$1 billion government-industry research project in Intelligent Manufacturing Systems—the IMS project. This project and a related private-sector initiative in Japan aim to create an advanced and highly efficient computer-integrated manufacturing infrastructure that will give Japanese companies a significant competitive edge in the 21st century.

Japanese manufacturing already is impressive. According to Bob White, DOC Under Secretary for Technology, automakers in Japan soon will be able to take a customer's car order—including model type, paint color, interior, and options—and deliver that car exactly as the customer wants it within 3 days. One can only imagine what the Japanese will be able to do once their factories and suppliers are linked into large, speedy computer networks, and highly flexible production lines.

While the United States still has excellent research and development [R&D] in manufacturing, we often lag behind others in the development and deployment of advanced manufacturing systems. For example, the United States has no equivalent to Japan's IMS project, despite interest from industry and a very commendable effort by DOC to stimulate United States thinking on this subject. In terms of deploying new technologies—that is, helping firms adopt and use effectively the new equipment—the American record is poor. The United States has some 350,000 small- and medium-sized manufacturers, defined as firms with 500 or fewer employees. However, in 1991, the United States ranked 20 out of 22 countries in per capita consumption of advanced machine tools, just ahead of Bulgaria and Yugoslavia.

So far, the Federal Government has placed a low priority on helping American companies to develop and deploy advanced manufacturing technologies. In fiscal year 1992, the Federal Govern-

ment only will spend \$17 million on manufacturing extension programs to help small firms adopt advanced equipment. Nondefense R&D funds to help develop industrial manufacturing technology will be far less than \$100 million. By comparison, in fiscal year 1992, the Federal Government will spend over \$1 billion on two agricultural research programs, the Agriculture Research Service and the Cooperative State Research Service, and \$411 million for the Federal portion of agricultural extension. These programs have helped make American agriculture the world's leader, and I strongly support them. Comparing this expenditure with the low priority the Federal Government places on industrial manufacturing technology, it is no surprise that our companies have trouble keeping up with their German and Japanese competitors.

AMERICA'S OPPORTUNITY

If the United States has been slow to meet the challenge of foreign investments in manufacturing technology development and deployment, it nonetheless now has a major opportunity to redress the imbalance. It now can develop and implement an industry-led strategy to restore U.S. leadership in manufacturing technology and manufacturing operations.

This opportunity exists for three key reasons. First, we know what direction we must follow. To survive in the intensely competitive markets of the late 1990's and the early 21st century, manufacturers will have to be efficient, cost-effective, and dedicated to quality. In turn, two ingredients will produce a world-class manufacturer: highly flexible, computer-controlled equipment and lean, flexible organizations of highly skilled workers and managers. A recent report by a team of experts from industry and Lehigh University gave a name to this new system of production: they call it agile manufacturing.

Important developments will be needed to make agile manufacturing a reality, including new types of equipment, new communications networks to link factories electronically, standardized computer terminology so that disparate factories can communicate with each other, new training programs, and the further development of best practices for manufacturing.

Second, much of the necessary work is already underway, although efforts remain fragmented, incomplete, and underfunded. In my home town of Charleston, SC, the Navy, DOC's National Institute of Standards and Technology [NIST], the South Carolina Research Authority, and a group of private companies have developed a pioneering flexible manufacturing system. I watched this system, developed originally to automate and speed the manufacture of small parts for Navy vessels, as it was pressed into service during

the Persian Gulf war to make spare parts for Marine helicopters. Replacement parts that once took machinists a year to make now can be made in weeks or days, thanks to a system which keeps specifications for hundreds of components in a computer memory bank and then sends those specifications speedily to flexible milling and lathing machines.

Other efforts around the country have begun to fill in other pieces of the agile manufacturing system. Dr. Robert White and his DOC colleagues are working with industry to develop standardized computer terminology for electronic manufacturing. An industry consortium, the National Center for Manufacturing Sciences [NCMS], is developing new generations of computer equipment to control automated equipment. Another industry group, the Microelectronics and Computer Technology Corporation [MCC], has begun to develop computer networks to link factories. NIST and the private foundation supporting the Malcolm Baldrige National Quality Award have thought long and hard about best manufacturing practices. The National Coalition for Advanced Manufacturing [NACFAM] and leaders in the States and industry are thinking about how best to share these evolving technologies and practices with small- and medium-sized manufacturers. Many of the pieces of a true national effort to restore American manufacturing already exist; the task now is to bring them together under industry leadership.

This is where the third component—proven models of industry-Federal-State cooperation—becomes important. We have programs now that could be used readily to develop and deploy these 21st century manufacturing technologies and practices. On the development side, we have both existing industry consortia and a DOC Program for supporting such consortia, the NIST Advanced Technology Program [ATP]. On the deployment side, NIST has two well-regarded programs for working with the States to disseminate new manufacturing technologies and manufacturing best practices—the Manufacturing Technology Centers and the State Technology Extension Program [STEP]. These industry, NIST, and State efforts are in place and working. However, the Nation must make manufacturing excellence a true national priority and expand upon these efforts to advance U.S. manufacturing competitiveness.

THE BILL

This is the point at which enactment of S. 1330 becomes critical. It builds upon ongoing technical work and existing DOC programs. The bill would not create any new bureaucracies, and its funds would be targeted at coordinating and strengthening existing industry and government efforts for the de-

velopment and deployment of advanced manufacturing technologies.

The bill now before the Senate has three sets of provisions. The first set deals with technology development and manufacturing practices. It would create a new title III to the Stevenson-Wylder Technology Innovation Act of 1980. The new title, "Manufacturing Technology," would set a national goal of being second to no other nation in manufacturing within 10 years, and state that DOC is to be the lead civilian Federal agency for working with U.S. industry to develop and deploy advanced manufacturing technology and techniques. Next, the new title would create, under existing NIST programs, an Advanced Manufacturing Systems and Networking Project to develop new technologies. The heart of this project would be a series of industry-led "testbed" projects, financed mainly by business, to refine, test, and integrate key manufacturing technologies. The new title also would authorize and encourage other Federal agencies to support industry-led technology development projects; establish NIST manufacturing fellowships; and create a NIST-supervised National Quality Laboratory which would help industry could develop quality management programs and other practices important to success.

The second set of provisions deals with technology extension. The bill also would amend sections 25 and 26 of the National Institute of Standards and Technology Act to authorize additional activities by Manufacturing Technology Centers [MTC's], to authorize the establishment of new Satellite Manufacturing Centers in affiliation with MTC's, and to authorize additional activities by NIST's State Technology Extension Program [STEP].

The third provision would create a National Manufacturing Technology Advisory Commission. This commission would provide advice to the President and Congress on promoting the development and application of new manufacturing technologies.

The bill contains modest authorizations for fiscal year 1993, and would authorize \$145 million for fiscal year 1994 and \$125 million for fiscal year 1995 for all the NIST manufacturing programs.

CONCLUSION

Mr. President, for a time during the 1980s, some people argued that the United States no longer needed a strong manufacturing sector. We had become a service economy, these people said, and could remain prosperous without factories. Others were content to let American manufacturing compete on the basis of low wages and basic products rather than high productivity and technological excellence.

It is clear that these viewpoints were not valid. The importance of manufacturing was summed up well in a 1989

book entitled "Made in America." Written by experts at the Massachusetts Institute of Technology [MIT], the book concluded that it is unrealistic to expect that the United States can rely solely on services. Exports of American services never could pay the cost of importing all manufactured goods; a loss of manufacturing industries would lead to the loss of related service sectors, such as engineering and insurance; and manufacturing always will remain essential for national security. The MIT experts went on to make this crucial point about the future of American manufacturing:

The important question is not whether the United States will have a manufacturing industry but whether it will compete as a low-wage manufacturer or as a high-productivity producer. * * * [T]he best way for Americans to share in rising world prosperity is to retain on American soil those industries that have high and rapidly rising productivity. Manufacturing, and high-technology manufacturing in particular, belongs in this category.

Mr. President, that is the choice we face. Industry and labor are ready to make manufacturing excellence once again a national priority. Industry is ready to define the research agenda, and to work with Federal officials and the States to help disseminate these new technologies and best practices to small manufacturers. The question now is whether the Federal Government will show real leadership, whether it will make manufacturing a true national priority, and thus whether it will make a determined effort to generate the standard of living and the good jobs that only high-productivity manufacturing can provide. Other nations have focused programs of their own. We also must make manufacturing a priority, or cede key industries and the best jobs to other nations.

S. 1330 is a sound way to use advanced technologies to help achieve these goals. It is not a panacea, and it must be matched by real improvements in training, tax policy, trade enforcement, and management attitudes. However, the bill is an important and necessary step. It will harness and coordinate the technological strengths of companies, Federal agencies, and the States in order to create an effective industry-led strategy to revitalize American manufacturing technology.

The bill, approved without objection by the Commerce Committee, has been endorsed by such notable groups as the National Association of Manufacturers, NACFAM, NCMS, and the Young Presidents Organization, an association of young corporate executives. These industry groups have been critical in developing this bill, and I thank them for their assistance.

I urge our colleagues to support passage of this important legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be pro-

posed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

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

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to engrossed for a third reading, was read the third time, and passed, as follows:

S. 1330

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 "Manufacturing Strategy Act of 1992".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares the following:

(1) The development and deployment of advanced manufacturing technologies and other process technologies are vital to the Nation's economic growth, standard of living, competitiveness in world markets, and national security.

(2) New developments in flexible computer-integrated manufacturing, electronic manufacturing networks, and other new technologies make possible dramatic improvements across all industrial sectors in productivity, quality, and the speed with which manufacturers can respond to customers and changing market opportunities.

(3) The United States currently leads the world in research on advanced manufacturing technologies, but often lags behind other nations in the full development, deployment, and use of these new technologies.

(4) Among the steps necessary for the United States to reap the full benefits of advanced manufacturing technology are further research and development activities, testbed projects to test and validate new technology, programs to accelerate the deployment of both new advanced technologies and valuable off-the-shelf equipment, full development of digital product data technology, enhanced transfer of federally-funded technology to industry, and increased cooperation among the Federal Government, industry, labor organizations, and the States.

(5) The Department of Commerce, in cooperation with the Department of Defense and other Federal agencies, has played and can continue to play an important role in assisting United States industry to develop, test, and deploy advanced manufacturing technologies.

(b) PURPOSE.—It is the purpose of Congress in this Act to enhance the ability of the Department of Commerce's technology programs to assist the efforts of private industry in manufacturing and, in the process, to help ensure the continued leadership of the United States in advanced manufacturing technologies.

SEC. 3. AMENDMENT OF THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

The Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended by adding at the end the following new title:

"TITLE III—MANUFACTURING TECHNOLOGY

"SEC. 301. STATEMENT OF POLICY AND PURPOSE.

"(a) STATEMENT OF POLICY.—Congress declares that it is the policy of the United States that—

"(1) Federal agencies, particularly the Department of Commerce, shall work with industry to ensure that within 10 years of the date of enactment of this title the United States is second to no other nation in the development, deployment, and use of advanced manufacturing technology;

"(2) because of the importance of manufacturing and advanced manufacturing technology to the Nation's economic prosperity and defense, all the major Federal research and development agencies shall place a high priority on the development and deployment of advanced manufacturing technologies, and shall work closely with United States industry to develop and test those technologies; and

"(3) the Department of Commerce, particularly the Technology Administration, shall serve as the lead civilian agency for promoting the development and deployment of advanced manufacturing technology, and other Federal departments and agencies which work with civilian industry shall be encouraged, as appropriate, to work through the programs of the Department of Commerce.

"(b) PURPOSE.—It is the purpose of Congress in this title to help ensure, through the programs and activities of the Department of Commerce and other Federal agencies, continued United States leadership in the development and deployment of advanced manufacturing technologies and their applications.

"SEC. 302. ROLE OF THE DEPARTMENT OF COMMERCE.

"(a) MISSION IN MANUFACTURING.—The Department of Commerce shall be the lead civilian agency of the Federal Government for working with United States industry and labor to—

"(1) develop new generic advanced manufacturing technologies; and

"(2) encourage and assist the deployment and use of advanced manufacturing equipment and techniques throughout the United States.

"(b) DUTIES.—(1) The Secretary shall, through the Under Secretary and the Director and, as appropriate, in coordination with the heads of other Federal agencies and with industry, design and manage programs that—

"(A) identify technical, organizational, institutional, and informational barriers to the development, deployment, and use of advanced manufacturing equipment and technologies;

"(B) accelerate the development of advanced manufacturing technologies in such areas as computer-integrated manufacturing, advanced robotics, concurrent engineering, enterprise integration, communications networks for manufacturing, other advanced process technologies, computer software, and quality assurance techniques;

"(C) support projects, centers, and other mechanisms to help United States industry develop, test, and deploy advanced manufacturing and process technologies;

"(D) assist United States industry to—

"(i) develop and disseminate generic manufacturing process models and related techniques, including expert systems and benefit/cost analyses, that significantly increase quality, productivity, and flexibility;

"(ii) expand and speed the use of the best current manufacturing practices, such as total quality management, concurrent engineering, and just-in-time delivery; and

"(iii) develop techniques which help companies define their manufacturing technology needs and select production equipment;

"(E) increase coordination with industry for identifying the need for both interface and systems standards in manufacturing and, as appropriate, support testbeds so that industry can determine at early stages whether new technologies and prototypes are compatible with new standards; and

"(F) accelerate, in partnership with the States and industry, the broad deployment and adoption of advanced manufacturing technologies by medium and small, as well as large, manufacturers throughout the United States.

"(2) The Secretary, acting through the Under Secretary, also shall—

"(A) conduct analyses on how Federal policies and programs can better encourage private sector efforts to develop, test, deploy, and use advanced manufacturing technologies; and

"(B) work with the private sector as a catalyst to help develop new manufacturing business practices, teaching factories, shared manufacturing facilities, accounting standards, training methods, improved supplier-customer relations, and other steps which would accelerate the deployment and use of advanced manufacturing technologies by United States industry.

"(c) RELATION TO NATIONAL PLANS.—The Secretary, Under Secretary, and Director shall, as appropriate, ensure that Department of Commerce advanced manufacturing technology activities are conducted in a manner consistent with any national advanced manufacturing technology development plans that may be developed by the President or the Director of the Office of Science and Technology Policy.

"(d) COORDINATION WITH OTHER AGENCIES.—The Secretary and the Secretary of Defense shall coordinate their policies and programs to promote the development and deployment of advanced manufacturing technologies. The two Secretaries shall, as appropriate, form joint working groups or special project offices to coordinate their manufacturing activities.

"SEC. 303. ADVANCED MANUFACTURING SYSTEMS AND NETWORKING PROJECT.

"(a) ESTABLISHMENT OF PROJECT.—(1) In addition to such technology development responsibilities as may be set forth in other Acts, the Secretary, through the Under Secretary and the Director, shall establish an Advanced Manufacturing Systems and Networking Project (hereafter in this title referred to as the "Project").

"(2) The purpose of the Project is to create a collaborative multiyear technology development program involving the Institute, United States industry, and, as appropriate, other Federal agencies and the States in order to develop, refine, test, and transfer advanced computer-integrated, electronically-networked manufacturing technologies and associated applications.

"(b) PROJECT COMPONENTS.—The Project shall include—

"(1) an advanced manufacturing research and development activity at the Institute;

"(2) one or more technology development testbeds within the United States, selected through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n), whose purpose shall be to develop, refine, test, and transfer advanced manufacturing and networking technologies and associated applications; and

"(3) one or more information dissemination contracts selected through the provisions of section 25 (d) and (e) of the Act of March 3, 1901 (15 U.S.C. 278k (d) and (e)), for

the purpose of providing information and technical assistance regarding advanced manufacturing and networking technologies to these small and medium-sized manufacturers.

"(c) **ACTIVITIES.**—The Project shall, under the coordination of the Director, undertake the following activities:

"(1) test and, as appropriate, develop the equipment, computer software, and systems integration necessary for the successful operation within the United States of advanced manufacturing systems and associated electronic networks;

"(2) establish at the Institute and the technology development testbed or testbeds—

"(A) prototype advanced computer-integrated manufacturing systems; and

"(B) prototype electronic networks linking the manufacturing systems;

"(3) assist industry to implement voluntary consensus standards relevant to advanced computer-integrated manufacturing operations, including standards for integrated services digital networks, electronic data interchange, and digital product data specifications;

"(4) help to make high-performance computing and networking technologies an integral part of design and production processes;

"(5) conduct research to identify and overcome technical barriers to the successful and cost-effective operation of advanced manufacturing systems and networks;

"(6) facilitate industry efforts to develop and test new applications for manufacturing systems and networks;

"(7) involve, to the maximum extent practicable, both those United States companies which make manufacturing and computer equipment and those companies which buy the equipment, with particular emphases on including a broad range of company personnel in the Project and on assisting small and medium-sized manufacturers;

"(8) train, as appropriate, company managers, engineers, and employees in the operation and applications of advanced manufacturing technologies and networks, with a particular emphasis on training production workers in the effective use of new technologies and thereby expanding the skill base of the workforce and increasing production flexibility and adaptability;

"(9) work with private industry to develop standards for the use of advanced computer-based training systems, including multimedia and interactive learning technologies; and

"(10) exchange information and personnel, as appropriate, between the technology development testbeds and the Regional Centers for the Transfer of Manufacturing Technology created under section 25 of the Act of March 3, 1901 (15 U.S.C. 278k).

"(d) **TESTBED AWARDS.**—(1) In selecting applicants to receive awards under subsection (b)(2) of this section, the Secretary shall give particular consideration to applicants that have existing expertise with digital data product technologies and that, in the case of joint research and development ventures, include both suppliers and users of advanced manufacturing equipment.

"(2) An industry-led joint research and development venture applying for an award under subsection (b)(2) of this section may include one or more State research organizations, universities, independent research organizations, or Regional Centers for the Transfer of Manufacturing Technology (as created under section 25 of the Act of March 3, 1901).

"(e) **RELATIONSHIP TO HIGH-PERFORMANCE COMPUTING PROGRAM.**—(1) The Project shall

be considered one of the Department of Commerce's activities under the Federal high-performance computing program and shall be considered a 'Grand Challenge', as that term is defined under that program. The Project shall remain under the jurisdiction of the Secretary, although the Secretary may, as appropriate, invite the participation of other Federal departments and agencies.

"(2) The Secretary and Director, in consultation with the Director of the Office of Science and Technology Policy, shall, as appropriate, direct that the Project conduct manufacturing networking experiments in partnership with the operators of the National Research and Education Network.

"(f) **ADVICE AND ASSISTANCE.**—(1) Within 6 months after the date of enactment of this title, and before any request for proposals is issued, the Secretary, through the Under Secretary and Director, shall hold one or more workshops to solicit advice from United States industry and from other Federal departments, particularly the Department of Defense, regarding the specific missions and activities of the testbeds.

"(2) The Secretary may request and accept funds, facilities, equipment, or personnel from other Federal departments and agencies in order to carry out responsibilities under this section.

"SEC. 304. OTHER AGENCY SUPPORT FOR INDUSTRY-LED RESEARCH IN MANUFACTURING AND PROCESS TECHNOLOGY.

"(a) **SUPPORT OF NATIONAL TECHNOLOGY BASE.**—(1) It shall be a mission of all Federal research and development agencies to support the national technology base upon which both the Federal Government and United States industry draw.

"(2) In order to contribute to the national technology base, each Federal department and agency is authorized and encouraged to provide support for industry-led technology development projects whose purpose is the development of critical generic technologies, particularly manufacturing and processing technologies, which are identified in the biennial critical technologies reports prepared pursuant to section 603 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683).

"(b) **METHODS OF SUPPORT.**—Each Federal department and agency may support industry-led technology development projects by either—

"(1) using or establishing its own program or programs to support industry-led technology development projects; or

"(2) channeling its funds to support industry-led technology development projects through the Advanced Technology Program established under section 28 of the Act of March 3, 1901 (15 U.S.C. 278n).

"SEC. 305. INSTITUTE FELLOWSHIPS IN MANUFACTURING ENGINEERING.

"(a) **GRADUATE FELLOWSHIPS.**—(1) The Under Secretary and Director, in consultation with other appropriate Federal officials, shall establish a program to provide fellowships to graduate students at institutions of higher education within the United States who choose to pursue masters or doctoral degrees in manufacturing engineering. The purpose of the program is to encourage larger numbers of highly qualified graduate students to enter manufacturing engineering and thereby help improve manufacturing within the United States. Such fellowships shall be awarded through a competitive, merit-based selection process.

"(2) In order to be eligible to receive one of the graduate fellowships established by this

subsection, a student must attend or be admitted to a university graduate program which has been certified by the Director as meeting the following criteria:

"(A) at least several manufacturing companies have a continuing relationship with the program;

"(B) the program has at least several faculty members with expertise in manufacturing; and

"(C) the program encourages its graduate students to acquire experience in industry before enrolling for graduate study.

"(b) **MANUFACTURING MANAGERS PROGRAM.**—The Under Secretary and Director also shall establish a program to provide fellowships, on a matching funds basis, to industrial executives with experience in manufacturing to serve for one or two years as instructors in manufacturing at two-year community and technical colleges in the United States. Fellowships shall be made through a competitive, merit-based process. In selecting fellows, the Under Secretary and Director shall place special emphasis on supporting individuals who not only have expertise and practical experience in manufacturing but who also can serve as bridges between two-year colleges and manufacturing firms in their areas.

"SEC. 306. NATIONAL QUALITY LABORATORY.

"(a) **ESTABLISHMENT.**—(1) There is established, within the Institute, a National Quality Laboratory (hereafter in this section referred to as the 'Laboratory'), the purpose of which is to assist private sector quality efforts and to serve as a mechanism by which United States companies can work together to advance quality management programs.

"(2) The Director may, under appropriate contractual arrangements, select one or more managers to operate such Laboratory activities as the Director deems appropriate, selecting such manager or managers from among individuals or broad-based nonprofit entities which are leaders in the field of quality management and which have a history of service to society.

"(b) **ACTIVITIES.**—The Laboratory shall—

"(1) provide technical services to manufacturing companies, service companies, and other organizations in the United States to help them improve the quality of their operations and products;

"(2) conduct research and analyses on ways to improve quality; and

"(3) facilitate and assist voluntary efforts by leaders from business, labor, and education to—

"(A) harmonize quality initiatives underway in given industrial sectors;

"(B) train individuals and organizations in the methods and criteria of the Malcolm Baldrige National Quality Award established under section 107 of this Act;

"(C) encourage and aid the creation and operation of State quality councils or institutes;

"(D) develop model criteria and materials, and, as appropriate, conduct workshops to provide employees with the education and training necessary to operate within quality management programs; and

"(E) in general assist in the broad dissemination of best practices available in total quality management, including the practices and quality improvement strategies successfully employed by those firms which have won the Malcolm Baldrige National Quality Award, as well as best practices in the fields of lean production, market-driven product improvement, and customer-supplier relations.

"(c) **FUNDING.**—The Secretary and the Director are authorized to use appropriated

funds to support the operations of the Laboratory. The Secretary and the Director also are authorized to seek and accept gifts from public and private sources to help fund the activities of the Laboratory."

SEC. 4. TECHNOLOGY EXTENSION AND DEPLOYMENT ACTIVITIES OF THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

(a) **MANUFACTURING TECHNOLOGY CENTERS.**—Section 25 of the Act of March 3, 1901 (15 U.S.C. 278k), is amended—

(1) by amending the section heading to read as follows: "MANUFACTURING TECHNOLOGY CENTERS";

(2) in subsection (c)(5), by inserting ", except for contracts for such specific technology extension services as the Director may specify" immediately before the period at the end;

(3) by striking subsection (d); and

(4) by adding at the end the following new subsections:

"(d) If a Center receives a positive evaluation during its third year of operation, the Director may, any time after that evaluation, contract with the Center to provide additional technology extension or transfer services above and beyond the baseline activities of the Center. Such additional services may include, but are not necessarily limited to, the development and operation of—

"(1) prototype regional teleconferencing and digital communications networks for the purpose of expanding the number of States, companies, and employees which can receive a Center's baseline services;

"(2) programs to assist small and medium-sized manufacturers and their employees in the Center's region to learn and apply the technologies and techniques associated with systems management technology; and

"(3) programs focused on the testing, development, and application of manufacturing and process technologies within specific technical fields such as advanced materials, electronics fabrication, or general manufacturing, for the purpose of assisting United States companies, both large and small and both within the Center's original service region and in other regions, to improve manufacturing, product design, workforce training, and production in those specific technical fields.

"(e) In addition to any assistance provided or contracts entered into with a Center under this section, the Director is authorized to make separate and smaller awards, through a competitive process, to nonprofit organizations which wish to work with a Center to enable those organizations to provide additional outreach services, in collaboration with the Center, to small and medium-sized manufacturers. Organizations which receive such awards shall be known as Satellite Manufacturing Centers. In reviewing applications, the Directors shall consider the needs of rural as well as urban manufacturers. No single award for a Satellite Manufacturing Center shall be for more than three years, awards shall be renewable through the competitive awards process, and no award shall be made unless the applicant provides matching funds at least equal to the amount requested from the Director."

(b) **STATE TECHNOLOGY EXTENSION PROGRAM.**—(1) Section 26(a) of the Act of March 3, 1901 (15 U.S.C. 2781(a)), is amended—

(A) by inserting immediately after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(B) by inserting "through that Program" immediately after "technical assistance".

(2) Section 26 of the Act of March 3, 1901 (15 U.S.C. 2781) is amended by adding at the end the following new subsection:

"(c)(1) In addition to the general authorities listed in subsection (b) of this section, the State Technology Extension Program also shall, through merit-based competitive review processes and as authorizations and appropriations permit—

"(A) make awards to State and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988, in order to help States improve their planning and coordination of technology extension activities;

"(B) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(C) support State efforts to develop and test innovative ways to help small and medium-sized manufacturers improve their technical capabilities, including innovative methods for transferring Federal technology, for encouraging business networks and shared facilities among small manufacturers, for expanding the skill of the workforce, for identifying new manufacturing opportunities between small and large firms, and for working with the States and, as appropriate, private information companies, to provide small and medium-sized firms with access to data bases and technical experts;

"(D) support cooperative research and technology assistance projects between the Institute and the States, particularly projects, funded on a matching basis, to help firms within the State to improve their manufacturing and process technologies, including manufacturing education institutes;

"(E) as appropriate, promote the creation of industry-led State quality laboratories or institutes affiliated with the National Quality Laboratory established by section 307 of the Stevenson-Wydler Technology Innovation Act of 1980.

"(2) Each application for financial assistance under this subsection shall demonstrate a commitment to derive at least 50 percent of the resources necessary to defray the total cost of the program from non-Federal Government sources, unless the Secretary, acting through the Director, determines that a State government lacks the required resources due to chronic financial difficulties."

SEC. 5. NATIONAL MANUFACTURING TECHNOLOGY ADVISORY COMMISSION.

(a) **ESTABLISHMENT AND PURPOSE.**—There is established a National Manufacturing Technology Advisory Commission (hereafter in this section referred to as the "Commission"), for the purpose of examining what steps must be taken by industry and government to ensure that within a decade the United States has a modern industrial infrastructure, including research and development capabilities and equipment and facilities, second to no other nation.

(b) **ISSUES.**—The Commission shall address, but not necessarily limit itself to, the following issues:

(1) What range of factors affect how willing and able United States companies are to invest in new research, product development, and equipment and facilities, and how do those factors compare with conditions in other major industrialized countries?

(2) How do the cost, availability, and long-term or short-term orientation of capital in the United States affect the ability of companies to make investments and modernize industrial equipment and facilities?

(3) What are the particular industrial modernization problems, including capital problems, insufficient information, and workforce training needs faced by small- and medium-sized manufacturing firms in the United States?

(4) How feasible and appropriate would it be to create a privately-sponsored or government-sponsored enterprise which would serve as a secondary market for private loans for the purchase or lease of advanced manufacturing technology by small- and medium-sized manufacturers within the United States, and could an insurance premium provision be built into such an enterprise to ensure that a sufficient financial reserve would exist to cover any losses incurred by the enterprise?

(5) In general, what steps could the Federal Government, the States, and the private sector take to accelerate the modernization of United States industry, particularly manufacturing firms?

(c) **MEMBERSHIP.**—(1) The Commission shall be composed of 12 members, none of whom shall serve as full-time Federal employees during their term of service on the Commission, who are eminent in such fields as advanced technology, manufacturing, finance, and international economics and who are appointed as follows:

(A) Four individuals shall be appointed by the President, one of whom shall be designated by the President to chair the Commission.

(B) Four individuals shall be appointed by the Speaker of the House of Representatives, one of whom shall be appointed upon the recommendation of the minority leader of the House of Representatives.

(C) Four individuals shall be appointed by the President pro tempore of the Senate, three of whom shall be appointed upon the recommendation of the majority leader of the Senate and one of whom shall be appointed upon the recommendation of the minority leader of the Senate.

(2) Each member shall be appointed, within 60 days after the date of enactment of this Act, for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) **PROCEDURES.**—(1) The chairman shall call the first meeting of the Commission within 90 days after the date of enactment of this Act.

(2) Recommendations of the Commission shall require the approval of two-thirds of the members of the Commission.

(3) The Commission may use such personnel detailed from Federal agencies, particularly the Department of Commerce, as may be necessary to enable the Commission to carry out its duties.

(4) Members of the Commission, while attending meetings of the Commission while away from their homes or regular places of business, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

(e) **REPORTS.**—The Commission shall, within one year after the date of enactment of this Act, submit to the President and Congress a report containing legislative and other recommendations with respect to the issues addressed under subsection (b).

(f) **TERMINATION.**—The Commission shall terminate 6 months after the submission of its report under subsection (e).

(g) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section such sums as may be necessary for the fiscal years 1993 and 1994.

SEC. 6. ANNUAL REPORT ON NEGOTIATIONS POTENTIALLY AFFECTING FEDERAL RESEARCH AND DEVELOPMENT PROGRAMS.

The Secretary of Commerce, after consultation with the Director of the Office of Science and Technology Policy, shall report annually to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives on any current or planned Executive Branch positions in international negotiations, including negotiations regarding subsidies or government procurement, which would affect the activities, funding levels, or eligibility requirements of Federal domestic research and development programs.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) **AUTHORIZATIONS FOR CERTAIN FISCAL YEAR 1993 ACTIVITIES.**—Of the amounts otherwise authorized to be appropriated to the Secretary of Commerce for fiscal year 1993—

(1) \$10,000,000 of the amounts authorized for the Manufacturing Engineering Laboratory of the National Institute of Standards and Technology (hereafter in this section referred to as the "Institute") are authorized only for carrying out the Institute's internal portion of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wylder Technology Innovation Act (as added by this Act);

(2) \$30,000,000 of the amounts authorized for the Institute's Advanced Technology Program are authorized only for support of the Advanced Manufacturing Systems and Networking Project established under section 303 of the Stevenson-Wylder Technology Innovation Act (as added by this Act); and

(3) \$5,000,000 of the amounts authorized for the Institute's Manufacturing Technology Centers are authorized only for support of Satellite Manufacturing Centers.

(b) **ADDITIONAL AUTHORIZATIONS.**—In addition to such other sums as may be authorized to be appropriated to the Secretary of Commerce and the Director of the Institute by this or any other Act, there are authorized to be appropriated to the Secretary and the Director—

(1) to carry out responsibilities under section 303 of the Stevenson-Wylder Technology Innovation Act of 1980 (as added by this Act), \$50,000,000 for fiscal year 1994 and \$40,000,000 for fiscal year 1995;

(2) to carry out responsibilities under section 305 of the Stevenson-Wylder Technology Innovation Act of 1980 (as added by this Act), \$5,000,000 for fiscal year 1993, \$30,000,000 for fiscal year 1994, and \$30,000,000 for fiscal year 1995;

(3) to carry out responsibilities under section 306 of the Stevenson-Wylder Technology Innovation Act of 1980 (as added by this Act), \$5,000,000 for fiscal year 1993, \$5,000,000 for fiscal year 1994, and \$5,000,000 for fiscal year 1995; and

(4) to carry out responsibilities under subsections (d) and (e) of section 25 of the Act of March 3, 1901 (as added by this Act), \$60,000,000 for fiscal year 1994 and \$50,000,000 for fiscal year 1995.

SEC. 8. MISCELLANEOUS AND CONFORMING AMENDMENTS.

(a) **DEFINITIONS.**—Section 4 of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end the following new paragraphs:

"(14) 'Director' means the Director of the National Institute of Standards and Technology.

"(15) 'Institute' means the National Institute of Standards and Technology.

"(16) 'Assistant Secretary' means the Assistant Secretary of Commerce for Technology Policy.

"(17) 'Advanced manufacturing technology' means—

"(A) numerically-controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production; and

"(B) techniques and processes designed to improve manufacturing quality, productivity, and practices, including quality assurance, concurrent engineering, shop floor management, inventory management, and upgrading worker skills."

(b) **REDESIGNATIONS.**—The Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by inserting immediately after section 4 the following new title heading:

"TITLE I—DEPARTMENT OF COMMERCE AND RELATED PROGRAMS";

(2) by redesignating sections 5 through 10 as sections 101 through 106, respectively;

(3) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(4) by redesignating sections 16 through 18 as sections 107 through 109, respectively;

(5) by striking section 19;

(6) by redesignating section 20 as section 110;

(7) by redesignating section 21 as section 206;

(8) by inserting immediately after paragraph 110 (as redesignated by paragraph (6) of this subsection) the following new title heading:

"TITLE II—FEDERAL TECHNOLOGY TRANSFER";

(9) in section 4—
(A) by striking "section 5" each place it appears and inserting in lieu thereof "section 101";

(B) in paragraphs (4) and (6), by striking "section 6" and "section 8" each place they appear and inserting in lieu thereof "section 103" and "section 105", respectively; and

(C) in paragraph (13), by striking "section 6" and inserting in lieu thereof "section 102";

(10) in section 206 (as redesignated by paragraph (7) of this subsection)—

(A) by striking "section 11(b)" and inserting in lieu thereof "section 201(b)"; and

(B) by striking "section 6(d)" and inserting in lieu thereof "section 102(d)"; and

(11) by adding at the end of section 201 (as redesignated by paragraph (3) of this subsection) the following new subsection:

"(h) **ADDITIONAL TECHNOLOGY TRANSFER MECHANISMS.**—In addition to the technology transfer mechanisms set forth in this section and section 202 of this Act, the heads of Fed-

eral departments and agencies also may transfer technologies through the technology transfer, extension, and deployment programs of the Department of Commerce and the Department of Defense."

(c) **APPLICATION OF ANTI-TRUST LAWS.**—Nothing in this Act shall be construed to create any immunity to any civil or criminal action under any Federal or State antitrust law, or to alter or restrict in any manner the applicability of any Federal or State antitrust law.

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:55 a.m.; that immediately following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders be reserved for their use later in the day; that the Senate then resume consideration of S. 2733 under the terms and limitations of the previous unanimous consent agreement; that upon disposition of S. 2733, there be a period for morning business for up to 45 minutes, with Senator SPECTER recognized to address the Senate; that at the conclusion of his remarks, the Senate then resume consideration of S. 2532, the Russian aid bill.

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

RECESS UNTIL 8:55 A.M. TOMORROW

Mr. FORD. Mr. President, seeing no other Senator wishing to speak, I ask unanimous consent the Senate now stand in recess under the previous order.

There being no objection, the Senate, at 10:09 p.m., recessed until Wednesday, July 1, 1992, at 8:55 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate June 30, 1992:

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. THOMAS J. MCINERNEY, ~~xxx-xx-xxxx~~ UNITED STATES AIR FORCE.