SENATE—*Tuesday, February 25, 1992*

(Legislative day of Thursday, January 30, 1992)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

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

PRAYER

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

Let us pray:

* * * *when they knew God, they glorified him not as God, neither were thankful; but became vain in their imaginations, and their foolish heart was darkened. Professing themselves to be wise, they became fools* * * *.—Romans 1:21,22.

Eternal God, perfect in justice, righteousness, love, and mercy, help us to comprehend the terrible cost of indifference to God in our culture. Open our minds to understand that without a spiritual/moral base—without a reference to transcendent reality—the human race, like water, seeks its lowest level; that diversity is replaced by fragmentation and anarchy; that the law of the jungle prevails: Take care of No. 1, no matter what happens to others. Get all you can while the getting is good. Kill or be killed.

We were reminded recently by words from four Presidents—George Washington, Abraham Lincoln, Woodrow Wilson, Franklin Delano Roosevelt—that spiritual awakening is essential to national renewal. As our leaders struggle with local, national, and global crises in these unpredictable days, awaken them to this basic need.

We pray in the name of Jesus who is the Way, the Truth, and the Life. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, am I correct in my understanding that the Journal has been approved and the time for the two leaders reserved?

The PRESIDENT pro tempore. That is correct.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning there will be a period for morning business extending until 10:30 a.m., during which a number of Senators will be recognized to address the Senate for specified time limits. Once the period for morning business closes at 10:30 this morning, the Senate will proceed to the consideration of the conference report accompanying H.R. 2212, the China most-favored-nation bill. Immediately upon disposition of that conference report, there will be 1 hour for debate on the motion to invoke cloture on the motion to proceed to S. 479, the National Cooperatives Research Act extension with a vote to occur on the cloture motion when the time is used or yielded back.

It is my hope that should cloture be invoked on the motion to proceed to S. 479, that the Senate will shortly thereafter be in a position to proceed to consideration of that measure.

UNANIMOUS-CONSENT AGREEMENT—H.R. 2212

Mr. MITCHELL. Mr. President, I ask unanimous consent that the time today from 10:30 a.m. until 12:30 p.m. for debate on the conference report on H.R. 2212, the most favored nation for China legislation, be equally divided between myself and the Republican leader or our designees; that the time from 2:30 p.m. until 4 p.m. be controlled under the same conditions; and that during that time, from 2:30 p.m. until 4 p.m., the Senate meet in closed session in the old Senate Chamber; that the Senate resume open session in this Chamber at 4:10 p.m. and that the time between then and 4:45 p.m. be under the control of the two leaders; and that the vote on the adoption of the conference report occur without any intervening action or debate at 4:45 p.m. today.

The PRESIDENT pro tempore. Is there objection? The Chair hears no objection. That will be the order.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, accordingly, Senators should be aware that debate on the China most-favored-nation conference report will begin in this Chamber at 10:30 and continue in this Chamber until 12:30. We will then recess for the party conferences until 2:30. At 2:30, the Senate will reconvene in a closed session in the old Senate Chamber. That will continue from 2:30 until 4 p.m. At 4:10 p.m., the Senate will return to open session in this Chamber for a concluding 35 minutes of debate and a vote will occur at 4:45 p.m. As soon as that vote is completed, we will then proceed to 1 hour of debate on a motion to invoke cloture on the motion to proceed to S. 479 and that vote will occur after that 1 hour of debate is used or yielded back.

So there will be two record votes today, one on the China most-favored-nation conference report and one on the motion to invoke cloture on the motion to proceed to the National Cooperatives Research Act extension.

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

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein. Under the order, Mr. SASSER is recognized to speak up to 15 minutes.

Mr. METZENBAUM. Mr. President, I ask my colleague if he will be willing to yield, not imposing on his time, 5 minutes.

Mr. SASSER. Mr. President, I will be pleased to yield 5 minutes.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM] is recognized for 5 minutes.

THE NATIONAL ENDOWMENT FOR THE ARTS

Mr. METZENBAUM. Mr. President, I rise to express my concern and dismay about the latest round of attacks on the National Endowment for the Arts.

As my colleagues know, John Frohnmayer, the Endowment Chairman, was given the political boot the other day, offering the far rightwing a new forum to describe in excruciating detail the moral decline of Western civilization. You can bet that the level of debate on the confirmation of the next Endowment nominee will rise no higher than that which we have witnessed here on the floor so often recently. You can also bet that there will be shocking and embarrassing photos passed around freely, and that the Senate will be mired in sensationalism and we will all be the object of ridicule.

I regret that this will come to pass, Mr. President, as much as I regret Mr. Frohnmayer's political execution. John Frohnmayer is a decent and caring man, who has demonstrated a genuine love of the arts, as well as a thoughtful approach to the job he faced.

I certainly did not agree with every decision he made, but I respected his

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

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fairness and his independence. He was in nobody's pocket—he had detractors on his left and his right—which probably meant he was the best person for the job.

Make no mistake, however, Mr. President, it was the forces on the right that brought Mr. Frohnmayer down. Nothing short of a commitment to censorship will satisfy some in this debate.

For almost 3 years now, the Endowment has struggled to survive while embroiled in constant turmoil. The remnants of the moral majority have successfully targeted a few minor grants and have thrust them into the spotlight, drawing worldwide attention to objects and acts which they purport to abhor.

If not for these crusaders against the NEA, those works—which we all agree were distasteful—would have faded into avant-garde obscurity. Instead, they have received reviews that are a press agent's dream.

It is clear from the events of last week that these cynical efforts to politicize the arts and close down the endowment are intensifying.

And it would be a cultural tragedy, Mr. President, if we were to allow a few outrageous awards to be the weapon which delivers a death blow to the agency which supports thousands of artists and projects which benefit our society. Of course mistakes may have been made. Of course it is arguable as to whether some of these grants deserve public funding.

But a couple dozen bad decisions should not negate the good works supported by the 80,000 or 90,000 grants that have been funded by the NEA.

Mr. President, it is time to let it get back to the important work it does so well. Let the NEA do the job that the American people are proud of. Let the NEA encourage and support artists, promoting excellence, and making the arts accessible to an ever wider audience. It is time to resist those who would shrink our cultural horizons through censorship and a return to the tactics of the McCarthy era. As John Frohnmayer said in his farewell statement, it is time to work for "the growth and enrichment of our society—for quality art, for less hate and for a generosity of spirit that allows us to live with our differences in real community."

I hope that in nominating a successor to Mr. Frohnmayer, President Bush will look past the partisan politics of this issue, and consider the ways in which the arts can bring us together, and not the ways in which they can be used to divide us. I will be watching carefully for his decision.

Let me add one additional and final word, Mr. President. On the Sunday programs I was listening to three of the most respected commentators in this country, three for whom I have the highest regard, and I must say that it was with a keen sense of disappointment I heard each of them say maybe it was time to terminate the funding for the National Endowment for the Arts. This Senator disagrees. I support continued funding. I support the National Endowment for the Arts.

In conclusion, Mr. President, I express to my colleague from Tennessee my appreciation for his being so gracious.

Mr. SASSER. I thank the Senator from Ohio.

The PRESIDENT pro tempore. The Senator from Tennessee [Mr. SASSER] is recognized for 15 minutes.

Mr. SASSER. I thank the Chair.

(The remarks of Mr. SASSER pertaining to the introduction of S. 2250 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MACK addressed the Chair.

The PRESIDENT pro tempore. The Senator from Florida [Mr. MACK].

EXTENSION OF MORNING BUSINESS

Mr. MACK. Mr. President, due to the hour, I ask unanimous consent that morning business be extended, and that I may address the Senate as in morning business for a period not to exceed 5 minutes.

The PRESIDENT pro tempore. Is there objection?

Hearing no objection, the Senator is recognized for 5 minutes as in morning business. Morning business is extended for 5 minutes.

ASKING FOR RESIGNATION OF SECRETARY BRADY

Mr. MACK. Mr. President, during this past weekend, I was in the State of Florida holding some hearings with respect to the economy, real estate, and the credit crunch. Those hearings were held in an environment where the unemployment rate has risen to 8.7 percent. I have been told that 25 percent of all of the construction workers who are unemployed in our country reside in the State of Florida. Banks are not providing adequate levels of credit. In fact, the statistics that I have looked at indicate that, from September 1990 to September 1991, there has been almost a 20-percent decline in commercial and industrial loans.

People are losing their businesses; people are losing their jobs; people are hurting. And for the first time in my 10 years in both the House and in the Senate, I have heard people say that they are considering suicide.

Here are some of the comments that were made at the hearing: Everette Huskey of Huskey Realty said that "the country is destroying entrepreneurship." Brant Donaldson of Burkett's Auto Parts in Fort Myers said, "Banks have abandoned their roles as anchors of their community in a singular search for profits." Bronson Thayer of First Florida Bank and President of Florida Bankers' Association said, "There is no leeway. Banks have lost much of their flexibility to work with troubled lenders."

Robert Suarez of Suarez Housing Corporation, said, "The credit crunch is still doing well and fine. It is still with us."

The President's chief Cabinet member responsible for economic policy is the Secretary of the Treasury. It is clear to me that the President has received bad advice from the Secretary. The economic team has failed.

I might add, Mr. President, it was only about a year ago that we were being told not to worry, the economy is recovering; everything will be just fine. And now we are hearing those same false assurances again. Well, the message from my State is loud and clear: The recovery is not happening; it is getting worse, and it is time for a change.

So, Mr. President, I have written a letter to the President of the United States today, and I have asked him to request the resignation of Secretary Brady. I would like to read the letter that I have sent to the President.

DEAR MR. PRESIDENT: The message of the New Hampshire primary one week ago was clear. Americans are hurting. They want fundamental change and they want it now.

I was in Florida this past weekend and the message is the same. My constituents are in pain. They are looking to Washington for swift action to get our economy moving again.

Your proposals to reduce the capital gains tax rate, modify passive loss rules and bolster real estate values are all steps in the right direction. But more is needed. And that is to install new leadership in your Administration's principal economic policy post—the Secretary of the Treasury.

You have been given bad advice on the economy. It's worse than you have been told. That fault rests on the shoulders of your economic advisors and the head of that team is Secretary Brady. Mr. President, the time has come to ask for Secretary Brady's resignation.

This personnel change would be the clearest way for you to demonstrate that you have heard the message of the American people. I'm convinced that new leadership at the Treasury would be good for the country, good for my state and good for your presidency.

Sincerely,

CONNIE MACK.

I yield the floor.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt run up by Congress stood at $3,823,909,309,474.57, as of the close of business on Friday, February 21, 1992.

As anybody familiar with the U.S. Constitution knows, no President can spend a dime that has not first been

authorized and appropriated by the Congress of the United States.

During the past fiscal year, it cost the American taxpayers $286,022,000,000 just to pay the interest on spending approved by Congress—over and above what the Federal Government collected in taxes and other income. Averaged out, this amounts to $5.5 billion every week.

What would America be like today if there had been a Congress that had the courage and the integrity to operate on a balanced budget?

RESULTS OF JUDICIARY COMMITTEE HEARINGS IN PENNSYLVANIA ON UNFAIR TRADE PRACTICES

Mr. SPECTER. Mr. President, I seek recognition today for the purpose of reporting back to my Senate colleagues the results of the Judiciary committee field hearings I recently conducted in my State during January of this year. It is important that my colleagues be so informed because the effects of unfair trade practices, next to the state of our economy, is a principle concern of my constituents and, I suspect, most Americans. In fact, in the numerous town meetings and open houses that I conducted during the November 25–January 20 recess, the recurrent concern expressed by my constituents was unfair foreign trade practices and their adverse effect on jobs in Pennsylvania.

Last month I conducted four field hearings across the State of Pennsylvania, in Philadelphia, Pittsburgh, Harrisburg, and Allentown, on the general subject of unfair foreign trade practices and their effect on jobs, and the particular subject of my bill, S. 986, which would provide a private right of action for customs fraud violations. The participants included business and labor leaders representing every major industry group in the State. They were asked to prepare testimony on how their businesses have been affected by unfair foreign trade practices and to suggest strategies for redressing these problems.

As a result of these hearings, I am further convinced that my private right to action legislation, which I will be expanding today, is very much needed. I believe we need to act now to provide a deterrent to persistent unfair trade practices that are threatening the loss of U.S. jobs.

I want to make clear from the outset that the purpose of these hearings was not to bash our trading partners about protectionist trade policies that treat American exports unfairly. I do not believe this is in our Nation's best interest. To the contrary, it was my intention to use these hearings to focus on initiatives designed to promote fair trade and its most basic tenet—the concept of reciprocity. As a basic observation, however, I would like to note almost every one of the witnesses was able to reference specific foreign trade practices which adversely impacted their business activities.

The direct consequence of unfair foreign trade practices is loss of U.S. jobs and an increase in the trade deficit. These factors in turn make it more difficult to reign in the Federal budget deficit. The trade deficit increased from $28 billion in 1981 to more than $108 billion in 1990. Our current trade deficit of $60 billion was reduced largely because of the declining value of the dollar during this recessionary period.

We should not be lured into believing the underlying causes of the $100 billion trade deficits have been cured. Those causes, the wide range of unfair trade practices facing our domestic producers, persist unchanged today, and there is great likelihood we will quickly return to the $100 billion level as the recession abates and consumer demand increases. The point is we must take action now to forestall a greater loss of U.S. jobs and help our business leaders combat the unfair trade practices which compromise their ability to compete on a level basis.

I will proceed with my specific findings according to the following categories:

I. Fair Trade in the Current Global Economy.

II. Priority Issues Preventing Fair Trade.

III. Recommendations.

I. FAIR TRADE IN THE CURRENT GLOBAL ECONOMY

Mr. President, senior management of companies and labor leaders within Pennsylvania industries testified repeatedly during the course of these field hearings that they are concentrating their efforts on making themselves more competitive in the global economy. These efforts run the gamut from reinvestment in new plant technology by steel companies such as USX, Bethlehem, Allegheny Ludlum, Lukens, and Carpenter Technology, to efforts by small food producers to compete against imitation products coming from Eastern Europe and South America.

Virtually every company executive who appeared during our hearings reiterated a dominant common theme: In order to achieve growth they must expand, and most plan to achieve more than 50 percent of their revenues from international markets by the year 2000. In order for them to succeed, however, existing laws and agreements must be enforced to ensure equitable trade practices and open access to all global markets.

Mr. President, as each day passes, we are losing more American jobs and revenue to our unfairly advantaged competitors. On January 29, Bethlehem Steel, which testified in the person of Mr. Hank Barnette at the hearings in Allentown on January 29, 1992, announced that it would exit the bar, rod, and wire business which it operates out of its facilities in Johnstown, Pennsylvania. They cited unfair trade as one of the principal reasons for leaving the business. As this tragic event demonstrates, negative alternatives to free trade are already too commonplace in our Nation.

II. PRIORITY ISSUES PREVENTING FAIR TRADE

Mr. President, the businesses represented in these hearings formed a comprehensive cross-section of our industrial base. Their problems in the face of unfair foreign trade practices are wide-ranging. Following is a summary list of observations made by witnesses at the hearings regarding unfair trade practices.

1. FOREIGN GOVERNMENT SUBSIDIES

The most prevalent of unfair trade practices may be the subsidization of foreign industries to foster greater penetration into U.S. markets by bidding at artificially lower prices. The practice is rampant, and coupled with the preference of many foreign governments to procure goods from their internal suppliers, the results pose significant barriers to free trade for U.S. companies. Examples of such practices are numerous, so I will mention only those which are most illustrative of the damages being inflicted by subsidies:

STEEL

U.S. steel industry jobs have been decimated in the past decade due largely to unfair trade practices coupled with the recessionary impact of the economy. According to data provided by USX, the number of U.S. jobs has diminished from 391,000 in 1981 to less than 165,000 today. The people of Pennsylvania alone have suffered losses of almost 100,000 steel jobs since 1981.

Mr. Charles Corry, chairman of the board of USX, provided the committee with some clear data reflecting trends in the U.S. steel industry. In 1960, steel imports of 3.4 million tons accounted for 4.7 percent of our market. At this time the United States Steel Corp. employed 225,000 employees. In 1970, steel imports had moved to 13 million tons and the company's employment had dropped to 201,000. By 1980 imports had grown to 17 million tons, or 15.2 percent, and employment dropped to 149,000. Today, following extensive plant closings, employment is down to less than 50,000.

The job losses over the years have occurred while the U.S. steel producers have lowered man-hours-per-ton from 11 to 3. Mr. Corry cited the fundamental underlying cause as unfair trade practices, where foreign governments heavily subsidize their steel producers by providing low- or no-cost loans and further subsidies to upgrade plants.

An example of such subsidization was provided by Mr. William Van Sant, chairman and CEO of Lukens Inc., at

our trade hearings in Philadelphia. He described practices by the French Government to provide $463 million from the state-owned Credit Lyonnais Bank for a 30-percent stake in Usinor Sacilor, a government-controlled steel producer in France and one of Western Europe's largest steelmakers. This subsidy was of special concern to Lukens because Usinor is the parent firm of Creusot Loire and Dillenger, a competitor in the global steel plate market.

Mr. Richard Simmons, chairman of the board of the Allegheny Ludlum Corp., a specialty steel producer, shared Mr. Corry's concern with foreign subsidization and was also troubled by our current laws which he regarded as insufficient to address these unfair trade practices:

> * * * import relief measures granted pursuant to trade laws are always prospective in nature; that is to say, they are available only after substantial damage has been caused.

He added that, currently, American companies have no way of recovering financial damages resulting from dumping and subsidy violations. Mr. William Pendleton, director of corporate affairs, Carpenter Technologies, also proposed private right of action as a remedy. He said:

> U.S. trade laws * * * have been effective in the past and will continue to be needed in the future. Carpenter * * * strongly supports the passage of legislation which would provide a private right of action for companies injured as a result of dumping and subsidization.

While the people of Pennsylvania and the Nation have suffered tremendously, we should be proud of their efforts in trying to achieve competitive status in the face of unabated foreign government subsidies to foreign producers. The U.S. steel industry has invested more than $12 billion to modernize plants and develop more efficient methods of producing steel. While 55 percent of the steel jobs have been lost and capacity trimmed by 30 percent, the quality ratings of our steel products have increased by more than 40 percent. The results are both startling and a tribute to the efforts of the steel companies. The United States may now consider itself the low-cost provider of many forms of steel and ranks among the highest in terms of quality ratings.

The foregoing efforts should result in the United States holding a dominant position as an international exporter of steel. To the contrary, however, the United States must reluctantly rely on voluntary restraint agreements because our foreign trading partners have yet to agree to a new Miltilateral Steel Agreement [MSA]. The intransigence of our trading partners persists because they are still reluctant to significantly reduce or eliminate their government subsidies. Parenthetically, Mr. President, I believe that the steel VRA's currently scheduled to expire next month should be extended by President Bush until an MSA is in place, which I am calling for in a separate bill.

COAL

The coal industry, like the steel industry, has been experiencing its share of trade-related problems. Mr. Stephen Young of the CONSOL Group, the Nation's largest coal exporter and largest coal enterprise in terms of revenue, in his testimony in Pittsburgh identified some problems affecting the competitiveness of his industry. He explained that as a result of inaccurate projections made about coal demand during the oil shortages of the seventies, coal on the international market is now in surplus, and thus is selling for a fraction of its original cost. To make matters worse, the U.S. coal industry must bear costs associated with production and marketing not shared by its foreign competitors.

In addition, foreign government support of domestic industries further weaken the competitiveness of American-produced coal. It appears that Germany and Canada, among others, guarantee markets for their domestic coal industries, thus limiting American coal export opportunities. Finally, Mr. Young indicated that while he appreciated the past efforts of the President and certain Members of Congress on behalf of the coal industry to promote American exports, he said that presently there is no concerted effort to increase coal exports.

LABOR

We cannot fully address the impact of trade barriers without a full consideration of their impact on our most valued asset—American workers. It is at the individual human level that the real damage is done. Jobs are lost, lives and families are shattered, and our standard of living erodes. Mr. President, each day we read about the next 2,000 or 10,000 people who will be the victims of downsizing as our companies take every possible action to enhance their competitiveness in the face of rising trade barriers.

In just the past few weeks we have heard General Motors and Bethlehem Steel announce layoffs which will affect 80,000 workers. In his testimony in Pittsburgh, Mr. Kenneth Enborg of General Motors stated that the lack of adequate legal protection for industrial design affects the competitiveness of the auto industry because it encourages the influx of limitation design copies entering our country. This influx of goods contributes to our trade imbalance and results in a loss of U.S. manufacturing jobs. He stated:

> In the automotive industry, design piracy by offshore manufactures is a growing problem that is costing the industry hundreds of millions of dollars and harming automotive workers and their customers.

Mr. John Sheehan of the United Steelworkers of America reported that real wages of average workers are lower than they were 10 to 15 years ago. He adds that:

> Employment in the steel industry has been steadily declining. According to the American Iron and Steel Institute, its reporting companies have announced a 12.2 percent decrease in jobs in November of this year as compared with jobs in November of this year as compared with jobs in November 1990. The industry has been operating in the low 70 percent of capacity utilization throughout the year. The impact upon production and maintenance workers resulted in the decline of about 286,000 jobs in 1981 to 119,000 in 1990.

AGRICULTURE

Pennsylvania's agriculture suffers continued and acute financial distress as a direct result of foreign market subsidization. Mr. Keith Eckel, president of the Pennsylvania Farmers Association, testified before the committee that European Community [EC] export subsidies often exceed 100 percent of the international market price. The EC due to subsidy support, has moved from being a net importer of dairy goods to a net exporter, which supplies approximately 50 percent of worldwide dairy products.

Mr. President, the dairy industry is Pennsylvania's major agricultural industry, in addition to being an enduring symbol of U.S. agriculture. While farmers have made great strides in addressing oversupply problems, foreign producers are dominating the globe due to government subsidies. Currently, we are allowing the European Community to virtually rob U.S. dairy farmers of their ability to market dairy products abroad.

Tom May, vice president of CEMAC Foods Corp., testified at the Allentown hearing about the tremendous damage to the dairy industry resulting from duty-free imports under the generalized system of preferences. In our zeal to provide aid to emerging Eastern European democracies, we are opening the door on a duty-free basis not only to those countries, but also to all countries on the GSP list, at the expense of the U.S. dairy farmer.

The importer of Goya cheese from Hungary submitted a petition under the GSP to allow Goya to enter this country duty-free in addition to the quota-free status it currently enjoys. As a generic cheese product, Goya displaces American-produced Parmesan cheese pound for pound. At its current duty rate of 25 percent, Goya already enters this country at a price below what it would cost to produce domestic cheese. Elimination of the duty would cause a tremendous increase of imports and devastate the domestic dairy industry.

While we strive to assist the Eastern European democracies, we should not allocate funds at the direct expense of our heartland industries, which are already suffering at the hands of unfair trade practices.

SHIPBUILDING AND SEA TRANSPORT

The Philadelphia Navy Shipyard is the last such facility in the Delaware

River vicinity, a region which used to employ 150,000 persons in 31 such facilities. While the decline in defense needs is a primary factor, the following comments are restricted to the commercial sector. According to testimony by Mr. Bob Gorgone, business manager for the Philadelphia Naval Shipyard, whereas in 1980 there were 69 hulls under construction in the United States, in 1992 there is only 1. This is an industry which has worked diligently to offer very competitive labor rates and is now being victimized by foreign government subsidies. The following examples were provided by Mr. Gorgone:

A subsidy of nearly 30 percent was awarded by the Spanish Government to build a ferry for Morocco. In addition, a 30-year 2-percent loan was made with a 10-year grace period.

In Norway a 35-percent subsidy was provided for construction of a ferry.

With foreign shipyards taking away most of the commercial work, our private shipyards are forced to compete for the repair of Navy ships because it is the only work left. Foreign subsidization, coupled with excessive U.S. regulations, is quickly removing the United States from the shipbuilding and sea transport industries. Mr. President, the shipbuilding industry stands as a vivid example of how the United States is becoming an endangered species in industries where we were once the world leader.

AIRCRAFT MANUFACTURING

The Boeing Co.'s vice president, John F. Hayden, described for the committee how subsidies are beginning to erode our hard-earned competitive advantage in the aircraft manufacturing industry. The Governments of France, Germany, the U.K., and Spain have provided heavy subsidies to the consortium Airbus Industries to develop a robust product line of commercial aircraft without the investment restrictions normally required of a company which must remain profitable. To enable Airbus to capture a market share, those Governments have contributed an estimated $26 billion in subsidies.

According to Mr. Hayden,

> The most significant external threat facing Boeing today is what we view as unfair trade practices being employed by European governments in support of our principal foreign competitor—Airbus Industries.

Mr. Hayden's concerns are readily apparent as Airbus' global market share of commercial aircraft construction has risen to 30 percent.

If our domestic aircraft manufacturers are to continue to be competitive, the U.S. Government, in the case of Airbus, must find a way to level the playing field so that our companies will not have to compete against the combined strength of four European governments.

The same concerns were voiced clearly by the United Auto Workers Union Local No. 1069 in the person of Anthony Forte, president, who also appeared before the Judiciary Committee. Mr. Forte testified that,

> During the last 20 years Airbus has incurred losses that would have bankrupted the U.S. airline producers, while at the same time increasing its market share dramatically. Labor and industry believe that this market penetration is largely a result of unfair trade practices by Airbus, and that we must deal with these practices through action under GATT.

TEXTILES

Long a key contributor to our Nation's economic strength, the textile industry is now being ravaged by the consequences of unfair foreign trade practices. Textile manufacturers employ 28,000 workers in Pennsylvania and 670,000 nationwide. When combined with the apparel industry, textile workers number almost 2 million and contribute $50 billion to our GDP.

Carlos Moore, executive vice president of the American Textile Manufacturers Institute, gave testimony concerning the extensive damage experienced by textile manufacturers from unfair trade practices. Trade in textiles for 20 years has been governed by the Multifiber Arrangement [MFA], largely because GATT was inadequate to fully address the industry's inequities. Quotas were used as a means of controlling the flooding of our markets by low-cost goods produced cheaply through use of substandard labor practices, many of which are illegal in the United States.

While the MFA has shown moderate success, industry violations persist. Imports of textiles and clothing into the United States increased from 4 billion square meters in 1980 to over 12 billion in 1991. As a result, domestic employment has declined from 2.4 to 1.8 million, with industry employment in Pennsylvania declining by an even larger proportion. In 1980, Pennsylvania employed 168,000 textile and apparel workers; by 1990, the number shrank by 41 percent to 99,000.

Much of the problem can be attributed to continued violations of trade laws coupled with poor implementation of the MFA. Violations include such practices as the use of prison labor in China and subsidies in Pakistan where yarn is often sold at less than the value of raw cotton. While the current state of the industry is poor, it may grow worse if current GATT agreements to allow India, Pakistan, and Indonesia to double their access go forward. The inequity is compounded by the fact these nations' markets remain closed to U.S. exports.

HIGH TECHNOLOGY AND DEFENSE-RELATED INDUSTRIES

Mr. President, another problem continually encountered in the export area is the subsidies given by foreign governments to their industries through low-cost financing and absorption of research and development costs associated with the product.

Subsidization by foreign governments of critical high technology industries has put American manufacturers of sophisticated products at a competitive disadvantage in biding for projects internationally. Mr. Palle Christensen of Aydin Corp., a high technology firm which manufactures sophisticated electronics equipment and systems, reported a problem with competing in the international market because of these subsidies. He explained:

> Just last summer, we were second in price in an air defense NATO project. Aydin was again bested by Thomson CSF of France. Aydin's price was approximately $68 million, and Thomson won the program for $50 million. The big difference in the price was the software, a substantial portion of an air defense system. The French company's bid included only $1 million for its software costs, with the obvious conclusion that the French Government will subsidize the real cost to help Thomson develop the software for this system for future exports to other countries.

2. INTELLECTUAL PROPERTY AND PATENT PROTECTION

A second common and particularly damaging trade barrier is the lack of intellectual property protection to U.S. companies abroad. While we may need to improve our own laws regarding patent design protection, the major problem is the loss of revenue, jobs, and research and development incentives which result from the pirating of U.S. patents. The absence of adequate protections has far-reaching consequences across our auto, steel, pharmaceutical, and high-technology industries.

Our companies are investing billions of dollars on research and design initiatives to deliver leading-edge products into foreign markets which are then copied, resold locally, and crafted into imitation forms and sold back in the United States as equal quality. The net impact is loss of U.S. revenue, loss of U.S. jobs, and inferior quality components adapted to U.S.-made goods.

AUTOMOBILE MANUFACTURING

Kenneth Enborg, chief trademark and copyright counsel for General Motors Corp., advised the committee that over $1 billion in annual revenue is lost of offshore manufacturers who export automobile parts which are copies of U.S. patented products. Bethlehem Steel estimates that the total market for crash parts alone, exterior sheet metal replacement parts, represents 200,000 to 250,000 tons of steel annually, valued at $9 billion.

Automobile and truck production contributes more than $200 billion annually to our gross domestic product [GDP] according to the Bureau of Economic Analysis. According to Mr. Enborg, in recent years the U.S. manufacturers have invested more than $22 billion to modernize many of the more than 300 assembly and parts manufacturing facilities located in 35 States and 200 cities nationwide. The vehicle and equipment manufacturing seg-

ments alone employ more than 800,000 people.

Mr. Enborg testified further that our economic difficulties, coupled with unfair foreign trade barriers, have caused the industry's unemployment level to soar to more than 9 percent. While foreign manufacturers continue to penetrate our domestic market, U.S. market share has fallen 10 percent in just the last 5 years. Foreign penetration has been a major factor in the loss of more than 200,000 domestic jobs, or one in five, since 1970. Put purely in the context of trade, the industry represents 60 percent of our trade imbalance.

PHARMACEUTICALS

For the pharmaceutical industry, Asian countries present the most significant intellectual property abuses. Specifically China, India, Thailand and in North America, Canada, have notably deficient intellectual property laws. Other nations of the Western Hemisphere, including Brazil, Colombia, Peru, Ecuador, Venezuela, and Bolivia has also failed to enact adequate legislation. Harvey Bale, senior vice president of the Pharmaceutical Manufacturers Association, told the committee that the International Trade Commission and USTR estimated that in 1991 the worldwide losses to PMA member companies from patent piracy amounted to $5 billion.

Michael Campbell, managing director of the Pennsylvania Technology Council [PTC], echoed the pharmaceutical industry concerns over intellectual property and patent abuses at the Pittsburgh field hearing. The PTC represents over 2,200 high technology firms. While the United States leads the world in many technologies, according to the National Academy of Engineering, Japan was the only country to have a higher rate of high technology exports—at a difference of 400 percent.

An issue which frustrates American firms is the Japanese patent approval process which may take foreign importers up to 10 years to complete, while Japanese firms are put on an expedited track. Mr. Campbell noted further that the developing countries pose a still greater threat to U.S. entities regarding intellectual property and patent protection.

Randy Thurman, executive vice president of Rhone-Poulenc Rorer Pharmaceuticals, also testified before the committee in Allentown. Rhone is one of the world's top 10 pharmaceutical companies with its headquarters in Collegeville, PA. While the U.S. pharmaceutical industry still clings to a small $1 billion trade surplus, it is besieged with intellectual property theft from foreign nations.

Mr. Thurman calculates that the industry loses more than $5 billion per year due to lack of patent protection and billions more in the time and money invested through R&D to bring products to market which are subsequently pirated by foreign firms. The industry retains a surplus due largely to its significant investment in R&D, an amount exceeding $16 billion per year.

Clearly, Mr. President, the lack of adequate intellectual property protection is a major obstacle to free trade for our Nation's businesses.

3. UNFAIR BID CERTIFICATION PRACTICES

Calgon Carbon Corp. in Pittsburgh is the world's largest seller of activated carbon purifying systems. Calgon has operated in Japan since 1970 under partnership with the Mitsui Toatsu Chemical Co. Even though Calgon has worked closely with the Government of Japan, they have been unsuccessful in procuring effective certification to bid on government contracts. Despite a superior product and diligent compliance with bid specifications, Calgon was put in a Catch-22 situation when advised that it failed to meet 2 of more than 100 bid requirements—the two requirements were that firms operate independently in Japan and pay Japanese corporate taxes. Calgon Carbon did neither.

Calgon is but one small example of the many unfair trade barriers created through exclusive bidding requirements in many foreign countries. Paul Lego, chairman of Westinghouse Corp. also testified regarding unfair trade practices in government procurements. European Community Federal, State, and local government nondefense procurement totals over $500 billion per annum. According to Mr. Lego:

> For 30 years we and other U.S. firms have faced a virtually closed market in Europe for power generation plants, transport equipment, and telecommunications. These three categories make up about 50 percent of the EC procurement market. The EC has recently liberalized procurement of these items among themselves but has reserved the right to reject foreign bids which have less than 50 percent EC content.

Unfair trade practices in the bid certification process are widespread across many Asian and European markets. Every business which testified at these hearings presented examples of just how deeply such practices cut into their ability to sell to overseas markets.

Mr. President, my foregoing comments cover a wide range of unfair trade practices, including government-to-industry subsidies, the lack of intellectual property protection, and the closed markets created by blatantly unfair bidding schemes. All of these unfair practices combine to thwart U.S. business efforts abroad.

The problem is compounded by the sense of concern in Congress regarding the GATT negotiations. I believe we all agree that GATT needs to conclude without any weakening in our current trade laws. In order to provide immediate relief to unfair trade practices, we may have many options, and I believe the following recommendation will provide immediate improvement without the need to institute extensive protectionist legislation.

III. RECOMMENDATION

Mr. President, on April 25, 1991, I introduced S. 986, a bill to provide a private right of action for customs fraud violations. At that time, I had indicated that notwithstanding my efforts since 1981 to enact private right of action legislation for dumping, subsidies, and customs fraud violations, I would limit my private right of action legislative efforts to customs fraud violations because, in part, it was not as sweeping. However, as a result of the Judiciary field hearings and the many open houses and town meetings I have conducted, I am more convinced that broader private right of action legislation is very much needed. Accordingly, I am expanding S. 986 to include a private right of action for dumping and subsidies violations.

Industry suffers the dual dilemma of competing against foreign protectionist legislation and having no forum to pursue their grievances other than the executive branch. Hank Barnette, senior vice president and general counsel of Bethlehem Steel, provides a greater level of support for this legislation which is typical throughout committee testimony.

Mr. Barnette is very familiar with the broad range of our trade issues and was appointed by President Bush to serve on his Advisory Committee on Trade Policy and Negotiations. He appeared before the Judiciary Committee to echo the support he voiced for private right of action legislation when appearing first in 1985. Mr. Barnette says:

> I said then, and am equally convinced today, the current prospective antidumping remedies provide an inadequate deterrent to dumping. We know that to be a fact. In our industry the practice of dumping has continued unabated for nearly 20 years and it is rampant today. The establishment of an effective private right of action against dumping in the United States Federal Courts would provide a much-needed remedy.

I am convinced the current process for industry to redress such unfair practices is less than optimal and operates itself as a barrier to trade.

Mr. President, this is not to slight in any way the herculean efforts of Ambassador Carla Hills and her staff at USTR. I believe she has achieved significant advances in curbing unfair trade practices. However, I believe the USTR will benefit from the additional leverage that a private right of action law will lend to her future negotiations. As I have noted on several occasions, Mr. President, there is nothing like the vigor of private plaintiffs when it comes to the enforcement of our trade laws.

In summary, Mr. President, the Commonwealth of Pennsylvania represents

a cross-section of the Nation's highest revenue-generating industries. From autos, to steel, the pharmaceuticals, to high technology, and to transportation, Pennsylvania business supports this legislation.

I ask my colleagues to join me now in supporting this legislation to provide some immediate relief to the unfair trade practices which constrain our industry.

We are all familiar with the $1 trillion trade deficit we have incurred over the past decade and the additional impact of our currently stalled economy. We should also, however, be proud of the many improvements made by our industrial base over the past decade. Our corporations invested capital, the quality of our products has risen dramatically—but our people have suffered significant job losses while our corporations have tried to become more lean and competitive. Clearly, our business sector and each and every American has participated in and borne the burden of improving our competitive position.

Even these significant advances, however, are insufficient to truly compete in the face of illegal trade practices such as dumping, subsidies, and customs fraud. Like many international governments, it is now time for us to step in and take decisive action to enhance the competitive position of our industrial base.

Failure to move in this direction leaves our industries to do battle without the basic equipment provided by most every government in the world. I, therefore, urge my colleagues to join in supporting the private right of action legislation that I will be introducing shortly.

THE FOOLISH "BOAT TAX": A BAD IDEA WHOSE TIME SHOULD NEVER HAVE COME

Mr. HELMS. Mr. President, on October 27, 1990, the Senate did a great disservice to the U.S. economy and the American people when it passed, 54–45, the Omnibus Budget Reconciliation Act of 1990.

In this bill, among a host of other unwise and damaging tax increases, was a 10-percent luxury excise tax levied against boats and yachts costing over $100,000.

This Chamber resounded with gleeful assertion to the effect that Congress was really socking it to the rich guys with this one.

Now, take a look at the impact of this luxury tax. Sixteen months later it is obvious—and should have been 16 months ago—that not only has the tax hurt working-class Americans far more than the wealthy, but it is costing the Federal Government more than it is bringing in.

Mr. President, a report prepared by the Joint Economic Committee in July of 1991, titled "The Cost of Tax Related Job Loss Versus Projected Revenue Gain from Luxury Taxes in Fiscal 1991," describes the inherently flawed methodology used by Federal revenue estimators who fail to take into account all the effects of a proposed tax increase when estimating how much revenue will accrue to the Treasury as a result of its passage.

The committee's analysis concluded that the luxury tax on boats would result in the elimination of at least 7,600 boat manufacturing and retail jobs in 1991. However, officials in the boat manufacturing industry tell me that the loss is far worse, ranging between 20,000 and 25,000 jobs. The committee also found that the combined cost of the revenue lost and the increased outlays from this unemployment is $18.4 million, exceeding the $3 million revenue gain anticipated by the committee by a margin of better than 6 to 1.

Mr. President, North Carolina is one of the Nation's 10 largest boatbuilding States. It is home to some of the country's largest boatbuilding industries, including Hatteras Yachts in High Point, Davis Yacht in Wanchese and Carver Boat Co. in Rocky Point, not to mention hundreds of small businesses that serve the boatbuilders with products such as diesel engines, wood, wiring, paint, and fiberglass.

Obviously, many citizens of North Carolina are waiting for Congress to repeal the luxury tax on boats, I am confident that they are not alone. For a change, Congress has an opportunity to do something good for the economy, for the boating industry, and for the American people. It is time for Congress to admit its mistake and repeal the luxury tax on boats.

Mr. President, I ask that an article in the January 31 edition of the Raleigh News and Observer be printed in the RECORD at the conclusion of my remarks.

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

NC BOAT INDUSTRY BANKING ON REPEAL OF LUXURY LEVY

(By Jim Barnett)

As part of his legislative package to buoy the economy, President Bush is expected to ask Congress to repeal a luxury tax that sank large-boat sales when it took effect Jan. 1, 1991.

Industry officials say the tax has cost 25,000 U.S. jobs. In North Carolina—one of the nation's 10 biggest boat-building states—employment in boat factories has been cut from its peak of 5,200 people in mid-1988 to 2,200 people in mid-1991.

Bush didn't mention the tax in his speech, but manufacturers hope it will be repealed by the president's March 20 deadline. Winter is the industry's peak sales season, and one of the industry's biggest annual shows opens in Miami next month.

"If in fact it happens, it will certainly mean some almost immediate sales . . . and the ability to rehire some people and build some more boats," said Charles M. Kauth, senior vice president in charge of the High Point-based Hatteras Yachts division of Genmar Industries Inc.

"The moment that it is [repealed], we'll be firing off some rockets," he said.

The federal boat tax requires buyers to pay 10 percent of the purchase price above $100,000, and typically applies to boats longer than 18 feet. A cruiser with a $400,000 sticker price, for example, carries a luxury tax of $30,000.

The tax has cost so many jobs because big boats usually are custom-made, requiring lots of manual labor. Smaller boats are made on assembly lines and require less individual attention.

Cheri Jacobus, a spokesman for the National Marine Manufacturers Association, said it is possible that a repeal will restore the industry's work force to its pretax size. But it's too late for some of the companies that employed them.

"We do have some companies that are down and gone forever," she said by telephone from the association's Washington office.

THE ISRAELI LOAN GUARANTEE PROGRAM

Mr. CHAFEE. Mr. President, I would like to comment briefly on the issue of the $10 billion of housing and infrastructure loan guarantees that Israel has requested from the United States. Yesterday, before the House Appropriations Committee, Secretary of State James Baker enunciated the American policy of linking the granting of loan guarantees to the cessation of construction of new housing in the Israeli occupied territories of the West Bank and Gaza Strip. I believe this to be a rational and prudent approach by Mr. Baker. The American Government has consistently held that unilateral settlement construction is counterproductive to the Middle East peace process.

In yesterday's Washington Post, the Israeli Ambassador to the United States, Zalman Shoval, is quoted as saying that as a result of the American position "the dilemma right now of Israel is to take a decision * * * between the safety of our compatriots in the Commonwealth of Independent States now and the safety of our country tomorrow." This statement seems to reflect a line of reasoning that is currently popular in Israel that a new settlement construction freeze is akin to accepting the ultimate abandonment of the occupied territories.

This reflects a misconception that needs to be set aside once and for all so that our discussions on loan guarantees can proceed on a factual basis. The fact is that a new settlement construction freeze is not the equivalent of a return of the occupied territories. The United States has never called directly for Israel to abandon this land. Instead, each and every American administration has called for the adherence to U.N. Resolution 242. This resolution does contemplate the eventual return of territory but only as a result of di-

rect, face-to-face talks between Israel and its Arab neighbors. Indeed, just such direct negotiations resumed here in Washington yesterday morning.

It is our hope and determination that these negotiations succeed, and that is what makes it so important that new settlement construction stop. Peace will not come to this troubled area of the world unless the various parties are able to negotiate an agreement. New settlement construction makes it increasingly difficult to negotiate on the future of the occupied territories. The United States is not asking Israel to choose between the safety of commonwealth immigrants and its own survival. All Secretary Baker is asking is that the Israeli Government give the peace negotiations a chance to flourish and ultimately succeed. I think he should be commended for this effort.

MOST-FAVORED-NATION TREATMENT TO THE PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA—CONFERENCE REPORT

Mr. MITCHELL. Mr. President, I submit a report of the committee of conference on H.R. 2212 and ask for its immediate consideration.

The PRESIDENT pro tempore. The report will be stated.

The bill clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2212) regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, 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 PRESIDENT pro tempore. 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 November 26, 1991.)

The PRESIDENT pro tempore. Who yields time?

Mr. BENTSEN. Mr. President, I yield to the majority leader for 5 minutes.

The PRESIDENT pro tempore. The majority leader is recognized for 5 minutes.

Mr. MITCHELL. Mr. President, since the massacre in Tiananmen Square in 1989, the world has continued to do business as usual with China. There is a common international interest in human rights, in limiting the proliferation of weapons, and in regional stability. Those common interests should make all nations more serious about the disregard in which China holds those values. But it is apparent that trade relations have taken priority.

Sadly, no nation has done more to make China's behavior appear respectable than the United States. By sending official delegations to meet with the Communist Chinese leaders, by failing to seriously restrict relations in the wake of the Tiananmen Square massacre, by continuing a policy of seeking negotiations at every turn, despite Communist Chinese actions, instead of asserting our own policy goals, the administration has given the Chinese no incentive to modify what has been a very successful policy from the standpoint of the Communist Chinese Government.

The President has repeatedly said that to do otherwise would be to isolate China and, thus, lose all opportunity to influence Chinese policy. That view has had the support of only a minority of the Congress. But that minority has been unable to block legislation setting forth more clear-cut criteria for our relations with China. Today, 2½ years after the massacre, it is time to review again whether or not the administration's policy has been successful.

I believe it has not succeeded. It has failed. It is time for a stronger policy.

This month, on the very day that the President met with the Chinese Premier, Li Peng, the President's own State Department issued its annual human rights report. What the President's own State Department said about human rights in China is a standing reproach to the administration's current policy toward China.

The State Department report documented that arbitrary arrests are occurring, even though documented evidence of such arrests is not available. But it said, and I now quote the State Department, that there are "credible estimates * * * that hundreds of thousands of people" have been arbitrarily arrested.

Mr. President and Members of the Senate, it is evident from even the most cursory review of the State Department report that nothing has changed from the Tiananmen Square massacre to this day with respect to human rights in China.

The Communist leaders of China hold their power through a vast security apparatus which uses torture, arrests, detention, and brutality to remain in power. The Communist Chinese Government clings to power by silencing all opposition; by imposing its will by force. Chinese human rights policies deserve condemnation and sanction, not business as usual.

China's record on trade is not much better. The President defends the relationship with China on trade as being too important to jeopardize. But enforcing American laws on trade does not jeopardize relations. It is the attempt to subvert our laws in which the Chinese are engaging that places the relationship at risk, not our insistence on enforcing our laws.

Our trade deficit with China today is our second largest, after the trade deficit with Japan.

The President freely denounces the trade deficit with Japan, but has never expressed even mild concern about the deficit with China.

China has become the eighth largest source of imported goods to the United States. Since the mideighties, we have built up a trade deficit of over $30 billion with the China aggregate, and it is increasing rapidly.

Mr. President, one study estimates that if the products purchased in China were instead manufactured in the United States, 175,000 American jobs would be created.

The trade relationship with China is important to us, but it is even more important to China. It is precisely in such relationships that our Government has some leverage over the policy goals we wish to pursue. The President has tried to use our leverage with Japan. He should do so with China.

In the wake of the dissolution of the Soviet Union and the former Soviet Empire in Eastern Europe, the most serious threats to world peace have become regional ones. Recent developments in proliferation are particularly troubling.

Press reports on Friday indicate that despite the verbal assurances made by China to Secretary of State Baker last November, China may have long-term contracts to sell as much as $1 billion of missile and nuclear-related technology to Iran, Iraq, Libya, Syria, and Pakistan.

The President has made it a top priority in shaping the security outlook for the new world order to prevent the proliferation of nuclear, chemical, biological, and ballistic missile technologies. That is an appropriate security goal, and I commend the President for setting that goal out. It has the support of all Americans. But a goal cannot be reached if you pursue a policy that has the opposite effect, and that is what has happened with the administration's continued tolerance of Chinese arms and technology sales.

I urge my colleagues to take these factors into account as they consider this legislation.

The administration's policy has now had more than 2 years to achieve its stated goals, and has not done so. It is clearly a demonstrable failure. I believe it is time to change that policy.

Mr. President, I thank the distinguished chairman for his courtesy.

The PRESIDENT pro tempore. The Senator from Texas [Mr. BENTSEN].

CONFERENCE AGREEMENT ON CHINA MOST-FAVORED-NATION BILL

Mr. BENTSEN. Mr. President, I certainly share the views of the distinguished majority leader.

It was last fall, shortly before Congress adjourned, that the House and the Senate conferees reached an agreement on legislation that defines the terms for granting most-favored-nation

treatment to the People's Republic of China. The House passed the conference agreement by an overwhelming majority. The vote was 409 to 21.

That vote showed one thing: That there is a clear consensus concerning the priorities in our relationship with China. The conferees took the House and Senate bills, and from them they drew the key elements to define the objectives of our China policy in the 1990's.

First, China has to improve its record on human rights. The conference agreement requires that China account for citizens arrested as a result of their participation in the Tiananmen Square incident in June of 1989; and to release them now. That is a minimum step that must be taken by China to restore its international reputation.

The bill also calls for China to make significant progress on a wide range of basic human rights—for example, by ending religious persecution, by allowing free assembly and freedom for the press, and by ending torture and inhumane prison conditions.

The fact is that until China stops the brutal repression of its own people, it is just not going to be welcomed back into the hearts of American citizens. While repression in China today may not be seen in the nightly news as it was in 1989, it certainly continues. China's leaders must understand that we are fully aware of that, and that we are going to continue to press China to treat its own people with the dignity that they deserve.

Second, of course, China has to open up its markets to American exporters. The bill requires that China make significant progress in providing American exporters with fair access to its markets, stopping the unfair trade practices, and protecting our intellectual property rights. The bill also puts some teeth into our laws against the importation of prison-made goods by setting civil penalties of up to $1 million for violations of those laws against those who import those thing into this country.

And third, China must stop contributing to the proliferation of dangerous weapons systems into the most volatile areas of the world. The bill requires China to make significant progress in adopting a national policy that adheres to international standards aimed at preventing weapons systems proliferation, such as the missile technology control regime. Specifically, the bill makes clear that China does not meet this test if it transfers the M-9 or M-11 missiles or missile launchers, or nuclear technology or equipment, to Syria or Iran.

With this bill, Congress spells out a message to the Chinese leadership which I think this administration has just failed to send. If China wants to continue current trade relations with the United States, the number one customer in the entire world; if it wants to be an accepted member of the international community, a member in good standing, then it has to change its direction on human rights, on trade, and on weapons proliferation.

Let me address the trade issue in particular. When two countries exchange most-favored-nation treatment, that means that both countries expect to benefit. It has to be to their mutual benefit, or it just does not work properly. But look at what has happened since we granted China most-favored-nation status. Before 1980, Chinese exports to us amounted to less than $1 billion a year. Last year, China shipped nearly $19 billion worth of goods to the United States.

That would be all right; we would not quarrel about that if we were talking about fair trade practices. But if we are talking about enormous subsidies to exports; if we are talking about dumping their products far below their own costs; if we have government-managed trade rather than using the standards of commercial markets; that is when we have problems.

Just look at our own record of exports in that same period. We have gone from $2 billion in 1979 to approximately $6 billion today; that is less than one-third of what China is exporting to us.

In 1990 we saw our exports to China go down. I cannot think of another major market around the world where we saw that happen. They recovered somewhat in 1991. But the fact is that trade with China is adding nearly $13 billion to our trade deficit today. It is the fastest growing deficit we have with any other nation. Since we began considering this bill last year, China has moved past Taiwan, right up into second place behind Japan, in our trade deficit ranks.

Remember all of the talk in the past, in the early eighties, about the huge market in China, and of the great potential that we had for American business? Well, that market is still there, but the potential has not even begun to be realized.

Look at South China and see what is happening there, where they are really developing their exports. American businessmen have gone over and established their plants and their factories there to ship the products out.

What is the problem for us? Well, it is all of the roadblocks that China puts up to the products coming from here into China. Over the last 3 years, China has tightened central control over foreign trade to be certain it works to China's advantage. They use all sorts of tools to limit imports into China: For example, tariffs as high as 200 percent, and import licenses on nearly half of their trade. What do import licenses mean? That means they can manipulate trade in the bureaucracy. You are never quite sure what you are going to be able to send into the country. You also have out-and-out bans against imports of 80 types of products you cannot send there at all.

China also uses a whole variety of trade barriers that are more subtle, but equally effective. For example, it does not publish its trade directives. How does an American exporter know what he is up against? China imposes high quality standards on foreign goods and then requires elaborate testing and certification to make sure those standards are met, standards that we are not putting on their products coming here.

I remember the example of this in the auto sector. If you want to export autos to China, you have to provide two free cars as samples to the Chinese Government, pay $40,000 for their testing, and then foot the bill for Chinese inspectors to come to this country to inspect the factory. None of this, of course, applies to a Chinese-made car.

The bottom line is this: If you are an exporter trying to sell a product to China that China makes for itself, the deck is stacked against you. And their docks will be stacked with your products and they will not move off the docks.

At the same time, China has placed a high priority on increasing its exports and it has an arsenal of tools in that area as well. The United States Trade Representative [USTR] reports that at least 90 percent of China's exports receive some form of Government support. It comes in a variety of forms—for example, lower tax rates, preferential credit rates, and exemptions from import duties on things they need as components. You also have parallel exchange rates which give Chinese exporters a 50- to 70-precent premium over the official rate. That is pretty tough competition. I do not care how many hours the American workers work or how many wage concessions they make in trying to meet that competition, an enormous advantage is given by the export terms of China.

Than I read about the way that China tries to get around our quotas on textiles and apparel—shipping through countries like Lebanon, Honduras, Panama, and Macao. Yet China already, even under the quota system, is our largest supplier of textile products, just in those they ship under their own label.

But despite this kind of widespread bad behavior, we see this administration deciding to take a new approach in its handling of antidumping cases against China, an approach that appears to me to be letting the Chinese exporter off the hook when it comes to dumping and selling products below cost in this country. Serious questions are being raised as to whether this new approach is consistent with the laws that Congress passed in the Trade Act of 1988. It is incomprehensible to me

why this administration would be stretching the law at this point to give China a better deal when they have a $13 billion trade surplus with us. China is surely not giving the American exporter a better deal.

After months of talk about China's trade barriers, the administration finally initiated a section 301 case last October against these unfair practices. By law, that case does not have to conclude until next October. But there is no excuse for letting the investigation go on that long. We know what the problems are with China and China knows what it needs to do to settle the dispute.

The section 301 tool can work. That is why we strengthened it in the 1988 Trade Act. China has a bad habit of stealing the markets of American exporters by taking their intellectual property rights unlawfully. By using section 301, the United States Trade Representative got China to the table and we now have an agreement that should end this kind of piracy. I certainly welcome that new agreement, and I will be watching to see how closely they comply with it.

As for the remaining section 301 cases, I am calling on the administration today to conclude its investigation by June when the President must decide whether to extend China's MFN status another year. Frankly, I hope they move faster. The President gave us a March 20 deadline, as I recall, on the tax bill. I would like to see him move faster on trade with China in the MFN agreement. That is more than enough time for us to determine whether China is prepared to open its markets to our exporters, as we have opened up ours to them.

China talks a lot about wanting to join the General Agreement on Tariffs and Trade [GATT]. Under the 1988 Trade Act, the administration cannot grant China the benefits of GATT until China agrees to operate its state-trading companies consistent with commercial considerations, so they figure profit and loss under a commercial approach. If they do not get such an agreement, then the administration needs congressional approval before granting China any GATT benefits.

Now, as long as China makes government-driven rather than market-driven decisions in international trade, and as long as China treats United States companies unfairly by protecting its markets while preying upon ours, I do not see any reason to let China into the GATT.

I do not think this administration has gotten the message across to the Chinese leadership that there is a price to pay for its policies of repression, of protectionism, and of indiscriminate arms sales. It is time for the Congress to send that message loudly and firmly. I urge my colleagues to join me in voting for this conference report.

Mr. President, I reserve the remainder of our time.

Mr. PACKWOOD addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oregon [Mr. PACKWOOD].

Mr. PACKWOOD. Mr. President, I yield 12 minutes to the Senator from Montana.

The PRESIDENT pro tempore. The Senator from Montana [Mr. BAUCUS] is recognized for 12 minutes.

Mr. BAUCUS. Mr. President, I rise in opposition to the conference report on H.R. 2212.

As most of us are keenly aware, over the last three years, United States relations with China have been the subject of intense congressional debate. China's unfair trade practices, its sales of dangerous weapons, and its violations of basic human rights add up to a reprehensible record.

Quite understandably, many of my colleagues have sought sanctions against China.

ENDS AND MEANS

In my mind, it is unfortunate that the debate on United States policy toward China in recent years has centered on whether or not we should extend most-favored-nation [MFN] trading status to China.

The heated debate over whether or not MFN status is the appropriate tool for addressing our concerns with China obscures a broad consensus on the larger issue.

The administration, the business community, and some in Congress—including myself, strongly oppose using MFN status as the tool to push for reform in China.

We oppose conditioning or withdrawing MFN because it would be exactly the wrong approach. Instead of encouraging reform in China, withdrawal of MFN would break the growing business ties between China and the United States, devastate United States export industries, and push China further into the hands of hardline Marxists. A unilateral cutoff of MFN would hurt the United States far more than it would hurt China—especially since no other nation would follow the United States example.

But the debate over MFN is a debate over means, not over ends.

In fact, there is a consensus in the Congress, in the administration, and in the Nation as a whole that China's behavior is intolerable and that the United States must be a force for reform. The disagreement is about how we best achieve this goal, not over whether it is worth achieving.

A NEW CONSENSUS

One of the positive results of last year's congressional debate over extending MFN is the emergence of the foundations of a new, consensus policy toward China.

Last July, in a letter to myself and other Senators, President Bush articulated a comprehensive new United States policy for addressing United States concerns with China. I ask unanimous consent that a copy of that letter and a follow up report from the administration appear in the RECORD at this point.

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

THE WHITE HOUSE,
Washington, July 19, 1991.

Hon. MAX S. BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: I appreciated receiving your views on the importance of renewing China's most-favored-nation (MFN) trade status while also seeking to achieve progress with the Chinese on issues of vital concern to the American people. We clearly share the same goals. We want to see China return to the path of reform, show greater respect for human rights, adhere to international norms on weapons sales, and practice fair trade. China should contribute to international stability and not detract from it.

You rightly note that withdrawing MFN would hurt not only Americans but also the people of Hong Kong and the millions in China who are working for progressive change. Continuing MFN is essential to protect American consumers and exporters, and to support the economic forces that have been driving reform in China for more than a decade. It is no accident that the process of reform accelerated with the increase in foreign businesses operating in that nation. Those who would end political and economic reform in China have the most to gain if MFN were withdrawn. It is the economic forces pressing for the loosening of state control and increased personal freedom that would suffer the most. Other losers would be the thousands of American workers and farmers who together produced in 1990 almost $5 billion in exports to China.

Since we started the process of normalizing contacts with China in the 1970s, there has been strong bipartisan support for the U.S.-China relationship. Building on the three U.S.-China communiques, U.S. interaction with the government and people of China has produced demonstrable progress. That interaction must continue despite the recent severe setbacks. Nevertheless, I support the view that strong measures are needed to address our concerns in China and have not hesitated to use them in a targeted fashion. To underscore our deep dismay about human rights violations, I have kept in place a number of sanctions since the Tiananmen Square crackdown which have affected arms sales, high-level contacts, U.S. economic programs and U.S. support for multilateral development bank lending to China.

The U.S. is currently the only nation maintaining its Tiananmen sanctions and refusing to normalize relations until China makes substantial progress on human rights. For example, while all our allies and other World Bank members have supported virtually all of the last sixteen World Bank loans to China, we have declined to support seven because the loans would not serve basic human needs.

At the London Summit, we raised China's human rights practices with our G-7 allies and encouraged them to continue to stress to China's leaders, as we have repeatedly, the importance that democratic governments attach to human rights. We made clear that the U.S. will continue its policy of supporting only those multilateral development

loans for China that serve basic human needs (BHN), and our view that any non-BHN lending to China help to promote market-oriented economic reform.

To advance our nonproliferation objectives, I recently authorized a number of steps aimed at engaging the Chinese on their weapons transfer policies and making clear our dissatisfaction with transfers that contribute to regional instability. The Under Secretary of State for International Security Affairs recently traveled to Beijing for a detailed discussion of nonproliferation issues, including our specific concerns about Chinese exports. He pressed for China's adherence to the Nuclear Nonproliferation Treaty and the Missile Technology Control Regime, actions I called for in my commencement speech at Yale University on May 27. We are pleased with the constructive role China played in the July 8-9 Middle East arms control talks in Paris. The Chinese endorsed all the key objectives of my Middle East arms control initiative (such as efforts to freeze and ultimately eliminate surface-to-surface missiles and block the production and acquisition of nuclear useable material). The Chinese also agreed to work rapidly in follow-on meetings to flesh out the broad agreements reached in Paris.

At the same time, I have also taken measures to emphasize to China that the U.S. is concerned about reports of destabilizing missile-related transfers. In April, I rejected requests for licenses to export satellite components for a Chinese communications project because of the involvement of Chinese companies in unacceptable missile equipment transfers. Just recently, I approved trade sanctions against two Chinese companies for that same reason. In addition, I directed that no further licenses of high-speed computers and no further exports of satellites to China be authorized until our concerns that China adhere to accepted international nonproliferation standards are satisfactorily addressed. The U.S. will be coordinating with other countries in order that these measures not be undercut. Our experience has demonstrated that such consultations will lead to effective, multilateral technology transfer restrictions.

I have also instructed U.S. agencies to press vigorously our concerns about Chinese unfair trading practices. In April, I directed the U.S. Trade Representative to identify China as a priority foreign country under the Special 301 provisions of the Trade Act for failing to protect U.S. intellectual property rights. If China does not make real progress during the 301 investigation, trade action will follow. Beyond intellectual property protection, my Administration has invited senior Chinese trade officials to Washington in August for continuation of consultations begun in June regarding access for U.S. products to the Chinese market. If these talks fail to produce Chinese commitments to take substantial measures to improve market access, the Administration will self-initiate further action under Section 301 of our trade laws.

We are strictly enforcing the terms of our textile, agreement which China and have already made charges against China's quota because of illegal textile shipments through third countries totalling approximately $85 million so far. Following consultations in July, we expect to make additional charges. If China does not exert effective control over these illegal shipments, we are prepared to take additional action against China.

Charges that China exports goods produced with prison labor are a matter of serious concern. The Customs Service is investigating these charges. In addition, we have obtained a firm high-level commitment to prevent the sale of prison labor products to the United States. We will continue to monitor China's behavior in this area closely and will strictly enforce relevant legislation concerning prison labor exports. In particular, I am ordering the following additional measures: The Department of State will seek to negotiate a memorandum of understanding with China on procedures for the prompt investigation of allegations that specific imports from China were produced by prison labor. Pending negotiation of this agreement, the U.S. Customs Service will deny entry to products imported from China when there is reasonable indication that the products were made by prison labor. The denial will continue until the Chinese Government or the Chinese exporter provides credible evidence that the products were not produced by prison labor.

I am also instructing the U.S. Customs Service to identify an office to receive information on prison labor exports and establish procedure for the prompt investigation of reports of prison labor exports from interested parties. Additional customs officials will be directed to identify prison labor exports and aid in uncovering illegal textile transhipments.

Although it is not directly related to China's MFN status, I share your interest in Taiwan's accession to the GATT. As a major trading economy, Taiwan can make an important contribution to the global trade system through responsible GATT participation. The U.S. has a firm position of supporting the accession of Taiwan on terms acceptable to GATT contracting parties. The United States will begin to work actively with other contracting parties to resolve in a favorable manner the issues relating to Taiwan's GATT accession. Because China, our tenth largest trading partner, could also make an important contribution to the global trading system, I will seek to have the Chinese Government take steps on trade reform so that China's GATT application can advance and its trade practices can be brought under GATT disciplines through the Working Party formed for China in 1987. U.S. support for Taiwan's accession to GATT as a customs territory should in no way be interpreted as a departure from the long-standing policy of five administrations which acknowledges the Chinese position that there is only one China, and that Taiwan is part of China.

In sum, therefore, I am prepared to address the concerns you and your colleagues have identified, and I am doing so. But discontinuing MFN, or attaching conditions to its renewal, would cause serious harm to American interests and would render futile pursuit of the initiatives I have outlined, which are discussed in greater detail in the attachments. Working together, I believe we will best protect America's interests by remaining engaged with China and the Chinese people.

Sincerely,

GEORGE BUSH.

P.S. At the recently concluded G-7 Summit in London, the leaders of these Western Democracies all urged renewal of MFN.

THE WHITE HOUSE,
Washington, November 5, 1991.

Hon. MAX S. BAUCUS,
U.S. Senate,
Washington, DC.

DEAR MAX: I appreciated receiving your views on the importance of following through on the issues we addressed in our last exchange of letters regarding the People's Republic of China. It is clear that we continue to agree that the best way to make progress is for the Administration and Congress to continue to work together.

We need to be firm with the Chinese about our expectations, and, at the same time, encourage them to take positive steps. There has been some positive movement since my last letter to you, but we all should recognize that forward movement very likely will be incremental and could well be complicated by setbacks along the way. Nonetheless, I am determined that U.S. policy encourage China to move in a positive direction.

We are taking strong, yet measured, action against the Chinese, including in the areas you mentioned—market access, apparel imports, and prison labor. We are also working actively with GATT contracting parties to resolve issues of Taiwan's GATT accession. The details of these actions are attached.

There is no question that MFN is the wrong tool to bring about change in China. I think we both are in complete agreement on that. I think we also agree that a strong China policy that vigorously addresses our concerns while continuing to engage China gives us the best hope for encouraging reforms while protecting our own national interests.

I welcome your support and look forward to continuing to work together to bring about positive change in China.

Sincerely,

George Bush.

MARKET ACCESS

U.S. trade agencies were instructed last July to press vigorously our concerns about unfair Chinese trade practices with the Chinese government. In talks with PRC Vice Minister Tong Zhiguang August 20-23, the U.S. outlined for the Chinese a series of tangible steps that would begin the process of dismantling trade barriers. Because the Chinese were unable to respond definitively to these proposals before the end of our August discussions, a September 30 deadline was set for an official response. Every consideration was given to the Chinese response received September 30, but after U.S. trade agencies determined that it did not meet the requirement that China make commitments to take substantial measures to improve market access, the U.S. Trade Representative self-initiated a Section 301 investigation.

Four principal market barriers will be investigated, including selected sector-specific and product-specific import prohibitions, import licensing requirements, and technical barriers to trade as well as failure to publish laws and regulations pertaining to restrictions on imports. Under the 1974 Trade Act, as amended, the investigation of Chinese practices normally must be concluded within twelve months. If it is determined at the end of that investigation that the barriers under review burden or restrict U.S. commerce in an unreasonable or discriminatory fashion, the U.S. has the right to impose retaliatory trade action against China.

APPAREL IMPORTS AND PRISON LABOR

The Customs Service's unprecedented action associated with apparel imports demonstrates the Administration's determination to enforce federal laws applicable to the import of Chinese goods. Moreover, this action is testament to the Administration's resolve to implement the commitments in the President's July 19 letter to Senator Baucus to use the instruments available to enforce

the law and to pursue U.S. policy objectives with the Chinese. Vigorous action to protect American interests and uphold the law in these cases will continue to be taken.

The U.S. has serious concerns about the export of Chinese goods produced with prison labor. The Department of State and the U.S. Customs Service have been actively pursuing steps to prevent importation of Chinese prison labor products. On September 23 a Chinese commitment was received to negotiate an understanding on procedures for the prompt investigation of allegations that specific imports from China were produced by prison labor. The U.S. will press for a rapid conclusion to those negotiations.

The Chinese issued an official statement October 10 reiterating the national prohibition on export of prison made products.

If Chinese prison labor products have entered the U.S., it has been through a network of middlemen, including trading companies in China and abroad, that makes it difficult to trace such shipments. Cooperation of authorities in the PRC and with U.S. business people is needed to eliminate any such exports at their source. In an effort to reach out to new sources of assistance and information in achieving this objective, the Commissioner of the Customs Service held a public hearing on November 1, 1991 in Washington in order to expand awareness of the problem in the trade community and among the public.

At the same time, the U.S. will continue to do its utmost to prevent the entry of any prison labor product from China. The U.S. Customs Service has undertaken a range of short- and medium-term measures to block the entry into the U.S. of Chinese prison labor products. In his July 19 letter to Senator Baucus, the President noted the U.S. would prevent entry of products from China when there is a reasonable indication that such products were produced by prison labor. The Customs Service issued orders on October 4 to detain any shipments of certain Chinese merchandise (wrenches and steel pipe) that are believed to be produced by prison labor in China. We take our obligations in this matter seriously.

TAIWAN'S GATT APPLICATION

The Administration is working actively with other GATT contracting parties to resolve the issues relating to Taiwan's GATT accession. It has been made clear in discussions with other governments that the United States supports Taiwan's accession to GATT as a customs territory and that we want GATT contracting parties to resolve this matter favorably. This position in no way implies a change in the long-standing U.S. policy that acknowledges the Chinese position that there is only one China and that Taiwan is a part of China.

ACHIEVEMENTS OF THE PRESIDENT'S ENGAGEMENT STRATEGY, FEBRUARY 1992

HUMAN RIGHTS—MODEST PROGRESS

Our human rights dialogue has yielded modest results, with much more to be done;

China has given us a name-by-name response on our prisoners list; we are seeking more information;[1]

Some dissident relatives and dissidents have received exit permits; others have not. We are holding the Chinese feet to the fire on their assurance to the Secretary that all those without criminal proceedings pending would be allowed to leave;[1]

China has published regulations banning the export of products of prison labor and is negotiating with us an MOU providing for investigation of charges that the Chinese are exporting such products to us;[1]

Tibet has seen a gradual lessening of tensions and a reopening of tourism there;

China has acknowledged the legitimacy of a human rights dialogue and named a counterpart for regular consultations with us; and[1]

We are using this exports dialogue to push for further reform.

NON-PROLIFERATION—THE CHINESE ARE MOVING FORWARD

Agreed in writing to observe Missile Technology Control Regime (MTCR) guidelines and parameters;[1]

Are on track to accede to the Nuclear Non-Proliferation Treaty by April;[1]

Participating in the President's Middle East Arms Control Initiative and supporting the South Asian nonproliferation regime;[1]

Supported the placement of IAEA safeguards on the nuclear reactor that China is building in Algeria;[1]

Supported the UN consensus on elimination of Iraqi weapons of mass destruction.[1]

TRADE—CHINESE ADDRESSING OUR CONCERNS

Agreed in January to improve significantly protection of U.S. patents, copyrights, and computer software;[1]

Averted possible imposition of sanctions by the Federal Maritime Commission by agreeing to allow U.S. shipping companies to establish branch offices in China and to engage in normal business activities;[1]

U.S. exports to China increased by about 30 percent in 1991;

China was the fastest growing Asian market for U.S. exports last year;

A third round of negotiations, under our Section 301 investigation of Chinese market barriers, is being held February 24-26.[1]

GLOBAL/REGIONAL ISSUES—CHINA SHARES COMMON GROUND WITH THE UNITED STATES

Cooperated with efforts to find a comprehensive political solution in Cambodia—Chinese support, particularly with respect to containing the Khmer Rouge, is very important;[1]

Supported separate UN seats for South and North Korea, opposed North Korea's effort to develop nuclear weapons, and shares our objective of reducing tension on the Korean peninsula;[1]

Supported the international consensus during the Gulf crisis, including sanctions enforcement;

As a permanent member of the UN Security Council and with more than one billion people, China is key to our international pursuit of proliferation of weapons of mass destruction issues, arms sales transparency agreements, and for continued cooperation on regional issues.

Mr. BAUCUS. The essence of this policy is that the United States will pursue carefully tailored policy tools to win reform in China. At the same time, the United States will continue MFN in order to nurture vital commercial ties with China. This policy is often referred to as "constructive engagement."

With this new policy in place for nearly 6 months and the Senate once again moving toward a vote on China's MFN status, it is appropriate to examine the results on three key issues: First, trade; second, weapons and nuclear proliferation; and third, human rights.

INTERNATIONAL TRADE

Under the guise of an austerity campaign launched in 1988, China became the most protectionist nation in the world. China allowed—in fact, sanctioned—piracy of United States intellectual property, particularly pharmaceuticals and computer software. This piracy cost the United States close to $1 billion per year in lost export opportunities.

But the piracy of intellectual property is only the tip of the iceberg. China has imposed a web of new trade barriers, including import bans, import licenses, quotas, and discriminatory testing requirements, to exclude the exports of the United States and other nations.

Not surprisingly, the United States bilateral trade deficit with China ballooned. In 1991, our trade deficit with China reached $12 billion—exceeded only by the United States deficit with Japan.

In last July's letter, the Bush administration articulated a new trade policy toward China. The central premise of this policy is that if China expected continued access to the United States market for its exports of toys and apparel, it must open its market to United States exports. Two separate unfair trade actions were launched—one on intellectual property piracy and one on trade barriers generally.

The case on intellectual property was successfully resolved a few weeks ago. After the United States threatened to block some Chinese exports to the United States unless the piracy ceased, China agreed to sweeping new patent and copyright protections. The new agreement protects U.S. films, computer software, drugs, agrichemicals, and other products.

Though we must carefully monitor implementation of this agreement before judging its results, all U.S. intellectual property industries have hailed the agreement as a major breakthrough. The agreement is concrete evidence that the United States can win reforms in China if it pursues carefully targeted policies, rather than conditioning or cutting off MFN.

But much work remains to be done in the trade area. The broader unfair trade action on Chinese trade barriers has still not been resolved. The case was formally launched last October. Under United States trade law, the administration has a full year to resolve the case before it is obliged to retaliate against Chinese exports to the United States.

But I see no reason to wait that long. We have been negotiating with the Chinese over these trade barriers for many months. If an agreement is not reached by late this spring, the President should retaliate against Chinese exports to the United States.

On a related issue, the administration has promised to stop allowing

[1] Denotes actions taken since July 1991.

China to dictate United States policy toward Taiwan. In particular, the administration pledged to strongly support Taiwan's application to join the General Agreement on Tariffs and Trade, a step that is clearly in the best interest of both the United States and Taiwan.

The administration has been working behind the scenes to prepare the way for Taiwan's application. But it is time to now launch a much more public effort. China cannot be allowed to dictate United States policy toward Taiwan.

I ask unanimous consent that a letter from United States Trade Representative Carla Hills detailing our trade policy toward China appear in the RECORD at this point.

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

U.S. TRADE REPRESENTATIVE,
EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, DC, January 30, 1992.

Hon. MAX S. BAUCUS,
U.S. Senate, Washington, DC.

DEAR SENATOR BAUCUS: With debate over China's Most-Favored-Nation (MFN) trade status once again about to begin in the Senate, I want to stress in the strongest possible terms the President's and my continuing commitment to maintaining unconditional MFN for China. I would like to bring you up to date on several fronts where the Administration has made progress with the Chinese as outlined in the commitment that the President made in his letter of last July 19.

MFN now underpins a U.S.-China trade relationship that exceeds $23 billion in two-way trade, with a substantial and growing market for U.S. aircraft, wheat, fertilizer, cotton, and wood products among others. Trade with China has led to the creation of thousands of jobs for U.S. workers and farmers, and, it has helped to underwrite the current prosperity of Hong Kong.

We nonetheless continue our efforts to resolve the serious trade problems that we have with China. As instructed by the President last July, U.S. trade agencies, including USTR, have taken vigorous measures to rectify those problems. At the direction of the President, I ordered the initiation of a Special 301 and investigation into China's intellectual property rights practices and a Section 301 investigation into the denial of access for U.S. exports to Chinese markets. The Administration has also taken vigorous action with regard to Chinese textile transshipments.

These policy measures have begun to bear fruit. We concluded an agreement with China on January 17 that will considerably improve protection for copyrights, patents, trade secrets and other U.S. intellectual property. In the process, the Chinese have agreed to join two major international conventions for the protection of intellectual property and to make significant changes in their laws and regulations to implement the stipulations both of these conventions and of our bilateral agreement.

As you know, because of this agreement, the two leading industry associations, PMA and IIPA, both came out strongly in support of renewal of unconditional MFN.

In the current 301 investigation into market access questions, we are also pressing China to make significant structural changes in its still highly protectionist trade regime and to eliminate market barriers to U.S. exports. In this regard, we have asked the Chinese to bring their trade regime up to international standards as expressed by the principles and stipulations of the General Agreement on Tariffs and Trade (GATT). Although our talks with China on market access issues have just hit full stride, we have made some initial progress in beginning the process of reducing prohibitively high tariffs, import licensing requirements, and in improving transparency.

The Customs Service has increased greatly its investigation into suspected illegal Chinese textile transshipments. Moreover, recent raids on importers of Chinese textiles in the United States should provide an additional deterrent to fraud. Substantial charges have been made against China's textile quotas, and the Chinese have been informed that additional countermeasures may be necessary.

The Administration is continuing to work with our trading partners to resolve the issues associated with Taiwan's accession to the GATT. I believe that Taiwan's accession to the GATT will make an important contribution to the global trading system and continue to support it. At the same time, it is clear that China's entry into the GATT would also be of benefit to the international trade community. It is also clear, however, that before China can accede to the GATT as a contracting party, China must demonstrate that it has complied with GATT requirements.

I urge you to continue to support unconditional MFN for China. As always, I look forward to working with you in our efforts to encourage China to improve its foreign trade regime and to become a full member of the international trade community in good standing.

Sincerely,

CARLA A. HILLS.

WEAPONS AND NUCLEAR PROLIFERATION

Mr. BAUCUS. For several years, the entire civilized world has shuddered at reports that China was selling dangerous nuclear and missile technologies into unstable regions.

Reports of Chinese sales of long-range missiles to Syria and Pakistan and nuclear technology to Iran raised the specter of nuclear conflict in the Middle East. The Western World demanded that China observe international accords limiting such sales.

In particular, the United States pressed China to sign the Nuclear Non-Proliferation Treaty [NPT]—which regulates sales of nuclear materials—and to abide by the Missile Technology Control Regime [MTCR]—which regulates sales of missiles.

As a result of pressure from the United States and other Western nations, China has agreed to sign the NPT and to abide by the MTCR.

Just a few weeks ago, China finally provided the United States with a letter that formally committed China to abide by the MTCR. After studying the letter, the State Department is convinced that it does block further exports of Chinese missiles. And, in response, the United States lifted sanctions imposed on China for previous missile sales.

But the administration has committed to carefully review China's actions to ensure that China lives up to its written promise. And, if violations are found in the future, trade sanctions can be reimposed or increased.

We should keep in mind, however, that on this issue and others removing MFN would be counterproductive.

If China is unable to sell its goods in the United States market, it will look for ways to earn hard currency. One of the most obvious options would be selling even more weapons to eager buyers around the world. Cutting off MFN would also effectively eliminate United States influence in China. The net result, is likely to be more sales of dangerous missile technology, not less.

Further, we must keep in mind that even our closest allies, such as Germany and France, have occasionally sold dangerous weapons and materials into the Middle East. Remember, Iraq's nuclear weapons effort was possible largely because of technologies materials purchased from German and French companies. Yet, no one has suggested denying France or Germany MFN treatment. No one has made that suggestion because it is understood that MFN is the minimum trade treatment we extend to all of our trading partners, not some special benefit we extend only to our closest allies.

Chinese weapons sales are better addressed through diplomacy and targeted sanctions. Firing off the MFN blunderbuss would only set back our efforts to curb Chinese sales of weapons and nuclear material.

HUMAN RIGHTS

I am disappointed with the progress that China has made on human rights. We all remember the horrible images of the massacre in Tiananmen Square.

The administration agreed last July to continue sanctions and employ its diplomatic leverage to win freedom for China's political prisoners, including those from Tiananmen Square.

In the last few months—thanks largely to U.S. pressure—we have seen the release of a few political prisoners and a rough accounting of the fate of most political prisoners.

Hopefully, this is a sign that progress is being made. But make no mistake about it, China has a very long way to go.

Until China releases the prisoners of Tiananmen Square, ties with the United States will remain strained. Western business will likely remain hesitant to invest heavily in China and Hong Kong until China greatly improves its human rights record.

The only way for China to put the tragedy of Tiananmen behind it is to release all the Tiananmen prisoners.

The United States must continue to put diplomatic pressure on China toward that end. This pressure should include continued opposition to multilateral lending to China.

In blatant violation of United States law, China has also exported goods made by prison labor—including political prisoners—to the United States.

Morally, the United States cannot allow itself to in any way support China's system of political oppression.

Last summer, the President agreed to step up efforts to block Chinese exports of goods made with prison labor.

These efforts have borne fruit. The Custom's Service has seized exports apparel, tools, tea, diesel engines, and a number of other products suspected of being made with prison labor. It has also set up an office to investigate claims that imported goods may be made with prison labor. The United States is also seeking to negotiate an agreement with China to end all exports of prison labor goods and allow the United States to make inspections in China to enforce the agreement.

Here again, more remains to be done. But we are making progress. Hopefully, we can soon be assured that the United States consumer is not being made an unwitting accomplish to China's system of political oppression.

MFN IS THE WRONG TOOL

But the conference report we have before us today ignores the progress that has been made and takes a large step in the wrong direction.

Simply put, MFN is the wrong tool to make progress with China.

Though it is hailed as a compromise, this legislation still imposes some 17 conditions on extensions of MFN for China. The 17 conditions are all aimed at laudable goals. I personally support the objective behind every condition.

But the simple fact is that China is still ruled by a totalitarian government that is not willing to make sweeping changes simply because we demand it. Unfortunately, China's totalitarian rulers seem to see release of political prisoners as endangering their hold on power. And they would prefer to lose MFN status rather than relinquish control of China.

And if the United States retaliates by cutting off China's MFN status, United States exporters and proreform forces in China will be devastated.

The effect of cutting of MFN will be to impose Smoot-Hawley tariffs on China's exports. China will almost certainly retaliate by cutting off billions of dollars in United States exports of wheat, fertilizer, and aircraft—putting thousands of Americans out of work.

Worse yet, cutting off MFN will break the vital tie between the United States business community and entrepreneurs in southern China. With these business ties come contact with Western ideas like freedom, democracy, and human rights.

It is no wonder, as was reported in Newsweek recently, that southern China is the hotbed of reform in China. As a number of leading Chinese dissidents have argued, breaking this tie would be a severe blow to proreform forces in China.

In essence, conditioning or cutting off MFN might make us feel good, but it certainly would not do good.

I ask unanimous consent that the Newsweek article just referenced and a recent article from the New York Times appear in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Newsweek, Feb. 17, 1992]

CHINA'S RENEGADE PROVINCE

(By Frank Gibney, Jr.)

In downtown Guangzhou (Canton) recently, highschool students clapped dutifully at the unexpected arrival of a foreign visitor. Then their history teacher pointed to the lesson of the day, written on the blackboard: Why China Chose the Socialist Road. They giggled. Nowhere in China does old-time propaganda sound more stale than in go-go Guangdong. Students in this southern province are choosing a different road. They aim to be managers of joint ventures with foreign investors. Their favorite singer is Michael Jackson. Their favorite TV shows are American dramas and the news from nearby capitalist Hong Kong. And their choice for biggest event of 1991: "The end of the Soviet Union . . . and 70 years of communism there," in the words of one 16-year-old. "It's very difficult to teach socialism these days," sighed their political studies teacher.

And how. Ever since Deng Xiaoping launched China's market-oriented reforms in 1979, Guangdong has always stretched the outer limits. The economy is growing faster than nearly any other in the world—27.2 percent in 1991. The 1989 Tiananmen Square crackdown has hardly slowed the boom; Deng himself, on a recent two-week tour of Guangdong, called the region "Asia's fifth tiger." But can he cage it? Economic miracles have a way of disobeying politicians. From Hong Kong and Taiwan, pop novels and freewheeling newspapers slip easily over Guangdong's porous borders. Guangdong's leaders, confronted with Beijing's intransigence, know better than to dream of outright independence. But the pace of Guangdong's economic change may be enough to whirl it out of Beijing's orbit.

Guangdong has always had a special relationship with the world outside China. Emigration gave the province a foothold in dozens of countries; one town, Taishan, has only 96,000 residents—and 1 million relatives overseas. The tightest ties are with Hong Kong, most of whose residents are former refugees from Guangdong and still speak the same Cantonese dialect. That makes Hong Kong the easiest—and most dangerous—source of independent information. Beijing authorities have tried to impose a ban on antennas that can pick up Hong Kong television, but to no avail. To Beijing's dismay, jamming television signals during the spirited Hong Kong elections last year also didn't work: freelance electronics experts from the People's Liberation Army offered antijamming services to anyone who could pay.

And in Guangdong, people can pay. More than 2 million residents work in foreign joint ventures, making small fortunes by Chinese standards. Evidence of Guangdong's fast-lane corporate culture is everywhere at hand. The parking lot at the Aide Electric Rice Cooker plant overflows with Mercedes-Benz cars. Managers in the executive dining room toast their clients with glasses of pricey Courvoisier. The company recently shelled out $150,000 for a new discotheque for its workers, replete with a state-of-the-art Japanese sound system and strobe lighting. These flamboyant private businesses have left the public sector far behind; state enterprises now account for just over one third of Guangdong's economy.

State ideology, too, is becoming irrelevant. "the party is here, but we really don't notice them," says Li Hongkai, manager of a Japanese motorcycle retailer. Some Communist Party branches have caved in to practicality: they hold management-training courses rather than drilling their members on Marx and Mao. One municipal party committee recently went so far as to hold its biannual convention in capitalist Hong Kong. Guangdong's politicians bristle at the notion of tighter political control from Beijing. "What have they invested here?" asks Zeng Guangcan, deputy director of the province's economic-reform commission. "We pay for our railroads, our highways, our power plants." A planner for a state company puts the point even more bluntly: "they have no right to tell us what to do."

WILD APPLAUSE

Yet Guangdong politicians know they have to move carefully. Nobody breathes a word about formally renouncing communism or declaring independence from Beijing. But neither do they hesitate to stand up for Guangdong's rights. Ye Xuanping, the province's powerful former governor and one of China's few truly popular politicians, has managed to keep Beijing at arm's length. In September 1990, when Prime Minister Li Peng announced a plan to recentralize fiscal control over the provinces, Ye stood up and boldly denounced the notion. The other governors applauded wildly. Last year Beijing finally succeeded in kicking Ye upstairs to a post in the central government. But he still spends most of his time in Guangdong, and under his protection the province continues to enjoy unusual political leeway. Many of China's democratic reformers took refuge in Guangdong after the crackdown in Tiananmen Square.

Beijing's worry is that upstarts in Guangdong will encourage others. The interior regions of China used to resent Guangdong's privileges; out of spite, Hunan province prevented Guangdong's trucks from transporting coal and grain over its borders. These days the provinces are converts. "We're all heading to Guangdong to learn from them," says one provincial representative who operates out of Hong Kong. Foreign companies such as Procter & Gamble and Avon are using Guangdong as a springboard to China's billion-strong consumer market. And Guangdong, in turn, is exporting to its poorer brothers. "Guangdong is beginning its own investment push into China," says one economist for a state-run company. "This will be one of the biggest economic trends in the '90s." That smacks of real capitalism—and even looser reins. Deng clearly meant his tour of Guangdong last month as a signal to his lieutenants to speed up the pace of economic reform, but he won't let Guangdong do everything it want to do. He's still capable of restraining Asia's fifth tiger—but maybe not forever.

[From the New York Times, Feb. 24, 1992]

CHINA IS SOFTENING ITS ECONOMIC LINE

(By Nicholas D. Kristof)

BEIJING, February 23.—In a strong sign of shifting political winds in China, the official

press is abruptly attacking the hard-line attitudes it espoused for the last two years and has started instead to call on the nation to emphasize economic growth and even adopt useful elements of capitalism.

The pirouette was reflected in a front page essay in today's editions of People's Daily, which in the past carried mostly dour warnings against Western subversion. Today's article, headlined "Opening up to the world and using capitalism," was the boldest in a monthlong flurry of signals that change-minded leaders may be gaining the upper hand over ideologues.

DENG'S INFLUENCE CITED

"All of modern Chinese history has demonstrated that China can travel only the socialist road, not the capitalist road," the article began. "At the same time, recent world history shows us that economically backward nations—especially those with long histories of feudalism—must correctly use capitalism, rather than rejecting it out of hand. Only by critically absorbing those elements of Western culture that are useful to us, rather than disdaining them, can we prosper and flourish."

The wave of recent editorials apparently reflects a push by Deng Xiaoping, the 87-year-old paramount leader, for China to devote more energy to becoming prosperous and less to remaining ideologically pure. The Politburo is believed to have confirmed this moderate line, and the new articles are a signal that the hard-liners are losing control even over the newspapers that they have dominated for more than two years.

Still, political fashions in China often change quickly, and it is unclear whether the recent articles reflect a major and irreversible trend to speed up economic liberalization. Even if economic growth is back at the top of the agenda, there is no hint that the regime will release political prisoners of tolerate challenges from Tibetan separatists or underground Catholic priests or disgruntled university students.

Calls for ideological vigilance and tributes to model Communists generally filled the front pages in the two and a half years after the June 1989 crackdown on the Tiananmen democracy movement. The crackdown, in which the army killed hundreds of protesters and wounded thousands more, was accompanied by the rise of hard-line leaders who installed their lieutenants as editors of the major newspapers.

The People's Daily article appears days before the United States Senate's vote, scheduled for Tuesday, on renewing most-favored-nation trade status for China. The Administration is urging the Senate to renew the favorable tariff treatment, continuing President Bush's policy of trying to change China's behavior on human rights, arms sales to the third world and other issues by contact rather by confrontation and punishment.

NO SHIFT ON RIGHTS SEEN

While there is no evidence of any major change by China on human right, on economic topics there is no doubt that a switch has taken place. The People's Daily article published today called for tolerating a measure of capitalism in the Chinese economy, and gave a ringing endorsement of stock markets and other practices associated with the West.

On Saturday, People's Daily carried a front-page editorial calling on the nation to focus more attention on economic development—and, by implication, give less attention to the Marist ideology that the same newspaper has emphasized since the rise of the hardliners in June 1989.

Also on Saturday, the official Guangming Daily filled most of the top two-third of the front page with a call to "liberate our thinking, deepen reform, open the door more widely." It was a dizzying change in emphasis for a newspaper that just last month carried a front-page appeal for universities to select students more on the basis of loyalty to Communism.

Mr. Deng began the new drive for reform with a trip last month to the southern Chinese special economic zone of Shenzhen. Mr. Deng called for more rapid change and went out of his way to praise Shenzhen, which is a symbol of economic experimentation and has shown spectacular increases in prosperity but also in prostitution and drug abuse.

The tide shifted apparently in part because Mr. Deng and other leaders determined that the best way for China to avoid the fate of the Soviet Union is to make people richer, and in part because other octogenarians who take a harder line are too feeble to fight back.

Today's article in People's Daily carried the byline Fang Sheng, which is almost certainly a pen name of an individual or a group of people in the central leadership. The fact that it was published on a Sunday—when almost no one reads in newspaper, which is delivered to offices and factories rather than homes—suggests that a Politburo member may have ordered the top editors to publish it but that they did their best to insure that as few readers as possible would notice it.

"Using capitalism includes developing an appropriate capitalist economy within our country; as a useful supplement to the socialist economy," the article said. "As our country is in only the preliminary stage of socialism, it is impossible to wipe out capitalism completely, and some exploitation will linger for a long while. So the important thing is to improve our guidance of these phenomena, and direct them onto a course where policy allows them."

Many elements of today's long article had appeared previously in one place or another, but they had not been combined with such force or clarity. The tone throughout sounded like a rebuke to the hardliners.

In particular, the article indicated that most Communists now acknowledge the need to use foreign capital and technology.

"On other matters, it seems that there are still some differences," the newspaper said, in a clear reference to hard-liners who are wary of capitalist influences. The article added that instead of fearing contacts with the West, China should expand exchanges "to enrich our culture."

"In the past we took the tortuous path of sealing oursevles off from the world and refusing to use capitalism.," the essay declared, in a reference to the Maoist, era. "Leftist errors and other factors were behind this, but they have nothing to do with socialism. On the contrary, in principle socialism means an open system and a reform-oriented economy."

A People's Daily editor said by telephone that the essay today was not an editorial or a commentary, but simply an "article." He said he did not know the identity of the author.

Wu Guoguang, a former People's Daily editorial/writer now studying at Princeton University, said he could recall only one other case in the last 15 years in which the newspaper carried a front-page commentary with a byline that was a pen-name. The other one was arranged by Mr. Deng's family and published last year, and Mr. Wu said an essay like today's would have to have the approval of a top leader.

A Western diplomat suggested that the growing number of reform-minded editorials reflect the new line following a Politburo meeting that is believed to have been held about a week ago.

"But at the same time," the diplomat added, "it's only words."

CONCLUSION

Mr. BAUCUS. I hope that the letter that the President sent to Congress in July outlining a new policy can provide the basis for a strong consensus on China policy.

Advocates of employing MFN to address our concerns with China have done us all a service by drawing attention to China policy. Senator MITCHELL, in particular, deserves praise.

But I fear the continuing debate gives Chinese leaders the mistaken impression that there is support in the United States for China and its policies. There is no support for China's current policies. The only debate is over means, not ends. As I said at the outset, there is a consensus that China's behavior must change.

Unfortunately, the debate on MFN for China may further obscure the underlying consensus.

Barring some dramatic change, the outcome of this instead of further debating MFN.

That policy should include continuing to engage China through trade. At the same time, we should vigorously use all appropriate policy tools to demand reform in China.

I yield the floor.

Mr. BENTSEN. Mr. President, I yield 12 minutes to the distinguished Senator from Delaware.

The PRESIDENT pro tempore. The Senator from Delaware [Mr. BIDEN] is recognized for 12 minutes.

Mr. BIDEN. Mr. President, I am going to address myself solely to the weapons proliferation section of the bill. The chairman of the Finance Committee knows a great deal more about the other provisions, and maybe even this one, than the Senator from Delaware does. I spent a great deal of time on this one provision, and I would very much like to suggest I strongly support the bill's other stipulations concerning human rights and trade but Chinese proliferation practices have been a matter of my special concern for some time now.

I would also like to thank the majority leader for agreeing to convene a secret session of the Senate this afternoon. I understand that is an unusual process, and I appreciate him considering my request.

This morning, I will outline my arguments concerning the importance of what I will call the Mitchell-Biden provision in the bill, the provision on weapons proliferation. This afternoon, I will buttress that argument with specific intelligence information, and I hope my friend from Montana will be there and others who have a keen interest in this subject and I believe with

every fiber in my being, that this is a debate not about the ends but about the means. I would like to discuss some of the intelligence means, if you will, in the secret session which I acknowledge is unusual but it is the only forum that I know that can assure that all Members are aware of everything I am aware of and they can draw their own conclusion.

Once that case has been heard in secret session, I believe that there will be few Senators, if any, who will find it possible in logic or I suspect in good conscience to oppose the weapons provisions. Nor having heard the case do I think it will be possible for any Senator to understand how the Bush administration can logically oppose such a provision. These provisions do no more than lock in the pledges to which the Senator from Montana and others have already spoken, pledges that Beijing has now formally made to the United States, pledges on the basis of which the administration acted last Friday, with my support—not that they needed it—with my support to lift sanctions against certain Chinese companies.

In effect, the contract has been sealed, Mr. President. But later today, Senators will understand more fully that without the provision in this bill that I am referring to, there is a real likelihood that dangerous Chinese proliferation practices, practices directly contrary to United States interests, will resume.

I think it is no exaggeration to say, Mr. President, that it would be the height of irresponsibility to ignore the case that will be made later today. Moreover, I assure my colleagues that over time it will not be possible to ignore that case. Today will mark the point beyond which there can be no excuse on the part of any in this Chamber for ignorance of the sobering facts of Chinese proliferation practices in the past and intelligence estimates of the past, the present and the future.

Let met reiterate, Mr. President: Today will mark the point from which the Senate will know the point beyond which only negligence of information—or negligence of its probable consequences—could possibly explain passivity on this issue.

The case, Mr. President, is straightforward. It concerns the proliferation of modern, medium-range ballistic missiles to two of the most dangerous and volatile countries in the Middle East.

Just how lethal the particular weapons in question may be, how they could tip the balance in the Middle East, and how they could eventually threaten American lives can be discussed in open session later this afternoon.

But let there be no mistake this morning; we are dealing here not with an abstract problem. Our subject is weapons of a capability far greater than any Scud missile ever possessed by Saddam Hussein. Our subject is weapons which, if transferred, would pose a direct and discernable threat to the vital interests of the United States, the vital security interests of this country.

Mr. President, it is clear that China's leaders see the missile business as an important source of hard currency. Because they do, we know that only strong pressure from the West will inhibit the Chinese from making these sales. Such pressures must be designed to force China's leaders to engage in a cost-benefit analysis, and to see that China's interests will suffer if they do not cease and desist and abide by their agreement.

The Mitchell bill forces Chinese leaders to choose between a weapons market that can be denominated in the hundreds of millions of dollars and the American consumer market in which China enjoys a $15 billion annual surplus.

By forcing China's leaders to make that choice, this bill provides the leverage necessary to stop future arms sales that can imperil not only American allies but also American troops.

Mr. President, in recent years, the international community has undertaken several efforts to stem the proliferation of weapons of mass destruction. The Nuclear Nonproliferation Treaty has been strengthened by increasing membership, which has helped to limit dangers on the demand side, and the so-called nuclear suppliers group has been formed to ensure restraint on the supply side of nuclear technology.

Meanwhile, the Missile Technology Control Regime has intensified restraints against the spread of potent delivery systems.

Finally, Mr. President, the so-called Australia group has worked to limit the availability of technology necessary for the production of chemical and biological weapons.

I applaud all of these efforts. Indeed, Mr. President, I wish we were doing more. I have, for example, on this floor evidenced my severe disappointment that the administration has done only the minimum possible in response to the congressional mandate enacted a year ago, that we seek to create a multilateral arms supplier regime that would limit the transfer of highly lethal conventional weapons to the Middle East.

But that is a discussion for another day. What we are considering today is the opportunity and the imperative of acting to stop a clearly identifiable and immediate threat. We have a problem of major proportions, Mr. President, which I will lay out in stark detail in the secret session this afternoon. Fortunately, though, we have a sufficiently potent solution to meet the problem, and our task is simply to apply the solution.

After years of resistance, China has finally agreed to sign the NPT and has pledged to join the major Western powers and also Russia and the other commonwealth States in abiding by the Missile Technology Control Regime.

The problem is that, by the evidence of experience and the evidence of current intelligence data, which we will discuss this afternoon, the Chinese will not live up to those regimes unless they know that a violation will entail serious consequences.

The Mitchell bill embodies policies that are both flexible and strong. It would not—I emphasize, it would not—upon enactment require termination of China's MFN status, and it is flexible enough to allow MFN extension this coming June if the President certifies China's "overall significant progress" on proliferation has been made. If China abides by its recent pledges, that certification can be certainly made.

At the same time, the Mitchell bill requires a definite MFN cutoff if China sells fully manufactured missiles—or nuclear weapons technology—to Syria or Iran. It thereby provides a powerful deterrent against any temptation by China's leaders to proceed with such extremely dangerous transfers.

Just how strong that temptation is, Mr. President, and just how effective congressional pressure has proven to be are matters for discussion in secret session this afternoon.

For now let me specifically reiterate the terms of the Mitchell-Biden provision. Under it, the President can extend MFN in June 1992 if two conditions have been met:

First, China must not have transferred M series missiles or nuclear weapons technology to Syria and Iran, and thus far China has not.

Second, the President must certify that China has made "overall significant progress" in curbing weapons proliferation. Although China's recent sales of nuclear and missile technology are troublesome, and we will discuss that this afternoon, China's pledges to abide by MTCR and NPT represent progress. If China fulfills its pledge, the President can make this certification.

In sum, on weapons proliferation, the Mitchell-Biden provision is far from draconian, as some would have us say, and clearly is no blunderbuss because all we are asking them to do is abide by what they have already promised to do. If they do that, MFN is secure.

On the contrary, it simply provides the leverage that should be sufficient to convince the Chinese to live up to their pledges and without which the Chinese can be expected to consider violating their pledges in spirit if not in letter, and I will speak to that this afternoon as well.

In the realm of dangerous weapons proliferation, enactment of this bill will have one of two consequences. The

likely consequence is that it will serve to induce China's compliance with international standards, at a time when proliferation in the Middle East could be perilous in the extreme. In the alternative, China will pay an onerous and well-warranted price.

Mr. President, Beijing's leaders have made a formal pledge to the Bush administration. As to this date, nothing in the Mitchell-Biden provision requires a cutoff of MFN. If China upholds its pledge, nothing in this provision will interfere with China's MFN trade status.

Surely, if China breaks that pledge, even the Bush administration, despite all its fondness for quiet diplomacy, would be prepared to respond to such a blatant irresponsibility.

I, therefore, Mr. President, urge my colleagues understand that this provision does no more than lock in, by stipulating a clear and unwavering sanction, the pledges that China has already made to this administration.

We have heard much about the new world order, Mr. President. The Senate today can take a constructive step to help ensure that we do not let another genie out of the bottle that could help destroy the new world order before we have even begun to explore its full potential.

This is not a time for Senate acquiescence but a time for Senate action to ensure that the pledge from Beijing, a pledge that bears vitally on U.S. security interests, is adhered to with the full rigor of a solemn obligation. Let us do no less.

This afternoon, Mr. President, I strongly urge my colleagues to come and listen to the detail and make their own judgment about the intelligence data.

I thank the Chair. I thank the chairman.

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Alaska.

The PRESIDENT pro tempore. The Senator from Alaska [Mr. MURKOWSKI] is recognized for 5 minutes.

Mr. MURKOWSKI. I thank the Chair. I thank my colleague.

ISOLATION OR CONTACT?

Mr. President, this is the third year in which I have come to the Senate floor to debate United States relations with China, in the context of the tragic events of June 1989 in Tiananmen Square. The question that we—as legislators—have been debating for these 3 years is whether it is in the best interest of the United States to turn our backs and isolate China until she changes her ways, or to maintain our contacts in order to promote the reforms and freedoms we think are missing in China.

Mr. President, the advocates of the bill before us, the United States-China Relations Act of 1991, must believe that isolation is the way to achieve our goals. I think that is indeed unfortunate. Although they say that H.R. 2212 will grant most-favored-nation status to China, they know that conditional MFN is the same as denying MFN. The Chinese have stated publically that they will not only refuse to accept conditional MFN, but they will also retaliate immediately.

Isolation is not the way to force change in the People's Republic of China. The only way to make the hardline Communist leaders in Beijing reform, is to keep up the pressure on them through contact, trade, tough negotiations, and targetted sanctions. I know this, the President knows this, and the Senate must show that it too knows this by defeating this bill.

Mr. President, the old guard China is watching the reforms in the Soviet Union. If they are successful, then they themselves, in China, will have to reform. But if we isolate China, they will dig in even deeper. We will have to wait for a new opportunity.

Mr. President, the question is how long.

Mr. President, every Member of Congress is rightfully concerned with China's record on human rights abuses, unfair trade practices, and weapons proliferation issues.

No one is more concerned about these issues than I. As vice chairman of the Intelligence Committee, and ranking minority member on the East Asian Subcommittee of Foreign Relations, I am committed to seeing these issues addressed. And so is the administration. That is why over the past 3 years they have implemented a series of targeted sanctions that directly address the problem we face with China. These sanctions have produced results in the areas of human rights, trade and proliferation. More remains to be done, but it is clear that pressure and engagement are paying off.

REASONS TO ENGAGE

The loss of MFN, which this bill would cause, will seriously affect American business interests. In 1991 alone, the United States exported over $6 billion worth of goods to China, and this is a growing market. Thanks to tough negotiations led by the U.S.T.R., China is improving its record on violations of copyright laws, intellectual property rights, and market access. But taking away MFN will lead to retaliation and increased tariffs. This will cost American business and American consumers.

But it will not faintly hurt China. No other nation is considering revoking MFN for China, so our important export market will just shift to our competitors. It will shift to Japan. In times of large trade deficits, we do not need to lose another market. More importantly, how will the United States use this to pressure to change China?

We also know that the loss of MFN will hurt the very people we are trying to assist in China, those who believe in the power of the free market, a decentralized economy, and interaction with the outside world. As many as 200,000 reform minded Chinese could easily lose their jobs and livelihood if MFN is revoked.

Loss of MFN will do irreparable damage to the economy of Hong Kong. The people of Hong Kong are already reeling from the fact that they will return to China in 1997. As the largest single investor in Hong Kong, other than China, the United States must do everything in its power to provide a stable and prosperous society in Hong Kong.

WEAPONS PROLIFERATION

All of these are good reasons to continue our relationship with China. But none of them are as compelling to me as the issue of missile proliferation.

I share the deep concern of other Senators regarding China's practice of selling weapons of mass destruction to any country willing to pay. There is no excusing the record—it shows Chinese sales of missiles, chemical and biological weapons, and nuclear technology to some of the most irresponsible and dangerous regimes in the world.

I agree with those who believe this is the most serious single issue straining United States-Chinese relations. As bad as some of China's behavior has been, it does not directly threaten United States national interests and security; directly, that is. But missile and nuclear sales to renegade governments certainly do. This is not simply China's business, it is our business and it is the world's business.

Consequently it is this issue that should be the focus of our concern in considering whether to continue MFN status for China.

I am pleased that the administration has made a major effort in exactly this direction. Both Secretary Baker and the President focussed on this issue in recent meetings with the Chinese. I believe they have achieved a breakthrough. China has publically made two pathbreaking commitments: First, to sign the Nuclear Nonproliferation Treaty by April; and second, to accept the terms of the Missile Technology Control Regime. This is real and significant.

The administration has achieved results and now the Senate should act to put those results in concrete by approving MFN without conditions. If the Senate fails to do so, China will have no reason or excuse to restrain its proliferation behavior.

Understandably, there will be many in this Chamber who are skeptical regarding Chinese good faith in fulfilling these new commitments. I share these suspicions—but we cannot test China's intentions by rejecting MFN. As vice chairman of the Intelligence Committee, I pledge to you that I will monitor China's compliance with the NPT and

the MTCR very closely. If I detect a pattern of violations I will be the first to come to the floor and demand our policy toward China be reconsidered.

CONCLUSION

Ending most-favored-nation status for China would—most importantly—reduce our ability to influence change in China.

China is not a nice country. It is the largest, the most powerful remaining Communist nation in the world. With the downfall of communism in Eastern Europe and the Soviet Union, America must seek a similar change of government in China. The most recent news coming from Beijing shows that China realizes just what a tough spot it is in. It is beginning to promote economic reform and end its hardline policies of the past 3 years. We must do all in our power to make sure these changes come about. And we must do it through example, interaction, and tough policies. Passage of this bill will only promote isolation.

Thank you, and I yield the floor.

Mr. MOYNIHAN. Mr. President, I yield 6 minutes to the distinguished Senator from Ohio.

The PRESIDENT pro tempore. The Senator from Ohio [Mr. METZENBAUM] is recognized for 6 minutes.

Mr. METZENBAUM. Thank you, Mr. President.

I thank my good friend.

Mr. President, I rise in strong support of the conference report on MFN conditions for China.

I see this issue before the Senate again is like waking from a recurring nightmare. Over and over, we pass legislation intended to express United States outrage at China's human rights record.

Yet, over and over, President Bush calls in his political chips and sends out his top lobbyists to defeat these initiatives.

First, it was the Chinese students bill, which would have given student refugees from the Tiananmen Square crackdown a safe haven here in the United States.

The President thought that extending Chinese students' visas in the United States would insult the Chinese leadership. The students' families and friends were being jailed and killed back in China, but in Washington, President Bush was more concerned about insulting the Beijing politburo.

More recently, the President leveled his guns on the legislation before us today, legislation which conditions renewal of China's most-favored-nation trading status on progress in its relations with the United States.

Trade is an important issue for the Chinese. China is running a multi-billion-dollar trade surplus with the United States.

How much of that trade is in goods manufactured by slave labor? How much from prison camp labor?

President Bush does not seem to care. And so this MFN bill, like the Chinese students bill, has faced fierce Presidential opposition every step of the way.

Mr. President, State Department staffers reportedly joke that the desk officer for China is President Bush himself. The President is a former United States Ambassador to China and he has asked us to trust his expertise. Since the Tiananmen crackdown, he has asked for our confidence and our patience because progress in China "would be forthcoming."

Congress and the American people were loath to sit back in the face of a massacre, but our President counselled patience—progress was coming he said. That was in 1989. This is 1992, and progress is tough to find.

Mr. President, what has happened since Tiananmen Square? Let us look at the facts:

National Security Adviser Brent Scowcroft was seen toasting Chinese leaders a short time after the crackdown. This was the progress Bush predicted?

Later, China stonewalled our trade negotiators on access to Chinese markets and protection of United States copyrights. What does this mean? Put simply the Chinese have flooded the United States with cheap, forced-labor products at favorable tariff rates, while closing their own domestic market to the United States. Similarly, the Chinese enjoy making use of inventions under foreign patents, but do not feel any need to pay for this use. For nearly 2 years since the crackdown, the Chinese have not budged on these issues. Is this the progress President Bush promised?

In the wake of the Persian Gulf war, shipments of Chinese-made weapons—including missiles—have made their way to a range of Middle East governments. Curbing the Middle East arms race and restoring stability to the region is one of America's highest foreign policy priorities. Yet China seems to be taking any and all bids for rearming the region.

Are these Chinese arms shipments part of the progress Bush assured?

In the years since the Tiananmen crackdown, Chinese leaders have been seen around the world indignantly protesting that human rights in China is strictly a matter for the Chinese.

A matter for which Chinese? For the Chinese people? Clearly not.

While democracy gallops forward around the world, China is taking great leaps backward into the political stone age.

Does President Bush see any progress in this Chinese arrogance?

Mr. President, the Prime Minister of China, Li Peng, offered the best answer yet to those asking about progress in China. Sitting at the first U.N. Security Council summit in over a generation, Prime Minister Li denounced human rights criticisms—while President Bush sat across the Council table from him. Li stated, in effect, that the world should mind its own business. This, from the man who personally directed the Tienanmen massacre.

What was President Bush's response to this hypocrisy? Bush rewarded Li with a private meeting.

The leader of the free, post-cold-war world sat down for a chat with the leader of the last remaining "evil empire."

Mr. President, where is the progress President Bush promised on China? Where was the progress at the United Nations? Where is the progress on arms control? Where is the progress on trade?

And most importantly, where is the progress Bush has promised on human rights? Human rights from a government that is responsible for one-fourth of the world's population.

Mr. President, the Senate failed to garner a veto-proof margin when it voted on this legislation last July 23. That vote was a stain on the record of this institution. The fact that a veto is promised for this legislation is a stain on the Bush administration's foreign policy.

Before us today is a watered-down version of the original China MFN legislation. The conference report before the Senate is, in effect, a second chance for this institution to raise its voice for human rights in the People's Republic of China.

Mr. President, this human rights bill has been trimmed and slimed in order to pass the Senate of the United States. It is a shame that tough human rights legislation cannot pass the Senate intact. but this seems to be the fact of the matter today.

Mr. President, there has been no progress in China. President Bush's policy has failed.

If we are the last remaining superpower in the world, the leader of the new world order, then it is time we stand up and take the lead on China.

Mr. PACKWOOD addressed the Chair.

The PRESIDENT pro tempore. The Senator from Oregon [Mr. PACKWOOD].

Mr. PACKWOOD. I yield myself 15 minutes.

The PRESIDENT pro tempore. The Senator is recognized for 15 minutes.

Mr. PACKWOOD. Mr. President, let us try to put this debate in perspective, if we can, as to what most-favored-nation status is, because it sounds like we are giving China a preferred status that very few other countries have.

As a matter of fact, most-favored-nation status has been granted by the United States to almost every country in the world. If it were not to be granted to China, it would be an exception to the rule, rather than making China unique in receiving it.

Most-favored-nation trading status means simply this: You will treat each

nation as favorably as you treat any other nation. If we allow cars to be imported into the United States with a 2½-percent tariff, then no matter where they come from, if that country has most-favored-nation status, they will come in on a 2½-percent tariff. That is basically what it means.

What is the history of it? After World War II, we extended most-favored-nation status to most of the world. Then with the Communist takeover in Eastern Europe, and the development of the Iron Curtain, we said it will not be extended to Communist countries. And that status continued for the better part of a quarter of a century.

Then in the mid-1970's, we passed the Jackson-Vanik amendment. Under Jackson-Vanik even Communist countries can get most-favored-nation status if they will allow free emigration. We did not condition it on observance of human rights. We did not condition it upon weapon sales abroad, not do we do it for any other nations in the world. We said: If you will let your people out, even if you are Communist, then you can get most-favored-nation status.

So now again, let us understand the situation. All of the countries initially got it. And we said Communist countries cannot have it. And then we said Communist countries can have it if they will allow free emigration. But the President, each year, would have to certify that they were allowing the free emigration. If Congress did not like the certification, they could disapprove, it, and they would not get it. But then, if the President vetoed our disapproval, they would get it. That is the background of most-favored-nation status.

Under that, we gave the most-favored-nation status to some of the most repressive dictatorships in Latin America: Chile, under the generals; Argentina; Brazil, countries whose records of civil rights in those times were as abusive as any in the world.

We, today, even though we have trade embargoes, grant the most-favored-nation status to Syria, Iran, Iraq, Libya—bastions of democracy, all. And these are countries that are involved in the buying or the selling of weapons—selling, if they have them; buying them, if they do not.

So to say we are going to hold China to a do-you-sell-weapons standard or a human rights standard, and not hold other countries in the world to the same standard, in my mind, begs the question.

For years, MFN status was not extended to the Soviet Union, and has not been yet, because the Soviets never approved the trade agreement. The Soviets are now seemingly allowing free emigration. China also allows free emigration. China's problem is not that her people cannot get out; the world will not take them in. They use up their quota in the United States every year as to how many Chinese we let in. They have free emigration.

If we want to enter into a debate about changing the standards of most favored nation, that is a fair debate. Whether or not we should change it ad hoc for one country, because we are mad at the country, is another matter.

I do not think we should change the standard for just one country. But if we are going to change it so that it includes violations of human liberties, so that it includes weapons sales, then we will be lucky if a quarter of the countries in the world are on the most-favored-nation list.

If countries are going to have to have sort of our Bill of Rights, sort of our free speech, sort of our trial by jury, sort of our self-incrimination privileges, or they do not get most-favored-nation status, then you could write out, I think, every country in Africa. There may be an exception, but not one I can think of now.

You could write out all of the Middle East, except Israel. You could write out, more or less, part of the countries, part of the time in Asia, depending upon the phase of the moon they are in. Sometimes they are democratic; sometimes not.

You would probably include in the most-favored-nation status most of Western Europe. Whether or not you would include all of the countries of Eastern Europe—some already have it, even when they were Communist—would be problematical. Certainly, we would not have it extended to very many nations.

Let us consider the two arguments raised against China. One is weapons proliferation. Yet, we have publicly known for years that China was selling arms and ballistic missiles to Iran, Iraq, Saudi Arabia, and Pakistan.

For example, on April 4, 1988, the Washington Post reported the sale of intermediate-range ballistic missiles to Saudi Arabia from China. In addition, the article stated:

> The Chinese have made their biggest sales to Iran and Iraq, and recently became the largest arms supplier to Iran.

This is the Washington Post in 1988. A month later, the Washington Post on May 14, 1988, reported on the extent of Chinese arms sales to Third World countries. The article reported that between 1980 and 1987, China signed $11.2 billion worth of arms agreements with the Third World, with almost 75 percent of this figure going to Iran and Iraq alone.

Mr. President, I have a number of these articles, and I ask unanimous consent they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 4, 1988]

CHINA BOOSTS ARMS SALES IN MIDEAST

(By Daniel Southerland)

China's sale of intermediate-rang ballistic missiles to Saudi Arabia is only one of a growing series of arms sales that earns Beijing much-valued foreign exchange and political influence, underscoring what diplomats believe is its position as at least the fifth-largest weapons supplier to the Middle East.

Only nine years ago, China was a minor actor in the divided, oil-rich region, selling less than 1 percent of all the weapons pouring into the region. Today, the Chinese sell arms to a number of antagonistic nations, such as Iran and Iraq, without seeming to lose favor in any one of them.

"They probably look more benign than either the Soviets or the Americans," said a western diplomat. "I suspect the Chinese are going to get away with this in a way that the superpowers never could."

China's military budget has declined in relative terms because the country is putting most of its funds into economic development. Instructed to pay for much of its own modernization, the military has engaged some of the country's best brains and well-connected sons in its drive to earn foreign exchange by selling weapons abroad.

Western diplomats who have studied the issue say that when it comes to deciding who is allowed to buy Chinese weapons, a key factor in most cases is whether the buyer can pay for the weapons.

According to one estimate, weapons sales represented 8 percent of China's total export earnings in 1986. Overseas arms sales totaled at least $2 billion in 1986, with most of that derived from Middle East sales.

But as a western diplomat pointed out, dollars are not Beijing's sole determinant for sales. "China is also seeking long-term influence and recognition as a major player."

China's Communist Party chief Zhao Ziyang and other Chinese leaders have stressed repeatedly that "China will never get involved in the superpowers' arms race."

This may be true when it comes to nuclear weapons, but China has entered the race to sell conventional weapons with a vengeance.

China is still far from being in the same class with the world's top arms salesmen—the Americans, Soviets, French, and Britons. But China competes well in poor nations because it can offer durable, easy-to-use arms at much lower prices than those charged for sophisticated western weapons.

According to experts, the Chinese have made their biggest sales to Iran and Iraq, and recently became the largest arms suppliers to Iran. They have sold weapons to Libya, and at one time, even made a short-lived deal with Lt. Col. Oliver L. North, the fired National Security Council aide, to send weapons to the contra forces in Nicaragua.

The Far Eastern Economic Review, a Hong Kong-based magazine, reported that North negotiated the deal in late 1984 at a meeting with a Chinese defense attache in Washington. The Chinese later reversed themselves and cut off the contra aid after deciding to befriend the Sandinista government, a diplomat said.

Chinese spokesmen have denied selling Silkworm missiles to Iran or small arms to the contras, but in both cases, diplomats say they have conclusive evidence of the deals.

Under the late Chairman Mao Tse-tung, China sought political influence among developing countries by donating arms rather than selling them. But once Beijing launched its economic development drive following Mao's death, the country became more concerned with earning hard cash.

Western experts are still uncertain, however, as to where all the money from the weapons sales goes. They do know that some

of it is used to purchase western technology for the Chinese armed services.

In the Middle East, the turning point for Chinese arms sales came in the summer of 1979 when President Anwar Sadat disclosed that Egypt was buying 50 jet fighters from the Chinese. The Egyptians subsequently purchased Chinese missiles, patrol boats, and submarines. Egypt eventually developed a strong military relationship with the United States, and became less dependent on Chinese arms.

But the Chinese found new opportunities with the outbreak of the Iran-Iraq war in 1980 and made their first sale of tanks, artillery and small arms to Iraq in 1981.

By the mid-1980s, China had developed half a dozen corporations that now compete aggressively with each other for overseas arms sales. Western experts believe that the most successful of these is Poly Technologies Inc., a subsidiary of CITIC, China's largest and most independent investment organization.

Some sources believe that it was deeply involved in arranging the sale of Silkworm missiles to Iran. Its present is Hu Ping, the son-in-law of senior leader Deng Xiaoping. Hu is said to work closely with He Pengfei, who is director of the equipment department of the People's Liberation Army and son of the late marshal He Long, one of China's foremost generals.

The two form part of an informal network of politically well-connected executives who give added clout to China's overseas arms sales drive to at least 30 nations.

Western experts say Latin America may become the new frontier for Chinese arms salesmen. Beijing has been trying to break into this market for several years and has had initial successes in Chile, experts say.

A European arms dealer said that in the coming years, the Chinese are likely to expand their sales of naval equipment, including frigates, which are much larger ships than what the Chinese normally sell.

The same dealer said the Chinese have succeeded in selling their low-cost fighter planes to a number of developing countries, cutting into the American and West European share of that market.

"For the price of one American F16, they can buy maybe eight or ten Chinese F7s," he said.

At the same time, several of the experts say the Chinese sometimes fail to provide adequate after-sales services, including maintenance, spare parts, and pilot training.

Despite such difficulties, some western experts believe the Chinese can buy more influence and good will through arms sales than the superpowers, partly because the Chinese appear to be less threatening. Contact with the Chinese could lessen the dependence on the superpowers by some countries in the Middle East.

As Francois Heisbourg, director of the International Institute for Strategic Studies, pointed out in a recent article published in the International Herald Tribune, "it is easier for China to make diplomatic incursions in a region like the Middle East, where it has no declared enemies, than in its own backyard . . ."

The Chinese have long been driven by a desire to minimize Soviet involvement in the Middle East.

One of China's foreign policy weaknesses, however, has been a lack of diplomatic relations with Israel. The Chinese cannot be full partners in prospective Middle East peace negotiations without more contact with Israel, some diplomats say.

[From the Washington Post, May 12, 1988]

U.S. PLANS TO SELL F18S TO KUWAIT; PURCHASE WOULD BE FIRST BY AN ARAB COUNTRY

(By David B. Ottaway)

The Reagan administration is planning to sell Kuwait the Navy's newest and hottest aircraft, the F18 fighter-bomber, which has never been sold to an Arab or other Third World nation, according to Defense and State department sources.

Assistant Secretary of State Richard W. Murphy disclosed Tuesday during testimony before a House Foreign Affairs subcommittee that Kuwait had notified the administration, apparently that day, of its desire to purchase the advanced aircraft.

U.S. officials said Kuwait wants to buy 40 F18s and that the administration will notify Congress soon of its intention to proceed with the sale.

Murphy indicated Tuesday that the administration had warned Congress of the possibility that Kuwait might seek F18s rather than the less sophisticated but versatile F16s, which the United States is selling to Bahrain, another Arab Persian Gulf state.

The F18 sale, if not blocked by Congress, would mark a new stage in the increasingly close U.S.-Kuwaiti security relationship since the administration decided last year to commit naval forces to protect from Iranian attack 11 Kuwaiti tankers placed under the U.S. flag.

The F18, made by the McDonnell Douglas Co., has been sold only to Canada, Australia and Spain, according to Robert J. O'Brien, the firm's director of communications here.

O'Brien said Kuwait had considered the General Dynamics F16, the F18 and "at least one European airplane" before deciding on the F18. One reason that the Kuwaitis may have preferred the F18, he said, is that it is a two-engine, rather than single-engine, plane.

Another reason for the Kuwaiti choice, according to Defense and State department sources, is that Kuwait has two squadrons of aging A4 Skyhawks, a plane also used by the U.S. Navy. "The F18 is compatible with their existing system and training," a State Department official said. "It's an issue of compatibility."

The F18 has a combat radius of more than 500 nautical miles, which would allow it to fly from Kuwait almost to the Strait of Hormuz at the other end of the Persian Gulf and to strike deep into Iranian territory, if necessary. Kuwaiti tankers and territory repeatedly have come under Iranian missile attack since the Iran-Iraq war began in 1980, but Kuwait has never struck back.

The "fly-away" cost of a single F18 sold to the Navy is $17 million, making the Kuwaiti deal worth at least $680 million. If pilot training, maintenance and accompanying weapons are included, as they are expected to be in this case, the price would be considerably higher, according to O'Brien.

O'Brien said Kuwait wants to purchase the aircraft under the U.S. Foreign Military Sales Program, which means that the Pentagon would manage the whole contract.

Meanwhile, a Congressional Research Service study of Third World arms transfers became available yesterday and disclosed for the first time U.S. estimates of China's extensive arms sales to Iran and Iraq.

Between 1980 and 1987, it said, China signed nearly $8.2 billion worth of agreements with the combatants, 74 percent of its $11.1 billion in sales to all Third World countries.

The report, compiled by national defense specialist Richard F. Grimmett and calculated in terms of current dollars, said that, from 1980 through 1983, China signed $3.6 billion worth of arms agreements with Iraq alone, 61 percent of its total $5.9 billion with all Third World nations.

During the same period, it sold Iran arms valued at $505 million, bringing sales accords with the two belligerents to 69 percent of the total.

In the 1984–87 period, however, when the value of China's total Third World arms sales was put at $5.2 billion, more than $2.5 billion, or 49 percent, went to Iran alone. Iraq still accounted for $1.5 billion, or 30 percent of China's total arms transfers, in that period.

The Soviet Union was Iraq's leading arms supplier, however, signing agreements worth $18.5 billion from 1980 to 1987 and making actual deliveries to the Iraqis worth nearly $20.3 billion.

China's percentage of total arms transfers to Iran and Iraq during this period was only 13 percent, compared with 31 percent for Western European nations.

[From the New York Times, June 11, 1987]

MAJOR DEALS CITED IN CHINA-IRAN ARMS

(By Edward A. Gargan)

European and Asian diplomats here have provided new evidence that China, despite its denials, has sold substantial numbers of weapons to Iran, including missiles, jet fighters and field artillery.

Chinese officials, who consistently assert that Beijing is neutral in the Iran-Iraq war and that it does not sell weapons to either side, repeated the denials again today.

"Those reports are sheer fabrication," said Li Jinhua, a spokeswoman for the Foreign Ministry. "The Chinese Government maintains strict neutrality in the Iran-Iraq war and is making efforts to urge Iran and Iraq to put an end to the war."

United States officials have said China has provided Iran with the Silkworm missile, a surface-to-surface weapon that can strike oil tankers and warships in the Persian Gulf. Frank C. Carlucci, President Reagan's national security adviser, said on Saturday that the United States did not believe China's statements denying it had sold missiles to Iran. [But Howard H. Baker Jr., the White House chief of staff, said in Venice on Wednesday that he accepted Beijing's denials. Later, a White House official said Mr. Baker had been mistaken in his comments.] Kuwaiti Request Being Studied At the same time, the Chinese Foreign Ministry acknowledged that Kuwait had asked China to consider allowing Kuwaiti tankers to be registered under the Chinese flag. The ministry said the request was being studied.

The United States plans to place half of Kuwait's 22-tanker oil fleet under protection of the American flag.

Many diplomats here say China has sold up to $2 billion in arms to Iran over the last two years. A Kuwaiti newspaper report quoted in a Hong Kong newspaper, as well as two diplomats here, said China had received oil in exchange for the arms.

Among the arms China is thought to have sold Iran are Chinese-made field guns, Chinese versions of the Soviet MIG–19 and MIG–21 fighters and Chinese-manufactured T–59 tanks, also a copy of a Soviet design. Information on those arms was provided by one diplomat but could not be confirmed by others.

Much of the evidence cited by diplomats here is fragmentary, but the diplomats say there is no longer any doubt that large qualities of Chinese arms have been shipped to Iran, with much going through third countries.

Last year, an Asian diplomat said, a shipment of Chinese weapons was sent to Iran through North Korea. A second shipment, the diplomat said, was moved through Hong Kong. Another Asian diplomat, who often travels to Pyongyang, said today that North Korea was a common conduit for arms shipments to Iran.

Chinese officials, according to American diplomats, have maintained that they had nothing to do with selling arms to Iran, but that North Korea had done so on its own. This assertion, however, has been rejected by Washington.

ISSUE RAISED BY ARAB LEAGUE

Last month, a seven-member delegation of foreign ministers from Arab League nations visited Beijing and raised the issue of Chinese arms sales to Iran with Chinese officials at every level, according to an Asian diplomat.

Several Western European businessmen in Beijing said China had offered to trade oil in exchange for their products rather than make a straightforward cash purchase. An American oil executive here said today: "It's Iranian oil. That's what they're using."

Asian and European diplomats said China could use Iranian oil in trade arrangements only if it had more oil from its arms sales than it needed.

According to an Asian diplomat, China's interest in selling arms to Iran has far less to do with financial gain than with strategic interests. China, the diplomat said, wants to use Iran as a counterweight to the Soviet Union and to Soviet influence in Afghanistan.

Iran's Foreign Minister, Ali Akbar Velayati, is to visit Beijing on Friday after a visit to North Korea.

[From the New York Times, July 25, 1987]

CHINA MAY ABSTAIN IN IRAN VOTE IN U.N.

(By Edward A. Gargan)

China will probably not block an effort by the United Nations Security Council to impose an arms embargo on Iran, but it will continue to provide to provide military support to the Iranians nonetheless, according to Western diplomats here.

Two diplomats here said China would probably abstain from any vote on an arms ban. The United States has said it is likely to present a resolution within two months to impose an arms embargo on either side in the Iran-Iraq war that does not accept a cease-fire. Iran has already rejected a truce. It is widely believed among Western diplomats here that China has supplied Iran with large numbers of weapons, including anti-ship Silkworm missiles, and will continue to do so regardless of what the Security Council decides.

China insists routinely that it has not sold weapons or missiles to Iran or Iraq.

U.N. TRUCE CALL ON MONDAY

Two weeks ago, Vernon A. Walters, the United States representative to the United Nations, was in Beijing to discuss the Security Council resolution calling for an end to the Iran-Iraq conflict, and he expressed optimism then that China would support that Council action. A resolution calling for an end to the seven-year war was unanimously adopted Monday.

An American diplomat who is familiar with Mr. Walter's discussions with Chinese officials said the question of Iran's refusal to abide by a Security Council resolution had not been discussed. "There have been no discussions as to what will happen if the Iranians do not accept the resolution," the diplomat said.

But the diplomat said there was no reason to believe that the Chinese would block further Council action. "Personally, I don't see China as being obstructionist," the diplomat said.

At the same time, the diplomat said China had indicated it wanted to give the United Nations Secretary General, Javier Perez de Cuellar, "adequate time" for mediation and for carrying out the first Council resolution before expressing a view on an arms embargo on either Iran or Iraq.

'TOO EARLY TO SAY'

Among European diplomats, several views were expressed in recent days. One diplomat said "it is still too early to say" what action China would take if Iran rejected the United Nations move.

But a second Western European diplomat, who discussed the issue with other diplomats this week, said it was likely that China would abstain from any vote in the Council calling for a ban on arms sales to Iran.

According to this diplomat, China believes that the Security Council may properly call for peace in the Persian Gulf but that it should not inject itself actively into the conflict by voting an arms embargo.

Nonetheless, a senior Latin American diplomat who discussed the matter this week with his colleagues said that while there was uncertainty over how China would react to a second Council action, "the Chinese need to appear supportive of the U.N. initiative."

There have been only the briefest reports in the Chinese press on the Council vote or on developments in the gulf, and there have been no commentaries elaborating on the Chinese position on the Council action.

BEIJING'S VIEW NOT GIVEN

The English-language service of the New China News Agency has reported the United Nations vote and has issued several reports on the re-registering of Kuwaiti oil tankers and the role of United States warships in escorting them, but it has pointedly not mentioned Beijing's views on the situation. Indeed, in a long dispatch filed from the United Nations, the news agency quoted the views of all members of the Council except China.

In recent weeks, a photocopied price list of Chinese armaments has circulated in the capital. A Middle East diplomat said he had been given the list, which he said represented very competitive prices for basic armaments.

Among the items on the list are a 107-millimeter rocket launcher for $21,000, an SAM-7 missile for $40,000 and a T-59 tank for $250,000. Also included are machine guns, MIG-21 fighter aircraft and steel helmets.

[From the New York Times, Aug. 8, 1987]

UNITED STATES TO SEEK ARMS EMBARGO AGAINST IRAN THROUGH THE UNITED NATIONS

(By Elaine Sciolino)

The United States has begun new consultations on a resolution at the United Nations Security Council that would seek to impose an arms embargo on Iran for its continuation of the war with Iraq, State Department officials said today.

Also at the United Nations, Iran's chief delegate Said Rajaie-Khorassani, said that he had told Secretary General Javier Perez de Cuellar that he still had no instructions on whether Iran would accept a previous United Nations resolution, passed last month, demanding an immediate cease-fire in the Persian Gulf conflict.

The United States began formal consultations with other Security Council members this week, and it has begun drafting language for a resolution that would impose a global arms embargo on either party in the war that refused to accept a cease-fire.

Since Iran has refused to accept a cease-fire unless President Saddam Hussein of Iraq is overthrown, the embargo, which has little chance of passing, would affect only Iran.

According to United States intelligence officials, Iran has bought weapons valued at $1 billion so far this year and may have acquired as many as 100 Chinese-manufactured Silkworm anti-ship missiles.

NEW ESCORT OPERATION

Meanwhile, Pentagon officials said the American naval escort of three more Kuwaiti tankers would begin in the next few days, even before the arrival of minesweeping helicopters and other protective forces in the gulf.

Initially, the United States was to have delayed the new escort until after Iran completed naval maneuvers near the strait of Hormuz and until after the arrival of eight minesweeping helicopters, in about five more days, Pentagon officials said. They gave no reason to account for the start of the new escort operations without the added minesweeping protection.

Within the next several weeks, the United States will have about 24 naval vessels and more than 15,000 American military personnel in the gulf and in the Indian Ocean, the largest deployment in the region since the early days of the Iranian revolution of 1979.

Later, Administration officials said, the battleship Iowa will sail to the Arabian Sea to relieve the battleship Missouri, with both ships being on station there briefly toward the end of the year. The Iowa, now in port in Norfolk, Va., will spend about three months in the Mediterranean before going to the Arabian Sea. The Missouri is to arrive in the region later this month.

Despite the increased American naval presence, Secretary of State George P. Shultz told a Senate appropriations subcommittee today that the United States has no intention of being drawn into the Iran-Iraq war. He also said that the Administration does not intend to invoke the 1973 War Powers Act to justify its gulf policy.

SHULTZ DEFENDS GULF POLICY

Mr. Schultz defended the policy of putting Kuwait tankers under American naval protection, saying it was intended to guarantee the free flow of oil to the West and "to make sure that states that are friendly to us are not intimidated by Iran."

His testimony came as 114 members of Congress were completing preparations on a lawsuit seeking to invoke the War Powers Act, which limits a President's authority in sending American military personnel into situations of "imminent hostilities."

The United States, which has taken the lead in the United Nation's effort to bring about a cessation of hostilities in the gulf, appears to be losing patience with Iran's failure to respond to the cease-fire proposal.

Mr. Perez de Cuellar, who was asked by the Security Council to mediate between the two sides, has been unsuccessful in arranging a meeting with Iran to discuss a cease-fire. A meeting scheduled two weeks ago in Geneva between the Secretary General and Iran's Foreign Minister, Ali Akbar Velayati, was canceled by Iran.

WE HAVE TO BE PREPARED

"We hope we won't have to use this measure, but have to be prepared just in case," a State Department official said of the initiative to impose an arms embargo.

It is highly unlikely that China, and perhaps the Soviet Union, will agree to such a

sanction. China is Iran's largest arms supplier, and its arms industry is an important source of hard currency.

In the first seven months of this year, China sold about $400 million of arms to Iran, according to United States intelligence officials. In addition to the Silkworm missiles, China has delivered multiple rocket launchers, artillery pieces and anti-aircraft missiles this year.

The officials said there is some evidence, however, that China may be reducing its arms sales to Iran because of American pressure and widespread publicity.

DANGEROUS WATERS

As for the Soviet Union, Foreign Minister Eduard A. Shevardnadze said in Geneva today that it was premature to discuss sanctions.

"Let's not run ahead of events," Mr. Shevardnadze said at a news briefing. "As far as the sanctions are concerned, let's see how the mission of the Secretary General, Mr. Perez de Cuellar, comes out."

Mr. Shevardnadze said that the gulf waters were growing more dangerous every day and called for the withdrawal of foreign warships, notably those of the United States.

"We have to work to remove the military presence," he said. "I have in mind the naval units of the great powers, including the United States."

PROPOSAL BY ITALY

Baghdad has said it will accept a total cease-fire if Teheran does. It has rejected any partial cease-fire that might include hostilities in the gulf, but not the land war. In response to pressure by the United States, Iraq has temporarily stopped attacking ships in the Persian Gulf.

Also today, Italy asked the Security Council to consider an initiative to clear mines from the gulf, according to an official statement issued after a Cabinet meeting in Rome.

The Security Council will informally meet to discuss the proposal early next week. But the idea is unlikely to win much support, especially from the United States, because any United Nations initiative would have to include the Soviet Union. The United States would like to avoid a further Soviet presence in the gulf.

Administration officials hope that a plan for joint European action to help clear the gulf of mines will emerge from the discussions, especially since a large percentage of the oil supplies of western Europe and Japan are imported from the Persian Gulf.

FOREIGN AFFAIRS; CHINA AND ARMS SALES

(By Flora Lewis)

China's sale of medium-range missiles to Saudi Arabia touched off a furor, evidently to Beijing's surprise. The official explanations are resentfully defensive.

They run along two lines. One is, "Why should anybody have the right to say who can sell and who can buy weapons? The U.S., France, Italy, Britain and Sweden sell weapons all around the Middle East. Why should China be excluded?"

The second argument, in the words of Vice Foreign Minister Qi Huai Yuan, who is responsible for Middle East affairs, is that the sale was "welcomed by Arab states" and "contributes to regional stability." He said that critics have "ulterior motives" in "not understanding China's policy." The missiles, called East Wind 3 by the Chinese and CSS-2 by Americans, were produced as nuclear launchers, the first intermediate-range missiles designed and made entirely by the Chinese. Their range is 2,500 to 3,000 kilometers, a big arc.

They are liquid-fueled, hard to prepare for use and poor on accuracy. U.S. Experts say that without nuclear warheads, the missiles aren't reliable against military targets and are virtually obsolete. The Chinese say they serve only as a deterrent for the Saudis, against possible attacks from Iran.

But all the more because of inaccuracy they are terror weapons. With heavy conventional explosives, or possibly with chemical agents, they could devastate cities. They are an escalation of arms technology in a bellicose, unstable region and could provide another turn in the spiraling Middle East arms race.

The Chinese argue that the range is not greater than that of planes provided by the U.S. to Saudi Arabia and Israel. Of course, there is no real defense against missiles, while air defenses are well developed.

Despite its principle of sovereign freedom in arms sales, China has extracted three key commitments from the Saudis. They are: no right of resale, only retaliatory use and no nuclear warheads, which China says it would never provide. But somebody else might one day.

Chinese officials say the Saudis are "responsible and moderate," and wouldn't break these undertakings. Still, nobody can guarantee this will hold indefinitely, in all circumstances. So the sale provokes serious questions about how such decisions are made here, and China's political criteria.

A major element is clearly money. China's military has been put in a tight budget squeeze. It comes last in the goal of "four modernizations" and yet, like the Soviet military production complex, it operates with great autonomy. Only military enterprises can keep all the foreign exchange they earn. Others have to remit half or more to the central Government. The military has made several billion dollars on arms sales, three-quarters to Middle East states, according to Western estimates.

Yet money is not the only point. Saudi Arabia is one of the few countries with diplomatic relations with Taiwan, not Beijing, and China would like to influence a switch. Also, China came to realize that the sale of its Silkworm missiles and other arms to Iran upset the Arabs. It apparently thought a better balance in its relations with Arab states could be restored by providing missiles to the Saudis.

China wants presence in the Middle East as a matter of status. Mr. Qi said that China has "no special interests in the region, but a big country should take a stand on these important questions," a fairly candid admission that power prestige for its own sake is important.

Though he denied it on the record, there is evidence that the Foreign Ministry was not much involved in the sale, initiated by the Saudi Ambassador to Washington, Prince Bandar bin Sultan, who arranged it here in deepest secrecy in 1985. The U.S., to its annoyance, learned about it only recently.

The worrisome conclusion is that the Chinese military simply failed to consider broader political, destabilizing consequences. There is subtle evidence that in the future the Foreign Ministry will be more seriously consulted.

That isn't good enough, given the hazards. China has reached a capacity to tip the balance in dangerous areas. Since it is determined to be considered a major power, it must be drawn into international consultations on responsibilities and results of arms escalation in dangerous regions.

Mr. Qi forcefully rejected that idea on grounds of unlimited national sovereignty. But China's interests would also be touched if conflict spreads. It wants to enter the world economy and world politics. It must accept that the role it seeks to play affects the partners it needs, and take account.

[From the New York Times, Dec. 13, 1989]

BUSH IS RIGHT ON CHINA

(By Michel Oksenberg)

As a centrist Democrat who advocates policies that advance our national values and our national interest, I am troubled by the eagerness of many fellow Democrats to score debating points off President Bush's China policy.

The President is accused of being a wimp, this time for dispatching his national security adviser, Brent Scowcroft, and Under Secretary of State Lawrence Eagleberger, to Beijing to "kowtow" before the Chinese.

In reality, President Bush's sending of the Scowcroft mission was an act of courageous leadership that his critics on other days claim he never exhibits.

The President decided to endure the predictable condemnations from the left and right. Further, he knew that dialogue at high levels in Beijing rarely leads to public agreements and that the results come out slowly. In the meantime, critics will point to the absence of immediate gains to prove the exercise was futile.

The principal reason that George Bush has given for Mr. Scowcroft's trip is persuasive: to maintain official contact with the leadership that is slipping into a position of dangerous isolation.

Governments throughout the world, including our own, appropriately and immediately responded to the brutality and callousness of China's leaders last June by condemning the gross violation of human rights, by ceasing high-level contacts and applying an array of costly economic sanctions that mostly still remain in effect. Foreign investment, scientific exchanges and tourism have all dropped precipitously.

The cumulative impact of these justifiable measures is taking hold. They have placed the hard-bitten and stubborn leaders in Beijing in a bind. But the measures also are creating a siege mentality.

It seems prudent in this context to do exactly what George Bush has done: To probe and to ascertain whether the pressure is inducing any flexibility and to discourage Deng Xiaoping and his associates from sinking into the totally isolationist and antiforeign posture that has all too often characterized China in this century.

While the events in China since June 1 are deeply abhorrent to us, the situation could easily become worse: even more oppression at home and a troublesome and recalcitrant China abroad. That is what the Administration is attempting to prevent, recognizing that additional pressure and continued absence of dialogue only increase the danger.

The continued tranquility and prosperity of East Asia depends upon China's constructive engagement in the region. In Indochina, Beijing has an indispensable role in influencing the Khmer Rouge and in forging a viable coalition government to bring peace to Cambodia.

China's arms sales policies obviously concern the U.S., especially in the Middle East. As China's foreign currency reserves drop, it is important to obtain renewed assurances that revenue shortfalls will not be remedied through weapons sales.

Finally, as the Soviet-American relationship undergoes fundamental change, it is im-

portant that both Washington and Moscow—not just Moscow through its improved channels with Beijing—inform the top leaders of China of what transpired in Malta. The burden is now on Beijing to help the Administration. Rather than directing fire at George Bush, bipartisan pressure should now be exerted on Beijing for what measures it now will undertake to halt continued deterioration in China-American relations.

Beijing should be urged to grant amnesty to demonstrators, acknowledge that the events of June were a tragedy, release an even incomplete list of the names of those killed in June, diminish the pointed criticisms of foreign ideas and influence and halt the oppressive climate that now pervades many universities and research institutes. These measures would begin to alleviate the quiet anger among the populace and make Beijing a somewhat more comfortable place for foreigners.

To signal an interest in joining President Bush's effort to keep the relationship alive, the Chinese could also take such steps as stopping the jamming of the Voice of America, allowing the dissident physicist Fang Lizhi and his wife to go abroad, resuming the Fulbright program and renewing negotiations over establishing a Peace Corps presence.

Unfortunately, since the June tragedy, Democrats have been swift to criticize but have offered no plausible alternative to the President's China policy. Instead, they have tended to indulge in the rhetoric of moral indignation, to treat the Chinese leaders as pariahs in world affairs and to advocate sanctions that our Asian allies are unlikely to sustain and that will therefore separate us from them on a key issue.

Not a single leading Democrat has seen fit to go to China to express his or her views directly. We have a right to expect more from a party that properly condemned the Reagan Administration for failing to have adequate contact with top Soviet leaders during his first five years in office, while Democrats boldly paraded to Moscow to plead the cause of human rights directly to Soviet leaders.

The result is that China policy has again become a partisan issue, as it was in the 1950's and 1960's. The President and moderate Republicans are defending a constructive relationship with the most populous nation on earth, while Democrats are drifting toward what appears to be a willingness to risk isolating China's Government and to court its animosity. This is bad politics and an abdication of statesmanship.

The American people are unlikely to support for long a policy that treats the leaders of China as the enemy and isolates them in world affairs. In terms of statesmanship, the U.S. tried to isolate China for 20 years, following the 1949 revolution. Its efforts ended in failure.

A centrist policy demands both condemnation for China's human rights violations and an unequivocal and repeated acknowledgment that we continue to share many interests with Beijing, repulsive as its deeds of June and thereafter are. And high-level consultations with the leaders in Beijing realistically are a necessary part of the process of making sure these principles and interests are served.

[From the New York Times, June 21, 1990]

ARMS SALES TO THIRD WORLD SAID TO DECLINE SHARPLY

(By Robert Pear)

Arms sales to the Third World decreased sharply last year as the United States, the Soviet Union, China, France and Britain found fewer buyers for their weapons, the Congressional Research Service reported today.

Over all, sales declined 24 percent, to $29.3 billion, the lowest level since 1983, the agency said. Arms sales to the third world totaled $38.4 billion in 1988.

The report shows a substantial decline in the value of weapons purchased over the last few years by 7 of the top 10 customers in the Third World, including Libya, Syria and Iraq.

The study lists three possible reasons for the changes: a "scaling back of regional conflicts," the heavy debt burden on third world countries and the fact that many nations are still "absorbing the weaponry they bought in the late 1970's and early 1980's."

WHERE IS THE MARKET?

The report, based on a wide range of classified intelligence data, suggests that United States arms manufacturers will have great difficulty using foreign sales to make up for cutbacks in military procurement at home, because the worldwide market is shrinking as the cold war winds down.

"Even oil-rich nations in the Third World have made more selective purchases in recent years as oil revenues have declined, and they have sought various concessions from suppliers," said the author of the study, Richard F. Grimmett, a defense specialist at the Congressional Research Service, an arm of the Library of Congress. "Where is the market for arms suppliers? If the cold war continues to wind down, you will see increasing competition over a very much reduced pie."

The trend is indicated by the fact that the United States delivered 179 supersonic combat aircraft to the Third World in the period from 1986 through 1989, compared with 321 in the previous four years. American deliveries of tanks and self-propelled guns dropped to 596, from 2,253.

Soviet arms sales to the Third World fell 21 percent last year, to $11.2 billion, while American arms sales declined 14 percent, to $7.7 billion, the report said. Chinese sales fell 52 percent, to $1.1 billion, the British arms sales were down 36 percent, to $3.2 billion.

BIG DROP IN FRENCH SALES

France, the third biggest supplier of arms to the developing world in the last decade, "suffered a massive decline" in the value of its arms sales, the study said. France signed contracts worth $300 million last year, down 90 percent from the $3.1 billion recorded in 1988.

Three months ago Administration officials said the United States and the Soviet Union were increasing foreign arms sales to their friends and allies in advance of agreements to reduce conventional forces in Europe. But those plans did not affect the 1989 data. Arms sales to members of the North Atlantic Treaty Organization and the Warsaw Pact would not affect the statistics in any event because the Third World, as defined in the study, excludes members of the two alliances.

China's arms sales to the Third World have declined steadily over three years, from $4.7 billion in 1987 to $2.3 billion in 1988 and $1.1 billion last year, the report said. Nevertheless, China has clearly established itself as a major supplier. In the period from 1986 through 1989, the total value of its sales to the third world exceeded the total for Britain, France or West Germany.

China is the main supplier of arms to Iran. The value of its arms deliveries to Iran has risen sharply in recent years, to $2.7 billion in 1986–89 from $570 million in 1982–85. The Soviet Union is the main supplier to Iraq. Soviet shipments to Baghdad declined, to $10.7 billion in 1986–89 from $11.4 billion in the previous four years.

SAUDI ARABIA THE TOP BUYER

Saudi Arabia topped the list of buyers last year, receiving $4.9 billion worth of arms deliveries, while Afghanistan ranked second, with $3.8 billion of deliveries, mainly from the Soviet Union.

Over the last eight years, "Saudi Arabia and Iraq have been, by a wide margin, the top two Third World arms recipients, receiving deliveries valued at $46.7 billion and $45.7 billion, respectively," the report said.

The Congressional Research Service reported a huge increase in arms deliveries to Afghanistan, from $2.5 billion in 1982–85 to $9.1 billion in 1986–89. The weapons have enabled the Kabul Government to hold off guerrillas armed by the United States.

SALES TO LIBYA FALL

Analyzing trends over the last decade, the report observed that arms deliveries to Libya fell 62 percent, from $9.1 billion in 1982–85 to $3.5 billion in 1986–89. Deliveries to Syria fell 44 percent, to $5.5 billion from $9.9 billion. And arms shipments to Iraq declined 35 percent, to $18 billion from $27.7 billion. The Soviet Union is the principal supplier to all three countries.

Patrick L. Clawson, the author of a recent monograph on Syria, said that the Soviet Union had urged Syria to abandon its goal of "strategic parity" with Israel and had become less willing to extend credit to Syria for the purchase of Soviet weapons.

Copies of the report can be obtained from the Library of Congress, Congressional Research Service, Washington, D.C. 20540.

[From the Washington Post, Aug. 5, 1990]

U.S. ENVOY SENT TO CHINA FOR TALKS ON GULF

(By Lena H. Sun)

The State Department's top expert on Asia, Assistant Secretary of State Richard Solomon, arrived here today to discuss the Iraqi invasion of Kuwait and other issues.

Solomon, who flew from Moscow where he had been traveling with Secretary of State James A. Baker III, is the highest-ranking U.S. official to visit China since the controversial secret mission last December by national security adviser Brent Scowcroft.

A spokesman for the U.S. Embassy here said Solomon is briefing Chinese Foreign Ministry officials on the Middle East situation as well as on the recent U.S. decision to drop diplomatic recognition of the Chinese-backed guerrilla alliance fighting the government in Cambodia.

Officials said the visit was in keeping with the joint call by Baker and Soviet Foreign Minister Eduard Shevardnadze for a worldwide arms embargo and other sanctions against Iraq to bring about a withdrawal of Iraqi forces from Kuwait.

Solomon met today with Foreign Ministry officials and is scheduled to have at least one more meeting Sunday before flying to Tokyo and Seoul. U.S. officials declined to comment on the substance of the talks.

It is unclear how much influence China has in the Persian Gulf region. As a member of the U.N. Security Council, Beijing has a diplomatic role, and in recent years has become one of the region's major arms sellers, supplying arms to both Iran and Iraq during their eight-year war.

Chinese sales to Iraq have consisted mostly of small arms and fighters. But because

China recently established diplomatic ties with Saudi Arabia, and Saudi King Fahd has accepted China's invitation to visit, some Western observers said Beijing may be more inclined to restrain its arms sales to Iraq.

However, the official New China News Agency said later that Foreign Minister Qian Qichen had indicated that China will not join the United States and other countries in placing sanctions on Iraq.

Qian also has said Beijing was willing to play a role in maintaining peace in the Middle East.

U.S. officials said Solomon's trip did not violate the U.S. ban on high-level exchanges with China. The ban was among sanctions imposed by the Bush administration after China's crackdown on democracy demonstrators in June 1989.

[From the Washington Post, Nov. 4, 1990]

CHINESE FOREIGN MINISTER WILL VISIT MIDDLE EAST; BEIJING USING GULF CRISIS TO END ISOLATION

(By Lena H. Sun)

BEIJING, November 3, 1990.—China is sending its foreign minister to the Persian Gulf next week as part of an attempt to portray itself as a force for peace and to show it is still a major player in world affairs, diplomats and Chinese sources said.

Foreign Minister Qian Qichen plans to visit Iraq, Saudi Arabia, Egypt and Jordan on Tuesday "for an exchange of views" with Arab leaders, the official New China News Agency reported today.

As one of the five permanent members of the U.N. Security Council, China's support has been important to the United States in its efforts to enforce sanctions against Iraq for its Aug. 2 invasion of Kuwait. Beijing, by supporting the Security Council resolutions, has been able to use the gulf crisis to break down the political isolation imposed by the West after last year's Chinese army crackdown on demonstrators demanding democracy.

At the same time, China has been careful to distance itself from the other members of the Security Council, most notably the United States, on the use of military measures to enforce sanctions against Iraq. The Chinese have consistently called for a peaceful solution in the gulf and, until recently, had coupled that with opposition to "big-power military involvement," referring to the U.S. and other foreign deployments in the region.

According to one Western diplomat, China has been identified by the Iraqis as "the weak link" among the five permanent members of the Security Council. The four other permanent members are the United States, the Soviet Union, Britain and France.

Chinese officials are reportedly concerned about the prospect of hostilities, but it is not clear what Beijing's position would be if war were to break out in the gulf.

In an indication of Beijing's position, one authoritative Chinese official told some Western diplomats recently that while China would "lament the outbreak of war, China will vote with the majority of the United Nations," according to one Western diplomat.

Another analyst put it more bluntly, saying, "It doesn't matter if [the Chinese] don't dance too pretty, as long as they dance."

This week, as if to remind the West of Beijing's support for the U.N. measures against Iraq, a Foreign Ministry spokeswoman said China had lost $2 billion in trade, transportation, airline and other receipts by complying with the sanctions. She did not say how the figures were calculated or how much of the losses could be attributed to a decline in arms sales. China had long been a major arms supplier to Iraq.

Those losses do not include Iraqi debts to China for earlier imports of Chinese goods and labor. Beijing has evacuated several thousand of its citizens, mostly construction workers, from Kuwait, but several thousand Chinese laborers are still in Iraq. The spokeswoman declined in give details of the debt, but the total is believed to be about $4 billion, "with a big chunk of that in arms sales," one Western diplomat said.

"China wants to explain that she voted for the resolutions with all the big powers but that it was not easy because it also costs China, "another Western diplomat said. One purpose of Qian's trip may be to seek financial help from Saudi Arabia for the costs China has shouldered as a result of the sanctions, another analyst said.

But China's desire to be readmitted to the big-power club appears to be the major motivation behind Qian's trip to the Middle East, one Chinese source said. "If China is able to make any headway [toward a negotiated settlement], then the other big powers will owe China, and China may be able to get some more rewards," such as the lifting of all Western sanctions against it, he said.

Several diplomats, however, discounted the ability of China to mediate in the gulf. Qian "will say all the right things, but I think it's all part of a move to lessen China's isolation," said one analyst.

China has less to lose than some industrialized countries if war breaks out in the gulf, some analysts said. As a net oil exporter, it is much less dependent on oil from the Middle East than Japan or the United States. The relatively low base of its economy makes China more resilient in the face of an international recession than the higher-performing U.S. economy, for example.

In trade, it will be easier for the Chinese to find other markets for their major exports, such as textiles and footwear, "because even in a recession, people still need to buy shoes and clothes, and they may well go for the cheaper clothes from China," said a Western diplomat.

[From the New York Times, June 10, 1991]

CHINA SAID TO PLAN NEW ARMS SALES; UNITED STATES IS CONCERNED

(By Nicholas D. Kristof)

BEIJING, June 8.—Western diplomats and experts are concerned by indications that China is seeking to increase its share of the world market for missiles.

The Chinese military, the experts say, may begin shipments of two new kinds of missiles to Syria and Pakistan, and perhaps to other countries as well. The new missiles, which are said to be more accurate than the Soviet-designed Scuds used by Iraq in the Persian Gulf war, are thought to be at the end of the development stage and could be deployed soon.

Short of money and therefore eager to sell weapons, China, the experts say, may be on a collision course with Western nations that say they want to slow the international arms race.

With the decline of the Soviet Union and Eastern Europe as arms merchants, China, in the view of some, is emerging to fill the void.

WHAT OF UNITED STATES AND SOVIET SALES?

For its part, China points out that it sells far fewer weapons than either the United States or the Soviet Union. If Washington can sell arms to the Middle East, it asks, why can't Beijing?

Still, China's weapons sales are becoming a growing source of friction with the United States, and a factor in the debate about whether to cut off China's most-favored-nation trade benefits. In a sign of American concern, Reginald Bartholomew, the Under Secretary of State for Security Assistance, is scheduled to visit Beijing June 17 to 19 to discuss weapons proliferation.

Apparently intending to ease the friction and improve its image, China has reportedly accepted an invitation from President Bush to attend a July conference of major powers to discuss limits on arms sales to the Middle East.

CHINA, BUSINESS AS USUAL

But whether China will agree to do more than talk may depend on the outcome of disagreements between China's Foreign Ministry, which would like to curtail proliferation to improve the nation's image, and the army, which wants to raise funds through the sale of weapons, and regards the Foreign Ministry as weak-kneed.

Diplomats and experts say that the new international interest in China's arms sales reflects changes not so much in China as in the rest of the world. For most of the last decade, the Chinese Army eagerly pursued arms deals, but now there is far less sympathy for China than before. In addition, the United States and other Western nations are talking about curtailing the arms race in the Middle East and elsewhere, and China could upset such plans.

"They are doing things that they've been doing all along, but we have a lower level of tolerance than we did a few years ago," said a Western diplomat in Beijing. "In addition, what they were doing all along now seems to be coming to fruition in a number of cases."

What is coming to fruition appears to be the development of the M-9 and M-11 missiles, and plans to sell them to Syria, Pakistan and probably other nations as well.

The missiles apparently have not been delivered so far, but launchers for the M-11 have been spotted in Pakistan and diplomats expect that the missiles themselves will follow. The M-11 is said to have a range of about 180 miles and can carry a nuclear warhead.

PAKISTAN AND NUCLEAR ARMS

Pakistan is widely believed to be close to achieving a nuclear bomb. If Pakistan were able to build a nuclear device in the form of a warhead for the M-11 missile, it would be able to launch a nuclear strike that India could not easily defend against.

The Western diplomat said he doubted that China could be prevented from transferring the M-11 missiles to Pakistan, but that there was a somewhat better chance of preventing shipments of the M-9 to Syria. The M-9 is thought to have a range of about 375 miles, and so would be able to hit targets throughout Israel.

There have been some indications that China struck a deal several years ago to sell M-9's to Syria, and the missile may have been developed in part with Syrian financing.

When the national security adviser, Brent Scowcroft, visited Beijing in December 1989, he received pledges that China would not sell medium-range missiles to the Middle East, and that "at the present time, China is not planning any sales of the M-9 missile to Syria." These days, Beijing is no longer repeating that "at the present time" it will not sell the M-9, and the promise not to sell medium-range missiles may not be useful because of the way Beijing defines medium range.

A QUESTION OF DEFINITION

The Missile Technology Control Regime, an agreement that China has not joined, de-

fines medium-range missiles as those that go about 188 miles. But a Chinese military encyclopedia defines a medium-range missile as one that can travel 625 miles. If that is the definition that it is using, its promise not to sell medium-range missiles would cover neither the M-9 nor the M-11.

Diplomats are also concerned about China's capacity to transfer nuclear technology, and there was concern recently when China was found to be building a nuclear reactor in Algeria that experts suspected might be used to produce plutonium for nuclear weapons. China and Algeria responded by saying that the reactor was intended only for research, and Algeria has now indicated that it will allow international inspections, alleviating much of the concern.

China is also widely believed to have assisted Pakistan with its nuclear program, although there is no firm public evidence to confirm allegations that Beijing provided Pakistan with a design for a bomb. There is also evidence that some Chinese provided India with "heavy water" for its nuclear program, but this may have been an unauthorized profit-making venture that did not have the central Government's approval.

[From the Washington Post, June 11, 1991]

UNITED STATES TO PRESS CHINA TO HALT MISSILE SALES; DEALS WITH SYRIA AND PAKISTAN OPPOSED

(By R. Jeffrey Smith)

Amid mounting evidence of China's continuing efforts to sell ballistic missiles, the Bush administration plans to press Beijing again next week to abide by an international agreement barring exports of missile technology, according to senior U.S. officials.

The principal U.S. aim is to halt planned Chinese missile sales to Pakistan and Syria. Both deals are now believed by U.S. intelligence experts to be nearing completion, despite repeated pledges by China that it would restrain missile exports and cancel the Syrian sale, the officials said.

U.S. government analysts said that the Syrian and Pakistani missile deals represent the culmination of a decade-long strategy by Chinese military officials and the kin of senior leaders to earn large sums in foreign currency through the export of conventional arms and ballistic missiles to Third World states, particularly those unable to obtain similar weapons from the United States and the Soviet Union.

China has previously rebuffed U.S. requests to adhere to the guidelines of the Missile Technology Control Regime (MTCR), which was signed by most major Western weapons suppliers in the 1980s and it intended to slow the spread of missiles capable of carrying nuclear warheads.

But China's trading privileges with the United States may now be at stake if Beijing does not soon restrain its arms sales. Although President Bush has recommended renewing China's most-favored-nation trading status this summer without conditions, Senate Democratic leaders plan to introduce legislation that would condition renewal on Beijing's adherence to the arms accord within six months.

Officials said that Undersecretary of State Reginald Bartholomew, who is scheduled to meet with Chinese leaders in Beijing beginning Sunday, will press the Chinese to adhere to an MTCR formula that generally prohibits exports of medium-range ballistic missiles, the officials said.

With the Soviet Union's decision last year to follow the MTCR guidelines, China became the principal missile exporter to remain outside the accord. In recent months, senior Chinese leaders such as Foreign Minister Qian Qichen have rebuffed it as a tool of Western pressure and said that only the nations that participated in its creation should be expected to adhere, U.S. officials said.

At U.S. urging, China has nonetheless pledged publicly to exercise restraint in missile sales and indicated it would not export medium-range missiles to the Middle East. But it has never told Washington exactly what missiles it considers to fall within this constraint.

The two Chinese missiles that have aroused the Bush administration's concern are the M-9 and the M-11, which U.S. government analysts say are being developed entirely for export markets with financial assistance from the two primary intended customers—Syria and Pakistan. Military officials from these two countries have been seen at various times at the sites where the missiles are being developed and tested, a U.S. official said.

"China has never deployed that kind of missile system" in its own arsenal and has no military doctrine that would govern domestic employment, one analyst said.

A recent acceleration in Chinese missile flight tests caused U.S. intelligence experts to conclude that development of the missiles was nearing completion, according to several sources. This conclusion was bolstered by the sighting in Pakistan earlier this spring of mobile launchers for the M-11, an analyst said.

Senior Chinese officials assured White House national security adviser Brent Scowcroft during a 1989 visit to Beijing that the M-9 missile would not be sold to Syria, and officials say that a formal intelligence community estimate completed last December concluded that the deal was off.

But several senior U.S. government experts, noting that the missile's development has continued, said in recent interviews that they now believe the deal remains intact, and information supporting this has recently been obtained by military officials from allied countries.

Officials said that intelligence experts in the United States and in Israel, which closely monitors Syrian weapons purchases, have estimated the M-9's range at 360-370 miles, well above the 186-mile-range cutoff imposed by the MTCR guidelines. They said that if the missile is delivered within the next year, as many experts believe likely, it would give Syria its first capability to hit military targets throughout the Middle East with considerable accuracy and reliability.

Sen. Joseph R. Biden Jr. (D-Del.), a leader of Senate efforts to halt the M-9 missile sale, last week called it "the single most destabilizing potential development in the region." Biden has drafted legislation that would withdraw China's most-favored-nation trade status if the Syrian or Pakistani missile deal goes through.

Some Chinese officials have publicly claimed that the M-11 falls outside the MTCR guidelines because it cannot fly more than 186 miles. But an M-11 sales brochure published by the Chinese Precision Machinery Import and Export Co. states that the 31-foot-long missile is capable of carrying an 800-kilogram warhead up to 180 miles, placing it above the MTCR cutoff for warheads of that size.

The brochure, which was provided to The Washington Post by a source who declined to be named, also describes the missile's warhead capability as "explosive-fragmentation, demolition and antipersonnel."

U.S. government analysts said the M-9 and M-11 missile deals are only the most recent examples of a weapons export strategy crafted by Chinese leader Deng Xiaoping in the early 1980's. The aim of the strategy was to match the success of major Western nations in earning huge profits from sales to Middle East nations. A major impetus was an estimated 30 percent drop in China's defense budget during this period, which created a shortage of cash for modernization.

[From the New York Times, July 6, 1991]

TO CURB CHINA'S ARMS TRADE

Despite pledges to curb sales of advanced arms, China now confirms it has begun delivering new missiles to Pakistan. And it's about to ship others to Syria. Understandably, the news fuels Congressional fervor to deny China trade privileges. A Democratic-sponsored bill would cancel China's most-favored-nation trade status for making such sales.

But economic sanctions have failed to restrain Chinese arms merchants in the past. A new strategy combining carrot and stick might be worth a try—provided the Bush Administration is willing to curb its own arms sales.

In a depressing ritual, the U.S. gets assurances from China that it won't sell advanced arms and then learns that it has. The gap between word and deed stems from internal divisions in China. The assurances that arms won't be sold come from the Foreign and Defense Ministries, as a timely article in International Security by John W. Lewis, Hua Di and Xue Litai at Stanford's Center for International Security and Arms Control explains. But the sales are made by an army commission that has considerable autonomy and substantial inducement to sell as much as it can.

As China's leader, Deng Xiaoping, accelerated modernization in the 1980's, the commission became China's engine for technological development. It's as if the U.S. Army Corps of Engineers ran the Manhattan Project, NASA, the National Science Foundation and Silicon Valley combined.

At the same time Mr. Deng slashed the military budget. That led the commission to promote sales in order to raise revenues and import advanced technology. Administrators of its two main arms export firms, who stand to profit personally from sales, have family ties to China's leaders.

One of those firms signed a contract in 1988 to sell medium-range M-9 missiles to Syria and has received some proceeds, but has yet to deliver any missiles. And it sent "a very small number" of shorter-range M-11 missiles to Pakistan.

The deals can still be killed. But discriminating against China's trade with the U.S. might spur its arms sales. And sanctions, by denying contact and technology, come down hardest on the modernizers who back liberalization and opposed the Tiananmen crackdown. A threat of sanctions may be more effective than their actual imposition.

A different strategy is worth a try—cooperating with China in arms suppliers' groups while holding out a threat of trade sanctions by the U.S., Japan and other nations that want the missile sales cubed. Beijing has now told Washington it may join the 16-nation Missile Technology Control Regime, which seeks to halt the spread of medium-range missiles. And the world's five leading arms suppliers, China included will meet soon in Paris to draw up guidelines for Mideast arms sales. China can be pressed in these forums to curb it sales—but is not like-

ly to comply unless the Bush Administration shows some sales restraint of its own.

Congress could facilitate that by renewing most-favored-nation status for one year, requiring Mr. Bush to report within the year on China's arms sales practices and imposing its own temporary moratorium on U.S. sales by year's end if Mr. Bush fails to exercise restraint.

[From the New York Times, Jan. 31, 1992]

CHINA SAID TO SELL PARTS FOR MISSILES

(By Elaine Sciolino with Eric Schmitt)

American intelligence reports indicate that China is continuing to sell missile technology to Syria and Pakistan despite statements by Chinese leaders that they are willing to curb missile exports, according to senior Administration officials.

Beijing has recently delivered to Syria about 30 tons of chemicals needed to make a solid-fuel missile and plans to deliver an additional 60 tons in March or April, said the officials, who added that the amount was enough to make a "significant" number of intermediate-range missiles.

It has also delivered to Pakistan guidance units that could be used to control the flight of M-11 ballistic missiles, they added.

The issue is important because the United States is ready to lift the sanctions on the sale of American satellite parts and high-speed computers that were imposed last spring after the United States learned that China had secretly delivered launchers for M-11 missiles to Pakistan.

President Bush, who favors removal of the sanctions, will raise the issue of China's proliferation practices when he meets at the United Nations on Friday with China's Prime Minister, Li Peng. Leading lawmakers and human rights organizations have sharply criticized the meeting, the first between the leaders since Chinese troops crushed the democracy movement in China in June 1989.

During the visit of Secretary of State James A. Baker 3d to Beijing in November, Chinese officials said they would abide by the provisions of a 1987 international agreement restricting the export of missiles and missile technology, but only if the Administration lifted the sanctions.

The Administration has made the issue of nonproliferation a linchpin of its post-cold-war foreign policy, and is especially eager to halt the transfer of nuclear, chemical and biological weapons and ballistic missiles to the developing world.

The President's plan to meet with Mr. Li reflects Mr. Bush's firm belief that the best way to moderate China's behavior is through dialogue, a strategy that has been criticized even inside the Administration.

"There was great controversy about whether the President should even meet Li Peng," a senior Administration official said. "It raised the whole debate about how best to bring the Chinese along—by stiff-arming them or by coaxing them when they make a few moves in the right direction."

Administration officials have played down the significance of Friday's meeting, describing it as a short encounter and as a "courtesy" to the Chinese, who requested it.

When asked at a briefing today whether an announcement to lift sanctions was imminent, a State Department spokesman, Joe Snyder, said that once the two Governments completed the agreement reached during Mr. Baker's meeting in November, "the Administration plans to take the steps necessary to lift the June 1991 sanctions."

"We have no set timetable for lifting the sanctions," he said.

DIVISIONS IN ADMINISTRATION

There are deep divisions in the Administration over the wisdom of lifting the sanctions. Many intelligence officials and some senior Pentagon officials oppose any easing of restrictions, while the White House is clearly in favor of such a move.

The State Department notified Congress in a letter in mid-December that it intends to lift the sanctions. But resistance by Chinese leaders to an American demand that they put their oral promise to Mr. Baker in writing has contributed to a delay, Administration officials said.

Some non-proliferation experts in the Administration are convinced that the recent sales to Syria and Pakistan would constitute clear violations of the agreement, known as the Missile Technology Control Regime, which was devised by the United States and other powers to limit the supply of ballistic missiles to the developing world.

But other officials use a broader interpretation, saying it is nearly impossible to determine whether the transfer of certain technology that might have dual uses is a violation.

The suspicion felt toward China in some quarters of the Administration was reflected in remarks by Defense Secretary Dick Cheney after a speech in Wisconsin this week. Mr. Cheney said that his "prime concern" with regard to China was proliferation.

"They have in the past, on occasion, been less than scrupulous in their concern for maintaining control over that technology," he said.

CHINA'S POLICY "WORRISOME"

Similarly, in testimony before the Senate Armed Services Committee last week, Lieut. Gen. James R. Clapper, Jr., Director of the Defense Intelligence Agency, called Chinese arms sales and proliferation policies "worrisome," adding, "China is currently assisting many of the nations that we estimate will acquire a ballistic missile capability by the end of the decade."

China has vigorously denied selling entire missiles or warheads to Syria, Pakistan or any other country in the Middle East or Southwest Asia. Indeed, American officials say there is no proof Beijing has shipped such weapons.

Many American officials and independent non-proliferation experts have expressed growing concern, however, that China is circumventing the spirit of missile-control agreements by selling missile components. Such transfers are significant because developing countries can assemble the parts and, in some cases, market the technology themselves.

"These transfers would help both Syria and Pakistan develop a manufacturing capability for their own missiles and would even allow them to proliferate missiles to other countries," said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control, a private group. "It happens at the very time that China is promising to change its behavior."

LIMITATIONS TO GUIDELINES

A senior Pentagon official acknowledged the limitations of the missile control guidelines, saying they were "a way to keep a lid on things, but not strictly control" proliferation.

American intelligence reports over the last few years have also shown that China has discussed with Iranian officials the possible sale of M-9 missiles.

Launchers and M-11 training missiles were delivered to Pakistan last year, despite Beijing's pledges not to sell medium-range missiles in the Middle East and Southwest Asia. The Chinese view the M-11, which is said to have a range of about 180 miles and can carry a nuclear warhead, as a short-range missile, although the United States considers it a medium-range missile covered by the missile technology agreement.

Mr. PACKWOOD. Therefore, Mr. President, we have publicly known about these sales for a good many years. We granted the most-favored-nation status to China in 1980, and we have continued it every year to date. We never even had a vote in the Congress on China's most-favored-nation status until 1990. We did not have a vote in this Chamber until 1991.

What is it that has changed? When we granted China most-favored-nation status all of those years, when we knew they were selling weapons and selling them to Iran and Iraq and we continued to grant the status, we cannot use the argument of weapons proliferation as the reason for now saying no to most-favored-nation status.

As a matter of fact, China's record of arms sales to the Third World countries may improve. Last Friday, the administration obtained formal guarantees from the Chinese Government to adhere to the missile technology control regime [MTCR]. The MTCR was formed in 1987 to limit the export of missiles and missile technology. The administration was able to obtain this guarantee, though not through the revocation of most-favored-nation status but through an open dialog with the Chinese Government.

In August 1991, China announced it would sign the Nuclear Nonproliferation Treaty. Only 2 months earlier—only 2 months earlier—France, another holdout to the treaty, had agreed to sign.

It should be our policy to continue to press the Chinese on limiting arms sales to Third World countries. But denying them—or conditioning—most-favored-nation status simply takes us out of the game.

Now let us go to human rights. I will not bother to put in the record article upon article upon article from any of the organizations that monitor civil liberties and civil rights around the world about China, from the fifties, sixties, seventies, and eighties onward.

China was abominable. China was one of the worst abusers of civil liberties, although it is hard to tell whether they were any worse then Iraq, Iran, Syria, and Libya are now. Or perhaps Indonesia that has just killed hundreds of people in East Timor. But there is no question that we have known throughout the years that China abused civil liberties.

Some have argued "that we should not trade with the People's Republic of China or other Communist countries because their political systems are oppressive and because they do not place the same value on human freedoms

that we do." And the argument goes that, "by trading with them and giving them the 'benefits' of the American economic system, we endorse their system and enable it to flourish. This logic presumes that American goods, American products, and American technology are so overwhelmingly superior that other nations of the world have no place else to shop. Perhaps there was a time or when the United States held such a commending position in world trade. But if it were ever true, it is manifestly not true today."

That is not to say, Mr. President, that we must ignore the harsh realities of life under such systems or close our eyes to the violations of human rights. To the contrary, our international policy on human rights is sound and we should pursue it vigorously. But we must so in ways that will realistically help us achieve our goals. To not encourage trade, which is one of the most fundamental relationships between nations, is to surrender a tool, a line of communication, for presenting American ideals. We should use diplomatic tools of public condemnation and foreign aid to pressure violators of human rights. Trade penalties, such as trade embargoes, should be opposed because trade is not a gift, and America, needs the business.

What has changed in terms of human rights was Tiananmen Square, but changed only in the sense, Mr. President, that we saw it publicly on television in the United States for the first time. The State Department reports, however, that the years before Tiananmen Square are replete with abuses of civil liberty in China.

We did not see anything new in China. We did not discover anything in looking at the television that we did not know was happening in China. But we saw it. Is that going to be the reason that we change and now deny China most-favored-nation status, that we saw it? If so, Mr. President, I can tell you what is going to happen. Not only are we going to hurt ourselves economically, we are not going to make it possible for any American news crew to get in any of these countries that violate civil liberties for fear that perhaps some revolt or some uprising of the people is going to be shown on television and seen in America and they will be denied most-favored-nation status or other rights. I emphasize again, we knew it, this Senate knew it, the House of Representatives knew it, the administration knew it. They knew it from the Eisenhower administration onward. I hope we are not reaching the standard where we say, well, we have now seen it on television and it is real. We did not believe it when we read all the reports.

Let me move over now to the argument of international trade. The argument is used that China has a $12 billion trade surplus and that ought to be a factor when considering most-favored-nation status. If that is the case, we certainly should be considering Japan's most-favored-nation status. We have a trade surplus of $40 billion, and that is the lowest it has been in a number of years.

People say that China's market access barriers are a factor in the equation, and we should not extend them most-favored-nation status because they have a closed market or semiclosed market. In that case, we ought to look very closely at Brazil or India. These two markets are closed, or more closed, to us than the Chinese market.

No, Mr. President, on any basis that we have used before, we did not deny most-favored-nation status to China, not because they were selling weapons. We knew it. Not because they were violating human rights. We knew it. Not because their markets are more closed than some. We knew it, although, I emphasize, not as closed as others.

I will emphasize again, it is a fair argument as to whether or not we want to extend to the world, the human rights violators, weapons sales handlers, and say, if you do this, no most-favored-nation status. In that case, France will probably lose it. France sells the advanced combat plane Mirage to Iran. France, you may recall, was the country that was building the atomic bomb plant in Iraq that Israel bombed in 1981. France was building it in violation of then existing agreements. And when it was bombed, they never said a word because they knew they had their hand caught in the cookie jar. There was no debate when France was selling the materials to Iraq to make bombs.

I yield myself 5 additional minutes.

The PRESIDENT pro tempore. The Senator yields himself 5 additional minutes.

Mr. PACKWOOD. When France was selling material to Iraq to make atomic bombs and building the plant to make them, we knew it. There was no discussion of revoking their most-favored-nation status.

But I can give you additional emphatic reasons, as one representing the State of Oregon, that this bill should be opposed. As others have argued so correctly this "will seriously injure our consumers, our exporters, and, most importantly, Oregon workers. Normal trade relations with China will translate into dollars and cents and paychecks for workers and be a substantial economic and political benefit to the United States." "Trade with China means more exports, more jobs, and more income for Oregonians." China is one of Oregon's largest export markets. In 1990, Oregon exported over $90 billion in goods to China, including grains, forest products, and animal oils. Will they be in jeopardy if the most-favored-nation status is revoked or conditioned? You bet they will. There is no question that the Chinese will retaliate against the United States and particularly Oregon, if most-favored-nation status is conditioned or revoked.

Take agriculture, for example. Since 1989, the United States sold approximated $2.2 billion of agricultural products to China. A good portion of those exports come out of Oregon. There is not a single farm group in the United States that believes it will be able to maintain the market share in China if most-favored-nation status is revoked or conditioned. All agree that Australia, the European Community, and Canada will step in and fill the Chinese market.

Since 1988, the United States has exported over $810 million of forest products to China, and today the forest products industry is reeling in Oregon. To take away the China market from us would further injure this critical Oregon industry that needs exports to remain competitive.

If anyone, thinks, in addition, that there is a debate about trade relations with China going on in any other industrialized country, they are dead wrong—not in Tokyo, not in Canberra, not in London, not in Paris, not in Bonn. They are not talking about getting rid of any favorable-trade status they have with China. They are licking their chops waiting for us to say, "Oh, no, we won't deal with China as much," and they will be there to pick up the pieces right away, despite their arms sales, despite their human rights violations.

So, I will say in conclusion, Mr. President, if we want to adopt a new standard for the most-favored-nation status, that is a fair debate, but then let us extend it to every country in this world that violates human liberties as China does. Let us extend it to every nation in this world that exports weapons in violation of what we consider good policy. That is a fair debate. But to single out China will be to our detriment, not China's.

I thank the Chair.

Mr. MOYNIHAN. Mr. President, may I congratulate the very able Senator from Oregon on the compelling argument he makes. We have other views, but that we express them in no way indicates any lack of respect for the case he has made—and not the least about the general condition of human rights around the world.

Mr. PACKWOOD. I thank the Senator.

Mr. MITCHELL. Mr. President, will the Senator yield to permit me to make a unanimous consent?

Mr. PACKWOOD. I yield.

Mr. MITCHELL. Mr. President, if I might have the attention of Senators, there have been so many requests for speaking that I have suggested, and apparently it is acceptable to the Sen-

ator's colleagues, that we extend the time until 1 o'clock, equally divided, to give more Senators the opportunity to address the Senate.

EXTENSION OF TIME FOR DEBATE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the period for debate this morning now scheduled to end at 12:30 p.m. be extended until 1 p.m. with the additional half-hour to be equally divided in the same form as the previous time.

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

Mr. MITCHELL. I thank my colleague.

Mr. PACKWOOD. I thank the Chair and leader for extending the time to 1 o'clock.

The PRESIDENT pro tempore. The Senator from New York.

Mr. MOYNIHAN. Mr. President, the very able Senator from Illinois has 5 minutes, and I regret we have only 5 minutes in the long list of speakers. I am happy to yield 5 minutes.

The PRESIDENT pro tempore. The Senator from Illinois [Mr. DIXON] is yielded 5 minutes.

Mr. DIXON. Mr. President, I thank the distinguished Senator from New York.

Mr. President, I rise in support of the conference report to H.R. 2212, the United States-China Act of 1991.

The time has come for the Senate to act. We must pass a bill that sends a message to all the people of China.

To those heroic people risking their lives for human rights we must say: We will always remember your struggle for freedom.

To the torturers who killed their dreams we must say: We will never forget.

A vote for this bill is a vote to uphold those values we as a Nation holds dear. To vote against it is to condone the bloodshed, forget about the political prisoners and slave labor, and turn a blind eye to the nuclear proliferation policies of the People's Republic of China. We cannot continue such a short-sighted policy.

This legislation sets forth very clear, reasonable policy goals. We are not asking for the Moon, Mr. President. We are giving the People's Republic of China every opportunity to show marked improvement in its human rights slave labor, and nuclear nonproliferation practices. We are holding China to the same standard we apply to many other countries.

Those of us who support H.R. 2212 are trying to affect change through a carrot and stick approach. Such an approach has worked in other countries around the world, most recently in El Salvador. What the administration would have us do in this instance is give the Chinese the carrot, and beat Congress with the stick. Whose side is the administration on?

I was an original cosponsor of the majority leader's companion legislation, and congratulate him on his leadership on this issue. He, as well as many of us in the Senate, have been trying to rein in the inhuman, illegal practices of the People's Republic of China Government for some time.

The 1989 massacre in Tiananmen Square vividly portrayed a country whose rulers would go to any length to silence dissent. A number of us, this Senator included, introduced legislation after the massacre to protect Chinese students in this country, who would have faced reprisals at home for their prodemocracy activities here. The administration opposed protecting prodemocracy students, for fear of the reaction of Communist leaders.

The administration tried to have it both ways on that one. The President vetoed the legislation, claiming to be able to provide the same protection through Executive order. Partly on the basis of that argument, the Senate fell one vote short of standing on the side of democracy.

The President initially failed to follow through on his promise. Only when this Senator and others in the Senate as well as the House made the President's failure to issue the Executive order public, did he in fact provide the necessary protection. Again, the President was slow to act for fear of upsetting the Communist leaders in Beijing.

Now the President opposes our efforts to conditionally renew most-favored-nation trade status for the People's Republic of China.

The People's Republic of China has run tanks over unarmed, peace-seeking students and workers, denied the existence of political prisoners, lied about slave labor practices, winked at international nonnuclear proliferation treaties, and steadfastly refused to consider improving its sorry record of human rights abuses.

And this administration wants to reward such behavior with an extension of our most-favored-nation trade status? Mr. President, with what could the administration possibly reward the Beijing government if they ever actually cooperated on anything? Mr. President, we have a clear choice today: Do we remember those fighting for democracy in China and take action on their behalf or do we forget all they have suffered in their struggle for the rights we take for granted? I will vote to remember.

I thank my colleagues.

The PRESIDING OFFICER (Mr. KERRY). Who yields time?

Mr. MOYNIHAN. Mr. President, the Senator from Ohio has 5 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I have supported MFN in the past because I thought it was important to keep the trade lines of the world open, trade throughout the world open. I still hope we can do that. But there has been a lot of new information over this past year that I want to address in just a moment.

I think we need to remember what this legislation is. All it requires in the weapons area is that the President certify there has been "significant progress"—those are the words—significant progress in the area of nonproliferation, this specifically covers nuclear and other weapons of mass destruction.

Although the bill also addresses human rights and other issues, I did just want to take a moment to talk about the area of nonproliferation because it is so important, because the way this whole thing has developed puts a new light on the MFN issue even from last year.

The horrors of nuclear war we do not need to try to recount for everybody in this Chamber. Many of us have been through combat in the past, many of the Members of this body, in World War II, Korea, and Vietnam. We cannot imagine how unthinkable the horror would be if we ever got into a nuclear war. So we worked very hard and I have worked ever since I have been in the Senate for the past 17½ years, almost now, to try and control the nuclear spread around the world. It resulted in my authoring, in 1978, the Nuclear Nonproliferation Act; and following through, encouraging other nations to join the Nonproliferation Treaty and put their facilities under the international atomic energy safeguards.

So I come to this with a long background of following what has happened in the nuclear nonproliferation field for many years in the Senate. And what has happened over the past couple of years I think is of note as we consider this particular piece of legislation.

Through all these years we have tried to get the nuclear suppliers to not send out the specialized equipment that only a few nations make. Nuclear know-how is basically easy to come by. You can hire a Soviet scientist these days. I guess that is the current vogue in the papers anyway. You can hire a scientist, but you cannot make nuclear weapons without that specialized equipment. You cannot make it without the equipment.

There are only a handful of nations in the world that make the kinds of equipment that can be used to make nuclear weapons. If they just did not ship that material out, then we would not have the nuclear proliferation problem we have today.

So what happens? Well the French used to ship a lot out. They stopped that policy in 1976. We are still living with some of their earlier business activities. The Germans shipped some out because they had a requirement in their Constitution that made it difficult to prohibit their businesses from doing business around the world. They

had changed some of that law recently, though not adequately enough. Our own Nation here has been very delinquent in this. We have not enforced our own laws, quite often in my view, particularly with regard to Pakistan. But all these nations are now sensitized by the fact, with the wind down of the cold war, we now have to be careful we do not have proliferation from other quarters.

What have we seen in the last year? We have seen that the one nation that has been expanding its nuclear proliferation potential to other nations around this world has been China.

We will have a classified session this afternoon in which I hope to go into much more detail on this.

But just from press reports—these are all press reports now—the PRC has been cooperating recently with Iran, we see in the papers, with Syria, with Pakistan—we have known that one for a long time, with Pakistan.

They have sold long-range missiles, the CSS-2, to the Saudi Arabian Government; rumors of other shady deals with Algeria, Libya and others;

Now does it take a military genius to see what is going on, with where those nations are and where they are located with regard to Israel and that whole Asian subcontinent? I do not think it takes much to see that.

We have heard talk in the past, coming from these regions, about the Arab nations and the Islamic nations having an Islamic bomb. And where is this Chinese cooperation going? It is going directly into those regions that we have been most concerned about, and we have tried to regulate, the trade in that area for a number of years.

Mr. GLENN. Might I have another minute?

Mr. MOYNIHAN. Another minute to the Senator from Ohio; 2 minutes.

Mr. GLENN. That would be fine. I thank the Senator.

Just as we feel we are about to get this under control the new big proliferator that sends out not only technology but the equipment, too, turns out to be the People's Republic of China.

Now I hope, I hope very much that the President finds some information where he can say OK, progress is being made, significant progress. But it cannot just be said that the Chinese once again mouth the words that they are not proliferators, when they know better. They are not even hiding the fact they are proliferators. In fact they are also advertising for many nations that maybe want to seek weapons of mass destruction.

Very regrettably, unless something changes and the President can show significant progress in this area of nonproliferation, I do not see that we have any option but to deny China most-favored-nation status. I do not want to see that happen. I really do not. I have voted in favor of MFN before and I will vote in favor of MFN again if we can be assured that China is changing its policies so they are not the new proliferator of weapons of mass destruction all over the world.

So, Mr. President, I sincerely support this legislation. But regrettably I must say, because I am sorry, because over the past year or so this knowledge about China, what they are doing in this spread of weapons of mass destruction, has come into the knowledge of the international community.

I will be addressing this during our closed session this afternoon.

Mr. President, a good case can be made that some of the most outrageous Chinese activity in the field of proliferation occurred precisely during the period when United States economic and technological ties were the strongest.

Let me give a recounting of some testimony by the Director of Central Intelligence, Robert Gates, before my Governmental Affairs Committee just a little over 2 months ago, on January 15. He said:

> China and North Korea may sell other countries longer-range missiles and the technology to produce them. Countries with special weapons that succeed in buying these missiles will further expand and accelerate the special weapons arms race already under way in the Middle East and South Asia.
>
> Tehran's principal sources of special weapons since the Iran-Iraq war have been North Korea for long-range Scuds, and China for battlefield missiles, cruise missiles, and nuclear-related technologies.
>
> China * * * is supplying [Iran with] a miniature neutron source reactor and an electromagnetic isotope separator. This equipment has legitimate peaceful uses, but Iranian public statements that it should have nuclear weapons suggest otherwise.
>
> In the nuclear area, Damascus is negotiating with China for a reactor [and] appears to be seeking [missile-related] assistance from China and Western firms for an improved capability with CW or BW warheads.
>
> As for the prospect China might join the NPT, Mr. Gates said, "Despite its accession to the NPT, we remain concerned that Beijing could claim existing contracts are grandfathered, and therefore exempt, from IAEA safeguards."

President Reagan, 7 years ago, when he sent the agreement for nuclear cooperation with China to the Congress said "we can expect that China's policy of not assisting a nonnuclear weapons state to acquire nuclear explosives will be implemented in a manner consistent with the basic non-proliferation practices common to the United States and other suppliers."

We are still waiting to have those expectations met.

One other point I would like to make. It takes a buyer as well as a seller. What about these nations that have been reported in the press as having been cooperating with China in acquiring missiles—such as Iran, Syria, Pakistan, and Algeria? If we are serious, why do we not rally world indignation against those who are buying—with the U.N. action, with MFN cancellations against them and so on? I think we just cannot take on just the sellers. We also have to take action against the buyers.

Mr. President, the United States has many legitimate reasons to seek influence over China's foreign and domestic policies. Suffering under the effects of the current economic recession, companies throughout America could well benefit from greater access to China's vast market. Americans also want China to adopt a more democratic political system and a free-market economy. Progress in these directions serves the national ideals and self-interests of both countries.

American families, however, also sent thousands of young men and women to serve in the recent war in the Persian Gulf. Not long ago, these troops were faced with the prospect that nuclear, chemical, or biological weapons might be used against them; 1 night, an Iraqi missile killed 28 soldiers, including 3 women, and wounded 89. Literally overnight, that dreaded word, "proliferation," became converted from an abstraction that troubled a few specialists into a serious threat recognized by virtually all Americans.

Yesterday, it was in the Middle East; tomorrow, devastating wars involving key U.S. interests could occur in East Asia and South Asia, or again in the Middle East, jeopardizing the lives of millions. Meanwhile, high-technology terrorism threatens to bring the horror of these weapons even to American citizens in their homes and workplaces. To the extent that China is contributing to such threats, we must not only voice our concerns, but be prepared to take the tough actions needed to defend our interests.

The readiness of Americans to resume close relations with China should depend not on the words, assurances, or nonbinding policy statements coming from Beijing or Washington. It must instead depend on deeds, actions, and tangible evidence that progress is being made in realizing all of our important policy objectives. Experience, not hope, must be our principal guide as we chart the future course of our relations not just with China, but with all nations that threaten international security.

By all indications, however, the current debate over the renewal of China's most-favored-nation trade status demonstrates that the road ahead will not be an easy one. In counterpoint to bipartisan congressional concerns about expansive administration claims of Presidential authority to regulate the Nation's foreign commerce, an authority granted to Congress under the Constitution, the President charged on May 27, 1991, that it is not moral for Congress to mandate human rights or nonproliferation conditions as terms for renewing China's most-favored-nation status.

The time has come to evaluate China's nonproliferation record not must in the context of the narrow most-favored-nation issue, but also in terms of some broader implications for United States foreign policy in the new world order.

THE QUESTION OF LINKAGE

I believe that America's renewal of China's most-favored-nation trade privileges should be linked to concrete progress on human rights and nonproliferation issues. I make no apologies for this position and I do not believe it brings honor to the office of the Presidency to characterize such views as immoral.

The administration points to many alleged costs of this approach. We will lose export markets which will only be snatched up by other western competitors and Japan. We will lose our ability to give China an open society. We will hurt segments of Chinese society—such as in China's southern coastal provinces and Hong Kong—that are adopting free-market principles. We will lose leverage needed to discourage China from nuclear and other forms of weapons proliferations. We must, in short, use free commerce as a vehicle both for creative change inside China and to restrain China's external behavior.

In response, I would argue that the administration's current policy toward China is replete with half-truths, contradictions, and wishful thinking.

U.S. POLICY ON SANCTIONS

While condemning legislatively mandated sanctions and trade conditions as immoral, the White House has repeatedly heralded its past denials of satellite parts, supercomputers, munitions, and various forms of multilateral aid to China as evidence of the administration's commitment to nonproliferation. We must recall, however, that a White House factsheet released on June 16, 1991, said nothing about any embargo of high performance computers to China—the release said only that such exports "will occur only after extensive review to ensure that the proposed sale poses no threat to national security." The addition of supercomputers to this list is particularly interesting, given the White House's announcement in December 1990 that these sophisticated dual-use machines would be approved not only for export to China, but also to Brazil and India. At the time, none of these nations was a party to the Nuclear Nonproliferation Treaty, and all of them continue to merit close international scrutiny today.

But what of the high-technology sanctions that the administration has reluctantly imposed in the past? Were these sanctions not also immoral? What about the alleged benefits from free trade in these commodities? Were we not throwing away our ability to use the leverage we would allegedly have gained from approving such exports?

The answers to these questions may well be contained in press reports that appeared late last week indicating that the administration has lifted its computer and satellite sanctions against China. Other sanctions against the two Chinese companies involved in missile proliferation will evidently also be lifted. The lifting of the missile sanctions seems particularly difficult to justify, even in the face of renewed Chinese assurances that it will not promote missile proliferation.

The United States response to China's recent export of M-11 missile technology to Pakistan was truly a case of too little, too late. The Washington Post reported on April 6, 1991, that United States officials believe that China sent Pakistan "a number of launch vehicles for Chinese-made M-11 ballistic missiles." On June 12, 1991, Secretary of State Baker testified before the Senate Foreign Relations Committee that China would face potentially profound consequences if it provided the M-11 missile to Pakistan or the M-9 to Syria. Fifteen days later, the Chinese Ambassador to the United States stated at the National Press Club that "Yes, I said we have sold some conventional weapons to Pakistan, including a tiny amount of short-range tactical missiles * * * I think here you call it M-11." And citing Bush administration officials as sources, the Washington Times claimed on July 2, 1991, that "a Chinese ship carrying Chinese-made M-9 missiles was being tracked to Cyprus from a factory in China * * * destined for Syria."

I do not know if any M-9 missiles were ever sent to Syria—or if any may yet be sent in the future—but I find such reports especially disturbing in the context of China's longstanding pattern of promoting missile proliferation around the world. Chinese leaders have evidently concluded, perhaps with good reason, that when we threaten tough sanctions, we just do not mean what we say.

I also find it ironic that the White House would point to the sanctions that were imposed against two Chinese trading firms as an indicator of its commitment to halting missile proliferation, especially given the vigor with which the administration opposed the congressional legislation creating those sanctions in 1990. Those sanctions, by the way, are limited only to a prohibition on exports of United States missile technology and on United States Government contracts with the two Chinese enterprises.

THE BURDEN OF SANCTIONS

On the broader issue of who in China will bear the burden of expanded trade sanctions, it is true that if the President ultimately determines that China is still engaging in egregious human rights abuses and promoting proliferation, sanctions may well impose some costs on friends of the free market and open society in China, but let us examine those costs.

Why does the Chinese leadership, including the old-line party bosses, military chiefs, trading companies, and family networks in the Chinese military-industrial complex, want continued easy access to United States money, markets, and possible military assets? Obviously, because such goods help to shore up their position at home; U.S. trade helps to confer power and legitimacy upon precisely those government officials who are responsible both for practicing dictatorship at home and proliferation abroad. To argue that the loss of free trade with the United States would only have impacts on the advocates of the open society and free market in China is absurd. Besides, if the administration's fervent belief that any rupture in United States-Chinese trading relations would be quickly made up by an influx of companies and capital from other Western, pro-free-market nations and Japan, then the net impact on China's free-market sector may not be as severe as the administration claims.

I also doubt that the United States is not without some influence over those other Western nations to ensure that whatever cooperation follows does not contribute either to proliferation or further human rights abuses in China. Perhaps one of the best instruments available to the United States is publicity: If other nations wish to promote dictatorial practices and proliferation by China, they are free to do so, but at the risk not only of jeopardizing friendly relations with the United States but of humiliating international exposure of such cooperation. America must tell the world where it stands on these issues.

But our concern about the effect of sanctions inside China should not lead us to neglect some harsh economic realities we face here at home as we pursue business as usual with China. In the first 11 months of 1991, the United States sold about $5.7 billion in exports to China, while the United States bought over three times that amount from China.

There is, moreover, not just economic benefit from trade with China. What about the United States exporters who have seen their patents and copyrights abused by unscrupulous Chinese entrepreneurs? What about United States manufacturers of retail merchandise who have been put out of business by the influx of cheap Chinese imports? What about China's sales of goods produced by convict labor and continued charges of dumping in the United States and other nations? America's economic gain from unfettered trade with China may not be as self-apparent as the administration would like Congress to believe.

If, in the worst case, China eventually loses its United States most-fa-

vored-nation privileges, United States exporters should ask their Government: What are you doing to find alternative markets for United States goods? There is no law of nature that compels United States exporters to sell only to China. Indeed, it hardly seems supportive of United States interests for the administration to bemoan the loss of export income if Congress and the American people insist on some fundamental human rights and nonproliferation conditions on United States-Chinese trade. For United States policy to be credible, Chinese leaders must receive the sober message that if improvements are not made, the United States both can and will "simply take its business elsewhere." Surely the United States has interests in cultivating expanded trade with Pacific rim nations, Eastern Europe, the newly independent nations of the former Soviet Union, the rapidly growing economies in Latin America, our friends in the Middle East and with the civilian market of the world's largest democracy, India. It hardly serves United States security interests to harp on the alleged burdens that would be borne by the American consumer as a result of a conditional most-favored-nation approval, such posturing only plays into the hands of the Chinese leadership and undercuts United States nonproliferation diplomacy.

Is our economy in such straits that it has now become hostage to the China market; must our foreign policy now be driven by fears about what it will mean for the United States consumer price index for the Congress to put a human rights condition on trade with China? The answer is not a partisan matter; as Abraham Lincoln once wrote, "Republicans * * * are for both the man and the dollar; but in cases of conflict, the man before the dollar."

Once again, if China's leaders accepted the administration's claim that trade and technology are America's secret weapons to undermine Chinese society, revolutionize the political system, and transform the economy, why are they so enthusiastically welcoming a closer relationship? The answer is that these leaders have evidently concluded that they will personally gain from renewed commercial ties with the West, if they thought that they would not be able to manage the undesirable side effects from this trade, they would not have sought it in the first place.

PROBLEMS IN BUYING COMPLIANCE

Not too long ago, this administration was arguing that increased trade would also advance the causes of human rights, democracy, a free economy, and nonproliferation in Iraq. Similar claims were made about the provision of billions of economic and military aid to Pakistan to alleviate Pakistan's alleged security fears and thereby halt its nuclear weapons program. The Reagan administration similarly tried a policy of constructive engagement with the apartheid regime of South Africa. We got burned in Iraq and Pakistan; our policy on South Africa was unproductive and a national embarrassment. We should expect no less from a sanctions-free policy toward China.

If trade, capital and technology were truly useful as instruments of Chinese restraint in the field of weapons proliferation, why then is there so little to show by way of success in the years since President Nixon's historic trip to China in 1972? Prior to 1972, China had not to my knowledge ever transferred nuclear-capable missiles to other nations nor, according to many reliable reports, passed a nuclear weapon design to any other nation. Chinese nuclear and missile scientists were not turning up in sensitive foreign military facilities with the frequency they are appearing now. A good case could be made that the most outrageous Chinese activities in the field of proliferation occurred precisely during the period when United States economic and technological ties were strongest.

Yet whenever this issue comes up at recent congressional hearings, the subject is immediately avoided by administration witnesses and reserved for classified briefings; the general public, seeking some facts on these proliferation issues, finds only the word, "[deleted]," in printed copies of congressional hearings. The President's Annual Report to Congress on nonproliferation contains nothing on these issues, indeed, if it were not for the few items that appear in the media, the public would be kept completely in the dark. In this respect at least, the Soviet Union is not the only nation that could benefit from a little glasnost.

"OPEN DOOR" FOR PROLIFERATION?

The administration at times seems to imply that China's evolution toward a freer market will even help induce restraint in China's international behavior. I simply cannot fathom what the relationship is between the extent of capitalism in China's domestic market and progress on halting proliferation. A free market in China may even encourage an open door in reverse, involving the laissez faire international export of dangerous technologies and military hardware, many of which would have been produced with improved capabilities thanks to imports of Western knowhow and materials.

Encouraging China to have a freer market and promoting human rights in China are important goals of United States policy, but let us not for a minute believe that progress on these fronts will necessarily make China any less willing or able to export weapons of mass destruction or the means to produce them.

A few years ago, the administration argued that Pakistan's recent democratic and economic reforms would tighten the reins on Pakistan's nuclear program; yet a recent Gallup poll reports that 87 percent of respondents in Pakistan want the bomb, and in true representative fashion, their government appears to be willing to respond to this public demand. It appears that a nation's likelihood to engage in proliferation is less a function of the form of government or economy of the exporting nation than or international politics and strategic interest. China will stop engaging in proliferation when it recognizes that it stands to gain nothing and to lose a lot from such behavior. There is just no easy substitute for tough confrontation of China on a political and strategic level.

Finally, if trade is so important as an instrument of leverage, why does the administration not apply this logic to United States relations with North Korea, Cuba, Vietnam, and Libya? Should not these nations also have open societies and free-market economies? Do we not want leverage to restrain various international activities of these nations as well?

MOST FAVORED NATION AND THE NEW WORLD ORDER

The seriousness of the most-favored-nation issue goes far beyond the narrow bilateral relationship between the United States and China. There are more fundamental questions at stake here concerning broader interests of American foreign policy.

First, what is the value of a foreign policy consensus?

This debate over China's most-favored-nation status involves a classic conflict concerning the separation of powers. There is little partisanship on Capitol Hill when it comes to the basic goals of advancing human rights and halting the global proliferation of weapons of mass destruction; there is conflict, however, both between and within the branches as to how best to achieve these goals.

Such conflicts are not new, but in a thermonuclear age undergoing revolutionary political transformations at national, regional, and global levels simultaneously, it is perhaps more important that ever for "politics to stop at the water's edge" and for the country to unite behind a foreign policy that represents the consensus of the Nation. The unity of the American people in revulsion to the events at Tiananmen and to China's irresponsible peddling of arms and dangerous military technology in the Middle East and South Asia, however, is now under assault by an administration that refuses to acknowledge the failure of past policy approaches. Our policy now appears to be driven by, in Washington Irving's memorable words, the "almighty dollar."

A strong foreign policy has a strong foundation of support at home—the administration's efforts to construct a foreign policy based on a simple ability

to sustain Presidential vetoes seems destined not only to ensure divisiveness at home but to foster the perception of U.S. weakness from abroad. U.S. foreign policy is dangerously close to being "all sail and no anchor," a fragile basis indeed for a new world order.

My second question asks, is free trade sufficient for peace?

The Yankee merchant ship *Empress of China* docked for the first time in Canton Harbor in 1784. Sixty years later, China granted the United States MFN status. Missionaries came with a determination to transform Chinese society spiritually just as the traders sought to transform it materially; as one U.S. diplomat put it in 1900, "We are a moral as well as material force. We are a civilizing as well as an exploiting agency." (John Barret, North American Review, August 1900). While the bountiful dream of the China market grew in the public imagination, especially after the economic depression of 1893, diplomats also came to see China as an arena for strategic competition between Russian, Japanese, European, and American interests. The United States unilaterally sent its famous open door diplomatic notes in 1899 and 1900 both to defend America's trade interests and to protect China's territorial integrity. The press at that time hailed the opening of "the greatest of world markets," a market "of enormous possibilities" with "400 million customers." The United States acquired Hawaii, the Philippines, and dug a canal through Panama, all largely intended to open further the path to the China market.

President Theodore Roosevelt was primarily interested in preserving a stable balance of power in East Asia: Japan would balance Russia and the United States would pursue its interests through cordial diplomacy, with appropriate shows of force. However, Roosevelt's Secretary of War, William Howard Taft, was especially enthusiastic about the China market: In a speech in 1908 he predicted that "should China progress industrially, you can be sure that * * * the wealth of that country will be showered upon us. * * * " When President Taft, a Yale graduate, came to office a year later, he made it clear that United States interests in China would be given a priority unsurpassed by any previous administration. The use of the machinery of the foreign policy establishment to promote trade and investment in China was soon to be labeled "Dollar Diplomacy," a practice that has been carried on in various forms to the present day. In 1910, Taft's Secretary of State, Philander C. Knox, stated that the application of dollar diplomacy in China was "a high moral duty."

Unfortunately, both the open door and dollar diplomacy produced unsatisfactory results, both for U.S. business and strategic interests. The East Asian balance of power was altered to Japan's benefit as Japan continued to pursue its special interest in Manchuria; even the large United States houses were able to find more lucrative investments in Japan and other countries. China, meanwhile, was in the midst of revolutionary turmoil: A bloody Boxer Rebellion in 1900 and a full-scale revolution in 1911 led to a long period of reconstruction and development.

President Harding's inaugural address in March 1921 heralded "an era of good feeling to mark the birth of a new order." In terms of foreign policy, the "new order" would rest on the proposition that "ties of trade bind nations in closest intimacy and none may receive except as he gives." A month earlier, he stated, "I would rather have indissoluble ties of righteous trade promote international friendship than all the compacts ever written in the world." (New York Times, February 26, 1921.)

Herbert Hoover, both as Secretary of Commerce under Calvin Coolidge and as President, also sought to promote trade with China but not at the cost of engaging in any political commitments. Hoover was a strong believer in unconditional MFN clauses in commercial treaties—the United States customarily used only conditional MFN clauses until the mid-1920's—as was the administration of Franklin Roosevelt. Having worked earlier in China as an engineer, Hoover believed he had a personal appreciation for the commercial and strategic value of China. Yet when Japan invaded China in the early 1930's, the United States imposed no sanctions and announced only that it would not recognize any territory acquired by conquest, the so-called Stimson doctrine. Hoover saw no need for economic sanctions against Japan; in his words, the United States "should not go around alone sticking pins in tigers." In frustration over United States hostility to economic sanctions against the Japanese invasion of Manchuria, a Chinese observer described the Stimson doctrine as having the "head of a dragon and the tail of a rat."

The policies of Harding, Coolidge, and Hoover toward the new Soviet Government were largely the same: Trade and commerce were seen as the best way to promote United States interests abroad. Similarly, trade was seen by these administrators and by the Roosevelt administration as a means to influence Mussolini; when Italy invaded Abyssinia in 1935 and used chemical weapons, the United States agreed to an embargo on arms sales to all belligerents but continued to sell oil to Italy, its most precious import commodity. Trade was also seen in the 1930's as one way to influence Hitler; in 1937, Thomas J. Watson of IBM told the International Chamber of Commerce in Berlin that there would be "World Peace through World Trade." After the war was underway, Senator Harry Truman and his colleagues on a special committee investigated the extensive role of United States companies in arranging secret production agreements with German firms concerning the production of chemicals, rubber, and aviation fuel.

President Roosevelt's policy for curbing Japanese expansionism also relied heavily on moral exhortation and the avoidance of economic sanctions; his Secretary of State, Cordell Hull, was a strong believer in free trade as a basis of world peace. In 1933 he stated that "restoration of fair, friendly and normal trade relations among nations at present would not only avoid serious economic, military and political differences between countries in the future, but would go far toward composing those now existing." (New York Times, April 30, 1933). A year later, he stated, "Friendly , orderly international trade * * * is not only indispensable to the domestic prosperity of most countries; it is also one of the greatest educators, civilizers, and peacemakers." (New York Times, November 2, 1934). Building on this conviction, Hull strongly opposed the embargo on United States exports of oil to Japan until shortly before Pearl Harbor. He also rejected the advice of the United States Ambassador to Austria, George Messersmith, who urged that "economic pressure and practical isolation" be applied to Hitler's Germany. Messersmith opposed economic appeasement of Germany, saying in a letter in 1934 that "anything which we might do now would only tend to prop up the regime and lengthen its hold upon Germany."

Roosevelt himself, however, at least on one occasion acknowledged the weaknesses of economic instruments in America's policies toward China: "Dollar Diplomacy," he wrote in Foreign Affairs—July 1928—"as adopted by President Taft and Secretary Knox placed money leadership ahead of moral leadership in the Far East."

By the mid-1930's, the United States had abandoned one of the key objectives of the open door policy, protection of the territorial integrity of China, and eventually learned the hard lesson that while free trade offered many benefits, it was clearly an inadequate means to solve the world's political problems. The lesson here is that free trade has limited purchasing power when it comes to buying another nation's adherence to fundamental international norms, especially when that nation sees a strategic advantage in violating those norms.

In the cold war years, the United States broke its free trade tradition and organized a multilateral embargo on all sensitive trade with the U.S.S.R., China, and their client states.

Although this embargo surely did not prevent the Soviets from acquiring sophisticated weapons, the National Academy of Sciences has recently acknowledged that the embargo "caused them to rely on less sophisticated technological approaches, and it has forced them to invest enormous resources in military-related research and development that might otherwise have been dedicated to civilian purposes." (Finding Common Ground, 1991.) In short, U.S. Presidents from both parties in the postwar period concluded that the security costs exceeded the potential economic gain that would result from free trade with the Soviet bloc. That conclusion was adjusted only after substantial political and economic changes occurred in Eastern Europe and the Soviet Union, which nevertheless still does not have MFN status, changes which have been throttled by the ruling Chinese leadership.

Yet on May 24, 1990, Assistant Secretary of State Richard H. Solomon testified at a joint hearing of two House Foreign Affairs subcommittees that "we must avoid the temptation to be excessively punitive [with China]." Shifting from an emphasis on sanctions to one on trade, Solomon testified on June 6, 1990, before a Senate Foreign Relation Committee subcommittee that "We should not underestimate the power of international commerce as a force for change." True, but when viewed in light of the hard experiences of Taft, Hoover, Hull, Roosevelt, and more recently, when appraised relative to the $1.5 billion in dual-use goods that the United States licensed for export to Iraq over the last 6 years, neither should we overestimate the power of commerce to produce changes that advance key United States national security and foreign policy objectives.

Let us keep in mind, whenever we hear the slogan of "streamlining the export control process," that accomplishing this objective may cost us another war down the road, a war in which our adversaries will be using weapons of mass destruction built from goods that were made in the United States.

My third key question is: How will America demonstrate its leadership in the new world order?

On May 22, 1991, Under Secretary of State Robert Kimmitt testified before the House Foreign Affairs Committee that in meetings at the White House in April and May 1990, before the Iraqi invasion of Kuwait but well after Iraq had violated its commitments under the Geneva protocol by using chemical weapons in the Iran/Iraq war, tested a satellite launch vehicle, committed human rights atrocities, and broke its obligations under the Nuclear Nonproliferation Treaty, that only then had the United States explored new export controls to be employed against Iraq. Moreover, Kimmitt stated that a NSC meeting on this issue only decided to study the matter, since adoption of any new controls would have to be on a "multilateral basis."

Similarly, Assistant Secretary of State John Kelly testified before the Senate Foreign Relations Committee on June 15, 1990—shortly before Iraq invaded Kuwait—that United States economic sanctions against Iraq would only "deny U.S. exporters the ability to compete with foreign exporters [to Iraq]."

Senator Nancy Kassebaum, my Republican colleague from Kansas, answered Secretary Kelly by saying that even if our allies would not immediately join us in imposing sanctions against Iraq's human rights record, "it makes me weep to think that we are not doing more to call this to the world's attention, that we are sort of standing by and just saying, 'Well, we are trying through diplomatic channels' * * *. I think we have to be prepared to stand up and be counted."

Are we so driven to improve U.S. "competitiveness" that we are willing to pay any price for that goal? Do we truly want a trade balance that rests on the backs of our soldiers who will be sent into battle tomorrow because of what we are exporting today?

If one element of the new world order will be that the United States must no longer show leadership in great international initiatives against breaches of international security or crimes against humanity, then our Nation will have taken a giant leap, not into the 21st century, but back to the 1920's and 1930's when similar logic contributed to the death of the League of Nations and the rise of international anarchy. What is needed now is not a retreat to Harding's "era of good feelings" but a leap to a new "era of good sense."

THE UNITED STATES/CHINA NUCLEAR COOPERATION AGREEMENT

I cannot conclude my statement today without reference to the Reagan administration's negotiation 7 years ago of a new agreement for nuclear cooperation with China. In his letter transmitting that agreement to Congress, President Reagan stated that "* * * we can expect that China's policy of not assisting a nonnuclear weapon state to acquire nuclear explosives will be implemented in a manner consistent with the basic nonproliferation practices common to the United States and other suppliers."

As was often the case with nuclear agreements submitted during the Reagan administration, the same old themes were trotted out by the bureaucracy on behalf of this dubious agreement. Secretary of Energy, John Herrington, testified before the House Foreign Affairs Committee on July 31, 1985, that the agreement would "offer significant opportunities for U.S. industry to participate in what may well be a multibillion dollar market * * * the benefits, in terms of new jobs for our citizens and favorable effects on our foreign trade balances, are very clear." Pressing the economic theme, Herrington testified that "We need to get into this market. We need to be a player in it for leadership, for the survival of our own industry, and also for the information flow and cooperation agreements and relations that we can develop in this area."

With respect to security implications, Herrington added that the agreement "is a great step forward in promoting a stronger international nuclear nonproliferation regime [and that] the PRC has clearly indicated that it shares our concerns about any nuclear weapons proliferation."

Kenneth Adelman, as Director of the Arms Control and Disarmament Agency, similarly testified that the agreement with the Chinese "helps ensure that they are part of the nonproliferation solution, rather than part of the problem."

Yet buried away in the public hearing documents relating to the agreement was a single, ominous sentence in a censored letter to the President from the acting Chairman of the Nuclear Regulatory Commission saying, "We have concerns, however, regarding the adequacy of certain assurances provided by the PRC." (Letter of July 19, 1985.)

Indeed, because of China's notorious record of trafficking in unsafeguarded nuclear technology and materials—including covert dealings with Argentina, Pakistan, and even South Africa—I authored a joint resolution setting forth some specific nonproliferation criteria that would have to be met by China before United States licenses could be granted under the agreement. In particular, the President must first certify that certain basic nonproliferation standards had been met by China, including the following: that China not be actively assisting other nations to acquire nuclear weapons or relevant sensitive technology, that arrangements are in place that would be effective in ensuring that United States technology would only be used for peaceful purposes, and that the President must submit to Congress "a report detailing the history and current developments in the nonproliferation policies and practices of the People's Republic of China."

As of February 1992, Congress has still not received the necessary certifications, not a surprising development considering China's continued collaboration on secret nuclear projects in Pakistan, nuclear cooperation with Iran and Iraq, and clandestine international sales of heavy water and other controlled dual-use goods. I am indeed proud to say that Congress deserves the credit for having placed the Nation's security concerns ahead of the bounti-

ful—and it turns out illusory—profits that would allegedly have come from nuclear sales to China. In taking this step, Congress was only following a tradition well summarized by president Gerald Ford, when he stated on October 28, 1976, that America "must be sure that all nations recognize that the U.S. believes that non proliferation objectives must take precedence over economic and energy benefits if a choice must be made. The goal is to prevent proliferation, not simply to deplore it."

THE CHALLENGES AHEAD

Mr. President, the demands of the new world order will require all nations to show greater sensitivity to the collective threats posed by the global spread of weapons of mass destruction. Nonproliferation initiatives—both of the unilateral and multilateral variety—will have to get higher priority than they have received in the past. Our initiatives must not be limited to rhetorical flourishes and closed-door diplomacy. They must be deeply rooted in our national experience.

After looking over the recent record of United States policies with respect to Pakistan, Iraq, and China, I think the time has come for a serious review of the organization of our whole foreign policy establishment: Why is our system so resistant to learning from the errors of the past? Why does our machinery of government so stubbornly refuse to learn from its experiences, especially in the face of information indicating that our actions are not only ineffectual and inadequate, but may in some cases be contrary to long-term U.S. national security interests?

When China or any other nation says it is advancing the cause of human rights and nonproliferation, yet our evidence tells us otherwise, we should believe what we see, not what we hear, and adjust our policies accordingly.

When special interests press forward with notions of bountiful profits and commercial solutions to these most fundamentally political of problems, we should recall our past experience from practicing such remedies in similar situations, and ensure that long-term national and global interests take precedence over the interests of the few.

We must learn from our past if we wish to build for the future. Let us show the world where human rights and nonproliferation issues stand on America's ranking of priorities. Let us show this determination by voting now on the right terms for resuming China's trade benefits. Let us lead the way to a new world order based not on the pursuit of profits, but the achievement of peace, prosperity, and justice for all.

I yield the floor. I thank my distinguished colleague for yielding me the 7 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield 5 minutes to the distinguished chairman of the Committee on Foreign Relations, there being no Member from the other side seeking recognition.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, today I rise in support of the conference report to H.R. 2212, the United States-China Act of 1991. This bill prohibits the President from requesting most-favored-nation [MFN] status for China for the year beginning on July 3, 1992, unless he reports significant improvement in Chinese trade, human rights, and weapons proliferation behavior.

The time has long passed for the United States and the rest of the free world to draw the line around China's pernicious acts. The longer we excuse China from behaving according to international standards, the more dangerous the world becomes for us all.

Some will suggest that conditioning MFN will have no effect on China. But, so far, Chinese granting of MFN has not significantly improved Chinese behavior. In human rights, the Chinese tell us to mind our business. They will be held only to Chinese standards, not to international norms they committed themselves to in numerous United Nations covenants.

In trade we are running more than a $12 billion deficit with China. Yet China reportedly continues to steal American trade secrets, everything from toasters to high tech.

In 1985 the Reagan administration informed Congress that "China has now declared its opposition to proliferation and taken concrete steps toward global nonproliferation norms and practices." China agreed with that pleasing assessment: in October 1985 China's vice premier said that China "does not practice nuclear proliferation." That was the same year that China reportedly agreed to train Iranian nuclear engineers.

In January 1990, Iran and China signed a 10-year agreement for scientific cooperation and the transfer of military technology. The same year China agreed to supply Iran a micronuclear reactor. In September 1990 journalists revealed that a Chinese company had sold Iraq 7 tons of lithium hydride used in the manufacture of nuclear weapons and missile fuel in violation of the U.N. embargo. Last year China reportedly secretly aided Algeria develop a 15-megawatt nuclear reactor.

A State Department spokesman last year said that "the Chinese have stated that they will * * * act 'prudently and responsibly' with respect to missile exports worldwide." Perhaps, but Syria is reported to have received equipment associated with M-9 intermediate range missiles from China. On June 27, 1991, China's ambassador to the United States admitted that China has sent M-11 missiles to Pakistan.

On Friday the President announced he was lifting high technology sanctions against China because China has finally agreed to comply with Missile Technology Control Regime restrictions. The President is basing his decision on a letter received on February 1 from the Chinese Foreign Minister. Secretary Baker testified before the Foreign Relations Committee on February 5 that the letter was "a clear step in the right direction." That letter has yet to be released. We do not know how big a step that commitment was.

What we need are specific and reliable assurances from China. No more promises. This conference report contains specific actions that China should take not because China should improve its relations with the United States, but because China must improve its relations with the world.

This afternoon the Senate will meet in secret session to consider the implications of these dangerous Chinese actions on world stability. I urge all of my colleagues to attend. This is not a partisan issue. No responsible American should hide his or her head in the sand when this information is presented for their consideration.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I remarked earlier on the cogency of the points made by my friend of these many years, the once and future chairman of the Committee on Finance. This trade matter of course comes from the Committee on Finance.

He makes the point that the issue of human rights is one which certainly is a principle of American foreign policy and has been for a very long while, really since the Atlantic Charter that was agreed to by President Roosevelt and Prime Minister Churchill in their meeting off Newfoundland in 1942.

It goes further back to Woodrow Wilson's 14 points. It has been part of our view in the world for a very long time. And it is a view that has changed with circumstances.

John Quincy Adams was once quoted as saying that the United States is "a friend of liberty the world over. It is the defender, however, only of its own." But that time, I think, has passed. Still, to make it a uniform condition of our relations with other countries that they have a Bill of Rights and abide by it, is to put us out of touch with three-quarters of the nations of the world.

Not as many as it would have done. Freedom House studies show an extraordinary increase in democracy and human rights freedoms. Nor have we been particularly consistent. We still do not have most-favored-nation relations with the former Soviet Union, now made up of nations which, certainly by any previous standards, look democratic to us.

Certainly the Gulag is emptied out. Look around for the nation that keeps the largest proportion of the nation behind bars, you have to look to ourselves at this point. The last political prisoners have disappeared in the Soviet Union, or so we think—they have not disappeared, rather, they have reappeared to be interviewed by the New York Times.

Still, there are two questions. There is a prior question, are we under any obligation to give most-favored-nation treatment? And I would say to my friend from Oregon that that is a presumption that you are encumbered with if you are a member of the General Agreement on Tariffs and Trade as regards any other member of the GATT—you give each other MFN treatment. The People's Republic of China is not a member of GATT.

There is another matter which I would like us to consider with great seriousness, and that is that in May of last year, the U.S. Senate gave its advice and consent to the ratification of International Labor Convention 105.

Mr. President, I ask unanimous consent that my remarks before the Senate at that time be printed in the RECORD at the conclusion of my remarks today.

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

(See exhibit 1.)

Mr. MOYNIHAN. That is the convention against trading in products made by prison labor or any form of forced labor. It is the convention on forced labor.

It was a special moment for this Senator. The proposal to ratify the ILO convention on forced labor was sent to the Senate by President Kennedy. I was then assistant Secretary of Labor and I helped draft the proposal. It was the first substantive ILO convention we had ever proposed be ratified.

The International Labor Organization was a creation of the Treaty of Versailles, particularly a concern of Woodrow Wilson. It was carried out, facilitated at the first meeting here in Washington of the Pan American Union by Franklin D. Roosevelt, assistant Secretary of the Navy.

This body was frozen, stalemated by the debate over the ratification of the Treaty of Versailles. The ILO arrived in town for the first meeting of the League organization. There was nowhere to go, nobody to look after it. And Franklin D. Roosevelt emptied out the Navy Department offices, the old temporary buildings on the Mall and took care of them. And he took care that the first thing he did as President was to join the ILO. We have never really wanted to go near the actual substantive provisions adopted by the International Labor Conference. But finally we did. It took us a quarter century—it took us more—it took us almost 30 years to respond to President Kennedy's proposal, but we did.

We gave our advice and consent to ratification on May 14 last year. The instrument of ratification was deposited on September 25. And it will become effective on September 25 of this year.

Mr. President, here are products of prison labor, sold in international trade by the Chinese. You can buy these: socks with a panda with the word "boxing" and a little boxer; this fellow is playing golf, whatever.

Representative WOLF was in Beijing Prison No. 1, and not recognizing him as a Member of the House of Representatives, they thought he was a buyer. They started showing him the goods for sale.

They have stopped that. We have ratified that treaty at long last. Surely we ought to indicate that we mean it, that we intend to help enforce this international labor standard.

One other thing, Mr. President. We speak of human rights violations and we can properly say that, well, you go around the world, there are continents you could not get into with that criteria. The Senator from Oregon has used the nice term about those countries which, depending on the phase of the political moon, come in and out of some respectable standards of that kind.

But there is one large event which the Chinese stand guilty of in the most brazen and unapologetic and brutal manner, and that is the invasion and conquest of Tibet, and what is now the ongoing genocide in that region of China. They have not merely conquered Tibet; they have set about the destruction of the Tibetan people and the resettlement. Contrary to all the rules of international law, the Geneva Conventions, they are settling Tibet with Han population. They are doing, as far as we know, brutal things with regards to reproduction, births of Tibetan women. It is far away. There are no television cameras. No one hears the cries, the screams. But there has not been since the Second World War any equivalent excepting in Cambodia where it was basically an internal matter.

This provision, the law we deal with, speaks of China's abuses in Tibet. Late last year Congress also spoke of China's illegal control of Tibet, stating that Tibet's true representatives are the Dalai Lama and the Tibetan Government in exile as recognized by the Tibetan people.

There is not now anyplace in the world, anywhere on Earth, as brazen, illegal, or brutal a conquest and subjugation of another country, another culture, another religion, and the subsequent effort to destroy that culture, destroy that religion. That is, in the end, what nations are. The fundamental obligation in international law is not to do what the People's Republic of China has done, and it is to that, not in the least, that this measure is addressed.

EXHIBIT 1

[From the CONGRESSIONAL RECORD, May 14, 1991]

Mr. MOYNIHAN. Mr. President, I rise to thank the chairman of the Committee on Foreign Relations, the distinguished ranking member, and all those involved in a matter that may not be widely noticed but is of epic importance.

For the first time in our 66 years of membership in the International Labor Organization, we are going to ratify a substantive treaty, one of the five key human rights conventions of the ILO, which has meant so much to this century.

I would like particularly to note that it was 27 years ago that President Kennedy proposed that we do this in a message to the Congress. I was then Assistant Secretary of Labor. We were so pleased that finally we were resuming this relationship with the ILO with its great purposes that President Wilson so very much associated himself with.

Mr. President, I ask unanimous consent that President Kennedy's message and that of his Secretary of State Dean Rusk, and Secretary of Labor W. Willard Wirtz be printed in the RECORD at this point.

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

1963 PRESIDENTIAL MESSAGE SUBMITTING CONVENTION 105 TO THE SENATE

THE WHITE HOUSE, *July 22, 1963.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention Concerning the Abolition of Forced Labor (convention No. 105), adopted by the International Labor Conference at its 40th session, Geneva, June 25, 1957.

I transmit also, for the information of the Senate, the report of the Secretary of State concerning the convention, together with the copy enclosed therewith of a letter from the Secretary of Labor.

JOHN F. KENNEDY.

(Enclosures: (1) Report of the Secretary of State, with enclosed background statement and copy of letter; (2) certified copy of ILO convention No. 105.)

THE WHITE HOUSE, *July 22, 1963.*

DEPARTMENT OF STATE,
July 18, 1963.

The PRESIDENT,
The White House:

I have the honor to lay before the President, with a view to its transmission to the Senate for the advice and consent of that body to ratification, if the President approve thereof, a certified copy of the Convention Concerning the Abolition of Forced Labor (convention No. 105) adopted by the International Labor Conference at its 40th session, Geneva, June 25, 1957.

In accordance with article 4 thereof, the convention entered into force on January 17, 1959. At the present time 60 of the 108 members of the International Labor Organization, not including the United States, have deposited instruments of ratification to the convention.

There is enclosed a background statement on the development of this convention over a period of nearly 10 years.

The convention as adopted consists of a preamble and 10 articles, the substantive provisions being contained in the first 2 articles.

Article 1 provides that each ratifying member undertake to suppress and not to make use of any form of forced or compulsory labor (a) as a means of political coercion or education or a punishment for holding or expressing political views or views ideologically opposed to the established political, social, or economic system; (b) as a method of mobilizing and using labor for purposes of economic development; (c) as a means of labor discipline; (d) as a punishment for having participated in strikes; and (e) as a means of racial, social, national, or religious discrimination.

Article 2 provides that each ratifying member undertakes to take effective measures to secure the immediate and complete abolition of forced or compulsory labor as specified in article 1.

Formal ratifications are to be communicated to the Director General of the International Labor Organization (art. 3). The convention is binding only on those members which have registered ratifications with the Director General, and the convention enters into force 12 months after the date on which the ratifications of two members have been registered (art. 4). Thereafter it enters into force for any member 12 months after the date of registration of its ratification (art. 4).

The convention may be denounced by any member or party thereto after 10 years have elapsed from the date it first enters into force, by a communication addressed to the Director General; such denunciation shall take effect 1 year from the date it is registered by the Director General (art. 5). Any party which has not, within a year following the expiration of that 10-year period, exercised the right of denunciation, will continue to be bound for another 10-year period and, thereafter, by a communication to the Director General, may denounce the convention at the expiration of any period of 10 years (art. 5).

The Director General shall notify all members of the Organization of the registration of ratifications and denunciations and of the entry into force of the convention (art. 6), and shall register the convention with the United Nations in accordance with article 102 of the United Nations Charter (art. 7).

Article 8 provides for consideration of a revision of the convention. Article 9 provides that, if the Conference adopts a new convention revising this convention in whole or in part, then, unless the new convention otherwise provides, ratification by a member of the new convention shall involve immediate denunciation of this convention notwithstanding the provisions of article 5. Article 10 states that the English and French versions of the conventions are equally authoritative.

Pursuant to article 19, paragraph 7(b), of the Constitution of the International Labor Organization, the convention was transmitted to both Houses of Congress on February 9, 1959 (H. Doc. 78, 86th Cong., 1st sess.). At that time the interested departments of the Government were inclined to the view that the ban on forced labor as a punishment for having participated in strikes raised problems of a technical legal character with regard to areas of State regulation.

However, after an extensive additional review of the convention and the technical legal problems involved, the interested departments of the Government have expressed their coordinated view (see the enclosed copy of a letter dated February 15, 1963, from the Secretary of Labor) that the subject matter of convention No. 105 is wholly within the Federal competence under the 13th amendment to the Constitution of the United States, that there is neither Federal nor State power validly to impose forced labor as a punishment for a legal strike, and that, with regard to illegal strike activities, any such punishment would only come about "as punishment for crime whereof the party shall have been duly convicted." The 13th amendment to the Constitution reads in part:

"Neither slavery nor involuntary servitude, except as punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction."

Accordingly, and in accordance with article 19, paragraph 7(a), of the Constitution of the International Labor Organization, the convention is submitted herewith for transmission to the Senate for advice and consent to ratification.

Respectfully submitted.

DEAN RUSK.

Enclosures: (1) Background statement; (2) copy of letter of February 15, 1963, from the Secretary of Labor; (3) certified copy of convention No. 105.

BACKGROUND STATEMENT REGARDING THE DEVELOPMENT OF CONVENTION NO. 105

The adoption of the convention by the International Labor Conference in 1957 was the result of long and earnest consideration of the problem of forced labor. In 1947 the Economic and Social Council of the United Nations received a letter from the American Federation of Labor urging an investigation concerning forced labor and the consideration of action to abolish it. The Council adopted a resolution on March 7, 1949, which, among other things, invited the International Labor Organization "to give further consideration to the problem of forced labour and its nature and extent in the light of all possible information." This resolution came before the Governing Body of the Organization at its 109th session (June 1949). The Governing Body stated its view that there should be an impartial inquiry into the nature and extent of forced labor and the treatment accorded to such persons.

On March 19, 1951, the Economic and Social Council adopted a resolution in paragraph 1 of which it is stated:

"1. Decides to invite the International Labour Organization to co-operate with the Council in the earliest possible establishment of an ad hoc committee on forced labour of not more than five independent members, qualified by their competence and impartiality, to be appointed jointly by the Secretary General of the United Nations and the Director General of the International Labour Office with the following terms of reference:

"(a) To study the nature and extent of the problem raised by the existence in the world of systems of forced or "corrective" labour which are employed as a means of political coercion or punishment for holding or expressing political views and which are on such a scale as to constitute an important element in the economy of a given country, by examining the texts of laws and regulations and their application in the light of the principles referred to above and if the committee thinks fit by taking additional evidence into consideration;

"(b) To report the results of its studies and progress thereon to the Council and to the Governing Body of the International Labour Office."

The report of the ad hoc committee, adopted on May 27, 1953, was submitted to the United Nations and the International Labor Organization. The General Assembly of the United Nations adopted in 1953 a resolution in which it invited "the Economic and Social Council and the International Labour Organization, as a matter of urgency, to give early consideration to the report of the Ad Hoc Committee on Forced Labour."

The Economic and Social Council, at its 17th session in 1954, considered the report and adopted a resolution in which the International Labor Organization was invited to continue its consideration of the question.

During the 1956 Conference (39th session) of the International Labor Organization the Committee on Forced Labor submitted its report as a basis for discussion regarding the preparation of a new international instrument concerning forced labor. The Committee's report recommended that a convention was the most appropriate form of instrument and set forth certain proposals to be used as a basis for draft articles for the abolition of forced labor. The conclusions of the Committee were examined by the Conference and a resolution was adopted on June 28, 1956, approving the Committee report, and in particular approving as general conclusions, with a view to the consultation of governments, proposals for a convention relating to forced labor. The subject was placed on the agenda of the next general session with a view to a final decision on a convention concerning forced labor.

At the 40th session of the International Labor Conference (1957) the Committee on Forced Labor considered the draft of an international instrument concerning forced labor. The Committee submitted a draft convention to the General Conference with a report dated June 19, 1957, and the General Conference adopted the draft convention on June 21, 1957. The U.S. delegations actively participated in the discussions regarding the draft convention, which was adopted by a vote of 240 to 0 with 1 abstention. The U.S. Government and workers' delegates voted in favor; the U.S. employees' delegate abstained on the basis of the form of the instrument.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, DC, February 15, 1963.

Hon. DEAN RUSK,
Secretary of State, Washington, DC.

DEAR MR. SECRETARY: This letter will express to you the revised coordinated view of the interested departments and agencies of the executive branch with respect to the Convention (No. 105) Concerning the Abolition of Forced Labor, adopted at the 40th session of the International Labor Conference at Geneva, Switzerland, June 25, 1937. The previous coordinated view of these departments and agencies on this instrument was expressed in a letter to the then Secretary of State, the Honorable John Foster Dulles, from Secretary of Labor James P. Mitchell, dated December 15, 1958, and forwarded by the Department of State to the House of Representatives and the Senate on February 9, 1959. (H. Doc. 78, 86th Cong., 1st sess.).

The Convention requires that each ratifying member undertake to suppress and not to make use of any form of forced or compulsory labor for the following purposes: As a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social, or economic system; as a method of mobilizing and using labor for purposes of economic de-

velopment; as a means of labor discipline; as a punishment for having participated in strikes; and as a means of racial, social, national, or religious discrimination. It further requires that each ratifying member undertake to take effective measures to secure the immediate and complete abolition of the specified forced or compulsory labor.

The Convention was adopted by a vote of 240 to none, with 1 abstention. The U.S. Government and workers' delegate voted in favor; the U.S. employees' delegate abstained on the basis of the form of the instrument.

In the letter of December 15, 1958, the position was taken that article 19 paragraph 7(b) of the ILO Constitution was applicable to convention No. 105 and that its ratification was not deemed appropriate. Concern was expressed that the ban on forced labor as a punishment for having participated in strikes raises problems of a technical legal character with regard to areas of State regulation.

In view of the continuing importance of this subject in international relations and the leading role which the United States has and must continue to play in the United Nations and in the International Labor Organization on the subject of forced labor, a review has been made of the extent of the inhibitions upon ratification involved in such technical legal problems.

The revised coordinated view that the convention is appropriate for ratification has been reached after such study by the Department of Commerce, the Department of Justice, the Department of the Interior, the Department of the Navy, and the Department of Labor, each of which expressed its views to the extent which it considered appropriate. Representatives of the Department of State were consulted in connection with the formulation of this view.

As stated in the letter of December 15, 1958, "for some 90 years forced labor has been prohibited in the United States by amendment to the U.S. Constitution." In Dennis v. United States, 341 U.S. 494 (1951), upholding convictions for conspiracy to organize a group which teaches and advocates violent overthrow of the Government and conspiring to teach and advocate the duty and necessity of overthrow of the Government by force and violence, the important and careful distinction is made between this kind of activity and "the free discussion of political theories" and "the traditional rights of Americans to discuss and evaluate ideas without fear of governmental sanction" (341 U.S. 502–503). Just as there is neither Federal nor State power validity to impose forced labor as a punishment for holding and discussing political views in a lawful manner, by reason of the Federal Constitution, there is neither Federal nor State power validity to impose forced labor as a punishment for a legal strike. Even with regard to illegal strike activities, any such punishment would only come about "as punishment for crime whereof the party shall have been duly convicted."

The United States, as a member of the ILO, has assumed the obligations set forth in article 19 of the ILO Constitution. It is our view, after further study of the matter, that the subject matter of ILO convention No. 105 is wholly within the Federal competence under the 13th amendment and that paragraph 7(a) of article 19 is applicable to it. Under these provisions the Federal Government is obligated to bring the convention before the authority or authorities within whose competence the matter lies for the enactment of legislation or other action and to report the action taken.

Accordingly, it is recommended that the President of the Senate and the Speaker of the House of Representatives be advised of this revised coordinated view of the executive branch with respect to ILO convention No. 105. It is further recommended that this instrument be transmitted to the Senate with a view to receiving advice and consent as to its ratification. Inasmuch as U.S. law and practice is in conformity with its provisions, no enactment of legislation is required in its ratification.

Yours sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

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

Mr. President, the distinguished senior Senator from California would like to speak. May I offer 5 minutes, that being our unit of time at this point? If he needs more and their is no further requests, why, he shall have more.

Mr. CRANSTON. I may need a couple more minutes.

I thank the Senator very much.

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

Mr. CRANSTON. Mr. President, I rise to express my full support for the conference report on the United States-China Act of 1991. This legislation is the key to correcting a bumbling U.S. policy toward a government that continues to threaten world stability and refuses to recognize basic standards of human rights for its people.

Since the administration refuses to use China's trade balance as a pressure point for reform, Congress itself must do so. Our colleagues in the House of Representatives have done their share by passing this conference report by an overwhelming, veto-proof majority.

Mr. President, this reconciliation bill requires China to do no more than it already has agreed to do in its written commitment to abide by the standards of the missile technology control regime. The legislation would ensure that if China fails to abide by its commitment, then it would not receive the trade privileges that have brought it a $15 billion trade surplus. This is a sound approach given that United States news reports indicate—and there are other indications—that China has contracts to sell missile and nuclear-related technology to Iran, Syria, and Pakistan, even after providing written assurances that it would not do so.

The administration continues to argue that restricting trade would limit its ability to encourage reform. It believes that a policy of constructive engagement yields results, such as China's recent written commitment to adhere to missile technology control regime guidelines.

However, the fact is that China has repeatedly broken nuclear nonproliferation pledges in the past:

At the White House in 1984, China's Premier pledged not to "help other countries to develop nuclear weapons."

In July 1985, the Reagan administration told Congress that "China has now declared its opposition to proliferation and taken concrete steps toward global nonproliferations norms and practices."

In October 1985, China's Vice-Premier said China "does not practice nuclear proliferation."

In September 1988, China's Foreign Minister told former Secretary of Defense Frank Carlucci that "It is totally unnecessary to worry about China's exports of military products."

In April 1991, a Department of State spokesman said "The Chinese have stated that they will act prudently and responsibly with respect to missile exports worldwide."

Despite all these pledges made over many years, the Chinese have sold ballistic missiles and launchers to Pakistan, and have contracts to sell nuclear-related material to others. And they have engaged in other like practices.

By passing this legislation, Congress would send an unequivocal signal that the United States will not tolerate China's lethal weapons trade.

The legislation also requires China to abide by the principles it agreed to by signing the Universal Declaration of Human Rights.

The Bush administration itself has said that China's human rights record is insufficient. "China's human rights practices remained repressive, falling far short of internationally accepted norms," according to the Department of State's annual human rights report. The Bush administration report confirms: "the use of torture and degrading treatment of persons detained and imprisoned"; "severe restrictions on freedom of assembly, expression, and the press were maintained"; "serious human rights abuses continued, including persistent abuses in Tibet"; "restrictions on religious practice outside officially recognized and government-controlled religious organizations"; "imprisonment in China generally entails compulsory labor." All of that from the Bush administration.

Solid evidence on China's slave labor export industry was revealed this past year. I held hearings on this issue as chairman of the East Asian and Pacific Affairs Subcommittee. According to testimony by the United States Customs Service, goods suspected of being made by forced labor in China were reaching the United States.

Talks between the United States and China on the issue of Chinese prison labor exports have stalled. China's negotiators have refused to accede to international inspection of suspected prison sites. Any memorandum of understanding reached between the United States and China on this issue will be meaningless unless independent international inspections are included.

This conference report requires improvements in basic human rights in-

cluding the release of all those detained or sentenced for their participation in the 1989 pro-democracy demonstrations.

The legislation calls for significant progress in the additional human rights areas where China's record falls so short.

The United States must maintain its leadership in promoting universal human rights. Other countries are beginning to turn a blind eye to China's repression—but we must not close our eyes.

The Chinese leadership has promised to stop violating our intellectual property rights but have yet to provide a timetable for enforcement. Other serious barriers continue to block United States access to China's enormous markets. The conference report also addressed the improvements needed in China's trade practices in order for it to continue to reap the benefits of preferential tariff treatment.

Mr. President, this week marks the 20th anniversary of the Shanghai Communique, the pronouncement which has shaped contemporary Sino-American relations. We began this dialogue in order to discuss issues of mutual concern. But since those inaugural talks, China disregarded United States concern over weapons proliferation, human rights, and unfair trade practices.

We must reevaluate our approach to China. China's intransigence on issues of importance to the United States indicates that stricter measures are needed to make our position clear.

We will not tolerate China's greedy sale of weapons of mass destruction to unreliable nations.

We will not accept the persecution of peaceful pro-democracy activists as a simple incident.

We will not stand by and let American businesses be locked out of markets while ours remain wide open.

Mr. President, I urge my colleagues to stand with me and the other cosponsors of this important piece of legislation. The time for Congress to correct United States policy toward China is overdue. The time for us to act is now.

The PRESIDING OFFICER. Who yields time?

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

Mr. SIMPSON. Mr. President, I want to express my opposition to the conference report on H.R. 2212. I oppose this conference report despite the good faith views held by its proponents. There is not one of us in this fine body who is not deeply concerned about human rights violations in the People's Republic of China. We are gravely concerned about missile and nuclear proliferation by the PRC.

Those concerns are very real. We all have them, and it would be disturbing if the administration were not taking steps to deal with them in the most aggressive manner.

I agree with the administration that our responsibilities are best met when our Nation can help direct the course of change by maintaining dialog, communication with, and influence upon the People's Republic of China.

My decision to oppose this conference report comes down to one very simple concern: how do we maintain our influence over the practices of a country with one-fifth of the worlds population once we have withdrawn a trade status which we give to 162 other countries on the face of the Earth?

I think it has been said in the debate very well by the Senator from Oregon [Mr. PACKWOOD] that this is not some cherished thing. This is something we give to countries that we do not agree with on much of anything. Syria, sometimes. Libya, certainly all of the time. Iran most of the time. And so it is not something we hold very dear. It is something that we do with many other countries with whom we do not agree in any way or in any way with their government.

How do you deal with the real issues of the day on the planet Earth such as the environment, such as ozone depletion, global warming, population control, nuclear proliferation, and then leave out one-fifth of the world's people in the discussion? It has no ring of sense to it whatsoever, even though we all want to do a number on it.

Let us get that very clear. That is what we want to do. How do you talk about these things on planet Earth when you leave out a government that represents one-fifth of the world's population?

We first gave them this status in 1979. It is not some all-encompassing thing. It is a nondiscriminatory rather than a favorable treatment. It is economic policy and not foreign policy, and we are getting it confused. The filter system is breaking down as to what we want to do here.

We have done a lot of this type of thing in the past, unilateral actions, for instance the grain embargo. We end up shooting ourselves and American exporters and consumers right in the foot. The greatest injury has always been to our own national competitiveness. That is what we always find. It is always the same.

I believe that only with the renewal of MFN to China can we best serve the cause of freedom and human rights in China. This is not the stick to be used in China in any disagreement over that nation's human rights policies. Retaliation is a certainty—and all it would accomplish would be a removal of a positive American influence in that nation.

That is how the young people in Tiananmen Square got interested, because of the American influence. That is how they will remain interested. Other countries would only move in if we leave, if we step out, and indeed they are moving in to fill the gap.

Most importantly—and I will conclude, within my limited time—others wish to speak—this is going to inflict some very serious injury on our friends in Hong Kong and in Guangzhou Province, once known in the West as Canton, where many of the democratic reformers in China work and live and from where they spread their message. This booming area, the Pearl River delta, now boasts the fastest-growing economy on Earth. The area's average annual growth rate of 15 percent is unmatched by Japan, South Korea, Taiwan and Asia's other tigers in similar development stages.

That little province in southern China amounted to 5 percent of the total industrial output and 10 percent of exports with the People's Republic of China in 1990. Today it produces a disproportionate share of the worlds toys, shoes, clothing and other industrial goods. And most importantly to our own economy, Western companies use the areas as a gateway for getting consumer goods into China.

We cannot undermine the stability of this area by pulling the economic rug out from under Hong Kong and Southern China.

This is one of those steps that we would like to take because of political pressure and urging and feel good. But when we leave out one-fifth of the world's population from deliberations of critical nature to the world and its people, I think that is a grave mistake.

Most importantly, we cannot forget this manner in which capitalist and democratic values of Hong Kong are penetrating the area's consciousness. There is an old adage, "There are few easy successes, even for those who do everything right." Hong Kong and Guangzho Province have done everything right on the road to democracy. Revoking MFN would injure these forces for reform by threatening their stability and prosperity in the few years prior to 1997 when Beijing will assume control of Hong Kong.

Let us look at positive steps that have been taken in the United States-People's Republic of China relationship. The administration has maintained a continuing dialog with Chinese officials on human rights. High level visits have been authorized in order that U.S. officials could personally, face to face, outline the threat human rights abuses pose to our bilateral relationship. General Scowcroft, Deputy Secretary of State Eagleburger, Assistant Secretary Schifter, Under Secretary Kimmitt, and most recently Secretary of State James Baker have actively participated in this important dialog to stress the need for reform in China. Most of those detained after the Tiananmen tragedy have been released and missing

political activists and their families' whereabouts have been accounted for.

Another very real achievement was the recent confirmation by Chinese officials to adhere to the Missile Technology Control Regime [MTCR] guidelines and parameters. That confirmation came in exchange for the lifting of sanctions on two Chinese companies—which was announced last week. The sanctions had been put in place to encourage the Chinese to engage in nonproliferation discussions. They prohibited U.S. importation of missile technology transfer systems and U.S. export licensing of satellites and high-speed computers.

Currently, there is a debate as to whether or not the recent transfers of components by China to Syria, Iran, and Pakistan are of the missile component category I or the dual-use category II. All transfers to date have not been determined by the administration to be in violation of MTCR limits. The transferred items were deemed, at best, dual-use—the end uses of the sold items were not ascertained.

Chinese acceptance of nonproliferation principles will not be accomplished in isolation. The administration is keeping a close eye on the situation and is ready to impose sanctions if true missile sales do take place. Constructive nonproliferation negotiations can only occur if we maintain dialog. Denying MFN will eliminate that vehicle for dialog and we will lose what little influence we have to persuade the Chinese to limit missile and nuclear technology sales.

I am also very aware of the trade deficit that exists with China—$2 billion in 1987, increasing to an estimated level of $17.4 billion in 1991. It is serious. The trade deficit must be dealt with immediately. I do not argue with that one whit. Yet tying the trade imbalance to the renewal of MFN is not the answer. Are we saying that we do not have other bad trading partners? I can think of one which has a $50 billion imbalance with us. We deal honestly with other countries where we have trade deficits in an effort to try to reduce those figures. That is what I think we must do here.

My fine State of Wyoming would be greatly impacted by revoking MFN status. In 1990, $790,000 in agricultural products were exported to China, down from a high of $1.3 million in 1989. Over $1 million of Wyoming produced chemicals have been exported annually to China for the last 3 years. Other Wyoming exports include livestock, fish products, lumber, textiles, and many others, totalled $4.8 billion in 1990.

I am not going to put this question solely on the basis of parochial economic gain. I am instead going to put it on the simple basis: How do you affect change in the People's Republic of China? I think that anything constructive can only occur with dialog. Denying a 1-year extension of MFN would only undercut our long-term objectives. Denying MFN would only serve to repress the Chinese people further and reverse the modernizing trends that are still nourishing the prodemocracy forces. Let us not forget that American involvement in China helped to produce the major social and economic changes behind the Tiananmen Square demonstrations. Despite the tragic and brutal results of the demonstrations, greater U.S. interaction will lead ultimately to greater influence and peace and stability.

We must accept the fact that we cannot solve the world's problems by simply using ostracism, isolation, and intransigence. I believe that if we take that approach only, without taking the concrete positive steps that make progress possible, we will fail in our efforts to advance American ideals.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, this has been a good debate. I do not have anybody else on our side that I know of who wants to talk on this. I would be happy to yield some time to Senator MOYNIHAN if he wants to make comments.

Mr. MOYNIHAN. Mr. President, I believe the distinguished Presiding Officer would like to speak. Could he have 5 minutes?

Mr. PACKWOOD. He could have 5 minutes. I ask this, as I realize he is speaking I believe in support of the conference report, that if some people on our side come who want to speak for it, I will need some time.

Mr. MOYNIHAN. We will stay here until everybody has spoken.

Mr. DECONCINI. Would the Senator yield me 5 minutes on those conditions?

Mr. PACKWOOD. I will, as long as I know who wants to speak for the conference report. As I understand the allocation of the time, the time we have when we come back is equally divided so that my yielding any time now does not come off of that time.

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator is correct.

Mr. PACKWOOD. With that, I am happy to yield 5 minutes.

Mr. DECONCINI. Mr. President, I am pleased to join with the majority leader and many of my colleagues here today in urging the Senate to pass overwhelmingly the conference report conditioning most-favored-nation status for the People's Republic of China.

As you know, the centerpiece of U.S. foreign policy has historically been the pursuit of democracy and protection of human rights around the entire globe. We can be proud of that policy.

Yet, President Bush has asked us to ignore the very underpinnings of that foreign policy. President Bush has asked this Congress to unconditionally extend most-favored-nation status to China, a country that is responsible for nuclear weapons proliferation, slave labor, unfair trade practices, and deplorable human rights records that would make Saddam Hussein look good.

During the cold war, Congress and the President spoke with one voice, a loud and condemning voice, against the Soviet Union for such practices that are now commonplace in the People's Republic of China. Now the President wants this Nation to send a message to China that such practices are acceptable. In view of the past and current Chinese actions, this Senator finds the unconditional granting of most-favored-nation status to the People's Republic of China almost obscene. No; it is obscene that we should have such a change in foreign policy by sleight of hand.

In August of last year, at Yale University, President Bush said:

> MFN is a means to bring the influence of the outside world to bear on China

What has the civilized world received from China in the past 2 years in return for extending MFN? Not much, I tell anyone here. First, there is the officially reported population of 160,000 prisoners who never received the benefit of a trial, who are performing slave labor. It is estimated that forced labor may be in the millions, even 20 million people; we do not know.

The State Department acknowledges that China's human rights violations "remained repressive, falling far short of internationally accepted norms."

The Chinese Supreme People's Procuratorate concluded in a report dated April 1991 that there were nearly 500 cases of confessions extracted through the use of torture; 500 cases—that we have been able to surely identify by the People's Republic's own admission—through the use of torture. Former detainees have reported that the Government subjected them to cattle prods, electrodes, prolonged periods of solitary confinement, and beatings, in order to get a confession, thus creating exceedingly harsh conditions in Chinese prisons.

Also, the People's Republic of China illegally occupies the country of Tibet. China has reportedly executed 1 million Tibetans in its continued policy of genocide. Where is the voice of the United States condemning these policies? When the recipient of the Nobel Peace Prize, the Dalai Lama, addressed Congress last year, he confirmed these atrocities against a peaceful, independent people. These people are being denied the most basic of human rights: Freedom of the press; freedom of speech; freedom of conscience; and most importantly, freedom of religion, while Chinese troops occupy their country.

How can any country employing such practices even be a candidate for MFN?

This debate, however, is not only about immoral human rights practices.

In times of economic hardship, how can the United States afford to extend most-favored-nation status to a nation with inequitable trade practices such as China? Our trade deficit with China has risen steadily since the Tiananmen Square massacre. In 1989, the trade deficit sat at $6.3 billion. In 1990, it grew 67 percent, to $10.5 billion; and the estimate for 1991 is approximately a $15 billion deficit. And while our trade deficit with China grew, our exports to that country shrank 17 percent between 1989 and 1990.

All you have to do is go to the local hardware store in your neighborhood, and you will see what the Chinese are exporting here. You cannot buy a pair of pliers that is not made in China anymore. I have literally tried to do that. That is not in the best interest of the United States, not to mention the U.S. plier business.

To its credit, China has taken certain steps to clean up its woeful record in the area of protection of United States intellectual properties. In the past, United States businesses suffered as a result of China's unfair trade practices. The problems were so bad that the Bush administration could not ignore them any longer. In May 1991 United States Trade Representative Carla Hills initiated an investigation of China's intellectual property rights practices under the special 301 provisions of our trade laws.

On January 16, 1992, Ms. Hills announced that the People's Republic of China had committed to protect United States intellectual property, including computer software, sound recordings, and agri-chemicals and pharmaceuticals in a signed agreement. Carla Hills called me personally to inform me of this action and I congratulate her for her persistence. Unfortunately for all of us, the Chinese waited until the 11th hour—until the deadline for the beginning of United States retaliation—to conclude this agreement. I would remind my colleagues, changes in Chinese behavior only occurred as a result of firm United States pressure.

Nor is China's record as a partner of the United States in building a more stable, peaceful, post-cold-war era a strong one. China, while not vetoing any of the United Nations Security Council's resolutions, did nothing to contribute to helping the Persian Gulf allies put down Saddam Hussein's aggression in the Middle East. Instead, China has been busy making the world a more violent and less stable place. China has reportedly provided Pakistan—a country with which United States ended foreign and economic aid because of its nuclear weapons program—with a complete design of a tested nuclear weapons, and with enough enriched uranium to build two atomic bombs. Apparently, China has also sold Pakistan the M-11 missile, which is capable of delivering a nuclear weapon approximately 185 miles. China also helped Pakistan develop its first nuclear-capable missile.

Prior to the Persian Gulf war, China sold Iraq 30 Silkworm antiship missiles and helped boost Iraq's nuclear weapons program by assisting the Iraqis to produce nuclear fuel. In fairness to the President, however, the Chinese have not played favorities.

China has also assisted both of Iraq and Pakistan's historic rivals—India and Iran. Both nations have received substantial assistance from China in their efforts to develop both nuclear and conventional weapon systems. India has been sold over 130 tons of the heavy water, which can be used to produce plutonium for nuclear weapons. China has trained Iranian nuclear technicians and helped them develop short-range missiles. In addition, China has reportedly sold Iran 30 Silkworm antiship missiles.

To this Senator, it appears that the stronger George Bush pushes for MFN status for the People's Republic of China the more convinced the aging leadership in Beijing becomes that they will not have to change their current prepressive and destabilizing behavior. Indeed, the only time China makes any positive changes is when pressure from the United States and other nations forces it to. Faced with the prospects of stiff sanctions during Congress' MFN debate in 1990, the PRC released 200 prisoners incarcerated for nonviolent demonstrations. It later allowed physicist Fang Li-zhi to leave China for the West. You will recall that Dr. Fang had to take refuge in our Embassy because he faced persecution and severe punishment—perhaps even death—from the Chinese as a result of his prodemocracy stance. Ultimately this act was to our Nation's immense advantage because, since his departure from China, Dr. Fang has accepted a professorship in the physics department at the University of Arizona in Tucson.

Similarly, last year, as this debate approached, two peace leaders were also released from Chinese detention. These actions are not coincidental." Indeed, they clearly demonstrate to this Senator that China is vulnerable to sanctions and will only be convinced of the need to cease its current tyranny through appropriate, measured actions taken on the part of the United States.

I urge my colleagues to push for a China that can join the family of civilized nations. I urge this action not just to protect jobs for Americans, not just to lower our trade deficit, and not just to help the people in the Third World who have only known war and personal loss. I also urge this action for the people of China who have earned the right to live in dignity and freedom. This may be an economic battle, but it is also a moral one.

I urge my colleagues to support the conference report.

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the distinguished Senator from Oregon for his willingness to yield some time.

Mr. President, when this issue first came up last summer, I think for a lot of us it was not an automatic decision; it was not a quick and easy choice to set up an equation that would somehow automatically lead to a cutoff of the relationship with China.

I think the debate is, perhaps, in view of the changes that have been made in this legislation and what it now represents, inappropriately defined as an automatic cutoff. It is not automatic. The choice is really up to China. What we have here, I think, at a minimum, are the requirements that one could put in place to force some kind of activity.

I personally feel there is not any question, as opponents of the legislation have pointed out, that we do derive some significant benefits from MFN. Americans have obviously invested a great deal in China, mostly in the south, where economic reforms and a free market system have begun to take hold.

We export $5 billion worth of goods to China, which obviously means something to our businesses. Yes, there might be an upset—and there will be if there were to be a cutoff—in the relationships in Hong Kong, and so forth. And, yes, there is an argument to be made that everything we can do to expose China to democratic values, and goods, and ways of doing business is a help.

And there is always an element of risk in this choice that we might make, that unilateral sanctions could conceivably backfire, and therefore trigger some xenophobic reaction that would make concessions on key issues more difficult. All of that is a possibility.

That possibility has to be weighed against the current reality. The reality is that there is both a moral and practical imperative that demands that the United States Senate exercise a judgment to attach reasonable conditions that only ask of China that it make real on its continued promises to behave according to the standards of international behavior.

That is all that is asked here; nothing more. It is not automatic. There does not have to be a severance of relationships. The choice is whether or not China wishes to make good on the words it has uttered to date it wants somehow to have a better standard of behavior in the world today.

When you balance those things in this legislation which allow the President to make a judgment as to whether or not significant progress is being

made, the President really is being dealt all of the cards with respect to this legislation.

So this is marginal, I really feel. For those of us who have balanced the other considerations with respect to continuing the relationship, I think it is important to note that. It seems to me that we also ought to take note from what has happened in Eastern Europe and in the former Soviet Union; that if we have learned anything in these past 10 or 15 years, or perhaps all the years of the cold war, it is that what we choose to do in the United States with our policy and our words does count.

It makes a difference. I think our vote here in the Senate on this issue ought to count. It is clear that for countless people in numerous countries now who are trying to be democratic, they were inspired by the positions that we took.

It is appropriate for us to have two demands here. One, that those people who were arrested for demonstrating in support of democracy, those 1,000 people detained during the events of 1989 and sent to reeducation camps where they remain today, ought to be accounted for; and, two, the only other ironclad agreement requested in this bill is that China refrain from selling long-range ballistic missile launchers or other nuclear weapons—weapons-related materials—to Syria and Iran. They say they are doing that. The bill takes them at face value.

Really, you come back to one requirement, one requirement, on which the condition of MFN stands, and that is the accounting for political prisoners, the accounting for those people detained in Tiananmen Square. If the United States of America and the Senate cannot make that requirement of China, which has been ignored for so many years in terms of standards of behavior and decency, then we do not deserve to be advocating the kind of things we advocate so early but are unwilling to back up in terms of actions and policies.

Mr. President, I understand the basic position of the President, which is that we will have more leverage if we do not do this. But nothing in the last years has shown there is any leverage at all, that any behavior has changed. It is time for us to force that kind of change.

I yield the floor.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be able to proceed briefly on the most-favored-nation issue.

Mr. PACKWOOD. On most favored nation?

Mr. KENNEDY. Yes.

Mr. PACKWOOD. We have 8 minutes remaining. I am happy to yield 5 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I give my strong support to this measure to condition President Bush's renewal of most-favored-nation trading status for the People's Republic of China.

Since the bloody Tiananmen Square massacre in June 1989, the Chinese Government has time and again demonstrated its unwillingness to adopt democratic reforms or moderate its brutal policies.

President Bush has consistently adopted a double standard with respect to human rights, free trade, and arms control—a lenient standard for China and a strict standard for the rest of the world.

It is time for the United States to abandon this policy and take a more active role in supporting prodemocracy forces and the long-suffering Chinese and Tibetan people.

Following the Tiananmen Square massacre, President Bush imposed significant sanctions against the Chinese Government.

Since that time, however, the administration has gradually weakened these sanctions, even though the Government of China has continued its repressive policies.

Since the Tiananmen Square massacre, the Chinese Government has detained 30,000 prodemocracy advocates, executed an undisclosed number of individuals, and sentenced more than 800 persons to prison.

In addition, Chinese troops continue to occupy Tibet illegally. Under orders from Beijing, the army has extended its brutal repression of the Tibetan people and expanded policies designed to destroy Tibetan culture.

America must play a more effective role with respect to the Chinese Government's human rights practices. Conditioning MFN upon an improvement in China's human rights policies will demonstrate the more serious commitment that America ought to make.

Another purpose of granting MFN trading status is to promote free trade—a goal which we all share. Yet, while our trade benefits flow to China, China has shut its gates to our products and continues to use prisoners as slave labor to lower the price of exports.

On the issue of arms sales, American intelligence reports indicate that China is continuing to sell missile technology to Syria, Iran, and Pakistan, and nuclear technology to Iran, despite assurances by Chinese leaders that they would curb such exports.

American trade policies should not be used to support the repressive policies of the Chinese Government.

The Goddess of Democracy, the symbol of the pro-democracy movement, was modeled upon American values of freedom and equal justice.

If America is to retain leadership in the cause of democracy around the world, we must act in a manner consistent with these values and resist policies that accept repression.

I urge the Senate to support this timely and important measure.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 5 minutes to the Senator New York.

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

Mr. MOYNIHAN. Mr. President, it is with genuine regret that I rise to ask unanimous consent that there be printed in the RECORD an article that has just come to hand from the London Observer of this weekend, which is entitled "China Escapes From Pariah Pit."

China has been hauled back from the United Nations human rights pariah pit, in which it would have been condemned on the issue of Tibet, by the efforts of the United States Government to prevent the U.N. Commission on Human Rights from condemning Chinese behavior in Tibet.

This is a painful thing to record. It happened last week. It says here: "It is understood in Geneva that the last-minute American resolution was entirely for internal political purposes."

The Americans have led the way in enabling Peking to escape this disgrace. I regret this. I cannot attest to its truth. I can attest to the quality of the journal in which it appeared.

I ask unanimous consent that it be printed in the RECORD.

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

[From the London Observer, Feb. 23, 1992]

CHINA ESCAPES FROM PARIAH PIT

(By Jonathan Mirsky)

China has been hauled back from the United Nations' human rights pariah pit, in which it would have joined Iraq and Burma, by a consortium of western countries reluctant to hurt Peking's pride on this issue of Tibet.

Hours of intensive manoeuvring late last week at the Geneva meeting of the UN Commission on Human Rights resulted in the emasculation of a resolution that would not only have condemned Chinese behaviour in Tibet, but would have cast a shadow over Peking's claims to sovereignty in the region. The condemnation—China's first from a non-governmental body in 25 years—will remain, but China's claim to sovereignty over Tibet remains unchallenged.

It is understood that the US, Britain and Italy led the struggle to take the focus off Tibet as a separate entity. The resolution will no longer be called "Situation in Tibet'; it is likely to become 'Tibet-China'.

But the core of the alteration lies deeper. The original draft referred to the 'distinct cultural, religious and national identity of the Tibetan people'. This has been altered to '. . . and ethnic identity of the Tibetans'.

The words 'national' and 'people' are revered concepts in UN circles and often imply the right to self-determination—which is explicitly referred to in the UN General Assembly's 1961 and 1965 resolutions on Tibet.

At a stroke, a gigantic loss of face for Peking has been averted, together with a blow at one of its most sensitive points; genuine Tibetan autonomy.

The Americans have led the way in enabling Peking to escape this disgrace. Late last week the US delegation to the commission suddenly proposed a sweeping resolution criticising China's entire human rights record, to be substituted for the Tibet-only resolution.

It is understood in Geneva that the last-minute American resolution was entirely for internal political purposes. By being seen to attack Peking, and include some mention of Tibet, the White House believe it would persuade Congress not to vote against renewing China's Most Favoured Nation trading status, which is close to President Bush's heart. It is expected that a majority in the commission will support a resolution with the title 'Tibet-China', which will satisfy many governments and offend none.

Lodi Gyari, the special envoy to the UN for the Dalai Lama, Tibet's spiritual and temporal leader, who is pressing the commission to stick to the Tibet resolution, pleaded with the commission to oppose any resolution that avoided Tibet's separate status and strengthened China's hand in the region.

But despite what Amnesty International and other organizations have disclosed about Chinese depredations in Tibet, and despite Tiananmen, Bush regards China's leaders as his friends.

Britain, despite its remarks about 'the situation in Tibet', worries about Hong Kong. Italy has been offered lucrative contracts for the development of Shanghai. No government wants a China headed for a Soviet-style break-up.

Mr. PACKWOOD. Mr. President, I believe the order is to stand in recess at 1 o'clock; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PACKWOOD. I yield the remainder of time to the Senator from Massachusetts, who, I believe, has another matter and then the Senate will stand in recess when he concludes.

The PRESIDING OFFICER (Mr. KERRY). The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Chair.

(The remarks of Mr. KENNEDY pertaining to the introduction of S. 2255 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PRIVILEGES OF THE FLOOR

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the following staff be permitted to be present during the closed session of the Senate from 2:30 p.m. until 4 p.m. today.

Rich Arenberg, Al Lehn, Bob Bell, Rick Finn, Pat Tucker, Brian Dailey, George Tenet, Don Mitchell, Fred Ward, James Wolfe, Marvin Ott, Jennifer Sims, Art Grant, Richard Kessler, James Rubin, Dave Sullivan, Bill Triplett, Ken Myers, and Steve Cortese.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

RECESS UNTIL 2:30 P.M. AND CLOSED SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:30 p.m., at which time the Senate will reconvene in closed session.

Thereupon, the Senate, at 1:02 p.m., recessed under the previous order and reconvened in closed session; whereupon, at the conclusion of the closed session, the Senate reassembled in open session, under the previous order, at 4:10 p.m. when called to order by the Presiding Officer [Mr. LIEBERMAN].

MOST FAVORED NATION TREATMENT TO THE PRODUCTS OF THE PEOPLE'S REPUBLIC OF CHINA—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER. Under the previous order, the time until 4:45 p.m. is equally divided and controlled between the two leaders. The Chair recognizes the majority leader.

Mr. MITCHELL. I yield 5 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington [Mr. GORTON].

Mr. GORTON. I thank the distinguished majority leader.

Mr. President, I start by agreeing to the sentiments expressed a few moments ago by the distinguished Senator from Wyoming [Mr. SIMPSON] in wishing debates in open session could be as earnest and to the point as were debates in closed session. Wishing we would have more such sessions as that, we would do better on the floor.

Nevertheless, I think the course of the debate during the day shows that the two sides of this debate agree on a common goal. That common goal is to change the actions, the attitudes, and the policies of the People's Republic of China in three respects: With respect to the proliferation of weapons of mass destruction; with respect to human rights for the people of China itself, including racial minorities within China; and with respect to trade practices of the People's Republic.

The argument on behalf of the administration, Mr. President, was, I think, somewhat better 2 years ago than it is today. It is a valid argument, that by retaining most-favored-nation treatment, by not threatening its immediate withdrawal we might do better in each of these three areas through careful and incremental negotiations.

But during the course of that 2 years, Mr. President, we have had modest, at best, progress with respect to the proliferation of weapons of mass destruction. We have had only the tiniest advances in human rights, a few people released from jail and from prison sentences, but others put in. And, Mr. President, I submit that we have moved backwards on trade relationships with China, backward from a trade deficit of $3.5 billion in 1988 to one of over $12 billion in 1991. During that period of time, exports from the People's Republic of China to the United States have more than doubled while imports by the People's Republic of China of our goods have gone up by a bare 10 percent.

Therefore, Mr. President, it is my view that the idea that the passage of this bill will automatically result in the termination of most-favored-nation treatment for the People's Republic of China and it becoming an outlaw nation is naive and primitive to say the very least; that the People's Republic of China will do absolutely nothing, meet no conditions whatsoever to save an $18 billion or more a year export trade with the United States, an export trade which it cannot substitute another recipient for, whatever it can do with respect to imports, seems to me to be highly pessimistic at the very least and naive at the most.

It is my view that the People's Republic of China will do a great deal to retain that trade relationship. And it is the view of this Senator that the most important thing that it can do is to agree to be at least equally open to goods produced in the United States as it wants this market to be for the People's Republic of China's own goods.

Mr. President, I think we are faced with a fundamental problem. Do we bet on the present 85-year-old gerontocracy which rules China in a highly oppressive fashion at the present time, or do we bet on the future?

There are two other events of the world which have taken place in the past 2 years and there was a bet on whoever was in power. I believe our relationship in all three of these areas will be better when the next generation takes over, and the next generation is more likely to take over more rapidly if we do not pop up and encourage the very politics conducted at present. If we do, we give lip service to it. I am in favor of the conference report.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield 4 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. CHAFEE], is recognized for 4 minutes.

Mr. CHAFEE. Mr. President, we are here today once again to decide the fate of United States-Chinese relations. We will also decide on what approach we will take to bring about democratic reforms in China and responsible behavior by the Government there.

At the outset, I think we ought to make clear what we are talking about today, or more precisely what we are not talking about. First, we are not talking about whether China has acted irresponsibly in the past, because they have. We all agree that China has failed with respect to the human rights of its citizens. We all agree that in the past China has failed to protect American intellectual property, for example. We can even agree that China has acted improperly or irresponsibly anyway in

exporting missile and nuclear technology.

Second, what we are not talking about today is the granting of some special privilege status. If there is anything that is a misnomer, it is the words most favored nation. The truth in labeling law ought to get that expression. It is not the most favored nation. What it means is treating China just like we treat every other nation in the world with the exception of four or five. If we made a list of those nations that we think are bad it is Iraq, Iran, Libya, Pakistan to some degree. All of those nations enjoy most-favored-nation treatment.

So what we are saying to China is we are not going to let you be in that same category if this conference report should be approved. In fact, the only nations that do not enjoy most favored nations, listen to these, Cuba, Vietnam, Laos, Albania, North Korea, and Romania; nations with which we have virtually no economic, social, political, or any other ties whatsoever. So we are not talking about some special status that we are giving China.

What this debate is all about, it seems to me, is how can we best bring about progress within China. There is a certain group here that says cut them off; just end all relationships until they do what we want them to do.

We are talking about a Nation that has a history longer than ours, far longer than ours; a Nation that is an incredibly proud Nation; a Nation that has indeed enjoyed isolationism through much of its history.

Anybody who has ever read Marco Polo can understand what the isolation in China is like. When World War II was over, did China come and join the family of nations? Not at all. They went again into isolation, and so that great wall we are all familiar with was resistant to all outsiders.

Mr. President, I thoroughly believe that the way to bring China back into the family of nations to the degree we would like, where we would like them to respect the individual rights of it citizens, where we would like to see a free press, where we would like to see right of assemblage, where we would like to see the end of shipment of proliferating weapons, the way to do that is to keep up contact with that nation.

Mr. President, the way to do that is to keep these lines open. Under the legislation that is before us today, there is no way in the world that China is going to meet all those requirements.

So, Mr. President, I feel very strongly that the conference report should be turned down and that we continue as we have in the past granting China most-favored-nation treatment.

The PRESIDING OFFICER. Who yield time?

Mr. MITCHELL. Mr. President, I yield 3 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina [Mr. HELMS].

Mr. HELMS. I thank the distinguished majority leader.

Mr. President, let it be clear the question before us is whether there will be an extension of MFN to Communist China without any conditions—or whether the President will be required by law to take human rights, trade and arms sales into consideration—and whether we will make a permanent change in the law to take the profit out of slave labor. That is what the conference report proposes and I support its adoption.

Mr. President, Catholic Bishop Paul Shi died for his faith last November while in the custody of the Communist Chinese police. It is not known, as the Catholic News Service reported in December, whether Bishop Shi was beaten to death but it is known that the Communist political elite, which controls the mainland of China, so fears the word of God that they feel they must imprison and murder religious leaders.

Violent conduct of this nature calls for a very strong rebuke by the free world, if for no other reason than to let the Chinese patriots who yearn for freedom know that we care.

Our major leverage is economic, the 19 billion dollars' worth of Communist Chinese exports into the United States. Without most-favored-nation trading status, those exports could decline precipitously, putting enormous pressure on the Communist regime in Beijing.

In late 1991, the House of Representatives had the chance to vote to bring MFN with Communist China to an end—and they did by a bare majority. The resolution of disapproval currently is pending before the Senate, but the decision has been made to not bring it up to give the Senate the same opportunity to vote on it. I regret that decision.

The legislation before us—the conference report granting MFN to Communist China with conditions—is not my choice. I would far prefer to have a straight-up-or-down vote on MFN for Communist China, yes or no, in which case my vote would be a resounding no.

No to 40 years of crimes against the Chinese people, including deaths and imprisonments for religious beliefs.

No to unrelenting unfair trade practices against American workers and companies.

No to arms sales to antidemocratic regimes in the Middle East.

But a yes-or-no choice is not an option available to the Senate. The question before us is whether the President may extend MFN unconditionally—or whether Congress will insist that the President take into account basic requirements of human rights, trade and our national security.

Mr. President, the conference report is divided into two parts—MFN conditions regarding human rights, unfair trade practices, arms sales—and a separate provision on convict-made goods in other words, slave labor.

With regard to human rights, before MFN can be extended in June, the conference report before us requires the Communist Chinese Government to pledge to cease its gross violations of internationally recognized human rights—not much to ask of a Permanent Member of the U.N. Security Council.

As for unfair trade practices, before MFN can again be extended, the Communist Chinese Government must demonstrate a good faith beginning to eradicate a system of trade abuses which has led to a $13 billion deficit with Communist China and unemployment among American workers, particularly in the textile industry.

As for arms sales, before MFN can again be extended, the Communist Chinese must begin to conform to international agreements on proliferation and are forbidden certain specific arms sales to Syria and Iran.

Section 5 of the conference report merits careful and special attention because it is not an MFN issue. It makes a permanent change in American law, thereby creating a system of escalating civil penalties against importers who know, or have reason to know, that the products they are importing are produced, in whole or in part, with and by slave labor. It is not limited to Communist Chinese products. The purpose is to put an end to this evil by making it unprofitable.

Mr. President, I am confident that most Senators were shocked, as was I, by the slave labor report on the CBS television's "Sixty Minutes" last September. Who can forget the sight of the judo chop going up and down as the Hong Kong manager explained to Harry Wu that prisoners are beaten if their output fails to meet quality standards?

I have described slave labor as a great evil—and it assuredly is. It is an offense against human beings who are forced to labor against their will for no pay. And it is an offense against American workers who must compete against it.

A prohibition against the import of slave labor goods has been American law for almost a century but it has not been enforced. Congress is obliged, in my view, to provide a new tool for the Customs Service to eliminate this practice and to implement section 5's escalating series of penalties, up to $1,000,000 for multiple offenses. That will mark a giant step toward eliminating slave labor.

Mr. President, the State Department yesterday issued a background paper stating that Communist China had made "modest progress" on human rights issues. Modest, indeed.

Mr. President, I have just received Associated Press and Reuters stories dated today, Peking time, saying that

the Communist Chinese courts have sentenced seven Chinese patriots to multiyear prison terms for promoting the cause of liberty on the Mainland of China. Most were young students, one was a newspaper editor.

The Reuters story stated that one student was not even given a chance to speak and was led out of the court 10 minutes after the verdict was read. That sounds like something out of "Alice and Wonderland"—verdict first, trial second, only there wasn't a real trial that we would recognize.

Mr. President, the Communist Chinese did not have to announce the verdicts today. They know we will be voting conditions on MFN and they wanted to send us a little message. And that message in the following: So long as the Communists are in charge, Chinese patriots risk a one-way trip to prison and the slave labor camps.

It is time, indeed past time, for us to send them a message.

I thank the Chair.

I yield the floor.

Mr. DOLE. Mr. President, I yield 3 minutes to the distinguished Senator from Kentucky [Mr. MCCONNELL].

The PRESIDING OFFICER. The Senator from Kentucky [Mr. MCCONNELL] is recognized for 3 minutes.

Mr. MCCONNELL. Mr. President, I rise today to strongly endorse an unconditional renewal of most-favored-nation trading status for the People's Republic of China.

To my colleagues who are considering supporting this conference report, let me say that I understand the desire to express outrage with Government officials in China. Beijing's behavior since June 4, 1989, has been outrageous and out of step with global events. While the rest of the world moves toward freedom and democracy, China continues to suppress human rights, ignore international efforts to control arms sales, pursue machiavellian trade policies, and generally represent the worst elements of the old world order.

I share the frustration and the desire to bring about change in China. However, Mr. President, this conference report is the wrong approach. Reform in China will occur in direct correlation with economic growth. And economic growth will occur in direct correlation with the willingness of industrialized countries to actively engage in commerce with China.

One need look no further than southern China to see the connection. Guangdong Province is a reformist stronghold over which Beijing has historically been unable to gain control. It is not coincidental that Guangdong shares a border and enjoys close commercial and social ties with Hong Kong, the world's bastion of capitalism.

Hong Kong's role in the economic and political reform of southern China is undeniable. Hong Kong not only provides jobs and capital to the region, it exports western ideals. The colony is currently implementing a system of direct elections and, by 1997, when Hong Kong reverts to Chinese sovereignty, it will be the only place in China with any democracy.

I do not deny, Mr. President, that voting for this conference report will make us all feel good. However, in the likely event that this bill results in the withdrawal of China's MFN status, it will also punish all the people of China for the actions of a few octogenarians in Beijing. It will further isolate China and limit our influence there. We will snuff out the hopeful flame of free market growth in southern and coastal China. It will damage the booming economies—and struggling democracies—in Hong Kong and Taiwan. In short, it will hand the hardliners in Beijing exactly what they so desperately want: Control over the social and economic systems in these progressive regions.

Mr. President, we all abhor China's behavior and we all want to see political change in that Nation. The best way to show our dissatisfaction is to support what the leaders of Beijing fear most: Capitalism and economic growth.

The Senate Foreign Relations Committee will soon consider legislation I have introduced which, if passed, will put the United States firmly on record as supporting continued economic growth in the region. The United States-Hong Kong Policy Act lays out for the first time a United States policy toward Hong Kong. It strongly supports the economic, social, and political autonomy China promised Hong Kong after 1997 in the joint declaration. It will broaden and deepen United States bilateral relations with Hong Kong prior to the 1997 reversion and ease concerns in the region with China's post-1997 treatment of Hong Kong. In short, it will enhance economic stability in the region.

I urge my colleagues who have the true interests of the Chinese people in mind to take a close look at the United States-Hong Kong Policy Act of 1997. I believe they will find it a sound approach to furthering the internal change we all want to see in China.

Mr. President, the issue is really not complicated. The question is how do we best encourage the right kind of reform in the People's Republic of China?

Some of the right things are happening, certainly in Hong Kong, certainly in Guangdong capitalism is raging. Terminating MFN would simply hurt those inside the People's Republic of China and in Hong Kong who are currently engaging in capitalism.

Mr. President, I am not particularly comfortable being put in a position to appear in any way to condone the actions of the Chinese leadership and that is not what this debate today is about. None of us condone that.

I might say to those on this side of the aisle who are a little squeamish about supporting the President on this issue, there is another way to send China a message.

I introduced recently the Hong Kong Policy Act of 1997. It has 16 cosponsors including the chairman of the Foreign Relations Committee, Senator PELL, Democrats and Republicans, Senator SIMON and others. What it says, Mr. President, is that the United States takes the joint declaration between the United Kingdom and the People's Republic of China signed in 1984 to mean what it says, and in the JD, the joint declaration, it was clear that Hong Kong was to have its own external relations with the rest of the world in a number of different categories.

So I would suggest to my colleagues who are here today that a way to send a message to China, if that is in fact what we would like to do, is to support the Hong Kong Policy Act. I think it will be reported from the Foreign Relations Committee soon. It is a way of saying to the people of Hong Kong we take the joint resolution to mean what it said, and that we will support Hong Kong, have our own separate policy with Hong Kong, which is allowed under the joint declaration between the People's Republic of China and the United Kingdom signed in 1984.

So I would encourage Members of the Senate to take a look at the Hong Kong Policy Act, consponsed by Senator SIMON of Illinois as my principal cosponsor, and consider that as a way of taking the appropriate kind of action in this particular environment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, how much time is remaining on this side?

The PRESIDING OFFICER. The Senate Republican leader has 10 minutes 35 seconds remaining.

Mr. DOLE. Mr. President, I am pleased that the Senate is nearing a vote on this important issue. Since the distinguished majority leader first announced his intention to move the conference report expeditiously, we have been urging him on a daily base to do so and I think the time has come—the vote will come at 4:45.

Certainly the Senate has a central role to play in the process of evaluating a nation's eligibility for MFN. I was struck by the statement of the Senator from Rhode Island—one we seem to forget around here—who does presently have MFN status? What does it mean to the average person? And he noted the countries that do not have it.

I assume at least two of those, maybe Albania and Romania, will have it soon. So it is time that we met our responsibility and voted our convictions on MFN for China.

I have known that during the delay here, there has been probably a change

of some votes but I think in the final analysis, President Bush's policy will be sustained when the veto of the conference report comes back. I think maybe we have been waiting for some new crackdown on human rights or some Chinese cheating on trade or some new arms trend first that might endanger American security interests and that would give some a chance to blame George Bush and ask us to repudiate his policies, which I think are principled and constructive.

I do not know whether we want to isolate 1.1 billion people or not, slam the door and say, "We are not going to talk to you; we are not going to try to influence your policy; we are just going to close the door." That is a shortsighted view in the view of this Senator. Had we taken that view with the Soviet Union, when we had our difficulty with the Soviet Union on human rights and trade and proliferation, I am not certain where we would be today.

Maybe time will tell where we will end up with the People's Republic of China. But those who have been waiting have been waiting in vain. I think it has been in vain because nothing has happened. I think the President's position will be sustained and I think the policies in China are working.

So I would just say in the time I have let us keep our eye on the ball.

What are our goals in China? I think they are pretty clear.

No. 1 is to advance the cause of human rights.

No. 2 is to encourage more responsible Chinese arms proliferation policies.

No. 3 is to force the Chinese to abandon unfair trade practices and expand mutually beneficial economic relations.

And I think, finally, it is to make certain that China continues on the course of responsible and cooperative policies on international issues.

There is not much dispute about these goals. Everybody will say these are the goals. They pretty much represent a laundry list for each of us.

There should not be much dispute about the test we are going to apply to our policies.

Do our policies advance the goals I have just cited, the four goals I have just pointed out? That is the test—not do they reelect or defeat George Bush or do they make good fodder for the political stump?

Do they work? That is the first test. And George Bush's policies are working.

Would other policies work better? That is the second test. History, logic, and empirical evidence suggest strongly that the Bush policies are working a lot better than the policies of isolation and this so-called feel good policy that some seem to have, the feel good retribution urged by some.

Let us look at the goal on a one-on-one analysis.

Human rights. We are a long way from where we want to be, no doubt about it; a long way from where the Chinese should be, no doubt about it. But we have seen some modest progress, and we still do have the kind of relationship that gives us, the United States Government, the opportunity at every level to press the Chinese on these issues.

We presented the Chinese a list of political detainees and demanded a name-by-name report on their status, and the Chinese have complied. We urge release of all detainees and specified some particularly egregious cases, and some have been released. The Chinese have assured us that they will issue exist visas without regard to political criteria. As a result, some noted dissidents have been permitted to leave—though the Chinese are still far short of fulfilling this promise.

We have been properly outraged by evidence of the use, an abuse, of prison labor—and at long last the Chinese have published regulations banning the export of the products of prison labor. We are now negotiating a memorandum of understanding to permit American investigations of prison labor allegations.

We have strongly criticized Chinese repression in Tibet—and we are now seeing a lessening of tensions there.

And where, by contrast, would we be if last year we had cut off MFN? Does anyone here really want to make the case that more political prisoners would be free, that we would be closer to solving the prison labor problem, or that we would be further along on any of these issues if we had not had MFN? Nobody is going to make that case. We cannot make that case.

Mr. President, there is absolutely no evidence—none—none in history, none in contemporary analysis—that suggests we would be better off on human rights without MFN.

No. 2, proliferation. What of Chinese arms proliferation policies? I am not going to try to kid anyone—those policies have been pretty bad. Many of us were just in a closed session where we had a full debate of those policies. Others have had the same information in other ways.

But when we are confronted with bad policies, in an area as crucial as this, what should we do? Lambast the Chinese, and tell them we want nothing more to do with them? That is the approach of some.

Or, do we do what President Bush and this administration have done? Do we aggressively engage the Chinese on these issues? Do we demand an accounting for the intelligence we have? And do we use every means at our disposal to get the Chinese to bring their policies in line with responsible standards?

Are the Bush policies on proliferation working? The test is not: Are the Chinese 100 percent clean. That is not a fair or realistic test. Germany is not 100 percent clean. France is not 100 percent clean. None of the European allies are 100 percent clean.

And the United States of America is not 100 percent clean. That is why we have to spend money and personnel and time monitoring the export of our own countries.

The fair test is: Are the Bush policies producing results? Is China on the right track—if not yet near the finish line?

This weekend, the Chinese have announced their accession to the so-called MTCR. I ask unanimous consent to include in the RECORD the text of both our Government's statement and the Chinese statement on this development.

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

CHINA: LIFTING OF MISSILE SANCTIONS

The U.S. Administration intends to lift specific sanctions imposed on China last June because of transactions by two Chinese companies involving missile technology covered by the Missile Technology Control Regime (MTCR) Guidelines. As a result, we expect China to announced its adherence to the guidelines and parameters of the MTCR.

Our action comes following receipt of a letter on February 1 from PRC Foreign Minister Qian Qichen in response to a letter from Secretary Baker. This letter confirmed that China will abide by the MTCR Guidelines and parameters, as agreed in Beijing last November during the Secretary's trip.

China's written commitment to abide by the MTCR Guidelines and parameters is an important step forward in securing Chinese support for ballistic missile nonproliferation. The MTCR Guidelines are the key multinational effort to limit ballistic missile proliferation.

This in no way means we will slacken our efforts to monitor either missile transfers worldwide, or Chinese missile and missile technology export practices. Transfers of missile technology covered by MTCR Guidelines will continue to be subject to sanction in accordance with U.S. law.

THE EMBASSY OF THE
PEOPLE'S REPUBLIC OF CHINA,
Washington, DC, February 22, 1992.

REMARKS BY FOREIGN MINISTRY SPOKESMAN ON THE ANNOUNCEMENT BY U.S. GOVERNMENT OF ITS INTENTION TO LIFT THE 3 SANCTIONS AGAINST CHINA

We have taken note of the announcement by the U.S. government on 21 February of its intention to lift the 3 sanctions against China in effect since last June.

China has always pursued a prudent and responsible policy towards its arms transfer and observed the following three principles: first, these transfers should contribute to the capabilities of the countries concerned for legitimate self-defense, second, they must not undermine peace, security and stability of the regions involved and, third, arms trade should not be used as an instrument of interfere in the internal affairs of other countries. Upon the effective lifting of the above three sanctions by the U.S. gov-

ernment, China will act in accordance with the existing Missile Technology Control Regime guidelines and parameters in its export of missile and missile technology.

We hope to see that all the points of agreement and understanding reached by the foreign ministers of the two countries on 17 November last year will be implemented in their entirely as soon as possible so as to help the improvement and development of Sino-U.S. relations.

Mr. DOLE. Mr. President, this is something we have been after for months and months—and is one of the most important steps forward on the road toward achieving responsible Chinese policies. It does not mean we have achieved our goals. It does mean we have agreed with the Chinese on the criteria to evaluate their policies, and have a big new stick to pressure them to live up to their own word.

The other day, Deputy Secretary Eagleburger likened this development to Soviet accession to the Helsinki accords. At the time, some saw Helsinki as a meaningless gesture in semantics, and Soviet accession as merely another case of Soviet bad faith. In fact, though, Soviet agreement to Helsinki set in train a process which, over time, helped force the Soviets to confront their abuses, and gradually improve their record.

That is what we have in MTCR. Not a panacea—but the engagement of China in a process in which we can aggressively pursue our clear goals; and in which the Chinese have just forfeited a lot of the "wiggle room" they have used so effectively over the years to continue to sell arms they should not sell, to buyers they should not deal with.

And again, Mr. President: What is the alternative? If we had deep six'ed MFN last year, would the Chinese have agreed to MTCR this week? You be the judge. Obviously it would not have.

No. 3, trade and economic issues. It is in the trade and economic area where the record is most clear and compelling. President Bush has promised this Congress and the American people that he would pursue our trade grievances very aggressively—and he has delivered on that promise.

Most notably, after citing China for apparent intellectual property rights violations last year, we reached agreement with the PRC in January to substantially strengthen their protection of such rights. And, as the Senate knows, we are also actively and aggressively pursuing negotiations with Beijing following the announcement last October of a section 301 investigation of Chinese trade barriers.

But this question of economic relations goes far beyond trade, and it boils down to this fundamental question: If we deny MFN to China, who are we really hurting—the Chinese Government? The Chinese people? The forces of modernization and reform in China? The people of Hong Kong? The people of the United States of America?

There is no doubt that, after a period of backsliding, the Chinese are again on the road to economic reform. I would commend to the attention of all Senators an excellent article, making that very point, from the Wall Street Journal. I ask unanimous consent to include in the RECORD the text of that article.

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

CHINA IS SOFTENING ITS ECONOMIC LINE

(By Nicholas D. Kristof)

BEIJING, February 23.—In a strong sign of shifting political winds in China, the official press is abruptly attacking the hard-line attitudes it espoused for the last two years and has started instead to call on the nation to emphasize economic growth and even adopt useful elements of capitalism.

The pirouette was reflected in a front-page essay in today's editions of People's Daily, which in the past carried mostly dour warnings against Western subversion. Today's article, headlined "Opening up to the world and using capitalism," was the boldest in a monthlong flurry of signals that change-minded leaders may be gaining the upper hand over ideologues.

DENG'S INFLUENCE CITED

"All of modern Chinese history has demonstrated that China can travel only the socialist road, not the capitalist road," the article began. "At the same time, recent world history shows us that economically backward nations—especially those with long histories of feudalism—must correctly use capitalism, rather than rejecting it out of hand. Only by critically absorbing those elements of Western culture that are useful to us, rather than disdaining them, can we prosper and flourish."

The wave of recent editorials apparently reflects a push by Deng Xiaoping, the 87-year-old paramount leader, for China has devoted more energy to becoming prosperous and less to remaining ideologically pure. The Politburo is believed to have confirmed this moderate line, and the new articles are a signal that the hard-liners are losing control even over the newspapers that they have dominated for more than two years.

Still, political fashions in China often change quickly, and it is unclear whether the recent articles reflect a major and irreversible trend to speed up economic liberalization. Even if economic growth is back at the top of the agenda, there is no hint that the regime will release political prisoners or tolerate challenges from Tibetan separatists or underground Catholic priests or disgruntled university students.

Calls for ideological vigilance and tributes to model Communists generally filled the front pages in the two and a half years after the June 1989 crackdown on the Tiananmen democracy movement. The crackdown, in which the army killed hundreds of protesters and wounded thousands more, was accompanied by the rise of hard-line leaders who installed their lieutenants as editors of the major newspapers.

The People's Daily article appears days before the United States Senate's vote, scheduled for Tuesday, on renewing most-favored-nation trade status for China. The Administration is urging the Senate to renew the favorable tariff treatment, continuing President Bush's policy of trying to change China's behavior on human rights, arms sales to the third world and other issues by contract rather by confrontation and punishment.

NO SHIFT ON RIGHTS SEEN

While there is no evidence of any major change by China on human rights, on economic topics there is no doubt that a switch has taken place. The People's Daily article published today called for tolerating a measure of capitalism in the Chinese economy, and gave a ringing endorsement of stock markets and other practices associated with the West.

On Saturday, People's Daily carried a front-page editorial calling on the nation to focus more attention on economic development—and, by implication, give less attention to the Marxist ideology that the same newspaper has emphasized since the rise of the hardliners in June 1989.

Also on Saturday, the official Guangming Daily filled most of the top two-thirds of the front page with a call to "liberate our thinking, deepen reform, open the door more widely." It was a dizzying change in emphasis for a newspaper that just last month carried a front-page appeal for universities to select students more of loyalty to Communism.

Mr. Deng began the new drive for reform with a trip last month to the southern Chinese special economic zone of Shenzhen. Mr. Deng called for more rapid change and went out of his way to praise Shenzhen, which is a symbol of economic experimentation and has shown spectacular increases in prosperity but also in prostitution and drug abuse.

The tide shifted apparently in part because Mr. Deng and other leaders determined that the best way for China to avoid the fate of the Soviet union is to make people richer, and in part because other octogenarians who take a harder line are too feeble to fight back.

Today's article in People's Daily carried the byline Fang Sheng, which is almost certainly a pen name of an individual or a group of people in the central leadership. The fact that it was published on a Sunday—when almost no one reads the newspaper, which is delivered to offices and factories rather than homes—suggests that a Politburo member may have ordered the top editors to publish it but that they did their best to insure that as few readers as possible would notice it.

"Using capitalism includes developing an appropriate capitalist economy within our country, as a useful supplement to the socialist economy," the article said. "As our country is in only the preliminary stage of socialism, it is impossible to wipe out capitalism completely, and some exploitation will linger for a long while. So the important thing is to improve our guidance of these phenomena, and direct them onto a course where policy allows them."

Many elements of today's long article had appeared previously in one place or another, but they had not been combined with such force or clarity. The tone throughout sounded like a rebuke to the hard-liners.

In particular, the article indicated that most Communists now acknowledge the need to use foreign capital and technology.

"On other matters, it seems that there are still some differences," the newspaper said, in a clear reference to hard-liners who are wary of capitalist influences. The article added that instead of fearing contacts with the West, China should expand exchanges "to enrich our culture."

"In the past we took the tortuous path of sealing ourselves off from the world and refusing to use capitalism," the essay declared, in a reference to the Maoist era. "Leftist errors and other factors were behind this, but they have nothing to do with socialism. On the contrary, in the principle socialism

means an open system and a reform-oriented economy."

A People's Daily editor said by telephone that the essay today was not an editorial or a commentary, but simply an "article." He said he did not know the identity of the author.

Wu Guoguang, a former People's Daily editorial writer now studying at Princeton University, said he could recall only one other case in the last 15 years in which the newspaper carried a front-page commentary with a byline that was a pen-name. The other one was arranged by Mr. Deng's family and published last year, and Mr. Wu said an essay like today's would have to have the approval of a top leader.

A Western diplomat suggested that the growing number of reform-minded editorials reflect the new line following a Politburo meeting that is believed to have been held about a week ago.

"But at the same time," the diplomat added, "it's only words."

Mr. DOLE. So China is on the right track. It is clearly in our interest to keep China on that track.

Will denying MFN help do that? The answer, to me at least, is clear. Engaging in mutually beneficial trade relations bolsters the forces of modernization and free market reform in China. Denying MFN will cut those forces off at the knees.

I would certainly add that it also helps many people in this country. I would certainly include the people of Hong Kong. I would include the farmers of America, and the businessmen of America.

And I would certainly include among those who would be most hurt the entrepreneurs and workers of the most open, progressive part of China—southern China—where United States economic activity, investment, and trade, is concentrated.

I would include the people of Hong Kong, which all of us hope will be a strong, free market enclave within China following its incorporation in 1997. Hong Kong is already reeling from the prospects of integration. And Hong Kong—which relies very, very heavily on Western trade with China, much of which is routed through Hong Kong—would sustain a possibly fatal blow if we turned our backs on China economically.

But there is somebody far more important to me—and to all of us—who would be hurt if we end MFN for China: The American people.

It is very ironic that, in this partisan time, when so many are attacking George Bush for his alleged preoccupation with foreign policy and his alleged failure to concentrate on America's economic problems—it is ironic that at this very moment there is this "drumbeat" for the Senate to turn its back on America's exporters, farmers, businessmen, workers, and consumers—to turn its back on all of them, so that we can make some essentially meaningless, feel-good gesture of retribution against China.

We are currently exporting $6 billion in goods and services to China annually. One group estimates that represents about 100,000 jobs.

Do you know how much we would export next year, if we terminate MFN? How about zero, or near zero.

Do you know how many will be out of work? How about—100,000—or a good chunk of that, if that estimate is correct.

Mr. President, I ask unanimous consent to include in the RECORD the executive summary of a report prepared by a very reputable organization called the "International Business and Economic Research Corp." It ought to be must reading for every Senator—and for every constituent of every Senator who votes for this conference report.

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

[From the International Business and Economic Research Corp.]

THE COSTS TO THE UNITED STATES ECONOMY THAT WOULD RESULT FROM REMOVAL OF CHINA'S MOST-FAVORED-NATION TRADE STATUS

EXECUTIVE SUMMARY

Removal of China's most favored nation status would cause great harm to U.S. consumers, businesses and workers. U.S. consumers would pay as much as $10 billion annually as a result of higher prices on a wide range of goods in the U.S. market. In addition, as a result of the likely Chinese retaliation against U.S. exports, 100,000 jobs in U.S. firms exporting to China would be at risk, as would U.S. exports of nearly $5 billion and U.S. investments in China estimated at approximately $4 billion.

I. REMOVAL OF CHINA'S MFN STATUS WOULD COST UNITED STATES CONSUMERS AS MUCH AS $10 BILLION

If China lost MFN status, the duty paid cost of most Chinese goods in the U.S. would increase in the range of 10.0 to 70.0 percent, with most of the increases exceeding 20.0 percent. Should this occur, imports of nearly all items from China would be reduced or entirely eliminated and U.S. consumers would then have to pay as much as $10 billion for the remaining imports from China which would be assessed extremely high non-MFN tariffs as well as higher prices from other suppliers whose products would replace Chinese imports.

As specific examples of cost increases, the duty-paid price of silk blend and other vegetable fiber sweaters from China would increase from $117.12 to $176.78 per dozen and tariffs on toys would increase from 6.8 to 70.0 percent.

A specialized economic model was used to analyze how trade would be affected and the subsequent costs to consumers should China lose MFN. The model, known as CADIC, was developed by the U.S. International Trade Commission and is used to analyze the effect of changes in price on trade in particular products. In this case, the model was used to calculate the shift in demand away from China to other sources resulting from the increased price of imports from China. Data on those products, which constitute the largest share of the value of U.S. imports from China, was provided as input to the model. Output from the model was extrapolated to include all U.S. imports from China and cost increases as products move through the U.S. distribution system. Based on these calculations, consumer costs would increase between $6.9 and 9.9 billion due to the combination of a shift to higher priced sources of supply and higher prices for the remaining imports from China. It is important to note that the calculated consumer costs would have even been higher if we had not factored in the assumption that 25 percent of the cost increases would be absorbed by the exporter and/or importer and not passed along to the consumer.

To relate this cost directly to the U.S. economy, $10 billion equates to an average of $109 per year on each of the 92 million U.S. households. From another perspective, $10 billion equals the total 1990 budget of states such as Connecticut and Minnesota and exceeds the combined total spent by Idaho, Montana, Utah and Wyoming in 1990.

II. 100,000 UNITED STATES JOBS ARE AT RISK SHOULD CHINA LOSE MFN STATUS

Should China lose MFN and retaliate by restricting imports from the United States, approximately 100,000 U.S. jobs would be at risk. This figure is based on U.S. exports to China of $5 billion coupled with a U.S. Department of Commerce preliminary estimate that an average of 19,100 U.S. jobs are created for each billion dollars of exports.

The Commerce Department employment estimate included direct employment in the export industry as well as all of the upstream and downstream production and services necessary for the production and export of finished products. On average, for each job directly generated by exports, two more are indirectly created.

It is difficult to predict how many of the estimated 100,000 U.S. jobs created by exports to China would be lost. In all likelihood, job loss would vary in terms of time frame and product. However, the Chinese have given clear evidence that they will retaliate against U.S. exports. For example, China's grain purchases from the United States fell from 5 million tons in 1973/1974 to nothing in 1976 and 1977 reflecting China's dissatisfaction with the slow pace of American moves to normalize political relations with China.

Export losses can even be expected on commercial aircraft despite the assumption that continuity in terms of aircraft types, training, spare parts, etc. would favor ongoing purchases of U.S. airplanes.

Thus, with China's clear readiness to retaliate against U.S. exports, combined with the availability of competitive substitutes from other countries, it is safe to say that a high proportion of the 100,000 U.S. jobs associated with exports to China would be lost.

III. U.S. EXPORTS TO CHINA WOULD DROP SHOULD CHINA LOSE MFN STATUS

China's leaders have stated clearly that there would be retaliation against U.S. exports should China lose MFN status, and U.S. exports amounting to approximately $5 billion would be vulnerable. While U.S. exports to China declined in 1990, they have increased by 18.1 percent during the first six months of 1991 compared to the same period in the prior year, and it is expected that China's rapidly growing needs for raw materials and technology will offer significant export development opportunities in both the long and short term.

Looking at the list of major exports to China, it is apparent that several sectors of the U.S. economy could be hurt should exports to China be curtailed. In particular, the U.S. aircraft industry's share of China's aircraft market, estimated at $10–15 billion over the next 10 years, could be seriously compromised should China lose MFN status.

Major U.S. Exports to China, 1990—in million dollars

Commodity:	Value
Aircraft and parts	$749
Fertilizer	544
Wheat	497
Chemicals	345
Cotton	277
Wood in the rough	171
Parts for machinery	114
Automatic data processing machines	113
Machines having individual functions	97
Artificial filament tow	88
Turbojets, turbopropellers and other gas turbines	88
Uncoated kraft paper and paperboard	73
Copper ores and concentrates	50
Electric generating sets and rotary converters	44
Oscilloscopes, spectrum analyzers, and so forth	42
Total, this list	3,292
Total U.S. exports to China	4,775

Should the United States' exports to China be curtailed, U.S. products and services will be replaced by those of competing countries. As a result, the United States' competitive position throughout Asia will be weakened as the scale of operations of other countries in that region will increase.

IV. POTENTIAL LOSS TO U.S. INVESTORS SHOULD CHINA LOSE MFN STATUS

It is estimated that direct investment by U.S. firms in China amounts to approximately $4 billion, representing 1,000 or more individual projects. Revoking China's MFN status would jeopardize the invested capital as well as the future earning potential of these investments.

Withdrawal of MFN would also intensify the existing difficulties faced by U.S. firms' joint ventures in China. Following removal of MFN, China might impede or completely frustrate operations of these firms by restricting access to imported inputs and by increasing existing bureaucratic controls over these operations. In addition, U.S. firms which produce in China for the U.S. market would be unable to export products to the U.S. due to the assessment of extraordinarily high non-MFN tariffs.

Although U.S. investments benefit China, there can be little doubt that they could become targets of Chinese retaliation should MFN status be removed. China's ambassador to the United States, speaking of U.S. investment in China, threatened, "Put any conditions on extending most favored nation treatment for China and that economic progress may well end."

Meanwhile, Hong Kong, Japan, Taiwan and Western Europe are markedly expanding their presence in China through direct investment and provision of credit. Removal of MFN by the United States could undo 10 years of development by U.S. firms in China and severely restrict the ability of many U.S. firms to compete in a global marketplace by leaving the China market open to America's aggressive, international competitors.

V. CHINA'S CURRENT TRADE STATUS IS NOT "MOST FAVORED" AS IT IS THE SAME ACCORDED TO ALL BUT A HANDFUL OF COUNTRIES

The United States has two sets of tariff rates. The lower of the two is correctly termed "General" but is also referred to as most-favored-nation or "MFN."]

from over 200 countries and territories are assessed at the General or MFN duty rates. In contrast, only eight countries are not now accorded General tariff status and are not under consideration to receive General tariff status in the near future. Imports from these eight countries[1] face "Column 2" tariff rates which mainly range from two to ten times higher than General rates.

To illustrate the huge difference between General and Column 2 tariffs, 1990 imports from China of $15.12 billion were assessed General tariffs of $1.23 billion, an average duty rate of 8.13 percent. If the same imports were assessed Column 2 rates, $6.73 billion in tariffs would have been assessed, an average duty of 44.5 percent.

While China is accorded the same General tariff rates as nearly all other countries, it is disadvantaged compared to most developing countries which are able to export a wide range of products to the United States duty-free under the Generalized System of Preferences (GSP) or the Caribbean Basin Economic Recovery Act (CBI). China is ineligible for these programs which provide significant cost advantages to China's competitors on a wide range of products.

Mr. DOLE. Mr. President, our voters have to understand what this vote is really all about—on the Main Streets, and in the factories, and on the farms of America. It is about dollars and cents; about jobs.

It is about getting out of this recession, or remaining mired in it.

We have heard the speeches about how important it is to send this high moral message, by denying MFN. And I can already hear the speeches from these same Senators 6 months, or a year from now—if they have their way. The speeches then will be: Why do we still have so many unemployed? Why have consumer prices gone up? Why have exports gone down?

Their answer will be: George Bush. But the real answer, the truth, will be because they have opted for a policy of cutting off our nose to spite our face; they have carefully aimed their bullet of retribution, not at China, but at our own feet.

Mr. President, I ask to include in the RECORD the texts of several letters chosen at random from many I have received, documenting the impact of a cutoff of MFN for China on a number of American industries and companies.

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

CONAGRA, INC.,
Washington, DC., February 21, 1992.

Hon. ROBERT DOLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR: I am writing to urge you to again support the extension of the China Most Favored Nation (MFN) Status. Your vote last July was very helpful. I hope you will again oppose efforts to attach conditions to this extension by voting against the conference report on H.R. 2212.

We, as you, are concerned about violations of human rights, as well as other issues in China. Surely, however, we have learned from developments in Russia and Eastern Europe that isolating countries does not create change. Closer economic and social ties may create change.

China represents a very important market for U.S. agricultural products. This market would surely be lost if our country was to take the unilateral action of denying MFN treatment to China.

I hope you will again weigh the benefits to agriculture from Chinese trade and retain current MFN treatment for China. Thank you.

Best Wishes,

PAUL A. KORODY.

NATIONAL ASSOCIATION OF WHEAT GROWERS,
Washington, DC, November 26, 1991.

Hon. BOB DOLE,
U.S. Senate,
Washington, DC.

DEAR SENATOR DOLE: China is the largest wheat market in the world. It is also the number one customer for U.S. wheat. In fact, the United States has been an active exporter of wheat to the People's Republic of China since relations were normalized in the 1970's. The value of annual wheat export sales to China have ranged between $500 million and $1.2 billion in recent years. Barring any disruption to current trade flows and buying patterns, we firmly believe that China will remain one of our top customers through the end of the century.

Therefore, we strongly oppose the imposition of additional conditions on China's future most-favored nation trading status. We believe that the mere imposition of conditions will result in the complete revocation of China's trade status with the U.S. and China's retaliation against imports of U.S. products, including wheat.

In terms of the statutory criteria of the Jackson-Vanik amendment to the 1974 Trade Act, China is eligible for continued MFN based on the emigration standard. In FY1990, 16,751 mainland Chinese received U.S. immigration visas. U.S. immigration limits, not Chinese travel restrictions, prevented the emigration of even larger numbers of Chinese citizens.

MFN treatment among countries has been a basic element of international trade for centuries. Its underlying principle is that each country may extend to another treatment in trade that is no less favorable than that accorded to a "most-favored" nation. It is not a privilege reserved for countries in the good graces of the United States. It is inappropriate for the United States to use MFN to address our problems with China's piracy of international intellectual property; its proliferation of advanced missiles and nuclear technology to unstable governments; its barriers to market access; and its growing trade surplus. We do not use MFN as a lever with other countries. Instead, these matters can be resolved through the specific tailored implementations of existing human rights, trade, and arms proliferation legislation—without unduly endangering vital U.S. interests.

The Administration has already taken steps to pressure China into modifying its behavior. Some examples include: the United States' continuation of the Tiananmen sanctions until the Chinese improve their human rights situation, the Customs Service crackdowns on shipments of goods alleged to be produced with prison labor, and the initiation of a Section 301 investigation into Chinese barriers to market access.

The National Association of Wheat Growers supports these measures and encourages

[1] Afghanistan, Albania, Cambodia, Cuba, Laos, North Korea, Romania and Vietnam.

the President to use whatever existing authority he deems necessary to promote U.S. democratic ideals in the People's Republic of China. The experience of history demonstrates that our only means to positively influence Chinese is through dialogue. Moreover, our personal experience with the Soviet grain embargo underscores the futility of unilateral trade sanctions. We have never fully regained our status as a reliable supplier to the USSR, the world's second largest wheat importing country.

In your role as conferee, we respectfully urge you to consider carefully what America's wheat farmers have at stake in the unconditional extension of MFN to China. China is our best market. It is certainly one that we cannot afford to lose.

Sincerely,

RON RIVINIUS,
President.

WHEAT EXPORTS BY VALUE BY STATE

[In millions of dollars]

	Fiscal year—		
	1988	1989	1990
Alabama	8.00	28.30	13.00
Arizona	21.60	21.90	15.40
Arkansas	52.40	186.90	103.60
California	118.40	149.10	131.90
Colorado	259.30	259.00	167.20
Georgia	21.70	70.90	44.00
Idaho	226.90	357.30	276.40
Illinois	86.70	222.30	207.80
Indiana	53.00	115.40	101.90
Iowa	2.70	3.90	8.30
Kansas	905.40	1,024.60	590.30
Kentucky	25.20	67.60	45.20
Louisiana	8.20	36.50	221.50
Michigan	50.40	125.00	105.00
Minnesota	179.50	252.30	153.80
Mississippi	19.20	68.20	30.00
Missouri	57.70	250.20	172.00
Montana	341.80	221.30	278.00
Nebraska	231.00	228.40	153.40
North Carolina	27.50	79.10	42.00
North Dakota	539.50	435.80	316.60
Ohio	75.10	151.60	123.10
Oklahoma	348.90	548.10	426.50
Oregon	153.40	270.50	183.00
South Dakota	239.60	148.10	165.10
Texas	264.30	284.90	163.40
Virginia	14.70	34.30	24.80
Washington	322.30	621.40	354.40
Wyoming	20.80	15.60	12.50
United States	4,675.10	6,278.40	4,430.30

MAST INDUSTRIES, INC.,
Andover, MA, February 3, 1992.

Hon. BOB DOLE,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DOLE: I am writing to urge you to vote "no" on the conference report on H.R. 2212, "The United States-China Act."

H.R. 2212 would attach onerous conditions to the President's 1992 determination to extend most-favored nation status (MFN) to the People's Republic of China for an additional year. China is an important supplier of apparel products to Mast Industries, a subsidiary of The Limited, Inc. The Limited operates 4,022 speciality stores and employs over 75,000 associates nationwide. If H.R. 2212 were enacted, it would be impossible to replace apparel supplied by China, especially given the brief time remaining before the June MFN determination. Without MFN, American consumers would face higher prices for basic necessities, and retail jobs would be lost.

China is also a growing market for U.S. exports. H.R. 2212 jeopardizes billions of dollars worth of U.S. exports to China, and the tens of thousands of jobs which depend on that trade. Since no other nation is considering terminating China's MFN, H.R. 2212 would allow America's economic competitors to profit at the expense of American businesses and workers.

The recent successful negotiations between the United States and China on intellectual property rights demonstrate that it is possible to resolve disputes with China through constructive engagement. However, H.R. 2212 would remove U.S. leverage to influence China's trade, human rights and international arms sales practices.

H.R. 2212 would result in a loss of U.S. jobs and would reduce U.S. influence over China. Therefore, I respectfully request you to vote "no" on H.R. 2212.

Sincerely,

MARTIN TRUST.

WILSONS,
THE LEATHER EXPERTS.
February 5, 1992.

Hon. BOB DOLE,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DOLE: On behalf of Wilsons, a major importer and retailer of leather apparel, I am writing to express this company's strong opposition to H.R. 2212, which would impose additional conditions on the 1992 renewal of China's most-favored-nation (MFN) trading status. I urge you to vote against this bill, as reported by the Conference Committee, when it comes up for consideration on the Senate floor.

Imposing conditions on renewal of China's MFN status is tantamount to revocation of the U.S.-China trade relationship. Revocation of MFN status would not promote progress by the Chinese in any of the areas of concern to the Congress, including trade, human rights and nuclear non-proliferation. Instead, it would preclude further dialogue with the Chinese Government and seriously hurt U.S. businesses and U.S. consumers, who have benefitted greatly from the development of trade ties over the past decade.

Wilsons, which has 550 stores in Middle-America malls throughout the U.S. and employs more than 8,000 people, would be especially impacted if Chinese products become subject to non-MFN duty rates. Our customers come from low to middle-income households, the mainstay of the American population. They are extremely price conscious. To meet their demands for affordable quality merchandise, almost half of our leather apparel is now sourced in China. The tariff on these products would rise form 6 percent to 35 percent if China's MFN status were revoked, making our goods too expensive to be marketable, particularly in today's tough retail environment. Wilsons would have to substantially cutback inventories and jobs. Even more jobs would be lost among the suppliers and service industries with whom Wilsons deals, from the farmers who are the source for the leather used to produce the Chinese-made garments to the shipping lines and truckers on whom we depend for deliveries to our stores.

Wilsons urges you to support maintenance of normal trade relations with the Chinese, which already this year has resulted in a significant agreement by the Chinese to provide protection to U.S. intellectual property rights and is providing the basis for further negotiations to open China's market. While more progress needs to be made in matters such as human rights and weapons non-proliferation, no progress is possible if trade relations are severed. Please vote against H.R. 2212.

Sincerely,

JOEL WALKER,
President.

INTERNATIONAL POLICIES

Mr. DOLE. Finally, Mr. President, there is the whole question of China's international policies. For years, the People's Republic of China was a renegade nation. More recently, in large part because of a successful policy of engagement by successive administrations—Democrat and Republican—China has been brought more and more into the community of responsible nations on international and regional issues.

The question for us is: Do we want China to stay there, to join with us on issues like the Persian Gulf war; to help out on increasingly dangerous issues like the situation on the Korean peninsula; to go further down the road toward responsible arms proliferation policies, or do we want to return to the shopworn, failed policies of isolation and retribution?

Does history suggest that we do better with China that we encourage more responsible and cooperative Chinese policies, across the board, by engaging in an active diplomacy and by aggressively pursuing mutually beneficial economic relations, or by picking up our marbles and going home?

That is the real question before us. It is the real standard by which we ought to make up our minds.

I have made up my mind. I think the President is right, and the proponents of this conference report are dead wrong.

I hope that the Senate will join me in affirming that we will continue down the course the President has set, so that even in this election year, we can set aside partisanship and posturing, and go about the business of advancing America's overall interest.

So it seems to me, Mr. President, for all the reasons I have stated that we ought to vote down the conference report.

It will pass, probably, by a substantial vote. The President will then veto the conference report. And when it comes back to the Senate we should sustain the President's veto. We will have another chance to visit this in July.

Mr. MITCHELL. Mr. President, I yield 1 minute to the Senator from Nebraska.

Mr. EXON. Mr. President, when this measure was last before the body, this Senator supported the President's position. A week ago, I read the chilling report from the CIA. I attended the closed briefing today in the Senate.

It seems to me that this is a time when we have to send some kind of a signal. Certainly, the President, if this measure becomes law as written, has a right to simply notify us that things are all right, and by that certification he can go ahead as he wishes.

I simply say that a year and a half ago had we been debating this on Iraq, we would have had the same arguments.

Mr. MITCHELL. Mr. President, today the U.S. Senate has an opportunity to correct our Nation's failed policy toward China.

The purpose of the legislation is to assure that Chinese promises on trade and weapons proliferation and Chinese practice with regard to human rights and elementary individual liberties are more effectively monitored by the United States than they have been.

Let me begin by saying that most of the arguments in opposition to the conference report have been against legislation that is not before the Senate.

This legislation does not cut off relations with China. It does not terminate our relationship. It does not isolate China. It continues most-favored-nation status with China, but simply says, taking the goals which the President himself has expressed for our relationship, they must move toward those goals; they must accomplish progress, or they will then lose most-favored-nation status. The choice is China's.

Since the massacre at Tiananmen Square in 1989, the Communist tyrants of China have thumbed their noses at the world. They gambled that the nations of the world will continue to do business as usual with China regardless of how they treat their own citizens; regardless of how China behaves in Southeast Asia; regardless of how many people they kill in Tibet; regardless of how they disregard weapons proliferations agreements; regardless of how they violate international trade law.

And, sad to say, Mr. President, the gamble by the Communist tyrants has paid off. Most of the nations of the free world today treat China as though its practices and policies had earned it an honorable place in the community of nations.

And sadly—tragically for Americans—no nation has done more to make China's behavior appear respectable than has the United States.

A month after the massacre, when the blood was still there on the stones of Tiananmen Square, the President sent a delegation of high United States officials on a secret visit to China.

In December 1989, another high level visit produced the spectacle of American officials toasting the leaders of China, the very men who had just before that ordered the massacre at Tiananmen Square.

No wonder the Chinese leaders were so confident in their calculation that the world would soon forget the sight of Chinese army tanks crushing unarmed Chinese civilians.

From that first furtive visit in the aftermath of the massacre to his meeting with the Chinese Premier this month, President Bush has pursued his policy with China on the grounds that it would change China's behavior. But it has not changed China's behavior. The policy has not worked for America. The policy has worked for China. It has shown the world that there is no price to be paid by the worst dictatorship for the most outrageous treatment of its own people.

That outcome discredits the American standard of human rights. It undercuts international efforts to pursue nonproliferation. This month, on the very day that he met with the Chinese Premier, the President's own State Department issued its annual human rights report. The President's own State Department reported that there are credible estimates that hundreds of thousands of people have been arbitrarily arrested in China. It is evidence that nothing has changed in China from the day of the Tiananmen massacre to this day, because the Communist leaders of China hold their power through a vast security apparatus which uses torture, arrest, detention, and brutality to remain in power.

The Chinese people face arbitrary arrest and detention at any time without any charge. Torture is common. The use of cattle prods, electrodes, solitary confinement, beatings, and shackles against male and female prisoners is confirmed by the President's own State Department.

The Chinese Government clings to power by silencing all opposition. Opponents are sent to prison camps, labor camps, and reeducation camps. Religious repression continues. Catholics, Protestants, and Buddhists are all subject to intimidation and arrest, because they practice their religion.

More than 160,000 persons, not sentenced by any court, are in reeducation labor camps. Some of the products of those camps are exported to the United States, in violation of U.S. laws against the importation of the products of forced labor.

Labor camp inmates forced to work the coal mines reportedly do so in conditions of danger that rival the old Soviet gulag. Some of these people are denied the right to return to their native villages or cities, condemning them to internal exile in the most remote parts of the country.

The Chinese cultural genocide against Tibet continues. Mr. President, there has not been much said about that. I would like to say something about Tibet. Since 1959, when China crushed a revolt in Tibet, there has been harsh repression against the Tibetan people. Six thousand Tibetan monasteries have been emptied of their monks and destroyed by the Chinese. The faith that is at the heart of Tibetan life is under constant attack.

We know only of 400 persons detained in the 1989 crackdown following Tiananmen. We know by name only a few who have died in custody—such as Lhakpa Tsering, who the authorities say had a ruptured appendix, and died in prison in December 1990. But we can say, with little doubt, that what we know is just the tip of the iceberg.

The Chinese occupation of Tibet has led to an estimated 1 million people killed. One million deaths have been estimated. And we are being asked here today to ignore the Chinese killing of these Tibetans, to look the other way. We Americans cannot morally look the other way. What the Chinese Government is doing in Tibet is cultural genocide. How can any American overlook that? That steady brutalization of a people and the eradication of its religious faith, a way of life that is 1,200 years old, continues to this very moment. The Department of State cites frequent credible reports from Tibetan refugees of torture and mistreatment in penal institutions in Tibet.

In every respect, the Communist Government of China imposes its will by force on a helpless people.

The ugly reality of Chinese human rights abuses deserves condemnation by this Senate, not encouragement by voting to continue business as usual.

Unfortunately, the policy of engagement has failed when measured against human rights goals. It has also failed to produce a mutually beneficial trading relationship.

The Chinese record on trade remains abysmal. Despite free access to American markets for Chinese products, American producers do not enjoy equal free access to American markets. We have racked up a $30 billion trade deficit with China, most of it since the massacre in Tiananmen Square.

Only under continued congressional pressure did the administration require the U.S. Customs Service to begin enforcing U.S. law against the products of forced labor. Not until October last year did the Chinese begin to take action to prevent such export attempts.

The President defends the trade relationship with China as being too important to jeopardize. But enforcing U.S. trade laws does not jeopardize trade relations. It is the attempt by the Chinese to subvert our laws that places the relationship at risk.

Our trade deficit with China today is our second largest after our trade with Japan.

The President freely denounces the trade deficit with Japan. Yet whatever trade practices Japan may employ, no one has ever claimed that it exports the products of forced labor. Japan is a democracy. China is not. Japan does not violate its citizens' human rights. China does. Yet the President has never expressed even mild concern about the trade deficit with China.

And it is a big deficit. In 1988 it was $3.5 billion. In 1989, it increased to $6.2 billion. In 1990, it soared to $10.5 billion. In 1991—a year of recession for the United States—the trade deficit with China was still growing, at $12.7 billion, and growing fast.

Indeed, during that year of recession, imports from China soared by 20 per-

cent, to a total of $19 billion. Under President Bush, China has become the eighth largest source of imported goods to the United States.

The makeup of China's export to us consists of labor intensive product: almost $3.5 billion in apparel; over $3 billion in toys and similar products; almost $1.5 billion in footwear, and over $1 billion in consumer electronics.

One study has estimated that if the products purchased from China were instead manufactured in the United States, 175,000 jobs directly could be created. Estimates that each billion dollars of trade deficit costs 20,000 jobs in total may mean that the $12 billion-plus trade imbalance with China may be costing American workers and communities as many as a quarter of a million jobs.

The trade relationship is important to us—but it is even more important to China. It is precisely in such relationships that our Government can have some leverage over the policy goals we wish to pursue.

President Bush showed little hesitation in using that kind of leverage with Japan. He should also use it with China.

His failure to do so is unfortunate given the behavior of China in the international community.

In the wake of the dissolution of the Soviet Union and the former Soviet empire in Eastern Europe, the most serious threats to world peace have become regional ones.

China today leads the movement in Asia to strengthen nonelected authoritarian governments while seeking economic growth to sustain them in power.

Chinese relations with Vietnam and North Korea have grown closer; China is a major arms supplier to the junta ruling Myanmar, formerly Burma, and Thailand, where a military coup dislodged an elected government a year ago. Chinese patronage of the murderous Khmer Rouge in the Cambodian peace negotiations preserved the influence of this group.

These are not the actions of a government interested in regional stability. They are the policies of a government determined to exert control over smaller neighbors and preserve totalitarian and tyrannical regimes as a means of solidifying its own power.

But it is the recent developments on weapons proliferation which are particularly troubling.

Press reports on Friday indicate that despite the verbal assurances made by China to Secretary of State Baker last November, China may have long-term contracts to sell as much as a billion dollars of missile and nuclear-related technology to Iran, Iraq, Libya, Syria, and Pakistan.

Yet on the very same day, the administration lifted export sanctions on the sale of United States high-speed computers and satellite parts which were imposed in June, when a secret sale of missile parts launchers to Pakistan was revealed.

Export sanctions were lifted, we were told, because China sent a letter pledging adherence to the missile proliferation regime to which it verbally agreed in November. The contents of that letter and the scope of that pledge are not public information. But the press report is not reassuring.

A United States Government official said the letter was "not as explicit as we would have liked" about the planned sale of M-9 and M-11 missiles to Syria and Pakistan.

"We got enough in the letter to make us believe, those sales are covered," is how the official described it.

The whole record of the administration's relations with China is one of United States beliefs about Chinese intentions which prove misplaced.

Yet once again, on the basis of a less-than-explicit promise from China, the administration has acted in a way that benefits China.

No other nation can expect United States action in return for a vague promise, particularly when its promises have been broken in the past. Repeated verbal commitments by China to adhere to international agreements to restrict the arms trade have been abandoned.

This year already, the New York Times reported that China is continuing to sell missile technology to Syria and Pakistan.

The news story reported that guidance units for M-11 missiles were sold to Pakistan, and 30 tons of chemicals to produce solid fuel for rockets were sold to Syria. It was reported that the Chinese have plans to deliver an additional 60 tons of chemicals to Syria this spring.

The widely dispersed ownership of medium-range missiles will enable regional despots to threaten their neighbors.

The administration has repeatedly claimed that its top priority in shaping the security outlook for the new world order will be to prevent the proliferation of nuclear, chemical, biological, and ballistic missile technologies.

That is an appropriate security goal and one that has the support of all Americans. But a goal cannot be reached by policies that have the opposite effect. Yet that has been the case with the administration's tolerance of Chinese arms and technology sales for the past several years.

CIA Director Gates told Congress in mid-January that Iran's rearmament is proceeding with the purchase from China of battlefield missiles, cruise missiles, and nuclear technology.

In January, the Director of the Defense Intelligence Agency said that China "is currently assisting many of the nations that we estimate will acquire a ballistic missile capability by the end of the decade."

The policy of placating the Communist Chinese leadership in order to encourage the regime to become a more responsible member of the world community is a failure. Even Defense Secretary Cheney admits that the Chinese "have in the past * * * been less than scrupulous in their concern for maintaining control over that technology."

The administration's policy is not producing changes in Chinese behavior, either with respect to human rights inside China and Tibet or with respect to weapons proliferation outside China.

Instead it is making the Chinese Government secure in the knowledge that as long as it has a special friend in the White House, China need not worry about American public opinion or American trade relations.

That is not a policy that is in the best interests of the United States of America. It is a policy that serves the interests of the Communist Government of China.

I hope my colleagues take those factors into account as they consider the legislation before us. The President's policy has now had more than 2 years to achieve its stated goals. It has failed.

It is time to change that policy.

Mr. GRAHAM. Mr. President, when the Senate approved its version of the China MFN legislation last year, it included an amendment of mine that would have withheld MFN status unless China reduced its subsidized trade with Cuba.

I very much regret that the conference bill we are voting on today does not include that provision.

Mr. President, there are many good reasons for voting for this bill. China has a miserable human rights record, which has been well documented during this debate. They continue to export arms to volatile regions of the world. And they cheat on their U.S. trade quotas.

This bill appropriately addresses those concerns. What it does not address is the question of the blossoming relationship between the hard-liners in Beijing and Fidel Castro, the last dictator in Latin America.

At a time when Castro is weaker than ever, is it in our interest to subsidize his economy by strengthening his Chinese trading partners?

Cuba is increasingly isolated. And yet China is one of the few countries in the world today that is forging closer economic, political, and cultural ties with the Castro government.

Perhaps their shared view toward human rights have brought China and Cuba together. Cuba refused to condemn China for the Tiananmen Square massacre and China refuses to support United Nations sanctioned efforts to investigate human rights violations in Cuba.

It is ironic that as we debate this bill, U.N. Representatives are meeting in Geneva to discuss the human rights violations in both countries.

Whatever the reason, these two hardline regimes are daily strengthening their fraternal socialist ties, much to the regret, no doubt, of their own citizens.

Trade between China and Cuba has grown dramatically since 1987. Bilateral trade in 1990 was $458 million, a threefold increase over the $150 million worth of trade conducted in 1987.

Last year, even though China had a record sugar harvest, the Chinese imported 892,000 tons from Cuba in barter trade while cutting purchases from other sources.

China is the second largest purchaser of Cuban sugar behind the Soviet Union. By the end of 1988, China was Cuba's third largest supplier of consumer goods.

In fact, China allows Cuba to run a trade surplus. In the first quarter of 1989, Cuba sold China 67 percent more than what it purchased.

In April 1990 China gave Cuba a 10-year interest-free loan for an undisclosed amount.

And in May that same year, China agreed to construct Cuba's first factory to make electric motors.

At the beginning of 1991 both countries signed a 5-year trade agreement.

Mr. President, this is a relationship that is strong and growing stronger.

Indeed, officials of both countries say trade and economic cooperation will increase in the future. Castro claims Cuba has much to learn from China's experiences in building socialism. No doubt.

Perhaps he can get some hints on how to handle dissidents—although I am not sure he has much to learn in this area. He has just embarked on a new crackdown on Cuban dissidents.

Mr. President, Castro's economic ties with China are valuable. But he is benefiting even more by making it appear that Cuba is developing a special relationship with China, thereby giving lie to claims of Cuban isolation.

There should be no doubt about Cuba's isolation. Portugal's socialist leader, Mario Soares, calls Castro "a dinosaur; that is to say, a prehistoric animal on the path to extinction."

In perhaps the deepest dig of all, Spanish Prime Minister Felipe Gonzalez, another socialist, has called on Latin leaders to "regulate guerrilla adventures to the tales of the imaginative novelist that this continent has in such great supply."

Mr. President, Castro continues to wreck a lot of lives. Now he is doing it with China's help.

We continue to pressure the states of the former Soviet Union to cut their ties with Cuba. We should do the same with China.

I am very disappointed that the conferees failed to include this amendment in the final bill. I can only hope that the next time we have an opportunity to further isolate Cuba, we will not squander it.

Mrs. KASSEBAUM. Mr. President, we return again today to the issue of whether to withdraw China's MFN status. While I remain deeply troubled by the human rights condition in China and by the questions raised about China's proliferation and trade policies, I continue to firmly believe that MFN status is not the means to resolve these problems. And that is what today's debate is again about—means not ends.

There is no one here in this Chamber or in the administration who does not want to end the trauma of political detainees and their families in China. There is no one here in this Chamber or in the administration who does not want to end proliferation of weapons of mass destruction. And there is no one here or in the administration who does not want to forcefully address China's trade practices.

The debate continues to be whether targeted sanctions and diplomacy are a better means to achieve these goals than bluntly cutting off MFN and isolating China. Isolation and what would, in effect, be a cutoff of trade, have proven in the past to be disastrous for reform in China. The harshest period of Maoist rule occurred during a time of China's isolation. It was the opening of relations with the West and the beginning of trade which served as a springboard for China's economic reform.

I continue to believe today that diplomatic exchanges on the issue of human rights and continued economic contacts with the entrepreneurs, who are the major force for change, remain the most effective ways to get our message across. These are the most effective ways to keep the door open for reform.

While I am disappointed in the amount of progress made on the human rights issue, nevertheless, some progress has been made. Our continued pressure on the issue has resulted in an accounting of political prisoners and has led to the release of others. And, while China has publicly proclaimed that human rights is no one's business but their own, they have acknowledged the legitimacy of the human rights dialog and have named a counterpart for regular consultations with us.

Much more needs to be done. The message the Chinese should and must receive from this debate is that relations will not return to business as usual until their human rights practices substantially improve. Whether or not MFN is withdrawn, targeted sanctions will remain in place, diplomatic pressure will continue, and private investment and contacts will continue to remain limited due to the uncertainty in that country. We are all concerned and we all demand progress.

The same remains true on the issues of proliferation and trade. Once again, I fundamentally disagree with the supporters of this bill that a cutoff of MFN is the way to resolve our concerns. While questions remain about China's proliferation policies, our continued pressure has yielded several important points of progress. China has recently agreed to observe the Missile Technology Control Regime [MTCR] and is on track to accede to the Nonproliferation Treaty by April.

We must ensure that they abide by these new standards. If they don't, I firmly believe that targeted sanctions against the companies and related government contacts are far more effective in ensuring compliance than a broad sweeping cutoff of MFN. A cutoff of MFN does not send as clear a message, or does it allow us to respond in a timely and targeted manner to improved conditions. Furthermore, as several of my colleagues have already pointed out, a cutoff of MFN has not been a standard for our proliferation concerns with any other nation, including our allies France and Germany.

I would make similar arguments about our trade concerns. In these cases, I believe the President's initiation of two section 301 investigations is far more useful to resolving these problems than a cutoff of MFN. Such a cutoff would hurt American workers and American trade, as well as hurting the Chinese. Last year, China was the fastest growing Asian market for United States exports. Our exports to China accounts for 120,000 United States jobs. This makes it incumbent upon us to be certain that the means will certainly achieve the ends.

I do not have that confidence. For the reasons I have just stated, I believe we will only be worse off in terms of our efforts to effect change on human rights, proliferation and trade with a cutoff of MFN at this time. While I share the concerns of the supporters to this bill, I firmly believe that isolating China with a cutoff of MFN will only hamper progress rather than achieve it.

Mr. KENNEDY. Mr. President, I give my strong support to this measure to condition President Bush's renewal of most-favored-nation trading status for the Peoples' Republic of China on improvements in that country's practices regarding human rights, trade, and arms control.

Since the bloody Tiananmen Square massacre in June 1989, the Chinese Government has time and again demonstrated its unwillingness to adopt democratic reforms or moderate its brutal policies.

The Beijing regime continues to pursue a path of violent dictatorship, blatant disregard for human rights, and ruthless repression. Unfair Chinese trading practices have opened a trade

deficit of over $13 billion a year between our countries. Despite repeated assurances that it would halt the sale of missiles and nuclear technology, China continues to sell weapons of mass destruction indiscriminately throughout the world.

President Bush has consistently adopted a double standard with respect to human rights, free trade, and arms control—a lenient standard for China and a strict standard for the rest of the world.

The administration's course of appeasement is a failed policy which has served only to strengthen Beijing hardliners at the expense of individual freedoms and world peace. It is time for the United States to abandon this policy and take a more active role in supporting prodemocracy forces and the long-suffering Chinese and Tibetan people.

Following the Tiananmen Square massacre, President Bush imposed significant sanctions against the Chinese Government—including a prohibition on high-level contacts, trade restrictions, economic sanctions, and the suspension of military and nuclear cooperation. Since that time, however, the administration has gradually weakened the sanctions, even though the Government of China has continued its repressive policies.

In fact, within weeks of the Tiananmen Square massacre, President Bush began to waive sanctions, including bans on high-level contacts, the export of satellites, the sale of aircraft, and the prohibition on United States support for international loans to China. He also vetoed congressional sanctions regarding OPIC, trade assistance, munitions, satellites, nuclear cooperation, and the extension of student visas.

By sending Secretary of State Baker to Beijing in November, President Bush helped to restore international legitimacy to the Chinese regime and undermine the courageous forces of democracy still struggling for a new China.

Moreover, by personally meeting with Premier Li Peng, the harsh architect of the Tiananmen Square massacre, at the United Nations last month, President Bush strengthened the hand of hardliners in Beijing. Li Peng's propaganda machine has publicized that meeting as proof that the United States is pursuing normal relations with China.

Rather than moderating Chinese behavior, the administration's conciliatory gestures have been met with further crackdowns by the Chinese Government.

Chinese authorities were even less willing to reduce their repressive policies in 1991 than they were in 1990. In 1990, the authorities announced the release of 881 prodemocracy activists. In 1991, there were no large-scale releases of prisoners. To the contrary, the year began with the largest number of dissident trials in China since the summer of 1989.

Time and again the President has offered incentives to encourage the Chinese leadership to pursue the path of reform and moderation. Time and again the Chinese leadership has rejected these approaches. By once again renewing China's MFN status unconditionally, the White House would only fortify what the State Department itself has labeled a "repressive" and "authoritarian one-party state."

According to the 1992 State Department human rights report, the Chinese Government maintains a security apparatus which employs torture, arbitrary arrest, and detention. The report emphasizes that in 1991 the regime's "human rights practices remained repressive, falling far short of internationally accepted norms."

Since the Tiananmen Square massacre, the Chinese Government has detained 30,000 prodemocracy advocates, executed an undisclosed number of individuals, sentenced more than 800 persons to prison, and brought new charges against individuals who supported the democracy movement.

Repression has also reached far beyond those involved in efforts to promote democracy. Thousands of prisoners across China and Tibet perform forced labor for the Chinese Government, and many of the goods they produce are sold to Western markets. The use of torture in these prisons became so widespread last year that the Deputy Chief Procurator reported that in three months his department investigated 2,900 cases of extorting confessions by torture. Nearly 500 of these cases resulted in death or serious injury.

Religious activities were further curtailed in 1991, marked by a new round of repression against Catholic priests and participants in informal Protestant house congregations. An internal government directive ordered a severe crackdown on all religious groups, authorizing security forces "to attack the use of religion * * * and to firmly resist the infiltration of foreign religious inimical forces."

In addition, Chinese troops continue to occupy Tibet illegally. Under orders from Beijing, the army has extended its brutal repression of the Tibetan people and expanded policies designed to destroy Tibetan culture.

Of the 360 Tibetans who have been detained for political offenses since 1987, 240 are still in custody. Reports of torture and abuses of the Tibetans are common. Last March, when former U.S. Ambassador James Lilley visited Drapachi prison, he was not allowed to speak with any of the inmates. Moreover, Tibetan prisoners who attempted to hand him a petition were severely punished.

The administration's hollow China policy is clearly sending the Chinese Government the wrong message. The Beijing regime is convinced that it can get away with the suppression of human rights and democracy movements, because the United States will respond with only token gestures of disapproval.

At his meeting with President Bush, Li Peng was so confident in the unwillingness of the United States to impose sanctions that he categorically rejected the President's requests regarding human rights.

America must play a more effective role with respect to the Chinese Government's human rights practices. Li Peng's claim that human rights are an internal affair do not exempt Beijing from its obligations to uphold universal human rights standards.

In the wake of Li Peng's visit to the West, it is essential that the United States deliver this message in the most effective manner possible. Conditioning MFN upon an improvement in China's human rights policies will demonstrate the more serious commitment that America ought to make.

Another purpose of granting MFN trading status is to promote free trade—a goal which we all share. Yet, while our trade benefits flow to China, China has shut its gates to our products.

Unfair trade barriers limiting foreign access to Chinese markets continue to drive up the United States trade deficit to China. In 1991, despite promises by government officials that China would open its market to United States goods, China's annual trade surplus rose to $13 billion. Today, China's trade advantage over the United States ranks third, behind only Japan and Taiwan.

Moreover, China continues to use prisoners as slave labor to lower the price of exports. Although Beijing denies this practice, official documents obtained last year by the human rights organization Asia Watch call for intensified prison labor production, targeted especially at United States, German, and Japanese markets.

The United States should not grant MFN status to a trading partner which refuses to buy U.S. goods and which exports products made by slave labor.

On the issue of arms sales, American intelligence reports indicate that China is continuing to sell missile technology to Syria, Iran, and Pakistan, and nuclear technology to Iran, despite assurances by Chinese leaders that they would curb such exports.

Beijing has recently delivered to Syria about 30 tons of chemicals needed to make a solid-fuel missile, and plans to deliver an additional 60 tons in March or April—enough to make a significant number of intermediate range missiles. It has also delivered M-11 ballistic missiles to Pakistan, along with guidance units to control their flight.

The transfer of this technology is particularly troublesome, because the administration has already notified Congress of its intention to lift sanctions on the sale of American satellite parts and high-speed computers to China.

According to Arab press reports, China will make M-9 and M-11 missiles in Iran, and transfer nuclear technology to Iran, as part of the 10-year military technology transfer agreement between Beijing and Teheran. In addition, the Chinese are constructing a nuclear facility in Algeria. Experts believe that it will be capable of producing five atomic bombs a year when it begins production.

Li Peng's regime has repeatedly lied to the Bush administration about arms sales, without paying any penalty. The Chinese Defense Ministry, which holds absolute power over such sales, is confident that President Bush will not impose a serious penalty. Accordingly, the Ministry has ignored commitments contrary to the interests which profit from China's global arms trade.

These arms sales demonstrate the failure of United States policy, and underscore the importance of tying MFN status to China's willingness to make a genuine commitment to arms control.

The bill before us today conditions the continuation of MFN status on improvements by China in each of these areas—human rights, trade, and arms sales. It prohibits the renewal of China's MFN status in June 1992, unless President Bush certifies that the Government of China has: First, accounted for and released citizens detained, accused, or sentenced because of their participation in prodemocracy activities; and second, refrained from transferring M-9 and M-11 missiles to Syria or Iran.

In addition, it requires the President to certify that China has made "overall significant progress" on a number of human rights, trade, and weapons proliferation issues.

With respect to human rights, the bill requires progress in preventing internationally recognized human rights violations in China and Tibet, including an end to religious persecution and the removal of restrictions on freedom of assembly, the press, and Voice of America broadcasts; terminating the export of prison-made goods; ending the intimidation of Chinese students in the United States; and allowing human rights groups to monitor prisons and trials.

With respect to trade, the bill requires progress in the removal of barriers against imports of U.S. goods; the cessation of unfair trade practices; and the protection of U.S. intellectual property rights.

With respect to weapons proliferation, the bill requires progress in adherence to the standards and guidelines of the Missile Technology Control Regime, the Nuclear Suppliers Group, and the Australia Group on chemical and biological arms proliferation, and steps to ensure that China does not transfer nuclear technology to nonnuclear weapons states.

These are the minimum acceptable conditions which China should be required to meet in order to retain its MFN status.

In opposing this legislation, the administration is relinquishing one of our few effective tools in the effort to encourage the Chinese leadership to moderate its policies. The administration's unwillingness to take a strong stand against the Chinese Government is a clear signal to Beijing that human rights atrocities, unfair trade barriers, and nuclear proliferation can continue, and will not receive serious opposition from the United States.

American trade policies should not be used to support the repressive policies of the Chinese Government. An unconditioned renewal of China's MFN status would make a mockery of the lives lost at Tiananmen Square and the suffering of political prisoners. It would be viewed by democratic forces in China and around the world as signifying America's acquiescence in further repression.

The Goddess of Democracy, the symbol of the prodemocracy movement, was modeled upon American values of freedom and equal justice. If America is to retain leadership in the cause of democracy around the world, we must act in a manner consistent with these values and resist policies that accept repression.

The conditions imposed by this legislation are realistic and reasonable. I urge the Senate to support this timely and important measure.

Mr. DASCHLE. Mr. President, our decision to grant a nation most-favored-nation [MFN] trading status should be based on whether the nation is committed to fair trade with the United States. It makes no sense to open our market to the other country, if the other country will not open its market to us. If you open your door to someone, you expect them to open their door to you. If you open your door, and the other person breaks your rules, you probably would condition the next invitation. You would want some commitments that the other person would respect your rights and property before you let him in again.

That's what this legislation will do. It tells the People's Republic of China what it must do to enjoy the benefits of the United States market. The bill sends a message that China must open its door to us, if it wants us to open our door. It calls on the Chinese Government to observe certain international standards of conduct against the spread of weapons and for human rights.

This legislation does not cut off MFN for China. The President can seek renewal of MFN in June, and MFN will be renewed, if China has met three reasonable conditions:

First, it has accounted for and released citizens who have been imprisoned or penalized for stating their political beliefs:

Second, it is not selling missiles to Syria and Iran; and

Third, it is making progress toward meeting international commitments against the spread of weapons.

Congress is considering several proposals relating to MFN for China. On one extreme are those who want to grant MFN permanently without conditions; on the other extreme are those who want to revoke MFN immediately. I have discussed the issue of renewing China's MFN status with many South Dakotans over the past few months. By overwhelming margins, they want the United States to take a middle ground approach—to renew MFN for China, but to make the Chinese Government aware of our serious concerns over its unfair trade practices, human rights abuses and missile sales. The American people want the United States Government to insist on trading relationships that are fair, but China has not been fair with the United States.

As important as the human rights concerns are, MFN is a trade tool. Ultimately, the decision whether or not to renew MFN comes down to whether such a move is in our trade interest. Has the MFN beneficiary traded fairly with the United States? China has not.

The Chinese Government has been abusing the privilege of MFN status. China exports products to us that have been manufactured by prison labor. China ignores United States laws protecting patents and copyrights, in effect, stealing from American producers. China has erected countless tariffs and other barriers to United States trade.

As a result of these protectionist measures and other unfair practices, our trade deficit with China increased by 67 percent last year to $10.4 billion. Our deficit with China is now second only to Japan. In 1990, China's exports to the United States increased by 27 percent, while our exports to China decreased by 17 percent.

It appears that China is learning from Japan. China has seen how President Bush gives in to Japan, how we fail to enforce our trade agreements, how we look the other way when nations break their commitments.

China is making a mockery of its trade relationship with the United States. The Chinese Government is practicing a form of international economic extortion. It threatens us with retaliation if we withdraw MFN, while the Chinese Government thumbs its nose at us if we demand that it live up to its obligations. The United States is strong enough to stand up for its interests and principles.

Some people are concerned that any action the United States takes to fight unfair trade practices will result in a Chinese decision to cut off United States agricultural exports. I take these concerns very seriously. We must not mix food policy with foreign policy. In this competitive world we must be ready to sell to whomever will buy our agricultural products. Because I want to see our agricultural exports to China continue, I believe we must be tough and demand fair treatment.

It is in the long-term interest of our trading relationship with China, and in the long-term interest of preserving our agricultural exports, that we bargain from a position of strength and insist that China respect fair trade. If we fail to take strong action now to counter China's trade violations, we make our agriculture exports vulnerable to being cut off at any time for any reason. We must not give in to threats from other countries.

It is wrong to assume that indefinite, unconditional extension of China's MFN status is the only means of making United States agricultural sales to China. MFN is not necessary to sell grain to China. There is no reason to link grain purchases to MFN. That the Chinese would do so is extortion. The United States should not give in to such coercion.

The Chinese will buy grain from the nation offering the best price. We have available various programs to make sales at competitive prices. The former Soviet Union did not have MFN status, but we found ways to sell more agricultural products to the Soviets than we have sold to the Chinese. Sales to China dropped last year, despite China's unconditional MFN status. The following is a comparison of agricultural exports to the former U.S.S.R. and to China. It shows how sales to the former Soviet Union exceeded sales to China.

U.S. AGRICULTURAL EXPORTS BY VALUE

[Dollars in millions]

	1987	1988	1989	1990	1991
U.S.S.R	659.1	1,939.6	3,298.8	2,984	1,758
China	234.8	612.6	1,496.1	907	668

U.S. WHEAT EXPORTS BY VALUE

[Dollars in millions]

	1987	1988	1989	1990	1991
U.S.S.R	325.1	822.5	819.7	550	194
China	64.7	524.1	1,225.4	544	330

Mr. President, our agricultural producers need the Chinese market. To maintain this market for years to come, we must build a trading relationship based on mutual respect. We must insist on fair trade. If other countries think we are weak, if they think when we are pushed on trade matters we will give in, we will always be at the mercy of other countries. The markets that are open today may be closed tomorrow. We must set our policies based on our principles and interests, and not on what will least offend other countries.

For these reasons, Mr. President, I support the conference report.

Mr. SANFORD. Mr. President, in considering this debate over the unconditional extension of most-favored-nation [MFN] trading status to China, I note that, for the most part, the scenery has not changed much since the last time we argued the merits of continuing China's MFN status. China remains deficient in respect for human rights, a violator of efforts to curb arms proliferation, a disrespecter of intellectual property rights, and an overall unfair trading partner.

On the other hand, there is change, and my constituents have let me know that they are feeling it. Chinese textile and apparel exports the United States are rising dramatically and the Chinese are erecting huge barriers to United States goods. Mr. President, the textile workers in my State are suffering as this administration preachers one set of standards but is willing to live by another.

I believe that H.R. 2212 to condition MFN on progress in the areas of human rights, weapons proliferation, and trade is a reasonable and fair standard. It is the least we should do in response to China's persistent unfair behavior.

China has become the second largest deficit trading partner of the United States behind Japan. In real terms, that means that the American people are absorbing more Chinese goods and exporting fewer goods than to any other country except Japan.

The textile industry stands to lose at virtually every negotiating table these days. The Dunkel text, offered in December at the Uruguay round, further jeopardizes the health of the textile industry and the United States-Mexico Free-Trade Agreement will undermine what remains of North Carolina's dwindling industry. How then, can we permit a non-GATT member with an infamous track record to benefit so heavily from our trade policy? I think that we must approach this debate over MFN status in the larger context of its overall impact on U.S. industry and economic health.

It is my position that China, as a non-GATT member, should not reap the benefits of the GATT agreement until it complies with international trade law: that is no more forced labor, no more dumping, no more transshipment and the protection of intellectual property rights. Consistent with that position is that we should require China to comply with international trade law to enjoy MFN status.

The American Textile Manufacturers Institute [ATMI] estimates that the elimination of textile and apparel quotas proposed in the Uruguay round could cut United States production by 60 percent and eliminate a total of 1.4 million American jobs in 10 years. The early phaseout period for the Multifiber Arrangement [MFA] will especially help Asian countries who ignore safety standards, enjoy huge government subsidies and keep their markets tightly closed.

Statistics show that East Asia will capture whatever markets Mexico would have gained under NAFTA if the MFA is phased out in 10 years. The projected increase in quotas for East Asia in the Dunkel text is 2 billion square meters which is two and a half times Mexico's projected quota increase under the NAFTA. This demonstrates the severe situation that our textile and apparel industries are facing. China, as the source of much of this unfair competition, should not be rewarded for its behavior with unconditional MFN status.

Many have noted that MFN may be a misnomer and that, in fact, it merely denotes a normal trading relationship. At the very least, though, MFN is by nature intended to be reciprocal. While our markets have become increasingly open to Chinese imports—14 percent of our total imports are Chinese textiles and apparel—China's worldwide import restrictions have turned its 1988 deficit of $7.7 billion into a 1990 $11.1 billion surplus.

Partially responsible for China's extremely low cost of labor is its use of forced and prison labor. China has simultaneously denied that products made by prison labor have been exported to the United States and pledged to take steps against companies who may be engaged in the illegal activity. How can our industry which pays an average in North Carolina of $9.74 compete with Chinese which pays an average of $.37 per hour?

Additionally, China engages in widespread transshipment. In order to circumvent the bilaterally negotiated textile quotas, China gets textiles and apparel into this country by shipping through other countries and attaching false country-of-origin labels. Transshipment undercuts the domestic industry and violates the integrity of the quota system. In 1990, China admitted that many textile and apparel products had entered the United States mislabeled. The United States adjusted the quotas and asked the Chinese to do better. Transshipment continues virtually unabated. In fact, a senior customs officer estimated that more than 2 billion dollars' worth of textiles and apparel entered the United States fraudulently in 1990.

China's violations of United States and international trade law would be less consequential if this administration and its predecessor had done its job of enforcement of the law. Our trade laws are rarely inadequate in themselves, but they suffer from an endemic lack of compliance by those they

are directed to effect. The administration has blatantly not been aggressive about enforcement and that has given other countries such as China the impression that we are not serious about protecting our industries and our workers. All too many of our top trade negotiators occupy this critical position under the guise of working for the American people but are really just thinking ahead about the lucrative job opportunities lobbying for foreign governments or representing importers when they leave the trade office.

In his book "Agents of Influence," Pat Choate enumerates examples of the revolving door which passes top State and Defense Department officials from U.S. Government service into the service of foreign governments' interests. Between 1973–90, half of those who served in the United States Trade Representatives' office later went to work for Japan. This is Washington, DC, at it worst, earning the infamous reputation of turning its back on the American worker and overall economic competitiveness.

Conditioning MFN will encourage China to consider the loss of its biggest market and the tremendous amount of capital equipment and technology it receives from the United States. As well, it will strengthen the political and economic reformers.

I understand the intention of the administration to maintain a trading relationship with China. I agree that trading relationships inherently have more influence that stiff-arming but if our influence is never exerted to foster compliance by the Chinese to international trade law, what good is it to our textile workers?

Mr. President, I encourage my colleagues to think clearly about the headlines that have dominated newspapers across this country in the past year indicated the ill health of our economy, our manufacturing base and our trade deficit and vote in the interest of the American worker and industry to make China as accountable to international law as all other nations.

Mr. ADAMS. Mr. President, we have heard much recently about China's trade and economic activities: a landmark intellectual property agreement has been signed, Chinese leader Deng Xiaoping has publicly begun to push for increased economic reform, and market access talks are proceeding somewhat ahead of schedule.

We have also heard much about China's political activities. And it seems to be politics as usual. The meeting between President Bush and Premier Li Peng was not the diplomatic breakthrough that some had hoped. Once again, China refused to discuss human rights, terming the Government's treatment of its citizens an internal affair. Assurances made to Secretary of State Baker in November that any citizen not charged with any crime would be free to leave China have proven hollow.

Lastly, we have heard much about the transfer of Chinese missiles and missile technology to the Middle East and South Asia. While I remain hopeful that China's pledges to adhere to the Missile Technology Control Regime and to ratify the Nuclear Nonproliferation Treaty in the future will be carried out, I believe that the area of nonproliferation is too important to leave to trust. The United States should monitor Chinese transfers carefully and should insist on concrete demonstrations that China is living up to its promises.

All of these factors must play a role in our deliberation over this conference report. I am pleased with the progress that appears to have been made in the trade area. Trade with China is an important part of Washington State's economic health. Indeed, Washington trades more with China than any other State in the country.

I also believe, however, that the threat of losing most-favored-nation status is what is driving the current reform mood. And I believe that in this post-cold-war era the United States must increasingly stand for its principles in trade and foreign policy.

MFN is the strongest policy tool we have to promote nonproliferation and respect for human rights in China. It is also one of the few policy tools that the Chinese understand. If the Chinese leadership is true to its word, then the conditions are attainable and MFN is not jeopardized. If, on the other hand, the leadership has no intentions of fulfilling its promises then the conditions are all the more important.

The administration has argued that unconditional MFN gives the Chinese Government an incentive to remain engaged with the West on issues such as nonproliferation, protection of human rights, and trade policy. MFN cannot be an incentive, however, if it is simply taken for granted by the Chinese. It can only function as an incentive if the Chinese understand that they can preserve preferential tariff treatment only through specific behavior. And that their trade preferences can be taken away.

It is important for the United States and China to remain engaged—and our trade relationship is arguably the most important part of that relationship—but the relationship cannot remain static. It must reflect the changing international environment. The broad range of United States interests and values are best served by communicating United States policy forcefully and by impressing upon the Chinese leadership that its actions, both internal and external, have repercussions in the international system and in its relationship with the United States.

For all of these reasons, I will support the conference report on H.R. 2212, the United States-China Act of 1991.

Mr. DURENBERGER. Mr. President, I rise in opposition to H.R. 2212, the conference report conditioning most-favored-nation [MFN] trade status for China. Although much improved over the bill passed by the Senate last summer, this conference report remains flawed in its basic approach to this issue.

Twice last summer, I spoke in this Chamber against measures to restrict MFN for China. I concluded then, and I remain convinced now, that it is in our Nation's best economic and geopolitical interests to maintain normal trading relations with China. Further, I believe continuing MFN will improve the economic and political conditions for the people of China.

Mr. President, I wish to emphasize that neither the President of the United States nor this Senator believes that extending unconditioned MFN can be interpreted as condoning China's human rights practices, its irresponsible weapons proliferation policies, or its various troublesome trade practices.

Objectively, the United States is at the forefront of nations across the globe in condemning these Chinese actions and going further than anyone else in imposing sanctions and other restrictions on our dealings with China.

Nevertheless, Mr. President, as I noted over the summer, the critics of United States policy want us to go still further, risking setting the clock back on Sino-American relations 20-plus years, to a time when we actively sought to isolate China. We and China have come a long way since that time, to each side's mutual advantage. It is difficult for this Senator to imagine what benefits would derive to our country from a return to policies of isolating China.

During the several debates in the Senate last summer, I urged my colleagues to consider not only the likelihood that conditioning MFN would fail to achieve the desired objectives in China, but that it would profoundly damage United States economic and political interests. True, China runs a huge trade surplus with the United States, but let no one interpret that to mean that we only buy from China and sell nothing.

Let the critics recall that they are risking more than $5 billion in U.S. exports, including wheat, $511 million; aerospace, $749 million; computers and electrical machinery, $860 million; fertilizer, $544 million; cotton, $259 million; wood products, $281 million; and other significant exports. Not only would the critics sacrifice these substantial United States exports for precious little in exchange, they would also abandon the market to our European and Japanese competitors, who stand poised to fully exploit market openings.

Minnesota farmers and businesses would be among the big losers if the United States restricts MFN. For the wheat farmers of our State, a $27 million market will disappear, only to reappear on the ledger sheets of our competitors. For Cargill, 3M, Control Data, Eaton, Honeywell, MTS, Thermoking, ConAgra, North Star Steel, Medtronic, Crown Iron Works, and others in Minnesota, restricting MFN means the wholesale transfer of export business to European and Japanese competitors.

Mr. President, in June and July, I urged my colleagues to consider a very powerful lesson from our past experience. That lesson is that unilaterally using trade as a foreign policy weapon only hurts the American exporter and consumer. Other countries will always step in to fill the void left by our unilateral withdrawal from a market. This is precisely what happened with the failed United States embargo against the Soviet Union in 1979.

More recent experience has also taught us that the corollary to this reality is also true. That is, that economic and trade policy can be a meaningful foreign policy tool only when applied multilaterally, in concert with the world's other trading partners. United Nations economic and trade sanctions against Iraq have had meaning only because the world acted in unison.

I ask my colleagues again, will Japan follow our lead in restricting trade with China? Will France or Germany? Will Australia or Brazil? No, Mr. President, of course not. Their farmers and businesses will simply step in and take the business that we unilaterally sacrifice.

Mr. President, I want to emphasize yet again my stern opposition and criticism of China's human rights practices, its weapons proliferation policies, and various of its own trade restrictions. No one, least of all this Senator, condones this conduct. Strictly conditioning and ultimately revoking MFN on a unilateral basis simply will not have the desired impact in China. It will punish those we are most interested in trying to help—the economic and political reformers who are attempting to move China's command economy to a free market, and ultimately, to a free society.

We must also consider the progress that has been made thus far. The Secretary of State's visit has begun an important discussion, akin to that with the Soviet Union in 1983 and 1984. We have seen a new intellectual property rights agreement that goes a ways to demonstrate the beginning of good faith in bilateral trade and investment. In recent days, China has agreed to join the United States and other countries in an important missile technology control regime. This is a long road, but we should not ignore the progress the administration has made. In my view, we owe Secretary Baker a debt of gratitude.

Mr. President, China's human rights practices concern me deeply. I have listened and learned from the argument in favor of conditioning MFN with so-called achievable objectives, particularly in the human rights area. Members of my staff met at length today with Chinese student leaders in Minnesota. I have discussed that meeting with my staff and read the materials that the student leaders provided. At the appropriate place, I will ask unanimous consent that their letter to me be included in the RECORD.

The students make a strong and compelling case, but after carefully considering their arguments and the debate here in the Senate, nothing has changed my basic belief that it is fundamentally inappropriate for the United States, acting alone, to start and stop trade with other countries because of disputes over human rights matters. If we applied these same standards to any number of our other trading partners, we would be unilaterally restricting trade all over the Third World.

Last summer, I quoted at length from the publications of respected international human rights organizations regarding the records of various trading partners. No one is calling for revoking normal trade relations with Indonesia or Kenya, Mexico or Brazil, Turkey, South Korea, or India. Acting alone, the United States cannot, regrettably, change the behavior of the rest of the world. The forum for addressing these issues is not through trade, but through vigorous diplomatic efforts.

In this regard, Mr. President, I call on President Bush and Secretary Baker to keep the pressure on China to improve their various policies and practices that we and other responsible members of the international community rightly find so objectionable. Clearly, more needs to be done to persuade China to respect internationally accepted norms of behavior in areas such as human rights and weapons proliferation.

But MFN is the wrong tool for the job. It is a blunt instrument that holds little promise for achieving otherwise laudable objectives. Effectively revoking MFN will only kick the legs out from under the negotiating table at which we address our very real and serious problems with China. That might give some of us a degree of short-term satisfaction, but precious little long-term gain.

Mr. President, I urge my colleagues to take the long-term view and defeat this conference report.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I received today from a group of Chinese student leaders in Minnesota. Thank you, I yield the floor.

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

THE NATIONAL COMMITTEE ON CHINESE STUDENT AFFAIRS, INDEPENDENT FEDERATION OF CHINESE STUDENTS AND SCHOLARS,

Eagan, MN, February 24, 1992.

Hon. DAVE DURENBERGER,
Minneapolis, MN.

DEAR SENATOR DURENBERGER: We, the undersigned, are writing to you to convey our deepest support for the Conference Report on HR 2212 attaching human rights conditions on to renewal of MFN trade status for China. We want you to vote yes on the conference report.

As we understand, HR 2212 streamlines conditions for China's retention of most-favored-nation trading status, requiring Beijing to (1) release and be accountable for people imprisoned from the 1989 Tiananmen massacre, (2) stop selling missiles to Iran and Syria and (3) show "overall significant progress" on other human rights, weapons proliferation and trade issues. We understand that the intent of the bill is not to revoke China's MFN trading status, but to use MFN as a toll to pressure China to improve its human rights record and to force the Chinese Government to fulfill its obligations as a member of the international community. So the issue here is not whether we should give China the trading status. But rather under what conditions should we trade with China.

We realize that an argument has been made that too restrictive conditions to MFN might push the Chinese Government into isolation and the loss of MFN would inflict hardship and remove the modernizing stimulus that MFN provides to reform entrepreneurs. But the conditions on the conference report are not too restrictive. They have been much reduced and modified from what was there before. The prospect of American trade—$15 billion hard-currency profit—ought to give the Chinese Government incentive to pay the price in meeting these conditions. The conditions proposed in HR 2212 are within the Chinese Government's reach.

In fact, the China has started making "progress" in many areas since this legislative proposal gained momentum. Agreement on intellectual property rights have been reached between the U.S. and China. We have reasons to believe that progress can also be made in the areas of human rights and political freedom in China with or without the will of the government.

Outside help is needed to foster the improvement on human rights and political freedom in China. We believe that the reforming forces within the Chinese Government will sooner or later overcome the hardliners in overturning the verdict on what happened in Tiananmen Square in the spring of 1989. With your YES vote on HR 2212, this day may come sooner rather than later.

The United States Congress has a special role to play in encouraging greater freedom in China. Chinese Premier Li Peng's recent visit to New York strengthened the hard-liners in their bid for power in the succession struggle now taking place in China. Congress alone can now demonstrate U.S. commitment to the rule of law and human rights for all China to see. You can help, by voting yes on HR 2212, keep the spark of hope for freedom alive in the hearts of our countryman.

During the past year, China has suffered through a deteriorating human rights situation. Arrests have continued and prisoners

are being tortured and ill-treated. The Chinese regime remains committed to breaking the back of the democracy movement. The State Department's recently released annual human rights report depicts the cruel circumstances under which Chinese citizens are living.

We, who are temporarily living outside China, have very few alternatives for remedies for China's human rights situation. We strongly appeal to you to vote YES on the bill. Your vote will means so much for those of us who are struggling for a better and more democratic China.

Thank you very much for your consideration

Signed,

YING Q. JI,
Chairman.

Mr. McCAIN. Mr. President, the conditions which the conference report to H.R. 2212 would place on most-favored-nation trading status for China are not as numerous nor as severe as the legislation which the Senate considered last year. These modified conditions coupled with the fact that China's policies on a whole host of issues that concern us make this legislation a more attractive vehicle for the Senate to employ as a means to express our opposition, indeed, our outrage over China's irresponsible proliferation policies, inhumane human rights policies, and grossly unfair trade policies.

China's aging leadership remains a bulwark for tyranny at this moment when democratic values are ascendant almost everywhere in the world. As I said in last year's debate, China's leaders thought they had a choice between tyranny and disorder. They chose tyranny now, they will get disorder later.

Similarly, in a choice between world stability and hard currency, China has frequently chosen the latter and has aggravated the most dangerous and destabilizing problem of the post-cold-war world—the proliferation of weapons of mass destruction and the means to deliver them.

Last, China has persisted in exploiting the United States fidelity to the principles of free trade by conducting trade policies which are neither free nor fair.

For all of these reasons, Mr. President, the U.S. Congress is properly seeking a vehicle to impress upon the Chinese our opposition to their policies and our intention to compel the termination of those policies.

The argument again comes down to whether conditioning MFN status will, in fact, help us convince the Chinese of the error of their ways or whether it will encourage a hardening of their positions.

Mr. President, at this moment I do not know the answer to that question.

The administration claims to have made limited progress in some of the most troubling questions about China's policies. The Chinese have agreed in writing to observe the Missile Technology Control Regime guidelines, and they are moving to accede to the Nuclear Nonproliferation Treaty by April.

The Chinese, when confronted by an investigation under the Super 301 provisions of the Trade Act, have significantly improved protection of the United States intellectual property rights. But the fact remains that we continue to endure an enormous trade deficit with China which, in this instance, indicates a continuation of unfair Chinese trade policies even though China is the fastest growing market for United States goods in Asia.

On human rights, the improvement in Beijing's record is so marginal that it does not merit our recognition. If the past is any guide, China's leaders will never risk any weakening of their authority by liberalizing their politically repressive policies. However, there is merit to the argument that cutting off trading relationships with Chinese entrepreneurs, particularly in the south of China, will undermine the strongest force for political and economic reforms in China, and greatly lengthen the Chinese leadership's hold on power.

The administration argues that by conditioning MFN now, we will trigger a reaction in Beijing that will reverse what little progress we have made toward modifying Beijing's despicable behavior. Frankly, I do not know if that would indeed be the consequence of our action. But I am prepared to act on the side of caution this time, and vote against conditions.

Mr. President, we will soon see whether the policy of engagement with China will produce further progress on all the questions we have discussed today. I, for one, want to see manifestations of Chinese reasonableness immediately.

If by June China's leaders have not made significant progress in respecting the God-given rights of their people; if China has not strictly observed the Missile Technology Control Regime and signed the Nuclear Nonproliferation Treaty; if China has not ceased taking advantage of America's faith in free trade; if progress in just one of these areas is lacking, then I think the time has come for the Congress to take the risk of denying MFN status.

Until June, Mr. President, when we will revisit this issue, I am prepared to accept the administration's counsel for caution. If we are not successful by then, however, I am prepared to take much graver measures to hasten the day when China's admission into the community of free, democratic, and responsible nations is no longer blocked by the paranoia and cynicism of a group of inhumane old men.

Mr. DODD. Mr. President, I rise today to express my strong support for the conference report before us today. And I want to commend the majority leader for his persistent dedication to this important issue. In the face of strong opposition from the administration at every step of the way, he has set before us today a solid piece of legislation that I believe deserves our support.

Mr. President, it has been 7 months since the Senate voted 55 to 44 to condition most-favored-nation status for China. And it has been nearly 3 years since the infamous decision by the Chinese Government to crush the prodemocracy movement, then encamped in Beijing's Tiananmen Square.

Over the past 20 months, there has been little to suggest that the leaders of China are prepared to mend their ways. The rulers of China have demonstrated to us time and time again that they have no interest in adhering to international standards of justice, fairness, and decency.

In fact, most of the evidence is to the contrary. Despite continued strides in economic liberalization and free market ideology, when it comes to the subject of political rights the leaders of China have withdrawn behind a great wall of oppression. In the process, they have cut off their nation, and their people, from the light of the free world.

The message, Mr. President, from those who rule the most populous nation on this planet, has been unequivocal: We are certainly willing to engage the West and to get our hands on all the material benefits we can, but we are really not interested in playing by anybody's rules except our own.

The Chinese approach to internationally accepted human rights standards makes the message very clear. Chinese violations continue to include torture, prolonged detention, forced labor, abduction, and summary executions.

On another front, consider the Chinese approach to trade relations. Until signing an agreement on intellectual property rights last month, the Chinese for years thumbed their nose at the concept of fair access to the Chinese market and denied protection of United States patents and copyrights. These and other unfair trade practices have contributed to a United States-China trade deficit estimated at nearly $13 billion per year.

Finally, Mr. President, there is the issue of missile proliferation. Over the years, the Chinese have become the nuclear Kmart for the Third World, selling missile and weapons capabilities to just about anybody.

Unfortunately, Mr. President, despite the clear signal being sent to us from Beijing, the Bush administration still does not seem to have gotten the message. The Bush administration continues to believe that the Chinese will abide by our concerns and the concerns of the international community, if only we will be their friends.

Translated loosely, Mr. President, that means one thing: The Chinese are taking advantage of us, and the administration is letting them get away with it.

The events of the past few months provide one example. On November 17, after a visit to China, Secretary Baker reported that the Chinese had agreed to abide by the guidelines of the Missile Technology Control Regime. Just 2 months later, we found out that the Chinese have contracts to sell missile- and nuclear-related technology to Iran, Syria, and Pakistan.

The response of the administration to this incident frankly baffles me, Mr. President. Last Friday, the administration lifted sanctions—lifted them, Mr. President—against two Chinese companies involved in earlier arms sales to Pakistan.

In my view, Mr. President, the administration's policy on China is going in reverse. And that is why Congress, which is charged by the Constitution with the responsibility to regulate commerce, has a responsibility to act today.

The conference report before us today is not the same as the bill we passed last summer. At the insistence of the administration, it has been made less restrictive and more flexible. But its basic principle remains unchanged: If the Chinese want another year under most-favored-nation status, they have to earn it.

They have to show significant progress on meeting international standards on human rights, including those pertaining to prison labor, restrictions on the press, and religious freedom. They have to demonstrate that their commitment to the protection of intellectual property rights has been fulfilled. And they must take steps to control their missile proliferation with the Third World.

Mr. President, on January 31, Chinese Premier Li Peng met with President Bush at the United Nations summit last month. During that meeting—a meeting, I might add, that I and a number of other Members of this body opposed—Mr. Li made one thing very clear. He said he viewed any outside effort to improve human rights in China as an interference in China's sovereignty.

Well, Mr. President, if that is the standard to be used, then frankly I think Congress should step up and plead guilty. If China's sovereignty means exploiting their workers and using that labor to unfairly compete against United States products, we will gladly interfere. If China's sovereignty means the persecution of religious groups and the press, we have a right to interfere.

When China's sovereignty means arming the Third World with nuclear weapons and missile capability, we have an obligation to interfere.

I hope we will do the right thing and vote in favor of this conference report.

Mr. JEFFORDS. Mr. President, in my deliberations over whether to place conditions on MFN to China, I have weighed carefully the many facets of this decision. There are several points on which I think we all can agree: China must improve its record on human rights and political freedoms; China must stop selling missiles and start cooperating in international efforts to curb weapons proliferation; China must go forward with economic reform, must cease export of goods manufactured by prisoners, and must engage in fair trade. Communism is an anachronism. The question now before us is how the United States can most effectively pursue its objectives and also preserve the interests of United States businesses whose well-being is tied to trade opportunities with China.

In looking at China's behavior since our last debate on MFN, one can only conclude that the record is mixed. If it were otherwise, with either substantial progress or backtracking by China, a vote today would be much easier.

An area of particular concern to me is weapons sales and proliferation. Here, as in other parts of the United States agenda with China, some progress has been made, but not enough. On the one hand, China has broken with its past and given verbal commitments to sign the Nuclear Nonproliferation Treaty [NPT] and adhere to the Missile Technology Control Regime [MTCR]. China also attended the NPT review conference in September 1991 as an observer, and has joined the five-nation Conference on Middle East Arms Control.

On the other hand, China has not yet adhered to either the NPT or the MTCR treaty. Similarly, China's record on arms sales is worrisome. Concern has been raised over PRC sales to Syria, Iran, Pakistan, and Burma. China has sold missiles to Middle Eastern countries which could be used to transport chemical or nuclear material. We must keep a careful eye on China to see whether its word is good on MTCR or whether it continues its past practices with regard to missile sales.

Just as there has been some progress with China on missile proliferation, there has also been progress on trade. Since last summer's consideration of MFN, the administration initiated a Special 301 investigation of China's practices on intellectual property rights, a 301 investigation into the denial of access for United States exports to Chinese markets, and steps to stop textile transshipments.

In January, the United States signed an agreement with China on protection of intellectual property rights. This is significant because China until now has sanctioned piracy of United States intellectual property, particularly of pharmaceuticals and computer software. As for market access, much work remains to be done. Despite progress reducing tariffs and import licensing requirements, China remains a highly protectionist trader. As we fight for greater access to China's market, we must also ensure that China's export practices are aboveboard. In that regard, the U.S. Customs Service must continue its vigilance in blocking illegal transshipments of textiles. China cannot get away with this attempt to circumvent its textile quota.

In the last year, the administration has used the instruments available to it to improve the trade situation with China. Nothing, however, would help United States business more than major change in China. United States business opportunities will grow when China resumes economic reform and takes steps such as laws protecting private property. Those who support conditioned MFN argue that that will strengthen the reformers and speed economic development. Those who oppose placing conditions on MFN argue the contrary. All agree that the private sector is a primary engine for reform in China. Once again, we come down to having identical goals but different views on how best to accomplish these goals.

As we debate how best to influence China, we must consider the current political situation there. Nothing is more disturbing to me than China's continuing human rights violations, refusal to release Tiananmen Square prisoners and denial of political freedoms to its people. Pressure from outside China has had, at best, minimal effect on China's leaders. China is still ruled largely by its original, now aged, Communists. A succession is imminent. Economic prosperity can undermine the control of hardliners and bring pressure to bear for political change; however, it also can have the opposite effect by mitigating dissatisfaction with the regime. The lesson hardliners have taken from the Soviet Union is that prosperity is the best way to hold onto power, and granting political freedom the surest way to lose it. This is the backdrop for the party congress scheduled later this year, which could be pivotal in the battle between reformers and Communists for succession.

The question turns again to what effect our vote on MFN has on China's internal political, human rights and economic situation. The frank answer is that the effect is minimal.

We know that we don't like what we see in China. Yet, we know that there has been some progress in the last year, particularly on proliferation and trade issues. After much deliberation, I have decided to vote with the President. China has long been recalcitrant and difficult to influence. Nonetheless, the administration has made inroads in areas of key importance to the United States. This progress—though far from satisfactory in scope, is significant when compared to China's past behavior. I believe that the best way to influ-

ence China is to stay the course. But let there be no misunderstanding: America and the Congress will not wait forever for change. If China reneges on its promises with regard to trade or proliferation, or fails to make any progress on human rights in the next year, I would have a very tough time voting for unconditioned MFN in the future.

Mr. WOFFORD. Mr. President, last summer, when this body first debated the question of renewing most-favored-nation status for China, I was amazed by the administration's vehement opposition to attaching any conditions whatsoever to such renewal. China, after all, routinely engages in abusive trade practices, irresponsibly exports nuclear and other weapons technologies to unreliable countries in the Middle East and elsewhere, and systematically represses proponents of democracy, free speech, and human rights.

Nothing has happened in the intervening months to change my view or to strengthen the arguments of those who wish to see an unconditional renewal of China's most-favored-nation status. In fact, quite the opposite has occurred. The collapse of the Soviet Union in August rendered the China card, the notion that we need to support China as a balance to the Soviet Union, obsolete. Our economy has worsened and unemployment increased, showing more clearly the effects of disadvantageous trade relations on America's workers. New evidence of Chinese weapons proliferation has surfaced. And the Chinese Government has not let up on its relentless human rights violations both within China itself and in Tibet. Only today, the Chinese Government sentenced another seven participants in the Tiananmen Square prodemocracy demonstrations to lengthy prison terms.

What has been the administration's reaction to these changes? To lift more sanctions against China and renew its fight against attaching conditions to MFN. By habit or inertia, President Bush has failed to respond to the new international situation brought on by the collapse of the Soviet Union and to the economic realities facing the United States. In doing so, he puts American jobs and American principles at risk.

President Bush has stated that most-favored-nation status gives the Chinese Government the incentive to take into account United States interests. I have seen no evidence of that kind of openness and accommodation by the Chinese in either trade or human rights policy. And I have seen no evidence that China has kept its promises to review its policies regarding proliferation of nuclear and missile technologies.

Instead of seeing progress toward fair trade, we have watched as China's trade surplus with the United States hit $12.7 billion last year, up from $10 billion in 1990. China continues to evade textile quotas, with devastating effect on America's textile and garment workers, and floods our markets with prison-made goods while refusing to allow American companies access to their markets.

Instead of hearing of improved conditions in China, I have read reports by the United Nations Human Rights Commission, Amnesty International, Asia Watch and even the State Department's own country reports that document with heartbreaking clarity the terrible human rights abuses perpetrated by the Chinese government on its own citizens and on those of Tibet. In January of this year, a staff delegation travelled to India and interviewed Tibetan refugees recently arrived from their country. They told of inhumane prison conditions, torture and forced labor; of religious persecution and denial of education and employment opportunities to those who do not embrace the policies of their Chinese occupiers; of stringent restrictions on travel and free speech; and of coercive sterilizations and abortions through which, along with massive population transfers, the Chinese seek to make Tibetans a minority in their own country.

The conditions imposed by H.R. 2212 are not as strong as I would like. They are, however, the very least that we should do. To grant nondiscriminatory trade status to a nation so indiscriminate in flouting international norms of fair trade, human rights and arms proliferation is simply bad policy. By attaching conditions we will show the Chinese Government that we are serious about reform. We are serious about defending American competitiveness and American jobs. We are serious about promoting democracy and human rights throughout the world, including China and its client states such as Burma and North Korea. We are serious about curbing nuclear and weapons proliferation.

China has enjoyed unconditional most-favored status for long enough. Despite the administration's assertions to the contrary, we have learned from experience that coddling China's leaders has not, and will not, compel them to change their ways. And while we have no guarantee that these conditions will cause a shift in their domestic and international policies, at the very least we will have demonstrated that the American Congress and the American people are committed to promoting fair trade and human rights, and to curbing nuclear and weapons proliferation.

Mr. RIEGLE. Mr. President, I join with Majority Leader MITCHELL and Chairman BENTSEN in supporting the conference report on the United States-China Act of 1991. I hope this important legislation will be passed by the Senate by a margin that sends a message to the Chinese—and to the President of the United States that the United States Congress is serious about this important trading relationship and concerned about the direction it has taken over the last 2 years.

The United States-China relationship has been plagued with unfair trade practices and unacceptable human rights and arms control disagreements and violations. Some of these problem areas have been identified and negotiated by the U.S. Trade Representative and other U.S. Government agencies. However, numerous issues still need to be resolved.

I believe that efforts mandated under this legislation will help restore a sense of fairness to the United States-China relationship. Setting forth responsible and sensible conditions will promote and encourage proper international behavior by the Chinese Government. Without the conditions included in this legislation, the Chinese Government has no incentive to improve its policies, or its treatment of United States companies and products.

Given the overall trade and economic problems our country is facing, we cannot afford to continue the status quo U.S. policy of rewarding our trading partners who maintain unfair barriers to U.S. products. We've made this tragic mistake with Japan, which has cost thousands of American jobs and $460 billion in valuable United States capital.

Some of the same warning signs that we witnessed with Japan are present on the China horizon. Our trade deficit with China is increasing dramatically. The 1990 U.S. trade deficit of $10.4 billion represented a 67-percent increase from the previous year. We are also seeing inadequate intellectual property rights protection, and persistent nontariff and tariff administrative controls in the Chinese market.

I look forward to reports by the administration beyond initial efforts by the USTR in negotiating an agreement to eliminate copying in the Chinese market of United States products. Here again, I hope that we do not proceed down the road of status quo according to U.S. trade policy history.

We need to aggressively monitor the success of such an accord. Anything less than full implementation and enforcement by the Chinese Government of international standards and conventions on patents, copyrights, and trade-secret protections is unacceptable.

Virtually unlimited and equitable access to U.S. markets, especially under the most-favored-nation [MFN] regime, is a privilege, not a right of any of our trading partners. It comes with reciprocal responsibilities for our trading partners. Where reciprocity and equity are absent in our trading relationships, it is appropriate that conditions like

those set out in the United States-China Act of 1991 be adopted and enacted.

Mr. WELLSTONE. Mr. President, I rise in support of the conference report on this important legislation to impose conditions on continued most-favored-nation status for China. I supported the majority leader's earlier legislation to require the President to terminate MFN status for China 180 days after enactment unless China had fulfilled various criteria in the areas of human rights, trade, weapons proliferation, and forced labor. Congressional votes on this issue in the Senate last July and in the House last November sent powerful signals to the Government of China on the broad bipartisan consensus on this issue developed during the last year. Today we can send an even more powerful signal by passing this legislation and putting the Chinese Government on notice: the United States will not tolerate persistent, egregious human rights abuses by its trading partners.

I remain deeply troubled by the administration's willingness to overlook China's major violations of internationally recognized standards of human rights and its failure to observe the international nonproliferation regimes. I believe the administration's policy of maintaining cordial relations with the Government of China is unwise, and joined 20 of my Senate colleagues in a recent letter urging the President to reject Chinese Premier Li Peng's request for a meeting in New York 3 weeks ago.

Almost 3 years after the brutal massacre in Tiananmen Square in June 1989, with continued repression against supporters of the democracy movement in China and in occupied Tibet, Congress must finally act decisively to demonstrate that unrelenting repression of basic human rights will not be condoned among our trading partners.

This conference report would prohibit a one-year renewal of MFN status in June of this year unless the President certifies that China has accounted for and released its citizens detained, accused or sentenced due to activities related to the Tiananmen Square massacre. The original Senate version would have also conditioned MFN renewal on several provisions regarding arms control, human rights, trade, the status of Hong Kong, and suspension of China's forced sterilization program. Many of these provisions were weakened at the urging of the administration to require simply that the President certify to the Congress that China is making "overall significant progress" in each area.

The provisions requiring Presidential certification of progress toward, for example, ending religious persecution in China and Tibet, halting intimidation of Chinese students in the United States, allowing human rights groups to monitor trials and prisons, removing unfair trade barriers to United States goods, protecting United States copyrights and intellectual property, adhering to international arms control regimes, and reforming other areas are thus not as strong as I had hoped. The destabilizing effect of the arms sales, including: First, the sale of nuclear-capable M-11 missiles, and their mobile launchers, to Pakistan; second, the sale of technology to Algeria which could be used to develop nuclear-grade materials; and third, China's provision to Iraq of materials used in the production of nerve gas and missile fuel, all fly in the face of China's claims regarding nonproliferation. While I am disappointed we were not able to maintain the tougher sanctions in the House-Senate conference committee, I am hopeful that these changes will provide a veto-proof majority for this legislation. I will support the conference report, and urge my colleagues on the appropriate committees of jurisdiction to continue to monitor closely enforcement of its provisions by the Bush administration, over whose stubborn objections the measure will hopefully be enacted.

I know that for many farmers who could be affected by a slow-down in grain exports to China, especially those from farm States like Minnesota, legislation to suspend MFN status to China remains a two-edged sword. China is a major United States agricultural export market, although its rank fluctuates widely from year to year. For example, in 1986, it ranked 60th; the next year, it ranked 17th. According to the Congressional Research Service [CRS], in 1989 China was the eighth largest foreign market for United States agricultural exports, purchasing more than $1.4 billion worth of products. In 1990, China ranked 11th among United States foreign agricultural markets, importing about 800 million dollars' worth of agricultural products. China has participated in both the Export Enhancement Program and the Targeted Assistance Program in recent years. While it has been eligible to participate in U.S. export credit guarantee programs (GSM-102 and GSM-103), it has not yet done so.

But I believe it is wrong to assume that American farmers oppose automatically conditioning MFN status on human rights and other reforms. Conditioning trade benefits on basic human rights is important to American farmers, in spite of the potential short-term burdens those conditions may impose. I urge my colleagues not to sell farmers short on their support of human rights worldwide.

Agricultural trade with China must remain a serious factor as we seek to develop a coherent trade policy, and as we link United States trade policy to overall foreign and human rights policy. I know the burdens that China could impose upon United States—including Minnesota—wheat farmers by retaliating against our refusal to condone China's appalling record on human rights, labor rights, unfair trade practices and arms exports. The worst-case scenario, which assumes a complete cutoff by China of wheat imports from the United States, would likely entail negative economic consequences for our State. I am hopeful that such a scenario can be avoided.

Let me reiterate my position. I do not favor using food as a weapon, and I do not favor grain embargoes as a general tool of foreign policy. Declining to extend MFN status to China, however, is neither of those. MFN status is a benefit that can and should be revoked if circumstances warrant. China's long-standing abuses warrant such a revocation. I am hopeful that the measures required by this conference report will result in positive movement on the part of China, not unjustified retaliation.

More than a year after the Bush administration renewed MFN status to China claiming that the policy would promote human rights, the State Department's own recently published Country Reports on Human Rights Practices for 1991 observes that "China's human rights practices remained repressive, falling far short of internationally accepted norms." Unwarranted detention, indiscriminate sentencing, and brutal torture of members of China's pro-democracy movement and others continues unabated. In addition, China continues to refuse to participate as a full and responsible party in international efforts to control the proliferation of sophisticated military technology and weapons, including biological, nuclear and chemical technologies. The United States must finally insist upon real changes in these practices before again renewing MFN status to China.

In this exceptional case, where the Government of China has consistently ignored international calls for reform, I believe that we should use legitimate trade-policy tools to prompt significant reforms in human rights, unfair trade practices, and weapons proliferation. I urge my colleagues to underscore the importance of upholding internationally recognized standards on these issues by supporting this conference report. I urge my colleagues to signal to the Chinese leadership that MFN is a benefit they can no longer take for granted. I urge my colleagues to vote not only for this conference report, but to vote to over-ride the President's anticipated veto should it come to the Senate floor.

Retention of preferential trade advantages under MFN status is critically important to the Chinese Government. The United States should insist on real and substantial reforms in these areas before renewing unre-

stricted MFN status. If the U.S. Congress must lead the way on this issue over the objections of President Bush, as it has on so many others, so be it. A foreign policy which fosters peace, democracy, respect for human rights and fair trade must continue to be our goal.

The PRESIDING OFFICER. All time allocated has expired. The question is on agreeing to the conference report on H.R. 2212.

Mr. MITCHELL. Mr. President, 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 clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Iowa [Mr. HARKIN] and the Senator from Nebraska [Mr. KERREY] are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa [Mr. HARKIN] and the Senator from Nebraska [Mr. KERREY] would each vote "aye."

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

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 31 Leg.]

YEAS—59

Adams	Glenn	Moynihan
Akaka	Gore	Nunn
Bentsen	Gorton	Pell
Biden	Graham	Pressler
Bingaman	Heflin	Pryor
Boren	Helms	Reid
Bradley	Hollings	Riegle
Breaux	Inouye	Robb
Bryan	Kennedy	Rockefeller
Bumpers	Kerry	Sanford
Byrd	Kohl	Sarbanes
Cranston	Lautenberg	Sasser
Daschle	Leahy	Simon
DeConcini	Levin	Smith
Dixon	Lieberman	Specter
Dodd	Lott	Wallop
Exon	Mack	Wellstone
Ford	Metzenbaum	Wirth
Fowler	Mikulski	Wofford
Garn	Mitchell	

NAYS—39

Baucus	Dole	McConnell
Bond	Domenici	Murkowski
Brown	Durenberger	Nickles
Burdick	Gramm	Packwood
Burns	Grassley	Roth
Chafee	Hatch	Rudman
Coats	Hatfield	Seymour
Cochran	Jeffords	Shelby
Cohen	Johnston	Simpson
Conrad	Kassebaum	Stevens
Craig	Kasten	Symms
D'Amato	Lugar	Thurmond
Danforth	McCain	Warner

NOT VOTING—2

Harkin	Kerrey

So the conference report was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. SEYMOUR. Mr. President, earlier in today's session of the Senate, I voted against the conference report on the United States-China Act of 1991 outlining a series of political, military, and economic conditions on the President's ability to continue most-favored-nation [MFN] trading status for the People's Republic of China.

Although the conference report does not impose the uncompromising conditions on the extension of MFN status to China that the original House and Senate bills on this matter contained, it still requires the President to make impossible and impractical certifications on Chinese political and trade practices for which he has already imposed more appropriate penalties. In addition, any condition attached to this unique bilateral benefit, as I stated in a speech to this body last summer, would needlessly jeopardize the growing free market institutions and infant democratic reform movement in China as well as hundreds of thousands of jobs in the United States.

The Senate, therefore, finds itself in the same basic position today as it did when it adopted a more restrictive MFN bill 7 months ago. Indeed, the conference report endorses the same fundamental barriers to continued MFN treatment that the earlier pieces of legislation prescribed: an accounting by Beijing for all political prisoners arrested as a result of the 1989 Tiananmen Square massacre; a formal statement reasserting China's adherence to its treaty with Great Britain on the disposition of Hong Kong; the cessation of a variety of trade practices deemed unfair to the United States; a moratorium on all international missile sales by the Chinese military; and the sanctioning of United States-sponsored radio broadcasts into Tibet.

It is true that the conference report requires the President to determine that the Chinese have "made overall significant progress" in each of these areas by June 3, 1992, rather than certify that the People's Republic of China had achieved full and indisputable compliance with the conditions—as the original bills on this issue demanded. But this formula would make a mockery of otherwise noble policy goals. The Chinese have not made any significant progress in the realm of political liberalization during the more than 10 years that the United States offered MFN status to the People's Republic of China. Yet earlier today, the Senate passed a conference report requiring "significant progress" by the leadership in Beijing toward establishing a pluralistic society within 3 months before China could receive a normal trading relationship with the United States for another year.

As the managers of the conference report know, this type of progress is impossible. But they still persisted with the charade of imposing conditions on China's MFN status at the expense of making the United States appear absurdly weak in its ability to influence the pace of democratic reform by repressive governments while possibly sabotaging the ability of several American export industries to compete in Asian markets. China's Stalinist rulers will not become angels inside of 3 months. In the meantime, the denial of MFN treatment will only harm both the productive and the pluralistic forces in China and deal another unwelcome blow to one of the most competitive segments of the American economy.

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

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the time consumed under the quorum call be charged equally against both sides under the previous order with respect to the forthcoming cloture vote.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. Mr. President, I ask unanimous consent for 5 minutes to speak as in morning business. And that the time will keep running.

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

RESPONSE TO TELLER PIECE

Mr. GRASSLEY. Mr. President, I rise today to respond to a recent op-ed piece by Teller that appeared in the New York Times regarding a bill that I have cosponsored S. 1521, the Pornography Victims Compensation Act. As you may know, Teller is a showman and a magician. In his op-ed piece, he has again practiced sleight of hand and persuasion through illusion.

The Pornography Victims Compensation Act, which enjoys bipartisan support, is designed to help victims of sex crimes—the majority of whom are women—obtain redress in court from those who produce, sell, or distribute

the material that caused the crime: obscenity and child pornography. It is well established under our constitution that obscenity and child pornography are entitled to no first amendment protection. So, the supporters of the bill will create no death knell for creativity or any other first amendment activity.

A plaintiff who seeks to recover would have a high burden of proof. She would have to show that she was a victim of a forcible sexual crime, that the material was obscenity or child pornography, that the defendant should have reasonably foreseen that the material would create an unreasonable risk of that crime, and that the material was a substantial cause of the crime against the victim.

The purpose of the bill is to punish criminals—commercial producers, distributors, and exhibitors of obscenity and child pornography—whose acts have resulted in rape, to provide compensation to their victims. It is narrowly defined and narrowly confined to those categories of sexually explicit materials that the Supreme Court has held are wholly outside the protection of the first amendment. It has nothing to do with depictions of crime in nonobscene movies. No one who has read the bill could reasonably conclude otherwise.

Obscenity and child pornography are not fiction or bad ideas. They are not created by those gifted with imagination. No one has the freedom to engage in production and distribution of obscenity or child pornography. The only people from whom compensation could be obtained under this bill already face criminal liability for their connection with obscenity or child pornography. Criminal liability for these activities does not violate the first amendment either directly or through a chilling effect on speech. The same is true for this bill's civil cause of action against those whose illegal depictions are criminally imitated.

Similarly, the bill does not reduce the individual responsibility of rapists for their crimes. Rapists would still face the severe criminal penalties that now exist. What it does is end the exemption for liability that everyone else now faces: Responsibility for their own actions that foreseeably lead others to commit rape. For instance, as Teller's show business colleague Connie Francis knows, if a hotel owner creates a situation in which another's commission of a rape is foreseeable, the hotel owner is liable not for the rapist's action, but for his own. Why should hotel owners and operators of legitimate businesses be subjected to this liability but not purveyors of obscenity and child pornography?

Rape has increased in this country in recent years at a rate far greater than the overall crime rate.

In July 1991, the Judiciary Committee heard expert testimony from a district attorney who reported a 25-percent decrease in sexual violence after his office shut down adult bookstores and theaters, while the State as a whole experienced a sharp increase in rape. A California woman told us that as a child she had been repeatedly forced to perform sexual acts portrayed in the obscene magazines her father saw, causing her extreme physical and emotional injury. When combined with scientific studies, it is inappropriate to compare this kind of testimony connecting obscenity with sexual violence to stick pins in voodoo dolls, as the oped piece said.

Mr. President, in closing, I want to say the Pornography Victims Compensation Act presents the opportunity to strengthen the effect of our criminal laws against obscenity and child pornography and to compensate victims of brutal crimes that carry with them long-term, severe effects.

It does so in a narrow fashion that avoids censorship or inhibiting the creation of any materials protected by the first amendment.

Mr. President, I suggest the absence of a quorum and ask that it be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATIONAL COOPERATIVE RESEARCH ACT EXTENSION—MOTION TO PROCEED

CLOTURE MOTION

Mr. KOHL. Mr. President, I ask to speak in support of S. 479 and that my time be charged to Mr. LEAHY.

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

Mr. KOHL. Mr. President, I rise in strong support of the motion to proceed on S. 479, a simple, effective, and straightforward bill to enhance American competitiveness. And I rise against any misguided attempts by the administration to gut the provision in S. 479 which tells foreign companies doing business in the United States that if you want a break from the American antitrust laws, you have to make a commitment to the American economy.

Let me tell you why.

As we know, during the past decade American firms have come up against unprecedented foreign competition, and the sad truth is that in many key areas we have lost ground.

Of course, the antitrust laws are not the cause of America's competitiveness problems. That has more to do with savings rates, capital investment levels, unfair trading practices, and our preoccupation with short-term financial results over long-term goals.

But foreign antitrust statutes are far more tolerant of cooperative business activities than U.S. laws. Indeed, according to many American businessmen, the mere threat that the antitrust jackhammer will come down on a joint venture sometimes prevents it from forming in the first place.

The measure we are considering today is modest but helpful response to these problems. In short, it would ensure our ability to compete more effectively in the global marketplace while remaining true to the principles embodied in our antitrust laws. Senators LEAHY and THURMOND deserve special praise for being among the first to call for such legislation.

Nevertheless, Mr. President, our job is not only to encourage American competitiveness, but also to enhance American industry and create American jobs. That is why Chairman BIDEN and I added an amendment in committee to require that—in order to benefit from the way that this measure relaxes the antitrust laws—the principal facilities for the joint venture must be in the United States and the parties involved must make a substantial commitment to the American economy. In other words, we would not limit who sits at the table; we would simply require that the table itself be set in the United States.

Mr. President, I was hoping the administration would understand that we should use our antitrust laws as both a sword and as a shield against unfair competition from abroad. After all, just last weekend Attorney General Barr said he wants to change the Justice Department's antitrust policy so it could go after Japanese cartels that restrict American exports. His proposal makes good sense, and I applaud the Attorney General for this initiative.

But though one part of the administration may see the light, the other part apparently remains in darkness. First, the Vice President's office said it would fight the Attorney General "to the end" on his "get tough" policy with Japan. And now others in the administration have suggested that the Biden-Kohl amendment would "send the wrong signal" to our trading partners.

In fact, nothing could be further from the truth: we would "send the wrong signals" to our trading partners if we failed to use our antitrust laws as a lever to open foreign markets and to protect our workers at home.

Mr. President, if this bill is left intact, I have no doubt that it will make a valuable contribution to our economy and to our prosperity. That is why I hope my colleagues will support this motion to proceed and oppose any weakening amendments.

Mr. GRASSLEY. Mr. President, I am please to be a cosponsor of S. 479, the

National Cooperative Research Act extension. This bill promotes research and development, and it represents a real effort to give American businesses some encouragement in their quest to sustain a technological edge in the marketplace.

In 1984 we enacted this law to allow companies to work together to jointly research and develop new technology. The firms have been required to notify the Department of Justice and the Federal Trade Commission of their cooperative efforts. The notification acts as a shield from treble damage antitrust liability.

The Department of Justice has found this law to be very successful. Some 230 notices of joint ventures have been filed with the Department. Fears what this law would foster anticompetitive activities have not been realized.

This bill takes the next step, by allowing for certain joint productions. After all, research and development are important building blocks, but making a product is the best way to ensure our place in the world's markets, as well as jobs for American workers.

The bill would apply the same standards to joint productions, as have been applied to joint research and development projects. It clarifies the applicability of the rule of reason standard, and it provides for the registration of joint production ventures with the Department of Justice and the FTC. The registration will protect the joint ventures from treble damage liability under the antitrust laws.

Such protection is necessary in order to give American research and development efforts a level playing field in a world where no other country has antitrust enforcement as stringent as ours. While American companies accused of illegal collusion are often exposed to millions of dollars in damages, the maximum fine under the Japanese antimonopoly law is $40,000. I plan to introduce legislation soon to help promote antitrust enforcement in other countries. In the meantime, I think it is appropriate to eliminate the threat of treble damages for joint production efforts that are crucial to our national competitiveness.

The President has supported the concept this bill embraces—encouraging companies to pool their resources to advance technology and America's competitive edge. But some have tried to use this as a vehicle for protectionism. Those efforts would undermine the good purposes of this bill.

We've worked out a compromise with this bill—a delicate balance. This bill should not upset trade relations, nor should it interfere with international obligations.

I urge the adoption of this bill—to advance our competitive edge; to promote jobs; and to improve technology and our quality of life.

I thank the Chair.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. KOHL], suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. 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. METZENBAUM. Mr. President, I am not certain who is managing the bill in the opposition; but regardless of that, I yield myself such time as I may need to speak in opposition to this legislation.

Mr. President, I rise in opposition to the National Cooperative Research Act Extension of 1991. I am a realist, and there is a strong body of support for this bill, but it should not be. As a matter of fact, I do not believe there is any organized opposition to this bill, but that does not make it right.

This is not a new subject for me. This is an extension of the national Cooperative Research Act Extension of 1984, which this bill seeks to amend. I was very much involved with the passage of that bill. I spent many hours negotiating the language of that bill, which is now law, and which makes it possible for research endeavors to be joined on a cooperative basis.

The 1984 Act actually provides lenient antitrust treatment for research and development joint ventures. I believe that is warranted in order to encourage research and development.

At the time I sponsored the original bill, however, I made clear in my reservation that the extension of the protection of the Act beyond research and development would require great scrutiny. There is a difference between joint research efforts and joint production efforts. In one instance, you are talking about a small group of people involved in trying to put their mental capacity together. You talk about joint production efforts. It is a far more extensive kind of combination.

The bill that we are considering today extends protection to the next step in the process of bringing a product to market; that is, the production effort. I oppose the bill because I think it is a bad idea to offer lenient antitrust treatment for production joint ventures.

Ironically, the administration, which has long supported the weakening of our antitrust laws, now has problems with this legislation.

It is my understanding that, as we meet here at this very moment, the administration and those involved in handling the bill are attempting to work out their differences. But whether they do or they do not, this is still a bad piece of legislation.

The administration objects to the provisions which favor Americans businesses over foreigners. That is probably the only good part about the bill. These provisions, added by Senators BIDEN and KOHL, would limit the application of the bill to production joint ventures with principal facilities located in the United States, and in which each party to the joint venture makes a substantial commitment to the U.S. economy.

How that language comes out after the negotiations are concluded I have no way of determining because, as I already indicated, it is my understanding they are in negotiations at this very moment.

I opposed this bill long before those provisions were added, and regardless of what those negotiations produce, I still oppose the bill. I oppose the bill because it is: First, unnecessary; second, it will not improve America's competitiveness, and third, it will undermine the laws that promote and protect competition.

Current law does not chill potential joint ventures. There are numerous examples to which we can point to very large joint ventures being proposed and moving forward successfully. Look at the Toyota-GM joint venture, or the IMB-Apple joint venture. These are some of the biggest companies in their respective markets.

Clearly, joint ventures have not been chilled by the antitrust laws. Furthermore, the fact is that Government or private suits against joint ventures are extremely rare.

The bill has been sold as critical to our international competitiveness. Supposedly, the U.S. antitrust laws are preventing U.S. businesses from forming joint ventures necessary to successfully compete in world markets. I do not buy those arguments. I think they are invalid. I do not believe they comport to the facts.

Weakening the antitrust laws will not improve American productivity or make America more competitive. Strong antitrust laws promote strong competition. The antitrust laws are not to blame for our failures in world markets. Anyone who would argue that we have been too aggressive against antitrust violators during the last decade must have been under a rock during the Reagan administration. Could it not be precisely because we were too lax in our enforcement of our antitrust laws during the Reagan administration that we now find ourselves at a competitive disadvantage?

Prof. Michael Porter—who teaches at Harvard Business School; a world-renowned consultant for leading companies all over the world; on the front cover of Fortune magazine as one of the leading business consultants in America; a person who served in the President's Commission on Industrial Competitiveness—presented excellent testimony to my subcommittee on this bill. He testified that competition, not

cooperation, produces strong combatants in world markets.

We will have no success in other markets if we are not successful at home in pushing our companies to be more competitive, not less; to be more innovative, not less; to be more aggressive, not less.

I hope no one in this body thinks that detrebling damages for antitrust violations is a model for how we should treat our antitrust laws. I think it sends a terrible signal to American business that the Congress will weaken the antitrust laws when pushed to do so under the guise of international competitiveness.

It also sends a terrible signal to the rest of the world. From the European Community to Canada, to Eastern Europe to South America, I see countries looking to the American model of strong antitrust laws as they try to build new, vibrant economic systems.

In fact, enforcement authorities in the European Community have been far more aggressive than our own in pursing antitrust violators. A fine of $55 million was recently levied against a European cartel. That fine is five times larger than any fine ever assessed in the United States.

What kind of message does it send that we now want to weaken our antitrust laws? Clearly, this bill is going in the wrong direction.

In spite of my opposition to this bill, I would like to thank the sponsors for working with me to limit how broadly the bill will be applied. I appreciate the sponsors accepting two amendments I offered during committee consideration, and the other one I have worked with them on—now that the bill has come to the floor.

Although these amendments improve the bill, I do not believe they fix the fundamental, underlying concern that I have that this bill is unnecessary and will hurt American competitiveness.

I continue to oppose the bill. I will vote against it, as I did in the committee. I have no particularly strong views with respect to the matter of cloture when we go to vote on the bill. I do not expect there will be many votes against it. I hope that there will be a majority.

But I do not expect that to be the fact, because there has been a very, very organized lobby of business organizations and corporations lobbying for passage of this bill.

To the best of my knowledge, I know of no organized opposition. That does not make it right. That just means that some people have good lobbyists and some people perhaps are indifferent to what is going on on the floor of the U.S. Senate, and maybe are not in a position to hire those lobbyists, if they were so inclined. Suffice it to say, this is a bad bill. I wish it would be defeated. I am not certain that it will be, Mr. President.

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

The PRESIDING OFFICER (Mr. WOFFORD). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, we should know that S. 479 is a jobs bill. Let us not have any question about that. It will take the shackles off companies that have been unable to go all out in an increasingly cutthroat battle against foreign competition.

Those of us who are supporting this as a bipartisan group are trying to bring S. 479 to the floor. It is going to give a green light to companies to enter into joint production ventures without having to risk unnecessary antitrust prosecution. Similar legislation was enacted in 1984. We limited it to research and development. This extends it to joint production.

It is a bill that was needed when Senator THURMOND and I first introduced it in 1989. It is needed even more today, with an economy on the ropes and jobs disappearing every day. Some say the end of the recession is just around the corner, but we have been hearing that for over a year. It is not. We are facing some very, very difficult problems. American firms are coming under increased pressure from past technological innovation and development abroad. We have to level the playing field.

All we are saying is if we have to compete against the Pacific Rim, if we have to compete against Japan, and if we have to compete against Europe we ought to be allowed to do the same thing that they do. We ought to be able to do joint production, the same way we do joint research and development.

For the life of me, I understand there are a couple people holding this up on the request of the administration. I would think, facing the worst recession I believe in my lifetime, the administration would want a jobs bill to go forward. And for them to hold it up and say, "well, we want to study it," for God's sake, how long do we have to study the fact that we are in a recession? How long do we have to study the fact that we need jobs?

They have had the language of section 7 of this bill to consider and debate since before the Judiciary Committee marked the bill up last July. They did not even start to talk about it until last week. No wonder we are in a recession. Everybody thinks that it is somebody else's job. That is easy for people to say who get a paycheck every week. It is not easy for the people to say who are out of work in my State, or in Pennsylvania, or any other State.

So I wish we could have avoided this cloture vote with a time agreement.

The 1984 Antitrust Research and Development Act recognized the major financial commitment involved in high-tech innovation. That act encouraged American firms to share the cost and risk of R&D projects by clarifying antitrust laws regarding combined research ventures. That act has been a success. Companies have filed over 230 notifications for joint research and development ventures involving everything from chipmaking and steelmaking processes to superconductors. Many argue that the 1984 act was critical to the formation of Sematech, the industry-government research consortium whose mission is to restore U.S. world leadership in semiconductor manufacturing technology.

The 1984 act, however, is not enough. It does not address the issue of joint manufacturing ventures and it is precisely in manufacturing that the United States faces its gravest competitive challenges.

Indeed, when it comes to basic research and science, the United States continues to lead the world. We are the great innovators, making scientific breakthroughs and inventing new products in our universities and laboratories. But when it comes to commercializing our innovations we are continually out maneuvered by well-planned, well-financed, foreign competition. We may invent products like VCR's, memory chips, industrial robots, and liquid crystal displays, but the Japanese and others do the manufacturing, taking the jobs and the profits. No matter how much our service sector grows, we have to recognize that manufacturing has been and will continue to be the necessary anchor for healthy economic growth.

Will our joint production bill help? Yes. The new technologies that create jobs and income often require enormous investment. The cost for a state-of-the-art semiconductor manufacturing facility is now half a billion dollars. While Japanese firms that are part of powerful keiretsu organized around giant banks may have access to that kind of capital, most United States firms do not. Moreover, among our competitors in places like Japan, Europe, and Korea, governments do not hesitate to encourage cooperative efforts in cutting-edge technologies such as semiconductors, superconductivity, x-ray lithography, or artificial intelligence.

What this legislation would do is eliminate the antitrust uncertainty that now surrounds joint production ventures. Companies would know that only unreasonable, anticompetitive ventures could be challenged and that only actual damages could be assessed. And they would understand that the Federal Government stands four-square behind the proposition that coopera-

tive ventures have a vital role to play in our economic future.

Mr. President, the White House has challenged Congress to act quickly on a plan for economic recovery. This bill will help restore our high-tech competitive position—and bring manufacturing jobs back to America. Let us make it the first shot across the bow for economic recovery.

The legislation has broad bipartisan support. It was reported out of the Judiciary Committee last July by a vote of 13 to 1. I urge my colleagues to vote for cloture so we can debate and pass this important legislation.

The PRESIDING OFFICER. The Senator from Vermont is advised that the time under the agreement has expired.

Mr. LEAHY. Let us go to the cloture vote.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to proceed to the consideration of S. 479, a bill to encourage innovation and productivity, stimulate trade, and promote the competitiveness and technological leadership of the United States:

Patrick Leahy, Max Baucus, Joe Biden, Kent Conrad, George Mitchell, Wendell Ford, Brock Adams, Dale Bumpers, Don Riegle, Terry Sanford, Timothy E. Wirth, Richard Bryan, J.J. Exon, Barbara A. Mikulski, Claiborne Pell, John Glenn, Fritz Hollings, Strom Thurmond, Herb Kohl.

CALL OF THE ROLL

The PRESIDING OFFICER. Under the previous order, the call of the roll is waived.

VOTE

The PRESIDING OFFICER. By unanimous consent, the question is, Is it the sense of the Senate that debate on the motion to proceed to S. 479, the National Cooperative Research Act Extension of 1991 shall be brought to a close? The yeas and nays are required. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Iowa [Mr. HARKIN] and the Senator from Nebraska [Mr. KERREY], are necessarily absent.

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

The yeas and nays resulted—yeas 98, nays 0, as follows:

[Rollcall Vote No. 32 Leg.]

YEAS—98

Adams	Ford	Mitchell
Akaka	Fowler	Moynihan
Baucus	Garn	Murkowski
Bentsen	Glenn	Nickles
Biden	Gore	Nunn
Bingaman	Gorton	Packwood
Bond	Graham	Pell
Boren	Gramm	Pressler
Bradley	Grassley	Pryor
Breaux	Hatch	Reid
Brown	Hatfield	Riegle
Bryan	Heflin	Robb
Bumpers	Helms	Rockefeller
Burdick	Hollings	Roth
Burns	Inouye	Rudman
Byrd	Jeffords	Sanford
Chafee	Johnston	Sarbanes
Coats	Kassebaum	Sasser
Cochran	Kasten	Seymour
Cohen	Kennedy	Shelby
Conrad	Kerry	Simon
Craig	Kohl	Simpson
Cranston	Lautenberg	Smith
D'Amato	Leahy	Specter
Danforth	Levin	Stevens
Daschle	Lieberman	Symms
DeConcini	Lott	Thurmond
Dixon	Lugar	Wallop
Dodd	Mack	Warner
Dole	McCain	Wellstone
Domenici	McConnell	Wirth
Durenberger	Metzenbaum	Wofford
Exon	Mikulski	

NAYS—0

NOT VOTING—2

Harkin Kerrey

The PRESIDING OFFICER. On this vote, the yeas are 98; the nays are zero. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 219, S. 479, the National Cooperative Research Act Extension of 1991, at 1 p.m. tomorrow, Wednesday, February 26.

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

Mr. LEAHY. Mr. President, I wish to thank the distinguished majority leader for his help in bringing this up. As one of the chief cosponsors, it is something that I have been working to get considered for a long time. I realize there is still a way to go. But I would point out there is very strong support, strong bipartisan support.

Senator THURMOND is the other chief cosponsor. We have Republicans and Democrats across the political spectrum on this bill. It is designed to get people back to work. It is designed to allow the United States to be competitive as we go into the next century, to do the kind of things that our main competitors, Europe, the Pacific Basin, and Japan, are doing. I also wish to thank Senators BIDEN and BROWN, who are two of the main sponsors of S. 479.

So I hope all Senators will help get this bill passed quickly without extraneous material.

Again, I wish to thank the distinguished majority leader for bringing up this cloture matter and allowing us to go forward.

Mr. MITCHELL. Mr. President, I thank my colleague, and I look forward to prompt consideration of the measure tomorrow.

I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

MORNING BUSINESS

COMMENDING CALIFORNIA'S OLYMPIANS

Mr. SEYMOUR. Mr. President, as the world's finest athletes return home from Albertville, France, I rise today to salute seven Californians whose performances in these Olympic games have filled us all with a great deal of pride.

These 1992 winter Olympic games were indeed an historic event. For the first time in four decades, the games were truly a worldwide festival of sport rather than a political struggle between antagonistic ideologies. We witnessed the awesome athletic power of one unified team from Germany and reveled in the new found freedom of the athletes from the former Soviet bloc. We cannot help but give pause to consider the uncertain future of the members of the unified team from the former Soviet Union, but we all hope it is as fruitful and promising as their individual achievements were in Albertville.

The performances given by our team certainly provided the entire nation with many moments of exhilaration and poignancy. Perhaps the finest aspect of athletic competition of this magnitude is that we are able to share in the lives of these athletes as they experience their moment of supreme accomplishment. The overall level of achievement by the American athletes was truly exemplary. The total number of medals won by American athletes almost doubled the output at the 1988 winter games at Calgary, and nearly eclipsed the all-time record of 12 medals won by Americans in 1932 and 1980, both in Lake Placid, NY.

Among this group of outstanding young Americans, I would like to single out the performances of seven Californians who repeatedly represented themselves, their families, and their country in a distinguished and dignified manner. In each of their events, they thrilled us all, demonstrating a vast array of skills ranging from the grace and beauty of figure skating to the raw speed and power of the luge.

Most people expect Californians to excel at surfboards and sunbathing.

However Bill Taveres and Bonny Warner demonstrated the diversity of talent that comes from California in what may be an un-California event: the luge. Though the luge is an event unfamiliar to most Americans, all who witnessed these courageous individuals careening down an icy tract on a sled at speeds approaching 60 miles per hour cannot help but stand in awe of them. In recent years, American lugers have made great strides in improving their standing in world competitions, and, with individuals like Bonny and Bill serving as the backbone of our team, continued future success is undoubtedly on the horizon.

Natasha Kuchiki, Todd Sand, and Scott Wedland are competitors in arguably the most graceful and beautiful event in the games, pairs figure skating. These three skaters, with their respective partners, showed an extraordinary amount of teamwork and dexterity in performing their intricate routines.

Christopher Bowman demonstrates that skating is also athleticism and star-quality showmanship. In finishing a strong fourth, Christopher certainly lived up to his nickname "Bowman the Showman." In true Hollywood fashion, he rallied back from his original program to bring the capacity crowd to its feet by performing easily one of the strongest freeskates of the competition.

And finally, it is with great pride that I pay tribute to Californian Kristi Yamaguchi. Her gold medal performance in the marquee event of the entire Olympic competition was a triumph of American achievement in Albertville. In winning the gold, Kristi has returned the United States to its position of prominence in the wondrous sport of women's figure skating. She has captured the crown jewel of figure skating, and certainly the hearts of all Americans.

With the next winter games in Lillehammer, Norway only 2 years away, many of these same athletes will again have the opportunity to represent the United States in Olympic competition. Judging by the strength of these performances, as well as the overall depth of athletes training in our USOC facilities, America will once again present a formidable team in Lilihammer in 1994. We look forward to living and witnessing the Olympic spirit of competition and the drive to excellence that brings the world together in peace and friendship.

UNANIMOUS CONSENT AGREEMENT

JOINT REFERRAL OF THE NOMINATION OF A MILITARY OFFICER TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Mr. MITCHELL. Mr. President, as if in executive session, I ask unanimous consent that during the 102d Congress, any nomination of a military officer to be the Deputy Director of Central Intelligence that includes a nomination that the officer, while so serving, shall have the rank of lieutenant general, vice admiral, general, or admiral, as the case may be, shall be referred jointly to the Committee on Armed Service and the Senate Select Committee on Intelligence; and that when the Senate considers this matter, separate votes occur on the nomination to be Deputy Director of Central Intelligence and the nomination to have a particular military rank while serving in the position of Deputy Director of Central Intelligence.

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

Mr. MITCHELL. Mr. President, it is my understanding that the President soon may nominate a military officer to serve as the Deputy Director of Central Intelligence, and that the officer also will be nominated to have a 3- or 4-star rank while so serving. Such a nomination would involve the jurisdictional interests of both the Armed Services Committee and the Senate Select Committee on Intelligence. These committees have agreed that any such nomination should be treated in the same manner as the nomination of Adm. Bobby Inman to be the Deputy Director in 1981. At that time, the nomination was referred jointly to the Committee on Armed Services and the Senate Select Committee on Intelligence. After both committees reported the nomination, the Senate voted separately on the nomination of Admiral Inman to have the military rank of admiral while serving as the Deputy Director of Central Intelligence, and on the nomination of Admiral Inman to serve as the Deputy Director of Central Intelligence.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of January 3, 1991, the Secretary of the Senate, on February 21, 1992, during the recess of the Senate, received a message from the President of the United States transmitting a nomination.

(The nomination received on February 21, 1992, is printed in today's RECORD at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT ON ALASKA'S MINERAL RESOURCES—MESSAGE FROM THE PRESIDENT—PM 110

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I transmit herewith the 1991 Annual Report on Alaska's Mineral Resources, pursuant to section 1011 of the Alaska National Interest Lands Conservation Act (Public Law 96-487; 16 U.S.C. 3151). This report, containing pertinent public information relating to minerals in Alaska, was gathered by the U.S. Geological Survey, the Bureau of Mines, and other Federal agencies. This report is significant because of the importance of the mineral and energy resources of Alaska to the future well-being of the Nation.

GEORGE BUSH.

THE WHITE HOUSE, *February 25, 1992.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 4:10 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 355. An act to provide emergency drought relief to the Reclamation States, and for other purposes;

H.R. 476. An act to designate certain rivers in the State of Michigan as components of the National Wild and Scenic Rivers System, and for other purposes;

H.R. 543. An act to establish the Manzanar National Historic Site in the State of California, and for other purposes; and

H.R. 3866. An act to provide for the designation of the Flower Garden Banks National Marine Sanctuary.

The enrolled bills were subsequently signed by President pro tempore [Mr. BYRD].

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-2659. A communication from the Comptroller General of the United States, transmitting, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, a report entitled "Budget Issues: Compliance Report required by the Budget En-

forcement Act of 1990"; referred jointly to the Committee on Appropriations, and to the Committee on the Budget.

EC-2660. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 37 and title 10, United States Code, to prohibit transporters from asserting liens on personal property of members of the armed forces while it is being transported at Government expense; to the Committee on Armed Services.

EC-2661. A communication from the Assistant Secretary of Defense (Force Management and Personnel), transmitting, pursuant to law, a report regarding the Department's Fiscal Year 1993 manpower request; to the Committee on Armed Services.

EC-2662. A communication from the Secretary of Energy, transmitting, pursuant to law, an annual report concerning the activities of Department of Energy with regard to recommendations received from the Defense Nuclear Facilities Safety Board for calendar year 1991; to the Committee on Armed Services.

EC-2663. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a Presidential Determination No. 92-11 relating to Export-Import Bank authority to operate in Estonia, Latvia, and Lithuania; to the Committee on Banking, Housing and Urban Affairs.

EC-2664. A communication from the Secretary of the Department of Housing and Urban Development, transmitting, pursuant to law, a report listing and describing the various research activities, studies, testing and demonstration programs relating to the mission of the Department that were completed during Fiscal Year 1991 or underway at the end of the fiscal year; to the Committee on Banking, Housing and Urban Affairs.

EC-2665. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-2666. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation; to the Committee on the Budget.

EC-2667. A communication from the Chairman of the Consumer Product Safety Commission, transmitting, pursuant to law, a report on information regarding the new Section 37 of the Consumer Product Safety Act; to the Committee on Commerce, Science and Transportation.

EC-2668. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Annual Energy Outlook 1992"; to the Committee on Energy and Natural Resources.

EC-2669. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1993 and for other purposes; to the Committee on Environment and Public Works.

EC-2670. A communication from the Chairman of the Cultural Property Advisory Committee, United States Information Agency, transmitting, pursuant to law, a report recommending that the United States extend the emergency import ban on pre-Hispanic artifacts of El Salvador's Cara Sucia Archaeological Region for an additional three years; to the Committee on Finance.

EC-2671. A communication from the United States Trade Representative, Executive Office of the President, transmitting, a draft of proposed legislation to authorize appropriations for fiscal years 1993 and 1994 for the Office of the United States Trade Representative; to the Committee on Finance.

EC-2672. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, an annual report on the operation of the Enterprise for the Americas Facility for fiscal year 1991; to the Committee on Foreign Relations.

EC-2673. A communication from the Acting Director of the United States Information Agency, transmitting, pursuant to law, a follow-up report entitled "Report on Presidential Advisory Commission Recommendations"; to the Committee on Foreign Relations.

EC-2674. A communication from the Chairman, Vice-Chairman, and Member of the United States Merit Systems Protection Board, transmitting, pursuant to law, the annual report reviewing significant activities of the Board during Fiscal Year 1991; to the Committee on Governmental Affairs.

EC-2675. A communication from the Cochairman of the Department of Education, transmitting, pursuant to law, the final report of the Task Force entitled "Indian Nations at Risk: An Educational Strategy for Action"; to the Select Committee on Indian Affairs.

EC-2676. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report on a proposed settlement to resolve the problem of damages caused by high ground water to lands of the Pueblo de Cochiti; to the Select Committee on Indian Affairs.

EC-2677. A communication from the Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, a draft of proposed legislation to amend the Voting Rights Act of 1965 to extend the minority language provision, and for other purposes; to the Committee on the Judiciary.

EC-2678. A communication from the Attorney General of the United States, transmitting, pursuant to law, a notice of a delay in the effective date the notice-related provisions contained in subsections of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-2679. A communication from the Executive Secretary of the National Security Council, transmitting, pursuant to law, the annual Freedom of Information Act report of the Council for the period January 1, 1991, through December 31, 1991; to the Committee on the Judiciary.

EC-2680. A communication from the Secretary of Education, transmitting, pursuant to law, copies of the final reports from the Department of Education advisory committees; to the Committee on Labor and Human Resources.

EC-2681. A communication from the Chairman of the National Center for Education Statistics, Office of Educational Research and Improvement, Department of Education, transmitting, pursuant to law, a report on the quality of the Department's policy-relevant education indicators produced by the National Center for Education Statistics for fiscal year 1991; to the Committee on Labor and Human Resources.

EC-2682. A communication from the Chairman of the Intergovernmental Advisory Council on Education, Department of Education, transmitting, pursuant to law, a report on the Council's policy findings and recommendations; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 1942. A bill to provide for procedures for the review of Federal department and agency regulations, and for other purposes (Rept. No. 102-256).

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. SASSER (for himself, Mr. BYRD, Mr. MITCHELL, Mr. BENTSEN, Mr. SIMON, Mr. SARBANES, Mr. FORD, Mr. BIDEN, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEAHY, Mr. PELL, Mr. RIEGLE, Mr. LAUTENBERG, Mr. SANFORD, Mr. WIRTH, Mr. FOWLER, Mr. CONRAD, Mr. DECONCINI, Mr. HARKIN, Mr. REID, Mr. ADAMS, Mr. KERREY, Mr. AKAKA, Mr. BREAUX, Mr. DASCHLE, Mr. DIXON, Mr. KERRY, Mr. KOHL, Mr. METZENBAUM, Mr. PRYOR, Mr. ROCKEFELLER, Mr. WELLSTONE, Mr. WOFFORD, Mr. HATFIELD, Mr. BAUCUS, Mr. BRADLEY, Mr. BRYAN, Mr. GRAHAM, Ms. MIKULSKI, and Mr. MOYNIHAN):

S. 2250. A bill to allow rational choice between defense and domestic discretionary spending; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. JOHNSTON:

S. 2251. A bill to suspend temporarily the duty on 2-Hydroxy-4-Methoxy Benzophenone Sulfonic Acid; to the Committee on Finance.

S. 2252. A bill to suspend temporarily the duty on a-Isopropyl-a (N-methyl-N-homoveratryl)-g-aminopropyl-3, 4-Dimethoxyphenyl-acetonitril-hydrochloride; to the Committee on Finance.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

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."; to the Committee on Governmental Affairs.

By Mr. MCCAIN (for himself, Mr. INOUYE, and Mr. DOMENICI):

S. 2254. A bill to provide tax incentives for businesses locating on Indian reservations, and for other purposes; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. BRADLEY, Mr. SIMON, Mr. DURENBERGER, Mr. BINGAMAN, and Mr. FOWLER):

S. 2255. A bill to amend part D of title IV of the Higher Education Act of 1965 to provide for income dependent education assistance; to the Committee on Labor and Human Resources.

By Mr. SIMPSON (for himself, Mr. METZENBAUM, and Mr. LIEBERMAN):

S. 2256. A bill to amend the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain inter-

national conventions, and for other purposes", enacted July 5, 1946 (commonly known as the Lanham Act), to require certain disclosures relating to materially altered films; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. ROCKEFELLER):

S. 2257. A bill to amend the Social Security Act to extend the terms of service of the members of the National Commission on Children, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MITCHELL (for Mr. KERREY (for himself, Mr. KENNEDY, and Mr. DASCHLE)):

S. 2258. A bill to establish an Education Capital Fund to assist local systemic reform initiatives, and for other purposes; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. NICKLES, and Mr. WALLOP):

S. 2259. A bill to amend the Internal Revenue Code of 1986 to provide incentives for energy development, and for other purposes; to the Committee on Finance.

By Mr. BROWN (for himself and Mr. WIRTH):

S. 2260. A bill to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal in Colorado to the Secretary of the Interior for the purpose of establishing a national wildlife refuge, and for other purposes; to the Committee on Armed Services.

By Mr. COCHRAN:

S.J. Res. 260. A joint resolution designating the week of October 18, 1992, through October 24, 1992, as "National School Bus Safety Week"; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. AKAKA, Mr. GRAHAM, and Mr. INOUYE):

S.J. Res. 261. A joint resolution to designate April 9, 1992, as a "Day of Filipino World War II Veterans"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRASSLEY:

S. Res. 261. A resolution to amend rule XXIV of the Standing Rules of the Senate to limit the length of service of Senators on congressional committees; to the Committee on Rules and Administration.

By Mr. DODD:

S. Con. Res. 94. A concurrent resolution urging the Government of the United Kingdom to address continuing human rights violations in Northern Ireland and to seek the initiation of talks among the parties to the conflict in Northern Ireland; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SASSER (for himself, Mr. BYRD, Mr. MITCHELL, Mr. BENTSEN, Mr. SIMON, Mr. SARBANES, Mr. FORD, Mr. BIDEN, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEAHY, Mr. PELL, Mr. RIEGLE, Mr. LAUTENBERG, Mr. SANFORD, Mr. WIRTH, Mr. FOWLER, Mr. CONRAD, Mr. DECONCINI, Mr. HARKIN, Mr. REID, Mr. ADAMS, Mr. KERREY, Mr. AKAKA, Mr. BREAUX, Mr. DASCHLE, Mr. DIXON, Mr. KERRY, Mr. KOHL, Mr. METZENBAUM, Mr. PRYOR, Mr. ROCKEFELLER, Mr. WELLSTONE, Mr. WOFFORD Mr. HATFIELD, Mr. BAUCUS, Mr. BRADLEY, Mr. BRYAN, Mr. GRAHAM, Mr. MIKULSKI, and Mr. MOYNIHAN):

S. 2250. A bill to allow rational choice between defense and domestic discretionary spending; pursuant to the order of April 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

APPROPRIATIONS CATEGORY REFORM ACT

Mr. SASSER. Mr. President, I rise today to introduce a measure that some may consider technical in nature, although I would submit its effect on the prosperity of our Nation will be anything but technical over the next few years.

It is a fundamental measure which will allow this country to build again. It will change our budget agreement to allow transfers between defense spending on the one hand and domestic spending on the other.

In doing so, it will allow this Nation to finally and tangibly begin to realize the rewards of peace.

The cold war is over, and as the President said in his State of the Union Address: "By the grace of God, we won."

Mr. President, I am positive that God's grace was in the equation, but I also know that we won because the American people were willing to make sacrifices over 45 years that no other peoples of this world were willing to make. We won with the blood and with the treasure of two generations. We won after consistently setting aside for military expenditures in far greater proportions of our national wealth and gross domestic product than did any of our fellow nations in the free world.

We won, because we fought two major wars, and we carried the burden of the long twilight struggle for almost half a century.

For the past 2 years, we have witnessed the crumbling of the Soviet bloc. It is no more. It is quarreling within. The people of the old Soviet Union grew weary of their own forced deprivation. The economic structure, the power of the old Soviet Union collapsed. A case can be made that it collapsed in the name of paying for a massive military machine that the economy simply could not support. The people would not tolerate the deprivation to fuel that military machine any longer.

Meanwhile, our economic competitors have waxed wealthy and prosperous under the luxury of the defense umbrella furnished by the people of the United States. So the lesson is not difficult. It is there for all who wish to see.

We need a measured but decisive conversion to peacetime economic strength. We must act forcefully. This Nation cannot afford to wait any longer. In the 1980's, Japan invested 6 percent of its gross domestic product in building its infrastructure. In the same period, over the Reagan-Bush years, the United States invested .03 percent in its infrastructure. That is .03 percent compared to the Japanese investment of 6 percent on roads, bridges, rail beds, wastewater treatment plants—all of the things that are necessary for a modern productive economy and society.

In other words, the Japanese invested a 19-times larger share of their national economy over the 1980's in infrastructure than we did right here in the United States.

The distinguished President pro tempore of the Senate, sitting in the Chair today, appeared before the Senate Budget Committee on February 5, and in an eloquent and highly informative statement, and in testimony that I found dramatic and compelling, as did my colleagues on the committee, said the following:

> This Nation cannot expect to be able to compete in the coming decades if we fall further and further behind in our public investments versus other nations.

I say to my colleagues it is time to heed the wisdom of the President pro tempore in that regard.

So today, I am introducing legislation that will adjust one small portion of our 5-year budget agreement. It would simply bring down the wall that prevents transfers between defense spending on the one hand and domestic spending on the other. The bill would allow Congress to pay for needed investments in the country and in our own people with reductions in military spending in fiscal year 1993.

It should be clear to all of us that the caps established by our budget agreement would force a $7 billion shortfall in funding for domestic priorities in 1993. Under the present arrangement, that shortfall could not be made up by defense spending. We could not even use the $5 billion in military savings that the President proposes to fill this hole in the urgent domestic needs of our country.

I say to my colleagues, I have been a staunch defender of the budget summit agreement. Three times last year: on January 31, on May 9, and again on September 19, I urged my fellow Senators to turn down opportunities to unravel the budget summit agreement. Twice: on April 25 and again on September 10, I raised a point of order against amendments that would have violated the budget summit agreement. So I am not proposing today that we unravel that agreement.

To my colleagues who are concerned with deficit reduction, let me say that I stand by the pay-as-you-go procedure that says we cannot increase entitlements or we cannot cut taxes without either paying for them or declaring an emergency.

The legislation I am introducing today will not increase the deficit by one penny. It will not expand the size of appropriated spending in the budget. We are merely talking about allowing shifts between military spending and domestic spending categories.

In this time of recession—and make no mistake, this is a very severe recession; it has gone on now for 19 months, the longest recession since the Second World War; indeed, the longest recession since the Great Depression of the early 1930's—in this time of recession our country needs more than ever to make investments right here at home.

The legislation I am introducing would not prejudice that decision. My bill would not create more spending. It simply would allow this body, the elected representatives of the American people, to conduct a legitimate debate over how to invest the peace dividend, a debate that would not be colored by the requirements of a supermajority.

I add that this measure might not be as urgent if the administration, of its own accord, had seized the promise of this moment—if it had proposed a military budget that responds to what is coming in the future rather than what is passing away.

But sadly, the administration has not done that.

The administration's defense proposal is advertised to yield $50 billion in savings. On closer examination, we find that $6 to $7 billion of that $50 billion is in a 1992 rescission package. So when we look to the future, the go-forward savings package actually amounts to only $44 billion in budget authority over 5 years. That translates to about $27 billion outlays over 5 years—about $4 billion in fiscal year 1993.

Compare that, if you will, to the $1.4 trillion the administration proposes to spend over the next 5 years on the military and you can see that these savings pale to insignificance when compared to the military spending that is proposed. This administration—let me repeat—proposes to reduce military spending by $27 billion in outlays over the next 5 years while spending in the same period of time over $1.4 trillion for the military.

They are giving us a schedule that would reduce Pentagon spending by about 4 percent a year. They were proposing to reduce it by 3 percent a year before the collapse of the old Soviet Union. So the reward for peace is a modest silver, indeed.

The President's proposed build-down would end in 1997 with a defense budget of $251 billion in constant 1993 dollars. Compare that to 1979 when the Pentagon spent $246 billion in constant 1993 dollars.

So what we are being asked to approve is a defense budget in constant dollars that will be higher in 1997 than it was in 1979. Those are in constant dollars, I tell my colleagues.

Bear in mind that in 1979 the Carter administration had already embarked on a defense buildup, increasing defense spending by 3 percent a year in real dollars already over a period of 2 years, if memory serves me correctly. And bear in mind that in 1979 the evil empire was intact, and the massive military machine of the old Soviet Union and the Warsaw Pact occupied a substantial portion of the face of the Earth and the oceans of this globe.

So, what we are seeing is 7 years after the fall of the Berlin Wall, 5 years after the disintegration of the Soviet Union, we will be spending more in real terms than we did at the beginning of the accelerated military buildup.

Recall that at the foundation of our current military planning was the so-called base force concept which was developed in 1990.

Let us contrast for the moment the world as it was in 1990 and the strategic realities of today.

Slightly over a year and a half later when the Pentagon included 12 carrier battle groups and 448 combatant ships in our so-called base force, the Soviet Navy was extraordinarily large with 240 surface warships operating daily in every international body of water in the world.

Today, the entire Soviet fleet is in port or drydocked. There is no fuel to run the vessels. There is no morale among the Soviet Navy or the old Soviet Navy. They do not even know who owns the ships. Russia and the Ukraine are fighting over the so-called Black Sea Fleet.

When the Pentagon set our current base force structure, Soviet missile factories were running full bore. I remember our colleagues getting on the floor and saying they are still building SS-21's. They were turning out the largest, most destructive missiles of the world, missiles like the SS-18 in 1990. But today the SS-18 factory in the Ukraine is busy hammering rocket booster shells into trolley buses.

So that is the state of our former enemy. That is the deterioration in military terms that has occurred just in the past year and a half.

Nevertheless, this administration has staked out a defense number that is really still at cold war levels. And the President says, "This deep, no deeper."

I think we ought to recognize the consequences of that inflexible, and I say unrealistic, position. If it, indeed, is as low as we can go, we are putting a very low ceiling indeed on the kind of investment we can make in our own country and in our own people.

If the peace dividend is really as negligible as that suggests, the administration is essentially telling us we are not going to have the kinds of roads and bridges that they have in Japan and Germany or France. We are not going to have the new schools we need in the United States of America. We are going to continue the decline in education vis-a-vis the other industrialized and advanced nations of the world.

We are not going to repair our infrastructure. We are not going to rebuild. We are not going to realize the things that peace promises, the things for which the American people sacrificed for almost a half a century.

Mr. President, today on behalf of the distinguished President pro tempore of the United States Senate, on behalf of the majority leader, on behalf of the distinguished chairman of the Senate Finance Committee, Mr. BENTSEN, on behalf of the Senator from Illinois, Mr. SIMON, on behalf of the chairman of the Joint Economic Committee, Mr. SARBANES of Maryland, on behalf of a total of 37 Senators today, I send the bill to the desk and ask for its appropriate referral and ask unanimous consent that the bill—and a section-by-section analysis of the bill—be printed in the RECORD.

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

S. 2250

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 "Appropriations Category Reform Act of 1992".

SEC. 2. AMENDMENTS TO THE CONGRESSIONAL BUDGET ACT OF 1974.

Section 601(a)(2)(C) of the Congressional Budget Act of 1974 is amended to read as follows:

"(C) with respect to fiscal year 1993—

"(i) for the international category, $21,499,000,000 in new budget authority and $20,010,000,000 in outlays; and

"(ii) for the national category, $493,570,000,000 in new budget authority and $521,259,000,000 in outlays,".

SEC. 3. AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1958.

The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 250(c)(4)(A) by striking "1991, 1992, and 1993," and inserting "1991 and 1992,";

(2) in section 250(c)(4)—

(A) by redesignating subparagraph (B) as subparagraph (C); and

(B) by inserting after subparagraph (A) the following new subparagraph (B);

"(B) For fiscal year 1993—

"(i) the international category, as defined in subparagraph (A) of this paragraph; and

"(ii) the national category, which shall consist of all discretionary appropriations other than those in the international category."; and

(3) in section 251(b)(2)(F), by striking "1991, 1992, of 1993" and inserting "1991 of 1992, and not to exceed $5,000,000,000 in the national

category or $1,500,000,000 in the international category in fiscal year 1993,".

SECTION-BY-SECTION ANALYSIS

CURRENT LAW

The Budget Enforcement Act amended section 601 of the Congressional Budget Act to create a series of caps to reduce appropriations. Section 601 sets forth caps on both budget authority and outlays. For fiscal years 1991, 1992, and 1993, the law sets forth caps on three categories: defense, international, and domestic. The law sets forth caps on only the total of all appropriations for 1994 and 1995. Whereas in prior years, the budget resolution gave the Appropriations Committee an overall allocation of budget authority and outlays, for fiscal years 1992 and 1993, six more numbers (budget authority and outlays for each of three caps) constrain appropriations.

If Congress and the President enact appropriations that exceed any of these six caps, section 251 of Gramm-Rudman-Hollings requires the President to order a sequester in only the category that appropriations breached. The Office of Management and Budget must estimate the cost of any appropriations bill within 5 days after its enactment, and that estimate controls the process. The sequester's timing depends on when the spending occurs: For regular appropriations bills enacted before Congress adjourns to end a session, the sequester occurs 15 days after the end of session. For spring supplemental appropriations bills (that is, any enacted after starting a new session but before July 1), the sequester occurs 15 days after enactment of the bill. Finally, for supplemental appropriations enacted after June 30, the law lowers the target for the next year. Consequently, either appropriations bills for the next fiscal year spend at the lower level, or a sequester occurs 15 days after the end of session under the first rule.

Points of order also enforce the caps in budget resolutions and appropriations bills in the Senate. These points of order require 60 Senators to waive.

The law provides for several adjustments to the caps. Some adjustments simply provide technical consistency. Some adjustments reflect policy decisions made at the summit. Some adjustments make provision for estimating differences between the Office of Management and Budget and the Congressional Budget Office; the law calls these "allowances." Finally, the caps adjust for what the President and the Congress both agree to designate as "emergencies."

THE PROPOSED CHANGE

Section 1 states the short title of the bill: "The Appropriations Category Reform Act of 1992."

Section 2 amends section 601 of the Congressional Budget Act to collapse the defense and domestic caps for 1993 into one cap, relabelled the "national" cap. The legislation proposes to set the cap equal to the sum of the two existing caps. The proposed amounts—$493.570 billion in budget authority and $521.259 billion in outlays—correspond exactly to the sum of the two caps under existing law, as adjusted by the President in his budget (on pages 5 and 6 of part Four of the February 18 supplement to the budget).

Section 3 makes conforming changes to Gramm-Rudman-Hollings. Two conforming changes bring the definition of "category" into line with the proposed change in the number of caps for fiscal year 1993. The remaining conforming change makes clear that the special outlay allowance provided under current law will continue to be available. The proposal ensures that the amended law will make available exactly the same amount of money in the aggregate (both in budget authority and in outlays) as would the existing law.

The bill does not set new levels for defense and domestic spending. It merely would allow the Senate to debate shifts between the defense and domestic categories unhindered by a point of order requiring 60 votes to waive. The bill does not increase discretionary spending. Congress would be just as free to reduce the deficit as under existing law. Finally, the bill does not address the pay-as-you-go requirements for entitlements and taxes. All the features of existing law would continue for those fiscal decisions.

Mr. BENTSEN. Mr. President, I want to congratulate the distinguished chairman of the Budget Committee. What he is doing is dealing with reality. When we set out that budget agreement in 1990, there were two great superpowers, and a real chance of enormous military confrontation. Now there is only one, and we are it.

Our real competition, as we look at this next decade, is much more likely to be an economic competition and confrontation rather than a military one. This is living up to reality and trying to do those things we need to do to make this country more productive, and to preserve and enlarge the infrastructure of the country. I congratulate Senator SASSER for it.

Mr. SIMON. Mr. President, I am pleased to be an original cosponsor of legislation which the chairman of the Budget Committee, Senator SASSER, is introducing today, which would make changes in the Budget Enforcement Act, to allow transfers from defense to domestic spending.

There are a number of important issues which the Budget Committee and the Congress will have to address early this year, in order to make decisions about our Nation's economic well-being for years to come. We will need to work hard to develop consensus on divisive issues, like tax cuts, spending priorities, and the best way to help the economy out of recession. It won't be easy to reach an agreement, but it's absolutely imperative that we do. The most pressing issue facing us today is how to develop a strategy that can restore our economic preeminence and assure a better standard of living for our children, while responding to the urgent domestic needs our country faces after more than a decade of neglect. In order to address our country's long-term economic health, and in order to respond to a new world order, I believe we must change the 1990 budget agreement, to restore to Congress its traditional role of setting our Nation's budget priorities.

The 1990 budget summit agreement restricted the ability of Congress to make basic decisions about our Nation's spending priorities. The overall spending levels which govern our budget decisions today were agreed upon in October 1990. Those priorities did not make sense in 1990, and they make even less sense today.

The 1990 budget summit agreement created three distinct discretionary spending categories—domestic, defense, and international. A spending cap was placed on each of these categories through fiscal year 1993. Current law requires a 60-vote supermajority to reallocate outlays and budget authority from one category to another through fiscal year 1993. And if a 60-vote supermajority is obtained, an across-the-board sequester automatically occurs in the category which is increased.

It is time for Congress to make changes in the 1990 budget agreement for the coming fiscal year, to allow transfers from defense to the domestic spending category without the threat of an automatic sequester.

Even before the 1990 summit agreement became law, I worked to change the "firewalls" which separate domestic discretionary spending into three categories. I had serious concerns about the changes that Congress agreed to concerning discretionary spending in the budget summit agreement. On October 18, 1990, the night the Senate passed its version of the 1990 budget reconciliation bill, I, along with my colleague from New Jersey, Senator BRADLEY, offered an amendment, which was adopted, to delete the requirement for a 60-vote majority in order to transfer spending among the three categories. Unfortunately, my amendment was taken out in the House-Senate conference on that legislation. Early in 1991 I introduced legislation, S. 644, to make those same changes in the Budget Enforcement Act. I finally believe it is time for the Congress to enact similar legislation.

It is also time for Congress to recognize that we must set new priorities for our country. One of those priorities must be to get the Federal deficit under control. In fiscal year 1993, our Nation will spend almost $316 billion in gross interest on the public debt. Interest on the debt will surpass what we spend for our national defense for the first time in our history. Our Nation is spending more on its past than on its future.

Another of our priorities for this year must be to direct more resources for our domestic needs. Our cities and rural areas are deteriorating, and the recession is forcing cities and States to make drastic cutbacks in education, housing, health care, and aid to the needy.

We need a strategy for a high-wage economy that will restore our overall economic competitiveness, and improve the standard of living for all our citizens, not just the wealthy. This strategy must include significant new investments in education, job training, and infrastructure.

We should be investing significantly more resources in education pro-

grams—from beginning to end. Dollars spent on early childhood education are dollars well spent. We have made significant progress in expanding Head Start, but we are still only serving about 40 percent of the eligible population. Every $1 spent on early childhood education saves the Government $4.75 for later special education, welfare, and criminal justice costs. We need to make the commitment that Head Start will be able to serve all eligible 3-, 4-, and 5-year-olds by 1994. In addition, the buying power of the Pell grant has been cut almost in half over the past decade, and now the administration is proposing to cut 400,000 students out of the program. We need to expand grant aid to students, to ensure equal opportunity for those from lower and middle income families.

We should also take a look at the GI bill. The GI bill was originally conceived as a gift to veterans, but it turned out to be a tremendous investment in our future. If you take the old GI bill and index it for inflation, it would be worth over $8,100 today. Yet the maximum Pell grant is only $2,400.

As we approach the next century, the only way to ensure well-paying, quality jobs is to have the world's best-educated and best-trained work force and the best infrastructure base for companies to work within. We must make America a place where international businesses want to invest and hire people and where domestic companies will remain.

We can begin to achieve these two goals by cutting defense spending beyond the levels proposed in the President's fiscal year 1993 budget. Some of my colleagues on the Senate Budget Committee will remember my perseverance last year in offering amendments to the fiscal year 1992 budget resolution to reduce the 050 Defense Function, and to use most of the savings to reduce the deficit. I offered four amendments in this committee last year to reduce defense spending by 10, 5, 2, and 1 percent. I also offered two amendments to reduce defense spending when the fiscal year 1992 budget resolution was debated by the full Senate. Last year, my efforts to reduce the deficit and to reduce defense spending were unsuccessful. We simply must do better this year.

I was disappointed with the President's fiscal year 1993 budget. The President announced in his State of the Union Message that the cold war is over. But his budget for fiscal year 1993 does not reflect this reality. In the area of national defense, this budget only begins the long-overdue process of restructuring our military forces. Substantial savings can be made, but only if we acknowledge the reality of a collapsed Soviet Union and a radically reduced threat to our national security. We still have challenges, and there remain threats, but a new age has clearly dawned. The administration's budget simply does not reflect this new age. We can do much, much better than a nominal cut of 3 percent in fiscal years 1992 and 1993.

When World War II ended, the defense budget declined dramatically. That made good sense. Now let's compare what we did then with today. Last year, before the cold war officially ended with the collapse of the coup plotters in August 1991, the Pentagon proposed fiscal year 1997 defense spending at $11.5 billion more than the fiscal year 1992 level, 4 percent higher. But now that the cold war is officially and indisputably over, the President is still planning nominal growth, with the new fiscal year 1997 level $6.8 billion more than the fiscal year 1992 level—2.3 percent higher. We are still talking about defense budgets in the range of $285 to $290 billion.

I see no reason why we can't cut more out of defense in fiscal year 1993. A budget authority level of about $268 billion, about $13 billion below the request, is a prudent motion reflecting the new realities in international affairs.

The $50 billion in budget authority cuts trumpeted by the administration—only $27.4 billion in outlays—over the 5-year period are cuts from the adjusted baseline. Let's not kid ourselves: we will not make much of an impact in controlling the deficit under the Bush budget. It's a case of one unrealistic plan—this current proposal—building on a previously unrealistic plan—the 1991 proposal.

Our conventional force posture is still overwhelmingly geared to fight a massive Soviet tank onslaught in Western Europe—yet the number of Soviet ground force divisions will be slashed by two-thirds or more during this decade. And the President's response is to offer us the same level of reductions in United States forces in Europe as planned before the Soviet Union disintegrated.

Even more incredible, the cuts in military personnel to a level of 1.6 million on active duty are the same in both the before and after budgets. This ought to be called the zero percent solution. Surely with the collapse of the U.S.S.R. and the Warsaw Pact, we can reduce well below this sacrosanct figure of 1.6 million. Reducing by another 300,000 troops in this 5-year period will save another $50 billion. In my view, we can safely cut personnel much further than the President proposes.

Let's look at some specifics. We are buying 4 new B-2 bombers this year, at a cost of another $4 billion, plus another $1 billion from fiscal year 1992 that is currently fenced for a fifth bomber, bringing the total buy to 20. Why not end the program at 15, as Senators PAT LEAHY and JIM SASSER and many of us have been urging, instead of the new Bush level of 20? How much extra capability do we get with five additional bombers?

SDI is getting a 30-percent increase, even though the Soviet long-range missile threat is rapidly dwindling. If SDI gets the requested amount this year, it will have received more than a 70 percent hike in just 2 years. If we are really concerned about the proliferation of missiles and weapons of mass destruction, then let's take some money from SDI and spend it on the International Atomic Energy Agency, to aggressively enforce and police the nonproliferation regime.

Finally, there are numerous areas where we ought to look for defense savings that we're not looking at today. Why are we spending close to $900 million in fiscal year 1993 for a new nuclear-powered aircraft carrier—the CVN-76—when most observers acknowledge we'll be paring back the number of carriers in the fleet? Why are we buying 21 new D-5 submarine-launched ballistic missiles—168 new strategic nuclear warheads—at a cost of $1 billion when the President has proposed to cut the number of submarine missile warheads by one-third? Why are we spending about $7.5 billion for nuclear weapons research and development, of which nearly $500 million will go toward nuclear weapons testing? Why not seize the moment to negotiate a Comprehensive Test Ban Treaty with the world's nuclear powers?

In September of last year, after the failed coup in the former Soviet Union, I wrote to President Bush, calling on him to reverse the nuclear arms race and to take advantage of a momentous opportunity to reorder our Nation's budget priorities. At that time, I called for a new budget summit between the Bush administration and Congress. In September of last year, the Senate passed a Sense of the Senate resolution which stated that the President and the leadership in Congress needed to consider establishing new priorities, in light of the events in the Soviet Union.

And again, today, we consider the same issue. Can our Nation continue to spend $281 billion for the defense of our Nation from an outside enemy, while our country decays from within?

I urge my colleagues to carefully consider these issues. It's imperative that we make changes in the 1990 budget summit agreement that would allow us to consider the need to cut defense spending beyond the President's fiscal year 1993 budget request, in order to reallocate the savings to important domestic needs, including a reduction in the Federal budget deficit. These policies would improve the long-term economic prospects for our country, and assure a better future for our children. I believe this is the very least we ought to do.

Mr. SARBANES. Mr. President, I am pleased to join the distinguished chair-

man of the Budget Committee, Senator JIM SASSER, in introducing legislation to bring down the Budget Enforcement Act's wall which rigidly separates and isolates domestic and defense spending categories, thereby artificially limiting the debate on national priorities.

On January 3, 1992, Senator SASSER and I put forward a comprehensive program for recovery and growth. To improve economic growth over the longer term, we called for a fundamental rearrangement of budget priorities to emphasize investment in America. We believe it is possible to shift substantial resources from the military budget to fund a Marshall plan for America: public investment directed at programs that expand our country's capacity to produce and compete in the future, including infrastructure, education, worker training, and research and development. Potential reductions in military spending are anticipated to be large enough to fund not only new investments in America but also to reduce the Federal deficit. Deficit reduction, combined with new public investments, will provide a potent stimulus to investment in the private sector.

During the 1980's, national priorities shifted dramatically. Military spending increased sharply, as did interest payments on the debt used to finance these expenditures. As a result of this shift, important areas of public investment were neglected. The Joint Economic Committee issued repeated warnings that this trend would have grave implications for our Nation's future, and today some of the consequences are apparent. By even the most optimistic projections, the 1990's will be a decade of slow economic growth.

Meanwhile, our major trading partners, with whom we compete, have invested a higher percentage of GDP than we do in public investment, and have enjoyed higher rates of productivity growth, which is the key to rising wages. While approximately 2 percent of GDP is devoted to public investment in the United States, Japan is investing close to 6 percent of GDP, and Germany almost 3 percent. Since our future standard of living depends critically on the public investments we make today, this gap must be narrowed and closed.

Dramatic changes in the international scene make this change of course in economic policy possible. The perceived threat from the Soviet Union, for example, is significantly less today than it was when the budget agreement was crafted. Earlier this month, President Bush and President Yeltsin went to Camp David and declared that the cold war was over. Discussions with our former foe now focus more on markets than missiles.

While a strong military is still essential, the security challenge we face today is significantly different than the one we faced when the Budget Enforcement Act was passed. Economic diplomacy and economic security issues are playing an increasingly important role in the post-cold war environment. The legislation we are introducing today is a critical first step in recognizing this changing environment and addressing our economic security needs.

A change of course in economic policy is urgently needed, and this legislation is the first step in achieving that change. I once again want to recognize the work of Senator SASSER on this important matter, and I look forward to working with him to reinvigorate our national economy.

Mr. ADAMS. Mr. President, I am pleased to be a cosponsor of Senator SASSER'S legislation to bring down the budget wall between defense and domestic spending in fiscal year 1993. The Budget Enforcement Act has worked to curb discretionary spending. But it has also bound us to the separate caps on defense, international, and domestic spending in addition to overall spending targets.

The economic and security environment facing the United States has changed completely since the Budget Enforcement Act was concluded. The Soviet Union has dissolved and in its place we find struggling democracies eager for our friendship and advice.

Here at home, four decades of cold war vigilance have left our economy unprepared for the challenges and increased competition of the 21st century. Because of the policies of the Reagan and Bush administrations, we now have some 16 million Americans unemployed or underemployed. The United States spent $12 trillion to win the cold war. Conversion of our defense industry to commercial purposes is essential if the United States is to maintain its position in the global economy of the 21st century.

Keeping the walls between defense and domestic spending in this environment would not just be irrational. It would be downright unfair to our workers and dangerous to our economic health.

I have voted several times recently to break the budget agreement so that we may reevaluate our budget priorities given the new domestic and international realities. We cannot turn our backs on the pressing need to reduce the budget deficit. But neither can we turn our backs on the real needs of our citizens.

The peace dividend is real and can provide a one-time boost to our economy and to our deficit reduction aims. But only if we shift our defense savings to meet domestic needs.

I commend Senator SASSER for taking this long-overdue step and look forward to working with him and with my colleagues in this Chamber to put the peace dividend to its most effective use.

Mr. LAUTENBERG. Mr. President, I am pleased to join as a cosponsor of this important legislation to revise the budget agreement to allow shifts of funds from defense programs to domestic initiatives.

I want to commend the distinguished chairman of the Budget Committee, Senator SASSER, for his leadership in this area. Also, I should acknowledge the work of Senator SIMON, who introduced a similar bill last year, S. 644, which I also have cosponsored.

Mr. President, I opposed the budget agreement in 1990 in part because it tied Congress' hands for 3 years, and would lead to excessive and wasteful defense spending. I was in the minority at the time. But by now it's clear that the agreement is obsolete. By blocking funding shifts between defense and domestic programs, the agreement is freezing into place the misplaced priorities of an earlier era.

Mr. President, the world was a very different place in 1990. While dramatic change was already well underway in the Soviet Union, many in the United States still feared that country, and still thought in cold war terms. Today, of course, the Soviet Union doesn't even exist. The cold war is in our past.

Yet, Mr. President, while the world around us has changed so dramatically, our budget priorities remain in a time warp. We are still spending close to $300 billion a year on defense. We still spend billions defending our European allies from a threat that most believe no longer exists. And we still are committed to a range of weapons programs that serve no useful purpose.

Meanwhile, Mr. President, our needs here at home are greater than ever. Our economy is in the longest recession since the Great Depression. Unemployment is over 7 percent. And ordinary middle-class Americans are finding it increasingly hard to pay their bills, send their kids to college, and keep their heads above water.

Mr. President, a primary reason why our economy is having trouble is that, for years, we have underinvested in our future. While our competitors have invested substantial sums in their infrastructure, and the education and training of their people, we have not. And we'll be paying the price of that neglect for decades to come.

Mr. President, we need to focus on America's needs and America's future. That's going to require us to fundamentally reshape our priorities. More specifically, it's going to require us to spend considerably less on the defense of our allies and on outdated weapons systems. And considerably more on initiatives, like infrastructure and education, that will yield long-term dividends.

Unfortunately, this kind of fundamental shift in priorities is inconsistent with the budget agreement. If allowed to stand, that agreement will

lead to continued excesses and waste in the Pentagon budget, and continued underinvestment in the economic foundation of our Nation.

Mr. President, if America is going to give our children a better future, we are going to have to make some dramatic changes. Breaking down the wall between defense and domestic programs is an important and necessary first step. I again commend Senator SASSER for his leadership, and urge my colleagues to support the bill.

Mr. AKAKA. Mr. President, it is a privilege for me to join with the chairman of the Senate Budget Committee, Senator SASSER, the President pro tempore, Senator BYRD, and nearly 40 of my colleagues in cosponsoring legislation that will allow Congress to respond to the needs of the American people.

The bill that has been introduced today will tear down the barriers imposed by the Budget Enforcement Act of 1990 that separate the three categories of discretionary spending—defense, international and domestic. Enactment of this measure will allow us to turn our attention to the pressing domestic issues facing us today.

The debate before us is one of choices. Choices that will affect generations to come. Choices that will enable our children and grandchildren to compete in the global marketplace of the 21st century.

Since the end of World War II, the people of the United States have committed much-needed resources to bringing peace to our fellow citizens of the world. With the demise of the Soviet Union, the rewards for these sacrifices must now be brought home to the American people.

I have listened to the people of Hawaii who have said they want leadership in Washington—people who tell me through their letters and phone calls that what they need is responsible action by Congress to deal with the economic problems at hand; to ease the suffering of their fellow Americans and reduce the Federal deficit so that their children will prosper.

Mr. President, I believe we must stick with the budget agreement of 1990 if we are to deal effectively with the recession and the deficit. What we are introducing today does not weaken the budget agreement nor place our economic recovery at risk. Rather, the legislation would take the savings from cuts in defense spending to pay for vital domestic problems like education, breast cancer screening, job training, housing assistance, infrastructure and R&D.

We can no longer afford the deep cuts in domestic programs inflicted over the past 10 years. Too many of these essential programs are seriously underfunded and continue to be so under the President's fiscal 1993 budget proposal.

Mr. President, the buzzword of the 1990's is competitiveness; an issue that impacts squarely on our country's ability to retain its leadership position among nations. To be competitive, Mr. President, requires commitment to the well-being of all our citizens, not the privileged few. Over the last four decades, the United States has been the preeminent world power and beacon of freedom. We need to redirect the beam of hope back toward America.

I believe that our Nation has the responsibility to provide moral and economic leadership to the citizens of this great country. We cannot do so without bringing down the walls that divide the spending categories agreed to in the Budget Act.

We now face urgent domestic needs brought on by the longest recession since the great Depression of the 1930's. The needs of our citizenry are no less compelling than the need to maintain a strong national defense. The legislation introduced today neither creates more spending nor increases the deficit. What it does, however, is to allow us to invest the peace dividend realized by the end of the cold war in the future of America.

I would like to note that I have voted to waive the budget agreement on only a few occasions in order to enact programs like the extension of unemployment benefits for the millions of jobless Americans. I have also sought to shift unobligated defense spending to domestic programs—a move that parallels the bill we introduce today. My resolve to stay within the 1990 budget agreement is firm, as is my commitment to invest in the health, education and welfare of those Americans most in need during this time of shifting of world priorities.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 2253. A bill to designate the building located at 20 South Montgomery in Trenton, New Jersey, as the "Authur J. Holland United States Post Office Building"; to the Committee on Environment and Public Works.

ARTHUR J. HOLLAND UNITED STATES POST OFFICE BUILDING

• Mr. LAUTENBERG. Mr. President, I rise today, along with my colleague Senator BRADLEY, to introduce legislation to designate the new post office in downtown Trenton, NJ, for Arthur J. Holland. The late Arthur J. Holland served the city of Trenton with distinction as mayor for the better part of 30 years: from 1959 until 1966, and again from 1970 until his death in 1989. In that capacity he not only earned a reputation among his fellow Trentonians for honesty and fairness in government, but also became an outspoken advocate on behalf of the Nation's cities, for which his fellow mayors elected him president of the U.S Conference of Mayors.

Mayor Arthur J. Holland's record of exemplary public service makes him quite deserving of an honor reserved for so few Americans. Mayor Holland's terms in office were distinguished by both his dedication to the calming of urban strife, and his firm commitment to civil rights. His leadership was essential to the organization of the Urban Mayor's Association, which has become a locus for urban tax reform, the promotion of civil rights, and the resolution of the problems which plague our cities.

Arthur Holland's accomplishments on the national level, though impressive and far-reaching, did not distract the Trenton mayor from his dedication to the people who elected him, and the State he loved. Mayor Holland stood strong in his promotion of the rights of New Jersey's municipalities and the rights of New Jersey's urban citizenry.

I hope my colleagues will join me in expressing gratitude to Mayor Arthur J. Holland by passing this legislation which would name the United States Post Office in Trenton after him.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION

The building located at 20 South Montgomery in Trenton, New Jersey, is designated as the "Arthur J. Holland United States 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 building referred to in section 1 is deemed to be a reference to the "Arthur J. Holland United States Post Office Building."•

• Mr. BRADLEY. Mr. President, I rise today with my colleague Senator LAUTENBERG to dedicate a building located in Trenton, NJ, as the "Arthur J. Holland United States Post Office Building."

As the leader of the city of Trenton for the better part of 30 years, Major Holland earned a reputation for honesty and fairness. His deep commitment to resolving the urban problems that plagued his city won him the admiration of the people he served, and his firm dedication to the civil rights movement earned him the respect of his colleagues, who elected him vice president, president, and chairman of the U.S. Conference of Mayors.

When it came to urban issues, Mayor Holland never backed down from a fight. In fact, he spent the better part of his career in the heart of the urban battleground defending the rights of his city and ensuring that his constituents were never overlooked. Because of his willingness to stand up for the rights of cities everywhere, citizens residing in urban setting throughout the

Nation owe Mayor Holland a debt of gratitude. I am pleased that Mayor Holland's efforts are being recognized through the dedication of a Trenton Post Office in his name.•

By Mr. MCCAIN (for himself, Mr. INOUYE, and Mr. DOMENICI):

S. 2254. A bill to provide tax incentives for businesses locating on Indian reservations, and for other purposes; to the Committee on Finance.

INDIAN EMPLOYMENT AND INVESTMENT ACT

• Mr. MCCAIN. Mr. President, for the past few months the Navajo Nation has been examining various tax incentives as a means of providing Indian tribes with an additional economic tool to aid them in strengthening their reservation economies. As a result, the Navajo Nation is proposing that an investment tax credit and an Indian employment credit that are specifically targeted to Indian reservations be included in the national economic growth package now being developed in the Finance Committee.

I rise today on behalf of myself, Senator INOUYE and Senator DOMENICI to introduce the Navajo Nation's proposal as the Indian Employment and Investment Act of 1992. In concept, the bill is substantially the same as legislation that Senator INOUYE and I have previously sponsored. I wish to commend president Zah, vice president Plummer, and members of their staff for their leadership in putting together this economic growth package for Indian tribes.

Mr. President, under the leadership of Chairman INOUYE, one of the highest priorities of the Select Committee on Indian Affairs has been to encourage the development of Indian reservation economies. Establishing this as a priority was not a difficult choice to make. Chairman INOUYE and I have traveled extensively throughout Indian country and have become all too familiar with the unacceptable social and economic conditions that characterize the majority of Indian reservations.

It is for this reason that we believe that the enactment of this legislation is an urgent necessity for Indian tribes. For too long tribes have suffered from economies unable to provide jobs and sources of income for their members. The time is long overdue for Congress to take action to stimulate the development of viable economies on Indian reservations.

The litany of social problems on many reservations is depressingly familiar. I will simply recite a few of the basic statistics. The unemployment rate on reservations is typically in the range of 40 to 50 percent and on some of the poorer reservations reaches 80 to 90 percent. The lack of jobs and economic opportunity on reservations is a major contributor to the high levels of alcoholism, high suicide rates, sense of helplessness and other deep social problems that afflict all too many tribes. The conditions on reservations often more closely resemble a Third World undeveloped nation than the mainstream economy and society of the United States.

As we all know, the reason the Congress is currently developing an economic growth package is due to our concern that the national unemployment rate is too high. Yet for many Indian tribes, 7.1 percent unemployment would be a godsend. As Senator INOUYE has stated on another occasion:

> The unemployment rate on the majority of Indian reservations is simply incomprehensible to the average American. During the heights of the Great Depression in the 1930's, unemployment averaged 25 to 30%. In 1989 the average rate in Indian country is 52%!

It is unconscionable for the Congress to allow these conditions to fester within the borders of this Nation. Moreover, we can not in good conscience call the final product a national economic growth package unless we include Indian reservations—perhaps the most disadvantaged and depressed areas of our country—as full and equal partners in the final package. There is simply no longer any alternative to taking the strong actions necessary to assist Indian tribes in improving the quality of life of their people.

I know that some in the Congress have been frustrated that earlier efforts to improve reservation conditions have not been as successful as we might have liked. But that is no excuse for inaction today. Indeed, we have not only failed to intensify our efforts but spending by the Federal Government for Indian programs fell sharply in real terms over the past 15 years. One of the largest dropoffs was precisely in the area we are discussing today, economic development. In constant 1990 dollars, BIA spending for economic development fell from $144 million in 1977 to only $36 million in 1990—a drop in real terms of 75 percent.

Senator INOUYE and I believe for several reasons that a strategy of tax incentives such as this legislation proposes is the most effective way that the Federal Government can act to stimulate reservation economic development. Tax incentives do not depend for their effectiveness on the actions of Federal bureaucracies that are often slow moving and unimaginative. The incentives are usable only by viable businesses that expect to earn some profits and hence to have tax obligations against which credits and deductions can be used to diminish their tax obligations. The Federal Government therefore does not spend anything until a real business is created on a reservation and there exist real jobs and real income generated for the benefit of reservation residents. Unlike direct spending programs, if there is no benefit, there is also no cost.

Similarly, there is a minimum of Federal spending required for studies, planning, impact analyses and all the other ways in which substantial Federal funds can be exhausted and yet no businesses, no jobs, and no real economic development are yet in sight. In all too many cases in the past, the real economic impact of direct Federal spending programs has been limited to the planning and other jobs connected to the Federal spending itself. This of course disappears, once the Federal spending is gone. No long term viable economy results. Certainly not one that can be self-sustaining.

The Federal Government has sometimes tried to direct investment into one or another specific area of business activity on reservations—tourism, for example, was a big favorite for a while. By and large, these efforts have not been successful. I believe it is better to establish some general incentives to encourage the private sector to locate on Indian reservations and then to leave it to individual, business, and tribal initiative to determine how these tax incentives will actually be put to use.

Others have come to similar conclusions. In 1985 the Office of the Secretary of the Interior convened a task force of Departmental and BIA professionals to examine ways of stimulating greater economic development on reservations. The result of this effort, "The Report of the Task Force on Indian Economic Development," recommended the enactment of legislation providing for the creation of enterprise zones on Indian reservations. The task force recommended making available tax incentives in these zones, including an employee wage and training tax credit, an investment tax credit and a full exemption from corporate taxes for income earned in the zone.

Over the years there have been a series of studies finding that the application of tax incentives to Indian reservations held much promise. In 1981, the Bureau of Indian Affairs commissioned a study by the Charles Trimble Company, which was eventually published as "Applicability of Enterprise Zones to American Indian Reservations." The study concluded that, if other preconditions were also met, enterprise zones could play a major role in stimulating economic development on reservations. More recently, a 1988 study also funded by the BIA, "American Indian Enterprise Zones: Summary of Past Initiatives and a Look to the Future," and a 1990 study sponsored by the Native American Rights Fund, "Doing Business: An Evaluation of Policy Alternatives to Encourage Private Enterprise on Indian Reservations," also found significant potential in tax incentives and other zone approaches. The special geographic, economic and other circumstances of Indian reservations require that any tax

incentives be specifically tailored for Indian reservations. The remoteness of many reservations, the lack of a skilled work force, and other economic disadvantages require that a particularly strong set of tax incentives be offered in order to succeed in attracting businesses to these reservations.

The Indian Employment and Investment Act of 1992 provides for an investment tax credit and an Indian employment credit. The Indian employment credit would apply to any businesses locating on an Indian reservation while the investment tax credit would apply only on those reservations which have an unemployment rate exceeding the national average by at least 300 percent. An analysis of the legislation being introduced today was issued on February 19, 1992. The study entitled: "Investment and Employment Tax Credits for American Indian Reservations: An Analysis of Benefits and Costs," prepared by Mr. William L. Stringer, president of Economic and Financial Consultants, for the George Washington University Center for Native American Studies and Indian Policy Development, found, in part, that: "* * * because of conditions unique to Indian country, [a] carefully targeted package of tax incentives for all reservation based investments and employers would have a significant impact on Tribal economies and employment, and would do so at negligible cost to the Federal Treasury."

Mr. President, the time for action is now. As President Zah stated in his testimony on this issue: "Indeed, helping the American Indians to help themselves is neither a Democratic issue nor a Republican issue; it's not a conservative policy or a liberal policy; it's not even a "special interest" issue. Rather, it is a "human" issue that must, and deserves to be, addressed from a national perspective on a bipartisan basis, and with a real sense of urgency warranted by the deplorable conditions existing in Indian country—conditions which truly are a national disgrace."

I urge all members of the Finance Committee and the rest of my colleagues to take President Zah's words to heart, and to carefully consider the Indian Employment and Investment Act of 1992 for inclusion into the national economic growth package. The act will not solve all the problems on Indian reservations, but it does offer an important new economic tool for those tribes and businesses willing and able to take advantage of it.

Mr. President, I ask unanimous consent that a copy of the testimonies of President Peterson Zah, Vice President Marshall Plummer, the study entitled: "Investment and Employment Tax Credits for American Indian Reservations: An Analysis of Benefits and Costs" and the Indian Employment and Investment Act of 1992 be inserted into the CONGRESSIONAL RECORD immediately following my statement.

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

TESTIMONY OF MARSHALL PLUMMER, VICE-PRESIDENT OF THE NAVAJO NATION

My name is Marshall Plummer, and I am the elected Vice-President of the Navajo Nation, the country's largest Indian tribe. I testify today in support of the Navajo Nation's proposals for federal tax incentives to help address the unconscionable levels of unemployment and poverty that exist in Indian country throughout this nation.

At the outset, I wish to convey to you, Mr. Chairman, and Members of the Committee, the sincere appreciation of our President, Peterson Zah, for this opportunity to appear before the Committee—as well as his frustration that he was unable to be here to testify himself. Unavoidably, today's hearing conflicted with President Zah's long-scheduled meeting in Nevada with Secretary of the Interior Lujan and others concerning water rights issues of critical importance to the Navajo people. Please be assured, however, that the issues about which I testify today are equally important to the Navajo Nation, as economic development is one of the highest priorities of our Administration. President Zah's prepared statement is attached, and I would request that it be considered as part of the testimony that I deliver here today.

I also want to express our great appreciation to Senator DeConcini, a good friend of the Navajo and of all Indians, for his personal efforts that led to this opportunity to testify on issues of urgent import for Indian country. Finally, I want to acknowledge and thank Chairman Daniel Inouye, Co-Chairman John McCain and other Members of the Select Committee on Indian Affairs, including Senator Daschle, who also sits on this Committee. The tax incentives proposed by the Navajo Nation have their genesis in past legislative proposals from the Select Committee on Indian Affairs that have enjoyed support from both sides of the aisle.

CONDITIONS IN INDIAN COUNTRY

I come before this Committee to attempt—with all the persuasive powers at my disposal—to convey the following message: that while there are many Americans who are hurting during these economic hard times, no single segment of our society is hurting worse than the American Indian. The conditions of poverty that persist throughout Indian country are unspeakable, and the levels of unemployment are staggering.

As Chairman Inouye reported during his Committee's 1989 hearings on Indian economic development:

The unemployment rate on the majority of Indian reservations is simply incomprehensible to the average American. During the height of the so-called Great Depression in the 1930's, unemployment averaged 25 to 30%. In 1989 the average rate in Indian country is 52%!

Just last July, Chairman Inouye explained in hearings before House Ways and Means that "[o]ne thing links almost all of these [Indian] groups: alarming rates of unemployment that range from an average of 56% to a high of 97%; a lack of economic infrastructure, and all of the associated problems that plague any chronically-depressed community."

The result is that here, within the borders of the United States of America, most reservation Indians live under conditions far worse than exist in many of the Third World countries to which our Government provides substantial foreign aid. Under circumstances in which Indians lack many of the items that other Americans take for granted, meaningful action by the Congress that can attract investment and jobs to Indian country will also address basic questions of human dignity.

NAVAJO NATION TAX INCENTIVES PROPOSAL

New approaches are urgently needed to promote the type of economic development on our reservations that can better the lives of our people.

The Navajo believe—as do many other Indian leaders who have advised us of their support—that an appropriate new approach to this problem is through federal fiscal policy. In particular, the Navajo urge that the Congress put into place federal tax incentives that can help induce private sector investors to consider the potential for job-creating opportunities in Indian country.

The Navajo Nation has previously submitted to the Committee its proposal for two related tax incentives that complement certain national strategies now under discussion to revive the overall U.S. economy.

First, the Navajo Nation proposes an investment tax credit ("ITC") targeted to Indian country. This so-called "Indian reservation credit" is geared specifically to reservations where Indian unemployment levels are unconscionable—the credit being limited in its applicability to reservations having an unemployment rate exceeding the national average by at least 300%.

The Indian reservation credit would offer a higher percentage credit for investment in Indian country than would otherwise be available under a nationwide ITC. This differential is absolutely essential in order to help mitigate unique problems endemic to investing in Indian country—particularly the lack of infrastructure—which are not commonly shared by other depressed areas. Without such a differential, an ITC (or any other tax incentive, for that matter) would essentially be useless for reservation economic development. This is so because Indian country—both historically and at the present time—does not compete on a level playing field with even the most economically distressed non-Indian areas, due to "double taxation" by the states, infrastructure deficiencies and related problems.

Second, the Navajo Nation proposes an Indian employment credit aimed at increasing employment of Indians on reservations. A 10% credit to the employer would apply to qualified wages and qualified health insurance costs paid to an Indian. An added incentive—a significantly higher credit—would be available to reservation employers having a workforce with at least 85% Indians. The credit, which focuses on job creation, would be allowed only for the first seven years of an Indian's employment.

These complementary investment and employment credits would be available directly to the private sector employer, and do not entail the establishment of a new governmental bureaucracy. Even more importantly, these programs only cost the Federal government if they work. In that event, increased Federal revenues from increased employment—along with the anticipated decrease in public assistance payments—should render these proposals, at worst, revenue neutral.

CONCLUSION

The Navajo Nation recognizes the extraordinary difficult task facing this Committee

as it weighs various proposals and attempts to fashion broad-ranging national policies that can help to revive the United States economy. On the other hand, I respectfully ask the Committee to recognize the seriousness of the unemployment problem in Indian country, and the urgency with which it must be addressed.

This year's tax bill provides Congress a unique and timely opportunity to move along a different path to promote Indian country economic development. That path—federal tax incentives—lies within this Committee's jurisdiction. In this, the Congressionally-designated "Year of the American Indian" (P.L. No. 102-188), I urge the Committee to incorporate within its revenue package these modest—but extremely important—tax incentives, so that American Indians are not once again left behind, or left out altogether.

As President Zah has stated:

Helping American Indians to help themselves is neither a Democratic issue nor a Republican issue; it's not a conservative policy or a liberal policy; it's not even a "special interest" issue. Rather, it is a "human" issue that must, and deserves to be, addressed from a national perspective on a bipartisan basis, and with a real sense of urgency warranted by the deplorable conditions existing in Indian country—conditions which truly are a national disgrace.

I thank the Committee for its consideration of these issues that are so important to Indian country, and I strongly urge the Committee to adopt the Navajo Nation tax incentives proposal. These incentives will help level the playing field by providing tribal governments and Indian country business planners with additional tools to compete for the private sector investment and jobs that are so critical to the well-being of our people.

STATEMENT OF PETERSON ZAH, PRESIDENT OF THE NAVAJO NATION

My name is Peterson Zah, and I am the elected president of the Navajo Nation, the country's largest Indian tribe. The Navajo thank you, Mr. Chairman, and Members of the Committee, for this opportunity to testify at these important hearings. I also want to express our great appreciation to Senator DeConcini for his personal efforts on our behalf that led to this opportunity to present testimony on an issue of critical importance to all of Indian country. In addition, I want to acknowledge and thank Chairman Inouye, Co-Chairman McCain and the Members of the Select Committee on Indian Affairs for their traditional support and encouragement, including their tireless efforts over the years to promote Indian country economic development. The Navajo proposals which I discuss below draw heavily upon various legislative initiatives that were introduced in the past by those two distinguished Members, and that enjoyed strong bipartisan support among the Members of Senate Select.

INTRODUCTION

The Navajo reservation is the largest in the United States; along with Tribal fee and other non-trust lands. Navajo country covers almost 28,500 square miles within the States of Arizona, New Mexico and Utah. This land area is nearly the size of New England.

However, the current economic downturn in New England pales in comparison to economic conditions prevalent in the Navajo Nation and throughout Indian country. For example, the Navajo unemployment rate ranges from 38% to 50%, depending on the season. Even worse conditions exist elsewhere in Indian country throughout the United States. As Chairman Daniel K. Inouye reported during the Senate Select Committee's 1989 hearings on Indian economic development:

The unemployment rate on the majority of Indian reservations is simply incomprehensible to the average American. During the height of the so-called Great Depression in the 1930's, unemployment averaged 25 to 30%. In 1989 the average rate in Indian country is 52%!

Just last July, Senator Inouye explained in hearings before the House Committee on Ways and Means Subcommittee on Select Revenue Measures that "[o]ne thing links almost all of these [Indian] groups: Alarming rates of unemployment that range from an average of 56% to a high of 97%; a lack of economic infrastructure, and all of the associated problems that plague any chronically-depressed community."

Surely during these economic hard times in America there are many people who are hurting—but just as surely, there is no single segment of our society that is hurting worse than the American Indian.

This Congress just over two months ago, designated 1992 the "Year of the American Indian" (P.L. No. 102-188). This Committee has the opportunity to help make good on that commitment in a way that can begin to address the "incomprehensible" unemployment levels throughout Indian country.

DISINCENTIVES TO INVESTMENT IN INDIAN COUNTRY

One of the highest priorities of my Administration is economic development. The Navajo Nation has a large workforce, rich natural resources and a sophisticated, three-branch government. However, there are a variety of obstacles—endemic to investing on reservations—that have prevented the Navajo economy and other Indian country economies from getting their fair share of the business and jobs in this country.

First and foremost is the lack of infrastructure. For example, we have only 2000 miles of paved roads on the reservation itself. In contrast, West Virginia, which is roughly the same size as the Navajo reservation, has approximately 18,000 miles of paved roads. Many of the dirt roads on which our people heavily depend are simply impassible when the weather is bad. Even something so basic as telephone service is lacking in Indian country; over half of all reservation Indian households lack basic telephone service.

Another disincentive to economic development is the growing problem of "double taxation," wherein States increasingly are assessing taxes on non-Indian business activities permitted by, and occurring wholly on, Indian lands. As I explained to House Ways and Means last July:

The double taxation interferes with our ability to encourage economic activity and to develop effective revenue generating tax programs.

We find it especially hard to attract business to the reservation unless we make concessions that nearly defeat the purpose of wanting to attract business to the reservation in the first place.

These infrastructure deficiencies and other problems lead to the same result nationwide—Indians do not compete on a level playing field with even the most economically distressed non-Indian areas and, as a result, are typically left behind, or left out altogether, from economic development opportunities. To help level that playing field, and to provide tribal governments and Indian country business planners with additional tools to compete, the Navajo Nation believes that new approaches must be tried.

NAVAJO NATION TAX INCENTIVES PROPOSAL

In particular, the Navajo urge that federal fiscal policy recognize the need to provide the private sector with incentives for investing in job-creating ventures in Indian country. The Navajo Nation believes that federal tax incentives are the mechanism for such a new approach, and that this year's tax bill is the perfect vehicle.

There are many reasons why tax incentives make sense. For example, in those same Ways and Means hearings last July, Senator Inouye was joined by Senator John McCain, Co-Chairman of the Select Committee on Indian Affairs, who explained:

I believe for several reasons that a strategy of tax incentives * * * is the most effective way that the federal government can act to stimulate reservation economic development. Tax incentives do not depend for their effectiveness on the actions of federal bureaucracies that are often slow moving and unimaginative. The incentives are usable only by viable businesses that expect to earn some profits and hence to have tax obligations against which credits and deductions can be used to diminish their tax obligations. The federal government therefore does not spend anything until a real business is created on a reservation and there exist real jobs and real income generated for the benefit of reservation residents. Unlike direct spending programs, if there is no benefit, there is also no cost.

In other words, tax incentives of the type that the Navajo propose only cost the Federal government if they work, in which case they will be inducing the type of economic activity necessary to attack the deplorable unemployment situation in Indian country.

First, the Navajo Nation proposes an investment tax credit ("ITC") targeted to Indian country. This so-called "Indian reservation credit" is geared specifically to reservations where Indian unemployment levels are unconscionable—the credit being limited in its applicability to reservations having an unemployment rate exceeding the national average by at least 300%.

The Indian reservation credit offers a higher percentage credit for investment in Indian country than would otherwise be available under a nationwide ITC, should one be adopted. No matter what type of tax strategy is ultimately adopted, this type of differential for Indian country is absolutely essential in order to help mitigate those unique problems associated with investing in Indian country—particularly the lack of infrastructure—which are not commonly shared by other economically depressed areas. Without such a differential, an ITC (or, for that matter, any other tax incentive that might be made applicable to both Indian and non-Indian lands) would essentially be useless for reservation economic development. This is so because Indian country—both historically Americans take for granted, meaningful measures to help bring investment and jobs to Indian country also address basic questions of human dignity.

Indeed, helping American Indians to help themselves is neither a Democratic issue nor a Republican issue; it's not a conservative policy or a liberal policy; it's not even a "special interest" issue. Rather, it is a "human" issue that must, and deserves to be, addressed from a national perspective on a bipartisan basis, and with a real sense of urgency warranted by the deplorable conditions existing in Indian country—conditions which truly are a national disgrace.

I thank the Committee for its consideration, and I respectfully urge that the Committee include in the revenue package now under review the modest—but extremely important—tax incentives proposed by the Navajo Nation to promote economic development and jobs for all of Indian country.

INVESTMENT AND EMPLOYMENT TAX CREDITS FOR AMERICAN INDIAN RESERVATIONS: AN ANALYSIS OF BENEFITS AND COSTS

(Prepared for the National Indian Policy Center, the George Washington University)

(Prepared by William L. Stringer, Economic and Financial Consultants)

William L. Stringer is President of Economic and Financial Consultants, a Washington, D.C. based public policy consulting firm. He attended the University of Kansas for his undergraduate education and Oklahoma State University for graduate work and since then, has taught economics and finance at various universities. He served as Chief Economist of the United States Budget Committee and as Assistant to the Chairman of the Federal Home Loan Bank Board. Subsequently, he was Deputy Treasurer and Acting Treasurer of the State of New Jersey. He was Partner and Senior Vice President of the American Capital Group, a public finance advisory firm operating out of Philadelphia and was Vice President of Chambers Associates, a Washington, D.C. based public policy consulting firm. He presently is on the graduate faculty of the Fels Center for Government at the University of Pennsylvania in Philadelphia and provides independent private consulting in matters relating to economics and finance from his office in Washington, D.C.

(The George Washington University Center for Native American Studies and Indian Policy Development. The National Indian Policy Center Planning Office was established by congressional initiative and authorized by Public Law 101-301. The legislation, supported by a number of tribal leaders, provided for a Policy Center planning office to be located at George Washington University in Washington, D.C. The Policy Center is undertaking a year-long consultation with American Indian and Alaska Native governments and individuals to develop the purpose, structure and function of a research and analysis institution of social, economic and legal policy development on Native issues. The ultimate goal of the consultation process is to develop a final report on the feasibility study that will serve as a framework for federal authorizing legislation in the 102nd Congress.

(The National Indian Policy Planning Office operates under the direction of a Planning Committee comprised of nationally prominent tribal leaders and representatives of major Indian organizations. Recommendations and support are not limited to Native government and national organizations; individuals are also invited to participate in the development of the Center.)

"In Indian country, developing reservation economies is viewed as the path to developing self-sufficiency, decreasing the dependency that is so destructive of reservation societies, and improving the overall quality of life on reservation, thereby preserving Indian societies and cultures."[1]

Purpose: For a number of years, Congress and public interest groups have considered the provision of a number of tax incentives targeted to Indian reservations and reservation enterprises. It is the view of many experts, political leaders and tribal leaders that such tax incentives can attract industry and capital, expand existing industry, and make reservation enterprises vital and permanent employers within Indian country. Indian advocates in the Congress and tribal representatives have repeatedly attempted to secure such provisions. Congress has responded with numerous Federal payment and support programs but has failed to provide the type of incentive which would promote self-sufficient enterprise growth.

The 1992 Economic Stimulus Initiative, currently under consideration by the U.S. Congress, provides a unique and unprecedented opportunity to enact an Indian Investment Tax Credit and Indian Employment Tax Credit. Such a program of investment and employment incentives is an essential ingredient needed to solve the chronic economic problems of Reservation Indians. Although the Navajo Tribe has been primarily responsible for initiating consideration of the Tax Credits, they are policies which would benefit every Indian Tribe throughout the country, including those Tribes (primarily in Oklahoma) who depend upon enterprises established on Indian Trust properties.

This brief research and background paper was assembled to provide analytical support for the Indian Tax Credit initiatives. The paper, first, illustrates the overwhelming need for policy action and provides evidence that a broad macroeconomic stimulus package without programs specifically targeted to the Indian Reservation economy will do little to improve their economic plight. Second, the paper provides what data is available to assess the costs and benefits of the two tax credits. The credits will not be applicable in every investment and employment circumstance on reservations or trust lands. Nevertheless, because of conditions unique to Indian country, carefully targeted package of tax incentives for all reservation based investments and employers would have a significant impact on Tribal economies and employment, and would do so at negligible cost to the Federal Treasury.

THE POOR LIVING CONDITIONS OF AMERICAN INDIANS ARE CLOSELY TIED TO THE UNEMPLOYMENT PROBLEMS.

For as long as the statistics have been gathered, unemployment rates among American Indians has been staggering. If one also considers the degree of discouraged workers and the fact that Indian unemployment reflects the status of families' primary wage earner, the devastating social impact can be more fully appreciated.

The 1980 Census indicated that 14 percent of Indian reservation households had incomes under $2,500—three times the proportion of all U.S. households. Forty five percent of reservation Indians lived in households with incomes below the poverty level. One quarter of reservation households were receiving food stamps and one of every seven Indian households were receiving some other form of public assistance.[2] It was also reported by the 1980 Census that 21 percent of reservation Indian households had no indoor toilet facilities; 16 percent did not have electricity; and 54 percent did not have central heating. The cycle of poverty has its roots both in the extent of unemployment on reservations and trust lands as well as in the types of employment that are available.

In 1989, a year in which the average unemployment rate among all Americans was 5 percent, the unemployment rate among American Indians was 40 percent. The unemployment rates on thirteen reservations sampled by the Bureau of Indian Affairs using the definition of employment defined by the Bureau of Labor Statistics of the US Department of Labor (over age 16 and actively in the labor force) are shown in Table 1:[3]

TABLE I.—*Reservation Unemployment Rates 1989*

	Percent
White Mountain Apache	11
Cochiti Pueblo	10
Salish and Kootenai (Flathead)	20
Northern Cheyenne	48
Muckleshoot	50
Lummi	46
Mescalero Apache	52
San Carlos Apache	51
Yakima	61
Oglala Sioux (Pine Ridge)	61
Hualapai	45
Crow	67
Rosebud Sioux	90
All Reservation Indians	40
United States (all races)	5

It should be emphasized that these numbers use the BLS definition of unemployment. Only those individuals who indicate that they have been looking for work within the most recent four weeks are counted as unemployed. A more useful definition might be to estimate all Indians presently working as a proportion of those who might wish to work. Such estimates would include the so-called "discouraged worker". Estimates of Indian unemployment using this technique would be significantly higher. In 1989, the Select Committee on Indian Affairs indicated that Indian unemployment was 52 percent of the potential workforce.

Unemployment on reservations (using the BLS definition) is understated even more than the total US unemployment number. A 1987 survey in Oklahoma revealed that the labor force participation rate for Indians 16 years of age and older was 55.7 percent. The current participation rate for all Americans of working age is 66.1 percent. Even so, the proportion had increased from the 36.3 percent that had participated in the labor force in 1960. Less than half, 41.5 percent of all Indian females were in the labor force, while for Indian males the figure was 61.0 percent. Comparable figures for all Americans of working age today is 57.6 percent and 75.3 percent for women and men respectively.

THE UNEMPLOYMENT PROBLEM CANNOT BE CURED BY STANDARD ECONOMIC STIMULUS POLICIES

Although the economic downturn has exacerbated the already abysmal employment relating to Native Americans, the problem is a structural one and not a problem which will be cured when the U.S. economy rebounds. This is because economic growth and recov-

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[1] Red Willow Institute, *Applicability of Federal Tax Incentives to American Indian Reservations*, Foreword to a report prepared for the National Indian Policy Center, Washington, D.C., June 21, 1991, p. iv.

[2] US Department of the Interior, "Report of the Task Force on Indian Economic Development," Washington, D.C., 1986. Cornell, Stephen and Joseph P. Kalt, "Pathways from Poverty: Economic Development and Institution-Building on American Indian Reservations", Malcolm Wiener Center for Social Policy at Harvard University, Cambridge, Massachusetts, December, 1989, Snipp, C. Matthew, *American Indians; The First of This Land*, Russell Sage, New York, 1989.

[3] Cornell, Stephen and Joseph P. Kalt, "Pathways from Poverty: Economic Development and Institution-Building on American Indian Reservations", Malcolm Wiener Center for Social Policy at Harvard University, Cambridge, Massachusetts, December, 1989, p. 5.

ery affects pockets of unemployment differently.

Historically since 1966, a 3 percent closing of the "gap" between potential and actual real Gross National Product has been accompanied by a 1 percentage point decrease in the rate of unemployment. This relationship has held, more or less, until the unemployment rate has reached about 4% (so-called "full employment"). This rule of thumb, named "Okun's law" after Nobel prize-winning economist Arthur Okun, has held for the economy in total but has not been consistent among segments within the economy. Estimates are provided in Table II below for various components of the labor force:

TABLE II.—*Responsiveness of Unemployment to Economic Growth*

[Reduction in gap required to reduce segment's unemployment rate 1 percentage point [4]]

Workforce segment:	*Percent*
	Percent
Married males	2.20
Females	2.94
Nonwhite	4.80
Teenage	5.56
Teenage males	6.02
Teenage females	4.54
Teenage nonwhite	10.10
American Indian	19.90

[4] Data for all segments except American Indian are from quarterly data reported by the Bureau of Labor Statistics 1966–1991. American Indian data, using the BLS definition is from data supplied by the Bureau of Indian Affairs for the years 1976–1991.

These results clearly indicate that an acceleration of economic growth through stimulative fiscal and monetary policies alone is not sufficient to reduce the unemployment rate to desirable levels among some labor force segments, most certainly the American Indian segment.

OTHER FEDERAL PROGRAMS MUST CONTINUE AND EXPAND, BUT THEY AIM AT OTHER GOALS

To reduce economic suffering, other federal programs must continue, but to permanently reduce overall unemployment they will have to be supplemented with policies designed specifically to enhance capital investment and targeted employment. Existing governmental sources of capital support are reduced due to the need for matching capital, competition from other more established businesses and the small size of the programs relative to need. Furthermore, the speed with which the grants, loans and payments can be implemented is relatively slow and has little impact on cyclical problems. The SBA loan program and the Department of Commerce Loan Guarantees for Business Development have been greatly curtailed in recent years. Bureau of Indian Affairs programs, such as the Business Enterprise Development Program, constitute a minute portion of need.

Amounts budgeted as contract authority for Indian related economic development programs (or those programs which might be construed as directly contributing to development of Indian businesses) are provided in Table III, on the following page. These programs are valuable. Over time, they should be more carefully targeted and expanded. But, they prepare the worker, provide guidance to the Indian businessman, and directly employ without enhancing the basic return to capital that would enhance Indian enterprise and make it, eventually, self-supporting.

The type of employment engendered by Federal spending has not been the type that jump-starts economic development generally. "Perhaps more revealing of the economic problems of reservations is the structure of the employment that does exist. Most reservation economies are heavily dependent on the 'transfer' economy, i.e., tribal or federal governmental transfer or other public-assistance programs. This can be distinguished from employment in productive enterprises (private and public) which add output to tribal economies. According to the 1980 Census, 59% of all reservation employment was in the transfer economy in 1979, compared to approximately 17% for the U.S. as a whole."[5]

[5] Cornell, Stephen and Joseph P. Kalt, "Pathways from Poverty: Economic Development and Institution-Building on American Indian Reservations", Malcolm Wiener Center for Social Policy at Harvard University, Cambridge, Massachusetts, December, 1989, p. 7. They, in turn, cite A. David Lester, "Transitions in Tribal-Federal Relations, 1989–1993", Council of Energy Resource Tribes, unpublished, 1988.

TABLE III.—FEDERAL PROGRAM TO PROMOTE INDIAN ENTERPRISES [6]

	Fiscal year—	
	1990	1991
Department of the Interior:		
Bureau of Indian Affairs:		
Economic development and employment programs	14,096,000	14,595,000
Technical assistance to Indian enterprise	0	796,000
Indian business development grants	6,907,259	6,905,000
Indian credit program		
Direct loans	11,130,875	8,700,000
New loans guaranteed	59,132,555	44,370,000
Bureau of Reclamation: Loans program	67,000	0
Other programs: Indian arts and crafts development	912,000	925,000
Department of Health and Human Services: Jobs program	2,991,550	6,263,000
Department of Labor: Native American employment and training	58,200,000	59,600,000
Department of Commerce:		
Economic Development Administration	2,694,000	2,835,900
Minority business development—American Indian	1,495,000	1,495,000
Department of Transportation: Indian Reservation Roads	78,600,000	80,000,000
Small Business Administration: Contract awards	263,208,282	278,304,350

[6] Table III is extracted from Stringer, William L., "The Economic Impact of Tribal Tax and Expenditure Programs in the State of Oklahoma", a paper prepared for the George Washington University Center for Native American Studies and Indian Policy Development in conjunction with the Oklahoma Indian Affairs Commission and Charles W. Blackwell, January, 1992.

INDIAN BUSINESSES HAVE TRADITIONALLY BEEN IN LOW-WAGE, LOW CAPITAL INDUSTRIES

It has only been in recent years that Tribal businesses have begun to move into areas requiring greater capital investment. A 1987 survey in Oklahoma concluded that:[7]

[7] See Abudu Green, Margaret, K.W. Olson, I.M. Hayden and K.J. Selland; *Report on the Economic Impact of American Indians in the State of Oklahoma;* Prepared by the Southwest Center for Human Relations Studies at the University of Oklahoma; May 1987.

The concentration of Indian-owned firms was in the construction industry (36 percent compared to 9 percent for all Oklahoma businesses). Furthermore, the concentration of Indian-owned business in the business and repair service and in the professional and related service sectors was almost twice as high as the concentration of non-Indian owned businesses in the state.

Measured by the number of employees per firm, Indian-owned firms were significantly larger than all Oklahoma firms in the areas of agriculture, forestry and fisheries and construction. These areas constituted nearly 75 percent of an Indian employment. Indian employment was significantly smaller in the areas of mining, transportation, communications, public utilities and retail trade—those areas which require greater proportions of capital to labor.

"Construction and manufacturing account for 77.9 percent of all gross sales of Indian-owned businesses. Wholesale trade accounted for 12.9 percent and all other business sectors accounted for only 9.3 percent of the total gross sales by Indian-owned businesses. By the same token, payroll as a percent of sales was significantly less for Indian-owned firms than for all firms in Oklahoma in construction, manufacturing and wholesale trade. This would suggest either that labor is used less than capital (which is not borne out by other evidence) or that there are lower wages in Indian-owned businesses than in non-Indian owned businesses in the same sectors."

Table IV, derived from data developed by the U.S. Census Bureau for the 1982 Survey of Minority-Owned Business Enterprises: Asian Americans, American Indians, and Others provides insight into the types of businesses presently Indian-owned:

TABLE IV

Industrial activity	Indian firms with paid employees			Indian firms without paid employees		All Indian firms		
	Number of firms	Average number employees	Average gross sales	Number of firms	Average gross sales	Number of firms	Percent of total	Average gross sales
Agricultural, services, forestry, and fishing	731.8	93,932	2,745	6,058	2,818	19	8,332	
Mining	12	3.2	395,667	60	59,967	72	0.5	115,917
Construction	274	3.3	201,701	1,552	18,541	1,826	12	46,025
Manufacturing	68	19.9	1,095,456	246	13,862	314	2	248,092
Transportation and public utilities	79	2.9	221,165	500	28,144	579	4	54,480
Wholesale trade	29	4.5	628,105	61	39,180	80	0.5	179,050
Retail trade	445	3.5	248,501	2,657	20,639	3,102	21	53,327
Finance, insurance, and real estate	27	2.2	185,667	280	9,039	307	2	24,573
Selected services	382	6.6	223,636	3,897	13,630	4,279	29	32,378
Other industries	84	1.7	164,440	1,381	16,860	1,465	10	25,322
Total all industries	1,462	4.9	$279,081	13,382	$17,840	14,843	100	$43,570

Source: United States Census Bureau; 1982 survey of Minority-Owned Business Enterprises: Asian Americans, American Indians, and Others.

INVESTMENT AND TAX CREDITS WOULD TEND TO AUGMENT CAPITAL AND REDUCE UNEMPLOYMENT

In previous work, three general problem areas have been identified as roadblocks in the path to achieving sustained growth of employment opportunities on Indian Reservations and Trust lands: control management and capital.[8] Although no single policy will resolve any one of three problems, it is clear that a targeted package of policies must be created specifically for the unique set of problems facing American Indians.

Two types of tax credit are proposed for investment and employment on Indian Reservations and Trust lands. A capital or labor tax credit effectively lowers the after tax cost of capital or labor in a targeted type of investment, employment or geographic area. By decreasing capital or labor costs, the flow of capital to the targeted area is encouraged.

The proposed Indian Investment Tax Credit (ITC), the so-called "Indian Reservation Credit", is targeted to Indian country, and specifically to reservations or sites near Trust lands, where Indian unemployment levels are at least three times the national average. This would presently include most reservations and trust lands. The provisions allows a tax credit (deduction in full from pre-credit tax liability) of a stated percentage of qualified investment placed in service during the taxable year. The credit is 25 percent of the investment in reservation personal property (in association with a trade or business—and not real property), 33⅓ percent of new reservation construction property and 33⅓ percent of reservation infrastructure investment.

The proposed Indian Employment Tax Credit (ETC) would be available to employers on reservations or trust lands. The credit would equal 10 percent of the wages paid (including certain health care costs) during the taxable year and 30 percent in cases where the employer has at least 85 percent Indian employees. The employer would be eligible for the credit for up to and including seven years of employment of the same employee.

The Investment Tax Credit should be viewed as a somewhat longer run policy to alter the structure of Indian owned businesses and to alter the nature and extent of structural unemployment on Reservations. The Employment Tax Credit, on the other hand, should be viewed as a policy which would have more immediate impact on reducing Tribal unemployment rates. Either tax credit can be viewed as in incentive to hire or invest both in the sense that it reduces the effective tax rate to the recipient employer and increases the rate of return on investment in capital or labor. The ITC is, of course, enhanced by more accelerated asset depreciation although its impact on the effective tax rate, given the same percentage of application, is much greater.[9] A simple example will suffice to illustrate the basic concept:

"If a piece of machinery or infrastructure requires a one-time payment of $9,000 at the beginning of a year, and provides a cash flow of $1,300 for each of the next ten years (the useful life of the equipment), then the pre-tax rate of return on that investment is 7.31 percent. Of course the after-rate of return would be less, because the income stream produced by the investment would be reduced by the annual tax rate times the incremental annual increase in revenue caused by the investment (less any depreciation allowance). If the going rate of interest on the money used for the investment were 8 percent annually, then the investment in the equipment would not be made. If, however, a 33⅓ investment tax credit were allowed in the first year then the pre-tax return on investment would grow to 15.49 percent, because $3,000 (⅓ of $9,000) would be recaptured as a tax credit at the end of the first tax year. Again, the after-tax rate of return would be reduced by the tax liability (less the depreciation allowance) on the income flow occasioned by the investment. By analogous reasoning, the Employment Tax Credit will enhance the return to the employer of hiring additional units of Indian labor."

Because of the concentration of Tribal employment in labor intensive, low wage industries:

(1) Tribal employment is particularly susceptible to cyclical downturns in the economy. Thus, any policy which would shift Tribal industry to greater capital intensity would reduce cyclic volatility.

(2) The Employment Tax Credit would have an immediate impact on employment levels. The industries affected have relatively large employment and income multipliers which would tend to cause tax expenditure increases and reductions in entitlement payments beyond what they would otherwise be.

By using the U.S. average capital to labor ratio in the industries with concentrations of Indian workers, one can estimate that the at least six and one half billion of investment would have to be induced to employ the unemployed Indian workers for the duration of their working years—about $36,600 per unemployed Reservation Indian worker. Applying the prevailing capital to income ratio to the income gap between Indians and the general population, it would require an investment of about twelve billion, or about $67,600 per unemployed American Indian. "Tangible real capital owned by Indians, plant, equipment, and inventories would have to increase that much from its current level to get Indian incomes and jobs up to national standards."[10] The proposed Indian targeted ITC and ETC would have nowhere near the required impact, but it would be a significant step.

[8] See, for example, the testimony of Ronald L. Trosper before the Select Committee on Indian Affairs, United States Senate, Washington, D.C., April 9, 1987, U.S. Government Printing Office, Document 75-649, 1987, p. 78. Trosper cites findings of Task Force Seven of the American Indian Policy Review Commission.

[9] See, for example, Congressional Budget Office, Revising the Corporate Income Tax, Congress of the United States, Washington, D.C., May, 1985, pp. 89-91

[10] The technique follows that of Ronald L. Trosper before the Select Committee on Indian Affairs, United States Senate, Washington, D.C., April 9, 1987, U.S. Government Printing Office, Document 75-649, 1987, pp. 87-88. In this instance, Trosper cities a 1986 Compendium published by the Select Committee on Indian Affairs of the United States Senate.

THE NATURE OF INDIAN BUSINESSES, THE REDUCTION OF ENTITLEMENT PAYMENTS TO TRIBAL MEMBERS AND ECONOMIC MULTIPLIER EFFECTS, MAKE THE COST OF THE CREDITS MINIMAL AND, PERHAPS, NEGATIVE

Because of (1) the structural nature of Tribal unemployment, (2) the fact that Tribal businesses generally operate in geographically isolated areas, and (3) because potential employment would occur in companies with little excess capacity Tribal unemployment would uniquely benefit from either an investment tax credit, an employment tax credit, or both. And, because of these factors, the cost to the U.S. is minimal or even negative.

Direct Costs of the Employment Tax Credit: The 1990 Census counted 1,957,191 American Indians in all 50 states. If seventy five percent of those are over age 16, and 55 percent of these were in the labor force, then a 40 percent unemployment rate would imply that 322,937 Indian workers were unemployed. If 55 percent of these unemployed workers would otherwise depend on employment on reservations or trust land, then 177,615 Indian workers stand to directly benefit from the two tax credits.

If all 177,615 were hired as a result of the proposed Indian Employment Tax Credit at an average wage rate of $8.00 per hour; and one half of those employed were employed by firms having employment of at least 85% Native Americans; then the immediate revenue loss—without accounting for reduced entitlement payments and unemployment compensation, taxes levied against the wage earner, additional taxes garnered as a result of enhanced output and various multiplier effects—the cost of the U.S. Treasury would be in the nature of $591.2 million.

Of course, one would not expect anywhere near full employment of the unemployed Indian worker as a result of the ETC. For one reason, manufacturing firms located on Indian Reservations, the largest employer (as can be seen from Table IV) do not pay Federal taxes and, therefore, could not avail themselves of the credit. At the same time, there would be no additional costs to the Treasury for manufacturing firms. Under the same assumptions, with 10 percent participation, as seems reasonable, the Treasury direct loss would be $59 million. Indirect benefits would be marginally higher wages and sustained employment within permanently viable firms.

Direct Costs of the Investment Tax Credit: In 1990, expenditures by tribally owned and Indian owned businesses in the State of Oklahoma (having 12.8 percent of the total U.S. Native American population) were estimated to be $565 million (wages, investment in property, equipment and wages).[11] If fifteen percent of that spending were on investment in ITC qualifying personal property, construction property, and infrastructure; and, if Tribes in the other 49 states spent similar amounts in proportion to their population; then total qualifying Indian investment in 1990 would have been about $659.9 million.

Even if every dime were applied as a 33⅓ percent credit—without accounting for reduced entitlement compensation, taxes levied against the equipment supplier, additional taxes garnered as a result of enhanced output and various multiplier effects—the tax loss would be $217 million. In reality, because of the nature of Indian and tribally owned businesses and the general economic condition of the tribal economy, the immediate, first round, loss would be considerably less.

Direct Entitlement Program and Tax Offset: Whereas the credits have a duration of one year in the case of the ITC, or seven years in the case of the ETC, the flow back to the Treasury of reduced entitlement payments, unemployment compensation, and tax revenue would continue over the useful life of the equipment, or the employment period of the worker. The repayment flow to the Treasury can, thus, compensate the Treasury many times over for the original investment. An accurate assessment would require a calculation of the present value of costs to the Treasury (one year in the case of the ITC and seven years in the case of the ETC) less the present value of all entitlement and increments to tax payments over the lifetime of the worker.

In testimony before the Select Committee on Indian Affairs of the United States Senate, Ronald Trosper outlined the calculus which gives rise to the above conclusion:[12]

"In 1986 the Interior Department's Task Force on Indian Economic Development collected data on the costs of AFDC, Food Stamps, commodities, and general assistance on a state-by-state basis, using the actual rules in practice. They also examined income tax payments under the prevailing tax rates. They computed that an investment of $10,000,000 which created jobs for 300 unemployed heads of households would lead to a combination of tax receipts and welfare savings for the federal government and for states that would amount to approximately $1,769,000 per year. On an investment of ten million dollars, that gives an accounting rate of return of 17.6 percent per year. The economic rate of return would be higher, because there would be increased profit and wage income as well."

The following example illustrates the reflows associated with employment of an otherwise unemployed Tribal household.

"A family of 2 unemployed adults with 2 children annually receives approximately $3,500 in Native American General Assistance and $3,500 in food stamps, and may, additionally, pay $1,000 per year for subsidized housing. If one parent obtains a job providing effective compensation of $8.00 per hour, after-tax annual income would be $14,900. But the Federal government no longer pays to the family nearly $7,000 in benefits. In addition, the housing rent can justifiably increase to about $4,000. Thus the $16,640 of pre-tax income is reduced $7,000 by the elimination of entitlement payments, $3,000 for housing payments, and about $2,800 of income tax and FICA taxes."

In the above example, which is typical of many Reservation Indians, the worker exchanges an effective $10,000 welfare income for a $14,900 working income—but the federal government increases its tax revenue and reduces its out-of-pocket expenses for this year and, presumably, for each subsequent year by an amount of $12,800. If the inducement were the Indian Employment Tax Credit, then the Treasury tax-credit revenue loss, at most (the 30 percent category), was $4,499 for return of $12,800 for each year of work.[13]

Indirect Multiplier Offsets: The net stimulus to the local economy would be equal to the difference between the government payments prior to employment and the worker's income after employment—$4,900 in the above example. This stimulus, in turn, would be spent a number of times over, giving rise to a certain "multiplier effects". To the extent that business activity were simply moved from a non-Reservation place of business to a Reservation business, the overall macroeconomic impact would be negated. However, the isolated nature of Indian business and the closed nature of the businesses causes the substitution to be much less likely.

The Bureau of Economic Analysis of the US Department of Commerce has estimated the multipliers for each industrial category for each of the fifty states. Although a complete multiplier analysis is beyond the scope of this paper, an additional $4,900 earned by each of 177,615 unemployed, Reservation-oriented, Tribal members, using an earnings multiplier of about .75 (in line with estimates of the Department of Commerce model) would enhance the Federal Treasury by about $117.5 million.

SUMMARY AND CONCLUSIONS.

This brief report, aimed at supporting the Indian Tax Credit initiative of the Navajo in conjunction with Congressional examination of the Tax Stimulus Initiative, has underscored the pressing need for tax policies designed to stimulate growth of Reservation and Trust land enterprises. Deepening of capital intensity through the Indian Investment Tax Credit is a technique to foster both short and longer term growth. Employment of Native Americans, suffering from unemployment rates averaging 40 percent of the work force, would benefit in a much shorter time frame from enactment of an Indian Employment Tax Credit. Both credits are needed to counter the bleak short and long term outlook for American Indian employment. Standard fiscal and monetary policies to stimulate overall U.S. economic growth will have little effect on the employment and living conditions of American Indians unless they include programs which are targeted to the benefit of the American Indian.

Six to twelve billion dollars of capital investment would be needed to eliminate all unemployed Native Americans. On average, 40 percent of the Indian workforce is unemployed and a far greater number is underemployed and have dropped out of the labor force.

Existing Federal programs are meager compared to the level of need and, although useful to meet other goals, and not geared to making Indian businesses self sustaining generators of employment opportunity. This paper identified 13 Federal programs designed to assist Tribal enterprise, but none provide the type of sustained support inherent in a Tax Credit policy.

Tribal employment is particularly susceptible to cyclical downturns in the economy. Thus, any policy which would shift Tribal industry to greater capital intensity would reduce cyclic volatility. The Employment Tax Credit would have an immediate impact on employment levels.

Even if the Employment Tax Credit were used to hire every unemployed and qualify-

[11] See Stringer, William L., "The Economic Impact of Tribal Tax and Expenditure Programs in the State of Oklahoma," a paper prepared by the George Washington University Center for Native American Studies and Indian Policy Development in conjunction with the Oklahoma Indian Affairs Commission and Charles W. Blackwell, January, 1992.

[12] Ronald L. Trosper before the Select Committee on Indian Affairs, United States Senate, Washington, D.C., April 9, 1987, U.S. Government Printing Office, Document 75-649, 1987, pp. 87-89.

[13] This example is updated from an example provided by Eric Rice in Hearings before the Select Committee on Indian Affairs of the United States Senate, May 1, 1990, "Indian Economic Development; Indian Employment Opportunity Acts of 1989; and the Supreme Court's Decision in Cotton Petroleum Corp. v. New Mexico", Government Printing Office, Washington, D.C., 1990, p. 90.

ing Native American, the one-year direct costs to the U.S. Treasury would be only $591.2 million—$3,328 per unemployed American Indian. At best (given the history of the targeted employment tax credit enacted in 1978) the employment credit could be used to employee 10 percent of the eligible population, meaning that the cost to the Treasury (prior to accounting for offsets) would be $59 million.

Even if all investment made by Tribes or Indian owned business was eligible for the Investment Tax Credit the loss to the U.S. Treasury would be about $217 million. Because many investment opportunities on Indian Reservation cannot use the Investment Tax Credit, and because of overriding economic considerations, it is more likely that 15 percent or less of the potential tax expenditure would be drawn upon. This would mean a cost of the Treasury (prior to accounting for offsets) of about $32.6 million.

The revenue loss would be more than made up for by reduced General Assistance payments, reduced Food stamps, increased rental payments for subsidized housing, increased income tax payments and increased FICA payments. For a household of two nonworking parents with two children there is a reduction in the U.S. Budget deficit of $12,800 (to net against the $3,328 paid under the Employment Tax Credit, for example). Multiplier effects would add an additional $117.5 million to the U.S. Treasury. And, most importantly, these amounts would accrue year after year, whereas the costs are for one year, in the case of the Investment Tax Credit, or for seven years, in the case of the Employment Tax Credit.

By Mr. KENNEDY (for himself, Mr. BRADLEY, Mr. SIMON, Mr. DURENBERGER, Mr. BINGAMAN, and Mr. FOWLER):

S. 2255. A bill to amend part D of title IV of the Higher Education Act of 1965 to provide for income dependent education assistance; to the Committee on Labor and Human Resources.

INCOME DEPENDENT EDUCATION ASSISTANCE

Mr. KENNEDY. Mr. President, today, on behalf of Senators BRADLEY, SIMON, DURENBERGER, BINGAMAN, FOWLER, and myself, I am introducing legislation to enable college students to obtain an additional form of assistance to pay for their education.

The legislation is based on the principle of student loans that would be obtained directly from the Federal Government, and that would be repaid through the tax system in reasonable amounts over the course of the student's future working career. The idea is not new, but it is receiving new interest because of the high cost of college education.

As far back as 1954, Milton Friedman noted that such a plan would help students obtain the resources needed to invest in their future and develop their full potential.

In the 1970's, in a far-reaching proposal that gave new momentum to the concept, President John Silber of Boston University called for the establishment of a Federal revolving loan fund, called the tuition advance fund, which would combine direct Federal lending to students with income-contingent repayment. Under this proposal, borrowers would repay, depending upon their economic success after they left college.

Working with Dr. Silber, I introduced this idea as Senate legislation in 1978. A year later, Republican Senator Henry Bellmon of Oklahoma and I introduced a direct student loan program with some impressive support—including Senators Howard Baker, THAD COCHRAN, JOHN DANFORTH, PETE DOMENICI, JESSE HELMS, NANCY KASSEBAUM, JIM MCCLURE, and ALAN SIMPSON. So, if everybody still feels the same way, we ought to be able to enact this idea into law.

Our 1979 legislation focused attention on the promise of direct lending. At the time, we chose to go the route of guaranteed student loans. But the growing problems and costs of that program have generated new interest in the direct loan approach.

In the past year, several bills have been introduced in both the House and the Senate to establish a direct student loan program, and it now seems to be an idea whose time has come.

There are excellent reasons to move in this direction. First, according to estimates from the General Accounting Office and the Department of Education, a direct loan program will save substantial amounts over the current program.

Second, there is greater ease for both the borrower and the Government.

A direct loan program will have fewer middlemen and be easier to manage than the existing loan program. A direct loan program will be simpler for students and their families, and may well be much simpler for the Federal Government.

Third, income-sensitive repayment through the Internal Revenue Service will both streamline the repayment process for borrowers and allow graduates to choose employment after college without fear of being financially over-burdened if they choose lower income employment. Finally, by collecting through the Internal Revenue Service, we are likely to reduce loan defaults.

But just as there are reasons to move in this direction, there are reasons to move with care. Despite its many problems, the current guaranteed student loan program serves millions of students a year and makes it possible for them to obtain a college education that might otherwise be beyond their reach.

In addition, a direct loan program will require the Department of Education to assume a number of new administrative functions that it is not currently performing. Despite improvements under Secretary Alexander, the Department remains a thinly staffed agency with questionable ability to undertake major new administrative responsibilities, let alone perform its current responsibilities adequately.

Because this is an idea that needs to be tested, we propose a pilot direct loan program to gauge its benefits while being able to measure the Government's capacity to administer it. The potential benefits of direct lending with income-sensitive repayment are too great to ignore. The two most important criteria in considering this initiative are: Is it better for students, and is it cheaper for the Federal Government?

To both questions, the answer is yes and it is time for us to move ahead on this important and promising idea.

Over the past few weeks, I have met with other Senators who have expressed strong interest in this issue.

We have designed the pilot initiative that we are introducing today, in order to test the direct loan approach, with students repaying their loans through the Internal Revenue Service after they leave college.

Under our plan, a diverse group of 300 schools will be chosen by the Secretary of Education to participate in self-reliance loans—a supplemental loan program in addition to the current Pell grants and guaranteed student loans.

Schools will borrow the money from the Federal Government and make loans to their students. Any student at a participating school will be eligible for a loan. Students can receive up to $5,000 a year, with a total borrowing limit of $30,000. The money will be lent to students at an interest rate equal to the 52-week-rate on Treasury bills plus 2 percent. If the plan were in force today, students could borrow money at about 8 percent.

The loans will be repaid through the Internal Revenue Service by increased withholding. Before leaving college, borrowers will be given a choice of repayment options developed by the Secretary of Education and the Commissioner of Internal Revenue. Borrowers will continue to make repayments until the loan is repaid. After 25 years, any further indebtedness would be canceled.

The proposal includes important protection for borrowers. Before they receive a self-reliance loan, students must first apply for Pell grants and Stafford loans. To prevent students from borrowing too much, borrowers cannot receive more than the cost of attendance and borrow no more from all the Federal loan programs than the total borrowing limits specified in the Higher Education Act approved by the Senate last week. To protect borrowers with low incomes, no repayments will be due in any year when a borrower owes no tax liability to the Federal Government.

This plan is intended to test the viability of the direct loan approach. If the idea works, I am certain that Congress will want to expand it to more

schools and more students. If the test does not succeed, the program will be terminated.

But I do not expect the initiative to fail. There is growing support for this concept. I understand that the Finance Committee will consider this proposal when it marks up the tax bill, and I look forward to early action on this measure.

At a time when tuition costs have been rising much more rapidly than family incomes, it is especially important that we do all we can to make college education more affordable and accessible to every young American. No investment is more important for the Nation's future.

I wish to pay particular tribute to Senator BRADLEY of New Jersey, who has been one of the really important forces in the Senate in a variety of different education areas, and certainly on the direct loan program; and particularly to my colleagues, Senators SIMON and DURENBERGER.

We introduced the legislation in 1978. At that time it was introduced as the Kennedy-Bellmon proposal, and also introduced in the House of Representatives under Senator SIMON who has followed this issue very closely over the years. Senator DURENBERGER has been very active in shaping and formulating this legislation. We have worked very closely together, the members of the Finance Committee, our committee, and the Education Committee.

It is not without its challenges. Some of the issues, I think, have been worked out in a satisfactory way. This is going to be an evolving and continuing development over a period of time.

I hope that our colleagues will have a chance to review the legislation in the very near future.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCOME DEPENDENT EDUCATION ASSISTANCE.

(a) IN GENERAL.—Part D of title IV of the Higher Education Act (20 U.S.C. 1087 et seq.) is amended to read as follows:

"PART D—INCOME DEPENDENT EDUCATION ASSISTANCE

"SEC. 451. PURPOSE.

"It is the purpose of this part to establish a direct loan program for eligible students enrolled in institutions of higher education with income contingent repayment of such loans occurring through the Secretary of the Treasury.

"SEC. 452. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to carry out a program that—

"(1) makes loans to eligible students at institutions of higher education to enable such students to study at such institutions; and

"(2) establishes an account for each borrower of such a loan, and collects repayments on such loans, in accordance with section 59B of the Internal Revenue Code of 1986.

"(b) DESIGNATION.—

"(1) PROGRAM.—The program assisted under this part shall be known as the 'income dependent education assistance program'.

"(2) LOANS.—Loans made under this part shall be known as 'self-reliance loans'.

"(c) PAYMENTS.—

"(1) PAYMENT AUTHORITY.—The Secretary shall make payments to a participating institution on the basis of the estimated borrowing needs (provided to the Secretary by such institution) of the students at such institution pursuant to guidelines developed by the Secretary.

"(2) INITIAL PAYMENTS.—The Secretary shall make initial payments under this part in a similar manner to the procedure for distribution of Pell Grants under paragraphs (1) and (2) of section 411(a).

"(d) RELATION TO OTHER FEDERAL PROGRAMS.—A participating institution shall continue to be eligible to participate in all other programs assisted under this title.

"SEC. 453. ELIGIBILITY.

"(a) STUDENT ELIGIBILITY.—

"(1) IN GENERAL.—All eligible students enrolled at a participating institution are eligible to receive self-reliance loans without regard to financial need.

"(2) CONTRACTUAL RIGHT.—An eligible student at a participating institution shall be deemed to have a contractual right against the United States to receive a self-reliance loan.

"(b) NEEDS TEST FOR STUDENTS.—Notwithstanding any other provision of law, an eligible student shall not receive a self-reliance loan in any fiscal year unless such student's eligibility for assistance under section 428 and subpart 1 of part A has been assessed.

"(c) SELECTION OF INSTITUTIONS FOR PARTICIPATION.—

"(1) IN GENERAL.—From among institutions of higher education that have submitted applications under this part and are eligible to participate in part B loan programs, the Secretary shall select institutions of higher education for participation in the income dependent education assistance program.

"(2) SELECTION OF DIVERSE SCHOOLS.—The Secretary shall select institutions of higher education for participation in the income dependent education assistance program in a manner so as to represent a cross-section of institutions of higher education by educational sector, length of academic program, default experience, annual loan volume, highest degree offered, enrollment size, and geographic location.

"(3) INITIAL SELECTION OF INSTITUTIONS.—The Secretary shall select not more than 300 institutions of higher education for participation in the income dependent education assistance program not later than May 1, 1993, except that the Secretary shall select institutions such that the projected volume of new student borrowing under this part does not exceed $450,000,000 in fiscal year 1994, $550,000,000 in fiscal year 1995, $650,000,000 in fiscal year 1996 and $900,000,000 in fiscal year 1997.

"(4) EXPANSION OF THE PROGRAM.—(A) Beginning on August 1, 1997, the Secretary shall permit all institutions of higher education that, in the opinion of the Secretary, have the administrative and fiscal capacity to administer a self-reliance loan program, if—

"(i) the Congress does not act before such date to terminate or modify such program; and

"(ii) the Congress takes the affirmative step to approve the expansion of the income dependent education assistance program by providing sufficient resources to offset the cost of the income dependent education assistance program.

"(B) The Secretary shall publish criteria to govern institutional eligibility for the income dependent education assistance program not later than September 1, 1995.

"SEC. 454. APPLICATION AND AGREEMENT.

"(a) APPLICATION.—Each institution of higher education desiring to participate in the income dependent education assistance program shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

"(b) AGREEMENT REQUIRED.—Each institution of higher education chosen by the Secretary to participate in the income dependent education assistance program shall enter into an agreement with the Secretary for the receipt of funds under this part. Such agreement shall provide for the establishment of a self-reliance loan program at such institution under which such institution agrees to—

"(1) originate self-reliance loans to students, follow procedures specified by the Secretary in disbursing such loans, accept liability stemming from mismanagement of such loans, submit annual audit information, and participate in evaluations conducted by the Secretary or organizations chosen by the Secretary;

"(2) provide the Secretary at least once each month, with a list of self-reliance loan recipients and promptly notify the Secretary of changes in the enrollment status of any such loan recipient;

"(3) comply with the provisions of part B relating to loan origination, disclosure, and other matters which the Secretary determines are not inconsistent with the provisions of this part;

"(4) transfer the promissory note and other evidence of such loan as specified by the Secretary to the Secretary or the Secretary's agent within 30 days after the origination of such loan;

"(5) comply with the reporting requirements established by the Secretary;

"(6) ensure that the note or the evidence of indebtedness on the such loans shall be the property of the Secretary and that the institution will act as the agent of the Secretary for the purpose of making such loans;

"(7) counsel borrowers with regard to repayment options for self-reliance loans at the time that the borrower leaves the institution of higher education; and

"(8) contain such additional information, terms and conditions as the Secretary may prescribe to protect the fiscal interests of the United States and to ensure effective administration of the self-reliance loan program.

"SEC. 455. TERMS OF SELF-RELIANCE LOANS.

"(a) BORROWING LIMITS.—

"(1) ANNUAL LIMIT.—A student may receive a self-reliance loan in each fiscal year which does not exceed—

"(A) $5,000 in the case of an undergraduate student; and

"(B) $15,000 in the case of a graduate student.

"(2) MAXIMUM BORROWING LIMIT.—(A) The maximum amount of self-reliance loans—

"(i) an undergraduate student may borrow is $25,000; and

"(ii) a graduate student may borrow is $30,000.

"(B) The maximum amount of self-reliance loans a student may borrow shall not exceed $30,000.

"(C) The maximum amount of loans a student may borrow under this part and parts B and E shall not exceed the applicable limitations on aggregate indebtedness contained in section 428(b)(1)(B), except that, for a student determined to be independent for purposes of section 428A, the maximum amount of loans such student may borrow under this part and parts B and E shall be increased by the amount borrowed under this part not to exceed $10,000.

"(3) COST OF ATTENDANCE.—(A) No student shall receive a self-reliance loan in any fiscal year in an amount which exceeds such student's cost of attendance for such year.

"(B) The amount of financial assistance a student receives under this part in any fiscal year, when combined with student financial assistance received under other parts of this title for such fiscal year, shall not exceed such student's cost of attendance for such fiscal year.

"(b) INTEREST RATE.—

"(1) IN GENERAL.—The interest rate on self-reliance loans shall be established at the time that the loan is made and shall be equal to the interest rate on 52-week Treasury bills plus an additional 2 percentage points.

"(2) TIMING AND FREQUENCY.—The Secretary shall establish the interest rate for self-reliance loans at the same time and with the same frequency as the Secretary establishes interest rates for the Supplement Loans for Students program described in section 428A.

"SEC. 456. REPAYMENT PROVISIONS.

"(a) IN GENERAL.—A self-reliance loan shall be repayed through the income tax collection system in accordance with section 59B of the Internal Revenue Code of 1986.

"(b) REPAYMENT TERMS.—

"(1) IN GENERAL.—A borrower of a self-reliance loan or loans shall repay such loan or loans by devoting to repayment 7 percent of such borrower's adjusted gross income, except that the Secretary shall allow a borrower the option of devoting to repayment—

"(A) 3, 5, or 7 percent of such borrower's adjusted gross income in the case of a borrower who enters repayment with low indebtedness under this part, as determined by the Secretary; and

"(B) 5 or 7 percent of such borrower's adjusted gross income in the case of a borrower who enters repayment with moderate indebtedness under this part, as determined by the Secretary.

"(2) SECRETARY'S DETERMINATION OF INDEBTEDNESS LEVELS.—The Secretary shall make the determination of low indebtedness and moderate indebtedness described in subparagraphs (A) and (B) of paragraph (1) in a manner such that the average borrower described in each such subparagraph is projected to repay self-reliance loans over a similar number of years as the average borrower with high indebtedness described in the matter preceding subparagraph (A) of paragraph (1).

"(3) REPAYMENT STATUS.—A borrower is in repayment status for any taxable year unless—

"(A) such borrower was, during at least 7 months of such year, a student enrolled in an institution of higher education on at least a half-time basis; or

"(B) such taxable year was the first year in which the borrower was such a student and the borrower was such a student during the last 3 months of such taxable year.

"(4) LENGTH OF REPAYMENT.—Repayment of a self-reliance loan shall continue until such loan has been repaid or for 25 years after the borrower ceases to be enrolled in an institution of higher education on at least a half-time basis, whichever occurs first.

"(5) SPECIAL RULE.—No repayment of a self-reliance loan shall be due in any year in which the borrower is not required to file a tax return under the Internal Revenue Code of 1986.

"(6) DETERMINATION OF ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'adjusted gross income' has the meaning given to such term by section 62 of the Internal Revenue Code of 1986.

"(B) MARRIED INDIVIDUALS.—A borrower who marries an individual who has not received a self-reliance loan shall make repayments on the basis of the greater of—

"(i) one-half of the adjusted gross income shown on such borrower's joint income tax return; or

"(ii) the individual borrower's adjusted gross income.

"(c) DEFERRAL OF INTEREST.—A borrower, at the borrower's discretion, may defer payment of interest on a self-reliance loan while the borrower attends an institution of higher education on at least a half-time basis.

"(d) PREPAYMENTS.—A borrower may prepay all or part of a self-reliance loan to the Secretary without a penalty.

"(e) CANCELLATION FOR DEATH AND DISABILITY.—The Secretary shall discharge the liability to repay a self-reliance loan in the event of death or total permanent disability of a borrower.

"(f) RULES RELATING TO BANKRUPTCY.—

"(1) IN GENERAL.—A self-reliance loan shall not be dischargeable in a case under title 11 of the United States Code.

"(2) CERTAIN AMOUNTS MAY BE POSTPONED.—If any individual receives a discharge in a case under title 11 of the United States Code, then the Secretary may postpone any amount of the portion of the liability of such individual on any self-reliance loan which is attributable to amounts required to be paid on such loan for periods preceding the date of such discharge.

"SEC. 457. RESPONSIBILITIES OF THE SECRETARY.

"(a) TERMS AND CONDITIONS.—The Secretary shall promulgate the terms and conditions of a self-reliance loan not otherwise specified in this part.

"(b) ENFORCEMENT.—The Secretary shall have the same authority to limit, suspend or terminate an institution of higher education's ability to participate in the income dependent education assistance program as the Secretary has to terminate an institution of higher education's participation under a part B loan program. The Secretary may specify by regulation additional criteria the Secretary shall use to monitor the performance of participating institutions.

"(c) CENTRAL DATA SYSTEM.—The Secretary shall develop and administer a central data system for use in administering self-reliance loans. Such data system shall—

"(1) permit borrowers to secure information on their accounts;

"(2) on at least an annual basis, provide each self-reliance borrower with a statement of account balance and information on prepayment options; and

"(3) permit the processing of borrower payments received, including the generation of confirmations to borrowers.

"(d) STATEMENTS.—

"(1) IN GENERAL.—The Secretary shall, not later than January 1 of each year, certify to the Secretary of the Treasury for each borrower in repayment status on such date an amount equal to the sum of the total principal amount of loans made to such borrower plus any accrued interest minus the sum of any amounts collected from such borrower. A copy of such certification with respect to a borrower shall be sent by the Commissioner of the Internal Revenue Service to such borrower.

"(2) SPECIAL RULE.—Any borrower who receives a notice of certification under paragraph (1) and who believes such notice contains an error of statement or omission, or asserts a debt for which the borrower is not obligated or to which the borrower desires to raise a defense or excuse, shall file an objection thereto with the Secretary within 60 days after receipt of such notice. The Secretary shall, within 30 days of receipt of such an objection, affirm, adjust, or withdraw such certification and send notice thereof to the borrower and to the Secretary of the Treasury. Such decision shall be reviewable by an appropriate district court of the United States as a final agency decision.

"(e) STANDARD FORMS AND DATA FORMATS.—The Secretary shall develop standard forms and data formats for use by institutions of higher education and borrowers regarding self-reliance loans.

"(f) IMPLEMENTATION REPORT.—The Secretary, in consultation with the Secretary of the Treasury, not later than 1 year after the date of enactment of this part, shall provide a report to the Congress describing the implementation of the income dependent education assistance program, especially the steps taken to implement the loan repayment provisions described in section 456, and identifying problems that require legislative action.

"(g) ANNUAL REPORT.—The Secretary, beginning January 1, 1995, shall provide an annual report to the Congress evaluating the implementation and administration of the income dependent education assistance program and identifying problems that require legislative action.

"(h) EVALUATION.—Not later than January 1, 1997, the Secretary, in consultation with the Secretary of the Treasury, shall make a report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate evaluating the income dependent education assistance program. Such report shall—

"(1) analyze the administrative burden and cost imposed on the Department of Education and any other agency of the Federal Government by the income dependent education assistance program;

"(2) analyze the administrative capacity of the Department of Education and any other agency of the Federal Government to operate a self-reliance loan program at all institutions of higher education;

"(3) analyze the administrative and financial obstacles that may preclude all institutions of higher education from operating a self-reliance loan program and make recommendations for corrective action;

"(4) analyze the complexity of the income dependent education assistance program for institutions of higher education and students in comparison with the complexity of part B loan programs for institutions and students participating in loan programs under part B;

"(5) determine whether borrowers are better informed about their loan obligation under this part compared to other part B loan programs;

"(6) analyze the impact of the income dependent education assistance program on repayments, delinquencies and defaults;

"(7) make any recommendations for legislative action that may be needed to facilitate the implementation of the income dependent education assistance program to all eligible institutions of higher education;

"(8) publish the cost of tuition and the cost of attendance at each participating institution and analyze changes in such costs compared to such changes occurring in institutions of higher education that do not participate in the income-dependent education assistance program;

"(9) analyze the ability of the Department of Education to serve students in accordance with the income dependent education assistance program; and

"(10) analyze the effect of borrowing under the income dependent education assistance program on part B loan programs, including the effect on—

"(A) the socioeconomic status of students participating in part B loan programs;

"(B) the lenders, guarantee agencies and secondary markets participating in part B loan programs; and

"(C) the rate of defaults in part B loan programs.

"(i) OVERSIGHT RESPONSIBILITY AND DELEGATION.—The Secretary shall be responsible for all oversight of participating institutions.

"SEC. 458. DEFINITIONS.

"For purposes of this title—

"(1) the term 'cost of attendance' has the same meaning given to such term by section 472;

"(2) the term 'eligible student' means a student who is a United States citizen and has attained the age of 17 but not the age of 51;

"(3) the term 'institution of higher education' means an institution of higher education (as such term is defined in section 481(a)) which has demonstrated the administrative and fiscal capacity to carry out the provisions of this part; and

"(4) the term 'participating institution' means an institution of higher education having an agreement with the Secretary pursuant to section 454(b).".

SEC. 2. COLLECTION OF LOANS.

(a) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to determination of tax liability) is amended by adding at the end thereof the following new part:

"PART VIII—EDUCATIONAL LOAN REPAYMENT TAX

"Sec. 59B. Educational loan repayment tax.

"SEC. 59B. EDUCATIONAL LOAN REPAYMENT TAX.

"(a) IN GENERAL.—The Secretary of the Treasury shall enter into an agreement with the Secretary of Education to provide for the collection of repayments of self-reliance loans due pursuant to part D of title IV of the Higher Education Act of 1965.

(b) DETERMINATION OF TAX.—In the case of an individual who receives a certification from the Secretary of Education under section 457(d) of the Higher Education Act of 1965, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to the repayment percentage (as certified by the Secretary of Education) of the taxpayer's adjusted gross income for the taxable year.".

(c) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Part VIII. Educational loan repayment tax.".

• Mr. BRADLEY. Mr. President, a year ago, I began working on self-scholarships because I believe there is a fundamental connection between a college education and optimism about the future that our national interest will not allow us to ignore. I am very proud to join Senators KENNEDY, SIMON and DURENBERGER in introducing this bill, which is another step in the long effort to build the foundation for a better future.

This isn't a country where college is reserved for those of a certain elite class of people. This isn't a country where we make choices early in a child's life of whether or not they are collegiate material. This isn't a country where only those from certain families get into certain schools.

This is America, where the only limit to how successful any individual can be is their own ability. A college education is a symbol of getting ahead, doing better than your parents or grandparents ever hoped to, and laying the groundwork for your children to do better than you did. That's what a college education has symbolized throughout American history—the definition of American optimism.

Now, for the first time, my New Jersey constituents don't believe their children will have a higher standard of living than they do. My constituents are working longer hours and earning less, and when they think about the future, some of them feel more fear than optimism. The cause of that fear is, put simply, a lack of money.

ney, shouldn't limit the opportunity to share that optimism—but it always has, and it's doing so now more than ever. The cost of the college education is going up faster than incomes—fact. The amount of Federal aid for college tuition is not keeping pace with those who need it—another fact. Students aren't going to college—not because they aren't smart, or haven't worked hard, or don't have the motivation to make it—but because they don't have the money. Fact.

Self-reliance loans are a basic American idea—if you want to bet on yourself that you can work hard and come out ahead, we'll give you the opportunity to succeed. You get the opportunity, and in return we get a more productive society, and you put back into America what this country gave you—the means to realize the dream. It's that simple. It's cheaper to the Government than a guaranteed student loan, and unlike a grant it's available to everyone.

When I first came up with this idea nearly a year ago, I knew it was an uphill battle. Reauthorization for higher education was moving through the committee with several new initiatives included, and my proposal was considered revolutionary. But the more I talked to my colleagues and to people in New Jersey, the more I was convinced that self-reliance was a principle we needed sooner rather than later.

In the past month, I've spent a lot of time discussing the concept of direct loans with the distinguished chairman of this committee, the distinguished chairman of the Finance Committee, and other colleagues who are anxious to provide more opportunities to college students. I'm pleased that our joint efforts have produced progress and consensus on how to go forward. I intend to carry this agreement forward into the Finance Committee's consideration of an economic growth package later this week and hope that process will also be successful.

Let me just say a few words about the compromise that we are introducing today, Mr. Chairman. With your helpful suggestions and ideas from Senators SIMON and PELL, I believe we have improved on the basic structure of the self-reliance scholarship bill. The basic principles are the same: Every student in America, regardless of family income, would be able to get up to $30,000 for higher education simply by agreeing to pay back a small percentage of income after graduation just like a voluntary tax.

We have modified the repayment scheme slightly, so that instead of repaying a fixed percentage of your income for a fixed period of time, most borrowers would repay their loans until they had paid back what they took out plus interest at a very low rate. There is no risk of adverse selection, or the program being more attractive to low earners than to high earners. Students will still be able to make their own choices of the percent of income they want to repay. The process will be simple.

Students will have a chance to get the education that's best for them and then make the career decision that's best for them, without having their choices dictated by an unmanageable loan burden. A student who wants to be a social worker, a teacher, or explore a career in the arts can do so, because the self-reliance loan payments will be a manageable, fixed percentage of income. And a student who does well financially right from the start can finish off paying a loan quickly, before taking on the costs of raising a family.

It is very important to me that self-reliance loans would be a complete supplement to the current system, as I originally proposed. Every student should have a new option to pay for college. Some will be middle-class students who aren't eligible for any other aid. Some will be students who are eligible for some Pell grants or Stafford loans, but need more to fill the gap between aid and the cost of attending the best school they can get into. Others are nontraditional students, for example, a mother returning to the work force at age 38 after raising children, who realizes she needs more education to get a better job. Traditional means-tested financial aid programs aren't designed for that student.

Every student needs a new option to pay for college. It should be universal—that is, everyone should be eligible; and it should be income-contingent—that is, everyone's repayment should be a manageable percentage of income. I look forward to working with you further as we move this idea along with Chairman BENTSEN's support and Senator DURENBERGER's help in the Finance Committee, and later on the Senate floor. If we can make this difference for Americans of all ages trying to attend college, I believe young people will put more confidence in both our economic future and our Government.•

• Mr. SIMON. Mr. President, I join my colleague from Massachusetts, the distinguished chairman of the Labor and Human Resources Committee, in introducing this proposal to provide students with the option of receiving direct student loans for which the payments are income-sensitive and collected through the income tax system. I also want to commend my colleagues Senators BRADLEY and DURENBERGER for their leadership in the Finance Committee on this issue.

It is fitting that this idea will be proposed as part of the economic recovery package. The most important thing we can do to improve our productivity is to invest in our human resources. Anyone who doesn't believe that student aid can help the economy should look at the old G.I. bill. It was conceived of as a gift to veterans of World War II, nothing more. But it turned out to be a tremendous investment in our own prosperity. If you were to take that old G.I. bill and add inflation, it would be worth today more than $8,100. And that was a grant. It is unfortunate that the Higher Education Act reauthorization bill we passed last Friday did not include a Pell grant entitlement. But the fact that grant aid has diminished makes it that much more important that we provide students with a better loan program.

Mr. President, the proposal we are introducing today moves toward two important changes in now we provide Federal student loans: First, providing the capital directly, instead of through banks, and second, making payments income-sensitive and collecting them through the income tax system. While these two concepts are combined in this proposal, the issues that they raise are best addressed separately.

DIRECT LENDING

Mr. President, in the current guaranteed student loan program, the Federal Government is essentially a cosigner of each loan, taking virtually full responsibility for repaying the loan if the borrower defaults. At the same time that the Federal Government takes nearly all the risk, we guarantee the lender a profit by assuring a retail rate of interest on the loan. In contrast, with direct lending the Government borrows the funds at wholesale rates, saving a considerable amount of money which can be used to reduce costs to the student.

The U.S. General Accounting Office and the Congressional Budget Office agree that we could save a billion dollars, or maybe more, by shifting to a system of direct lending instead of paying subsidies to the banks, Sallie Mae, and other middle players. It would be irresponsible of us as policy-makers not to explore this option thoroughly—because if we can save money, we can use those savings to provide more aid to more students. Let me address a number of issues that have been raised about direct lending.

The Federal deficit and the Federal debt. Direct lending does not increase the Federal deficit. In fact, since we can save money that currently goes to banks and Sallie Mae, it can reduce the Federal deficit. Direct lending does increase the Federal Government's total borrowing for a number of years until the payback of loans offsets that borrowing. But the effect on the Government's financial well-being is the same whether the loan is direct or guaranteed, because a guarantee is still a liability. Whether we "cosign" and subsidize the loan at a high interest rate, or make it directly at a lower interest rate, we still pay for any defaults.

Can the Education Department run a direct loan program? At the hearing on my S. 1845 last October, David Kearns made it clear that the Department could run a direct loan program. I must emphasize that there is nothing revolutionary about direct assistance to students, through schools, from the Federal Government. That is how the Pell Grant Program and the other campus-based programs operate; it is not a mystery. It may be legitimate to ask whether the Department could oversee the collection of loans by servicers, as the House bill proposes. But our proposal uses the IRS, so this is not a problem. And the proposal that we are talking about today is only 300 schools in the first few years, so any problems can be worked out.

Can schools handle direct lending? The GAO study concluded that direct lending would simplify paperwork for schools. There is no question that schools would perform different functions under direct lending than they do under the current programs, and we do need to make sure that financial aid professionals are provided with any training or other assistance that they need. Again, by establishing a parallel program, and starting with just a few hundred schools, we can ensure a more smooth transition into the program.

How does direct lending help students? There is little disagreement about the potential of direct lending to improve service to students. In its comprehensive evaluation of guaranteed and direct lending, the National Association of Student Financial Aid Administrators [NASFAA] rated the "student service" aspects of direct lending much more favorably than the complex, error-prone guarantee system. Later witnesses can speak to this issue better than I can.

It is important to remember also that direct lending can save students money because we can pass along the savings. For example, the interest rate on IDEA/Self-Reliance is the 52-week treasury bill rate plus 2 percentage points, instead of an added 3.25 percentage points in the SLS program. Also, while the Senate version of the Higher Education Act reauthorization places a fee on SLS loans to make it available to more students, there is no fee on an IDEA/Self-Reliance loan. These may sound like minor differences, but they make a huge difference to students. For example, a student who needs a total of $10,000 over 4 years—$2,500 a year—would leave school owing nearly $1,500 more under SLS than under IDEA, because of higher interest and fees. A student borrowing $22,000 over 5 years would owe more than $3,500 more under SLS than IDEA.

INCOME-SENSITIVE REPAYMENT

While there are benefits to direct lending alone, using the income tax system for collection has the additional advantages of providing for more efficient collection, reducing default costs, and making it possible for payments to be sensitive to the borrower's income. The many benefits of this approach are spelled out in a recent letter to higher education leaders signed by 20 college and university presidents led by Father Byron who is here today, and Myles Brand at the University of Oregon. I ask unanimous consent that a copy of the letter be printed in the RECORD at this point.

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

A CALL-TO-ACTION TO HIGHER EDUCATION LEADERS FEBRUARY 1992

DEAR COLLEAGUE: A recent Washington Post poll ranking Americans' 50 greatest worries put financing higher education third. We are pleased to see national awareness of a problem all too familiar to those of us who must grapple with its consequences daily on our campuses.

We anguish over stitching together tighter and tighter budgets. We are wrestling with tuition increases, cross-subsidizing more and more students, and generally struggling to keep our institutions afloat in order to keep offering the services that define our mission. We have a big problem on our hands and it is not going to be washed away by a flood of new state of federal dollars. It demands new thinking.

One solution is to make better use of dollars we already have. We are supporting a new federal student loan alternative that would do just that, and we urge you to join us.

This alternative approach—direct student loans with universal eligibility and income-sensitive repayments—has been around for a long time, but only now has it become feasible. Very simply, it is just far more effi-

cient than current programs. Therefore, it can provide a better loan program for students and schools, while at the same time saving large amount of money that can pay for increased grants, or for even better loan terms.

Currently, several major student loan bills are on the table in Congress that incorporate various aspects of this approach. Their sponsors are working together toward a consensus on the issue, and any law enacted in this area is likely to have the following characteristics:

Universal Eligibility: Loans available to all students regardless of their parents' income. The absence of any needs test greatly simplifies administration for schools, and it provides needed relief for hard-pressed middle income families.

Direct Lending: Funds come directly from the federal government. Neither students nor schools need deal with banks, guarantors, or secondary markets.

Income Dependence: Repayment is sensitive to the student's income after graduation, and operates through the income tax system—a far more effective and fair system than current collection efforts.

Choice: Major existing programs would remain, and the new program would draw business away from them through decisions of individuals schools and students that the income dependent alternative was more attractive.

Attractive Terms: Good enough so this alternative will be a rational choice for most or many students (otherwise it will fail in the marketplace and disappear).

Simplicity: With no needs test, no banks or guarantee agencies to deal with, and IRS collection, the program will be much simpler for everyone, including schools. Claims to the contrary, which you may have heard from people with a vested interest in current programs, are simply not true. All schools will have to do is advise students, provide lists of recipients to the federal government, obtain signatures on promissory notes, and provide information on repayment to borrowers.

Huge Savings: This change could save $1 billion to $2 billion per year, depending on the details of the bill. You might ask how this is possible. The answer is that the savings come from a lower cost of capital (because of the direct lending), simpler administration, and the virtual elimination of defaults. There is neither reason to default (because payment is related to income), nor opportunity to default (because payments are income taxes). Those who would default under current programs because of low income would owe little or nothing for that year under the income dependent alternative, but would come back into repayment easily later on if their incomes rose (as most do).

In short, income dependent loans offer numerous advantages both for students and schools. All students get a convenient, affordable, and supremely flexible option that accommodates life changes and decisions such as periods of child raising, public service employment, spells of unemployment and the like. Schools can help address the growing problem of middle class student access to higher education with a program that is very simple to administer, and the savings can be used to increase grants or improve loan terms.

If we were designing student aid from scratch, we'd never come up with the current array of programs. We'd much more likely come up with something like the alternative approach just described. And now we have an unprecedented opportunity to do just that. If we miss this chance, we may not have another for a generation.

It is crucial for us to demonstrate support for this major reform. Please call or send a letter of support to your federal representatives and senators. This is important. And let the major associations to which your school belongs know of your support, as well.

Thank you very much for your attention and interest.

Myles Brand, President, University of Oregon, Eugene, OR.
Judith E.N. Albino, President, University of Colorado, Boulder, CO.
Neil S. Bucklew, President, West Virginia University, Morgantown, WV.
Leslie C. Duly, President, Bemidji State University, Bemidji, MN.
William E. Hamm, President, Waldorf College, Forest City, IA.
James C. Hunt, Chancellor, University of Tennessee, Memphis, TN.
William Byran, S.J., President, The Catholic University of America, Washington, D.C.
Carl Christian Andersen, President, Lake-Sumter Community College, Leesburg, FL.
Dominick P. DePaola, President & Dean, Baylor College of Dentistry, Dallas, TX.
John V. Griffith, President, Arkansas College, Batesville AR.
Neil D. Humphrey, President, Youngstown State University, Youngstown, OH.
John H. Jacobson, President, Hope College, Holland, MI.
Larry Keirns, Director, Northwest Kansas Area Vocational, Technical School, Goodland, KS.
William R. Nester, Chancellor, University of Nebraska at Kearney, Kearney, NE.
William R. Stott, Jr., President, Ripon College, Ripon, WI.
Paul S. Tipton, S.J., President, Association of Jesuit Colleges, and Universities.
Roy B. Mason, President, Eastern Wyoming College, Torrington, WY.
J. Michael Orenduff, President, University of Maine at Farmington, Farmington, ME.
John Silber, President, Boston University, Boston, MA.
James S. Walker, President, Jamestown College, Jamestown, ND.

Mr. SIMON. Mr. President, we are in the midst of a national recession that, among many other things, is severely testing our present student aid structure and all of its flaws in ways that make these differences that much clearer and more dramatic. Right now, across this Nation, thousands of young adults, assaulted by the effects of the recession, are confronting the choice of making the monthly payment to the bank on a student loan, or going into default to use that money to pay the mortgage and keep the family home. And who will pick up the tab if the choice is to default? The taxpayers will.

There is a better way, a plan that would prevent this dilemma, prevent these damaged credit records, prevent these defaults, prevent the cost to the taxpayer, and give borrowers a reprieve when they need it. Income-sensitive loan repayment is that better way.

Because even if we can significantly expand grant aid—which I hope we do—there will still be a huge demand for loans, and some students will still be saddled with large debt burdens, particularly at the graduate school level. That is why we must do everything possible to ensure that money in the student loan system is not wasted on middle players and bureaucracy, and we must do what we can to minimize the negative consequences of student debt burden.

Student loan debt creates a number of problems. 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-sensitive 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, default, and then never pickup where they left off. By reducing the required payment based 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, having the IRS as the collection agency will make it much more difficult for them to avoid paying.

It is clearer today than it has ever been that we need a strategy to regain the high-wage economy our Nation once took for granted. And in any equation, education and job training must be the key elements of that strategy. A better student loan program would expand educational opportunity and invest more in our people. Opening postsecondary education to all who seek it is, in the end, not so much a gift to them as it is a gift to ourselves.

Mr. President, when Senator DURENBERGER and I introduced our version of an income-contingent loan program several months ago, S. 1845, we received many positive comments from college officials about the concept. I

ask unanimous consent that a sample of those comments be included in the RECORD at this point.

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

FEEDBACK—S. 1845

Salem College, Winston-Salem, N.C.—Julianne Still Thrift, president: "You are right on target in your concern about students' ability to finance their college and to avoid unmanageable debt. * * * three of every four students enrolled in our continuing education program are first-generation college students. They are often working while they are in school, and many are supporting families."

Westchester Community College, Valhalla, N.Y.—Joseph N. Hankin, president: "Let me congratulate you on an inspired amendment. Making student loans an entitlement available to all regardless of income is an excellent idea. It provides assistance to the forgotten middle class without reducing aid for those most in need. Making repayment of loans part of the annual income tax will alleviate a "large percentage of defaults, thus saving more funds for the program."

Saint Peter's College, Jersey City, N.J.—Thomas C. Scott, director, student financial aid: "We applaud this creative approach and favor such attempts to improve program accountability which will simplify loan programs for educational institutions, while eliminating confusion for students and parents in the application process."

Mid-State Technical College, Wisconsin Rapids, Wisc.-M.H. Schneeberg, district director: "Your (plan) * * * has been enthusiastically received. * * * The concept of involving the IRS with student financial aid is especially pleasing."

Peace College, Raleigh, N.C.—Garrett Briggs, president: "As president of a small, liberal arts college for women, I would like to offer my support for your IDEA Credit Program. * * * The assistance you are recommending will be of tremendous benefit to these middle income families. * * * While your proposal may impact those who make money off the current loan programs, this fact should not be a major concern to members of Congress."

National College, Rapid City, S.D.—Robert D. Buckingham, chairman: "This legislation is in the best interests of the nation, its colleges and universities, and most important its students. It is regrettable present legislation is so complicated and many times unfair to students. * * * (IDEA Credit is) a courageous step in fiscal responsibility on the part of students and taxpayers."

Briarwood College, Southington, Conn.—Dr. John J. LeConche, president: "Being a veteran of World War II, I am reminded that your proposal, IDEA Credit, will give to millions of Americans the same opportunity to acquire a college education as did the G.I. Bill of Rights. Without the G.I. Bill of Rights, Senator, I could not have gone to college. If opportunity, attitude, and persistence are the hallmarks of success in America, then the opposition should realize that in the long run they will make more money from people who graduate from college than from people who are unable to attend college because they could not afford it. It is incumbent, therefore, upon the opposition to think of America first; and if they do, I believe that more money will fill their coffers from an educated population in a very few years."

Delaware Technical & Community College, Dover, Del.-Linda C. Jolly, vice president and campus director, Terry Campus: "(IDEA Credit would be) a welcome relief from the present system which is too often bogged down in a quagmire of federal regulations. * * * (It) would provide assistance to those 'middle class' students who are presently ineligible for aid. * * * I am genuinely pleased to see a proposal that offers a viable solution, rather than mere rhetoric, to a serious and longstanding problem."

Berkeley Colleges, N.J./N.Y.—Robert V. Maher, vice president: "* * * a workable and worthwhile proposal. * * * Your IDEA eliminates the needs test, increases the borrowing level, and introduces the concept of direct lending. The cost savings can be enormous."

Howard Community llege, Columbia, Md.—Dwight A. Burrill, president: "IDEA Credit simplifies the student loan program without placing more burden on the institutions."

Association of Jesuit Colleges and Universities: "(The Association) strongly and warmly supports (The Financial Aid for All Students Act). * * * We agree with your rationale for the program—both for the levels of borrowing and its openness to all."

United States Student Association: "A direct loan program would save the federal government $1.4 billion in subsidies, simplify the student loan application, delivery and repayment process, and eliminate origination fees and insurance premiums."

Fort Hays State University, Hays, Kan.—James Dawson, vice president, student affairs: "(IDEA Credit) is very creative and provides good insight into the many problems we are experiencing in financial assistance * * * our system is burdened with excessive paperwork and bureaucratic regulations. This is one of the first proposals I have seen which radically alters the system and it appears to me to be very favorable both to students and to university administrators."

Castle College, Windham, N.H.—Sr. Sheila Garvey, president: "(IDEA Credit is) exactly what is needed in order to adequately provide equal opportunity for higher education for all of our students. The middle class is virtually being eliminated from federal student aid programs. Eliminating the so-called middlemen, basing payments on income and using the income tax system to collect student loans is the least expensive and most practical solution to the student default issue. * * * I support your proposal 100 percent."

Tarleton State University, Stephenville, Texas-Dennis P. McCabe, president: "I support your efforts to establish IDEA Credit."

Youngstown State University—Neil D. Humphrey, president: "IDEA Credit is a concept whose time is overdue. Such a program provides much needed assistance to the working poor and lower-middle class workers who are in increasing numbers finding access to federal student financial aid closed. Many parents of our students, hard-working taxpayers, simply cannot accumulate enough discretionary income to help send their children to college."

Bowie State University, Bowie, Md.—James E. Lyons Sr., president: "This would be extremely important to Bowie State University students as 50 percent of our population receive financial aid and would benefit from the increase in Pell Grant funding and the other 50 percent could benefit from the various loan provisions and the Excellence Scholarships. In addition, the support to the state early intervention programs would be invaluable."

University of Colorado—Judith E.N. Albino, president: "I am concerned that a multimillion dollar secondary 'industry' has grown up around the current GSL program, the profits of which come from the pockets of students and which never find their way back to the financial aid market as reinvestments for future generations of students."

University of Detroit-Mercy—Maureen A. Fay, O.P., president: "(IDEA Credit is) * * * a genuine effort to get the largest percentage of aid into the hands of the students who are most in need of financial assistance."

Mount Marty College, Yankton, S.D.—Jacquelyn Ernster, president: "the use of the income tax system as the collection device will serve to reduce loan defaults which are a source of serious adverse public reaction to these programs. * * * I support this initiative and believe it will be a partial solution to the current crisis in post-secondary education."

Stockton State College, Pomona, N.J.—Vera King Farris, president: "I was extremely encouraged and excited to learn of your proposal. * * * It is unrealistic to continue to constrict our future generations with loans that may outweigh their earning power given their chosen professions."

Lee College, Baytown, Texas—Charles Ed Moak, dean of students, and Barbara Watkins, financial aid director: "(IDEA would) place more financial support directly with students and at the same time remove the colleges and universities from an uncontrollable predicament in the event of student default."

Portland State University, Portland, Ore.—Judith A Ramaley, President: "It is clear that the existing program needs rethinking. Each year it becomes more expensive, and each year the average debt loan of the student increases."

Webber College, Babson Park, Fla.—Rex R. Yentes, president: "I firmly endorse the IDEA Credit program."

Universidad del Turabo, Gurabo, Puerto Rico—Claudio R. Prieto chancellor: "I support your IDEA proposal wholeheartedly. The IDEA proposal is an especially appealing one. It's procedural simplicity, its fairness in allocating aid, and its revenue-neutral trait make it the best idea in town."

Arkansas College, Batesville, Ark.—John V. Griffith, president: "It is my feeling that the Idea Credit Program will extend access to quality higher education to a broad spectrum of our population, and, at the same time, cut down on the large volume of administrative work required to oversee the current financial aid program."

Florida Southern College, Lakeland, Fla.—Robert A. Davis, president: "I especially approve direct awarding to the educational institution, since this should provide a reduction in the number of parties involved, thereby giving much needed relief from the complicated processing work load required by the current Guaranteed Student Loan program."

San Jacinto College Central, Pasadena, Texas—Dr. Monte Blue, president: "We are particularly pleased to know that progress is being made in the financial aid field to simplify paperwork for schools, improve program accountability, and save dollars."

Introspect Youth Services, Chicago—Bernard M. Clay, executive director: "* * * cost has now become the principal barrier to a post-secondary education. Not since the Middle Income Student Assistance Act of 1980 has focus been given to working families who want to assist their children with their higher education. * * * we have witnessed severe need which exists among students from middle income families."

Stillman College, Tuscaloosa, Ala.—Cordell Wynn, president: "I am favorably impressed by the overall proposal. I recommend, however, a higher increase to the Pell Grant in excess of the $600 proposed. It would be helpful to have a maximum Pell Grant of $4,500 to reduce the amount students would need to borrow under the IDEA Credit program. * * * It appears the IDEA Credit Program will reduce some of the work which colleges now perform under the Guaranteed Student Loan and will assist in reducing the default rate."

Kansai Gaidai-Hawaii College, Honolulu—Andrew Dykstra, provost: "(IDEA Credit) has many advantages over the current clumsy and burdening system. I am for any method that reduces the involvement of the banks and other beneficiaries who benefit from our taxes."

Waldorf College, Forest City, Iowa—William E. Hamm, president: "* * * it is an excellent proposal and a long-overdue response to the higher education financing crisis we're facing. * * * I have been associated with the admission and financial aid process of Lutheran-related liberal arts colleges and universities * * * for more than 25 years. I have long been frustrated by the tedious process of trying to politically arrive at a fair assessment of family income and ability to provide for education, and the distinctly unfair practice of non-need based subsidies given to students who choose public education. While your proposal does not solve all of the problems, it does allow a means of student access to the college or university of the student's choice."

Rust College, Holly Springs, Miss.—W.A. McMillan, president: "* * * I have had an opportunity to talk with many of my colleagues who served as presidents of our colleges and universities. All are indeed excited about your proposal. * * * I have not seen a proposal thus far that would do more to expand access to higher education for all students. * * *"

Eastern Shore Community College, Melfa, Va.—John C. Fiege, president: "* * * your proposal will eliminate these problems for colleges, save taxpayers' money, be more efficient, and place the burden of collection on the IRS. Most important, however, your bill will provide greater access to more students through an excellent means for administering financial aid funds."

College of the Sequoias, Visalia, Calif.—Robert A. Lombardi, superintendent/president: "The method of collection seems so sensible and obvious that I have often wondered why it was not employed."

Barry University, Miami Shores, Fla.—Sister Jeanne O'Laughlin, president: "Private institutions such as Barry University see many students from middle income families unable to enroll, or continue enrollment because they are not eligible for need-based financial aid, and cannot bear the expenses of a private 4-year university without any assistance at all. * * * IDEA Credit would mean greater accessibility for those who need it most. * * * Eliminating these "middlemen" will mean that the savings could be redirected to other educational programs that desperately need funding. Direct loan programs would also be easier to manage and administer because schools would have more control, as we currently do with the Title IV campus-based programs. Ultimately, students will benefit from an improved and streamlined financial aid delivery system."

Cloud County Community College, Concordia, Kan.—James P. Ihrig, president: "Our people have had the opportunity to review this program and believe that it is a good program. We will support it and are hopeful that it can be implemented."

University of Nebraska at Kearney—Leonard Skov, vice chancellor: "We enthusiastically support this proposal. It will address at least two of the significant financial aid concerns of today's university students. The traditional financial aid programs that place a great deal of weight on the balance sheet of the family definitely work to the disadvantage of university students coming from rural families. In many cases, there may be a relatively attractive balance sheet, but very little current income to apply to university costs and yet the student is not eligible for traditional financial aid. The second concern addressed by IDEA Credit is the opportunity for support for graduate students. As a campus of 10,000 students, with approximately 2,500 of those graduate students, we observe major problems among our graduate students as they are now currently forced to either work part time and go to school part time or to seek private loans or other sources of support. We are also enthusiastic about the $1,000 Excellence Scholarship program. We would much prefer to offer incentives to students to assist in their decisions to pursue a rigorous high school curriculum than to attempt to achieve that same objective through applications of admissions standards.* * *"

New Hampshire College, Manchester—Richard A. Gustafson, president: "The proposal as presented is simple, sound and secure.* * * I urge you to move forward with your plan with our enthusiastic support."

Saint Louis University Parks College, Cahokia, Ill.—Peggy Baty, associate vice president and dean: "The IDEA Credit program appears to be a sound one and would certainly ease the burden of the cost of a higher education for young people today. Your plan would provide greater accessibility to college but still require the individual to pay his own debt."

Eastern Mennonite College & Seminary, Harrisonburg, Va.—Joseph L. Lapp, president: "I like what I see * * * many average Americans need assistance in financing higher education. The cost of education at most private colleges such as Eastern Mennonite is escalating even as we maintain an efficient program of excellence. (IDEA Credit is) * * * a creative way of expanding financial assistance to students and families without increasing the federal deficit."

Indiana University East, Richmond—Larry D. Baker, vice chancellor for student services: "I strongly support the Financial Aid for All Students Act. I especially agree with the concept of collecting repayment via the IRS. But as you work for adoption of the bill, there is one option that I would encourage you to consider. Include a provision for parents to assume portions of the debt and for them to begin repayment immediately via the IRS. Because the program offers funds to any student, regardless of family income, it makes little difference who assume responsibility for loan repayment."

Wentworth Institute of Technology, Boston—John F. Van Domelen, president: "The most gratifying part of your program is that it would reduce much of the mindless and numbing bureaucracy institutions and students must cope with under the current financial aid schemes and those being proposed. Our institution would, as I am sure would all others, shift more dollars to financial aid for our students if we did not have to hire armies of administrators to meet ever escalating federal regulations, requirements and administrative procedures."

Arapahoe Community College, Littleton, Colo.—James F. Weber, president: "Although administrative responsibility for the program would remain with the college, our ability to control disbursements would be vastly improved as would overall accountability for the operation of the program."

Jamestown College, Jamestown, N.D.—James S. Walker, president: "We at Jamestown College heartily endorse your proposal * * * we are (especially) enthusiastic about the income-dependent emphasis on funding and repayment by means of increased income taxes. Definitely this is a fairer and more cost-effective approach than current programs."

College of the Siskiyous, Weed, Calif.—Eugene Schumacher, superintendent/president: "* * * the personnel in our student financial aid office * * * were more than enthusiastic; they feel it is, without question, the best plan they have ever seen and would undoubtedly be of significant benefit to countless students here at the college."

Guilford College, Greensboro, N.C.—William R. Rogers, president: "The proposed use of an IDEA Credit for students throughout their college experience with a payback system calibrated to income after graduation and collected through the IRS makes eminent good sense. The program seems fair, simple to administer, and extremely helpful to students of all backgrounds * * * the bankers may not be quite as happy with this scheme, but certainly it is students who would benefit."

San Francisco Art Institute—William O. Barrett, president: "I endorse the IDEA plan and sincerely hope it passes the Senate soon. We need to make more money available to students, while cutting costs and paperwork. This plan does that."

Elgin Community College, Elgin, Ill.—Paul R. Heath, president: "In general, I am supportive of IDEA, as it provides a fair and equitable borrowing system for ALL students and effectively provides a reasonable payback system through IRS * * * I need to think through the 'paper' impact on our institution."

Jefferson Community College, Watertown, N.Y.—Charles A. Brox Jr., director of financial aid: "I have been a financial aid officer for the past 27 years in a community college in upstate New York. My years of experience have shown the abuses, the frustration, and the very cumbersome financial aid regulations that thrust the program out of any manageable mode. I have studied your concept, I support it and I wish you the best of luck."

Boone, N.C.—Annette Wilson: "As a 37-year-old African-American mother of two, searching for funds for graduate schools is a full time job in itself. My husband completed his doctoral studies * * * two years ago. We both feel teaching at the university level can help better prepare our public school teachers to educate the vastly growing minority population. I feel (IDEA Credit) * * * is a positive endeavor to promote an increase in goal-oriented educated minority citizens."

University of Health Services/The Chicago Medical School—Myron Winick, president; Theodore Booden, acting dean; Velkayudhan Nair, dean, School of Graduate and postdoctoral studies; Cynthia Adams, dean, school of related Health Sciences: "The problem of debt among students in the health sciences has reached staggering proportions. Many medical students graduate with debts between $75,000 and $100,000. The need to repay these debts very soon after finishing medical school is leading many graduates

away from primary care careers and into higher paying subspeciality careers. Your bill will go a long way in reducing these student debts. We believe the bill is well conceived and highly appropriate and, therefore, we strongly support its passage."

University of California, San Francisco—Emelie H.S. Osborn, associate dean, student affairs: "There is no doubt that the amount of debt is one of the key factors in medical student speciality choice which is driving many talented students away from primary care. * * * This is an important step toward improving the accessibility of higher education for all students."

Southern Illinois University—James M. Brown, chancellor: "I join many others in the higher education community in supporting a Pell Grant entitlement program. An entitlement program would help strengthen our commitment to provide a college education to all qualified students, regardless of their families' ability to pay. Further, I support your proposal to increase assistance to students from low income families, and your inclusion for eligibility in the Pell Grant program of students from moderate income families." Lawrence A. Juhlin, associate vice president for student affairs: "I want to express my strong support for IDEA Credit. * * * I am deeply gratified to see congressional action moving in the direction you are proposing."

Oklahoma State University—Gary Garoffolo, assistant director, office of student financial aid: "Direct lending * * * would simplify the process for students. There are few student borrowers today who truly understand or appreciate the Guaranteed Student Loan program in its current form. As we all know, there are a number of players in this game which leads to confusion and even alienation on the part of some borrowers. I believe that if the process is simplified loan repayments should increase, and default rates, which are a concern of both members of Congress and the financial aid community, should decrease. In addition, direct lending would provide an opportunity for timely error resolution. * * * At Oklahoma State University we expend a tremendous number of man-hours in making adjustments and assisting students after the fact. * * * The argument that institutions would not be able to administer such a loan program is lost on me. I believe that such a program can be administered effectively by institutions of all types and sizes, particularly if a system utilizing current Pell procedures is put in place to provide the necessary funding to schools and subsequently students. This would be a system with which Title IV eligible schools are already familiar. * * * I truly believe there is inherent in such a program cost savings to the taxpayers of the United States. * * * Quite frankly, if this type of program were to be put in place at no projected cost savings to the taxpayers I would still support such a measure based on the positive effects it would have for students and institutions."

Albany Medical College/Albany Medical Center, Albany, NY.—Anthony P. Tartaglia, dean: "The loan processing would be simplified for the financial aid office of our medical school. * * * I wholeheartedly support your program and urge you to move forward."

National Association of Independent Colleges and Universities—Richard F. Rosser, president: "* * * how to finance education for their kids * * * indeed is the nightmare of most Americans. Your proposal contains much of the good thinking that we have seen in earlier direct loan proposals. * * * We do have a concern, however, about the loss of the in-school interest subsidy. We would prefer that some of the savings that you now allocate to Pell Grants and early intervention would be used to cover in-school interest."

Eastern Wyoming College, Torrington, Wyo.—Kathy Moriarty, director of financial aid: "I * * * add my voice to the chorus of those who support the concept of direct lending and the critical need for additional grants for students. In particular, I am writing in support of the Simon-Durenberger proposal. I am deeply concerned about the tremendous need we see here at my college as a result of our changing student demographics. I am sure that we are not alone in the ranks of community colleges who are serving extremely large numbers of poor single parents, and unemployed and underemployed people. * * * Clearly, it is time for a major change. I believe that direct lending, and particularly direct lending as proposed by Simon-Durenberger, will be a much cleaner and smarter program. * * * There is a great need for income sensitive repayments. * * * Research has shown that the majority of defaults occur not because people choose to default but because they are simply unable to repay their loan at a given time. It is extremely difficult for a single parent with several small children to earn enough after one or two years of a community college education to support herself and her children, pay child care costs and make student loan payments. The Simon-Durenberger proposal would enable such a student to begin repayments when she has achieved sufficient earning power to realistically make those payments. * * * It is often a bureaucratic nightmare for students and institutions to obtain information on outstanding loans. In my opinion, the IRS would be much more effective in the area of collections than the tangle of lenders, guarantors and collection agencies and secondary markets presently in place. * * * Under the present system there is almost no way to control abuse. If and when abuse is discovered, it may be several years down the road. A direct draw-down of funds would make it immediately visible to the Department of Education if institutions were abusing the system."

Sangamon State University, Springfield, Ill.—Naomi B. Lynn, president: "I believe that your bill is preferable to the House legislation in this area and that it represents the best we are likely to get during the current session."

North Carolina Agricultural and Technical State University, Greensboro—Edward B. Fort, chancellor: "The IDEA Credit program, increased funding for the Pell Grant Program and the Excellence Scholarships program all represent the type of action needed to guarantee an educated America in the 21st Century."

University of Maine at Farmington—J. Michael Orenduff, president: "* * * I am acutely aware of the many flaws in our current array of student loans. Your proposal offers a simple, comprehensive, affordable and reasonable alternative."

Arizona State University—Lattie F. Coor, president: "It is clear that this new direction is a critical element to our nation's success in the future. Our current array of student financial aid program is clearly inadequate to meet the present demand, let alone the future financial demands of bright but needy students."

Kilian Community College, Sioux Falls, S.D.—Ron MacDonald, president: "(IDEA Credit) is the most meaningful action for increasing access to college for non-traditional students since the original G.I. Bill."

University of Chicago—Arthur M. Sussman, general counsel and vice-president for administration: "The concept of direct loans is of interest to The University of Chicago, first and foremost because of advantages it may have for many of our students. Over the years, the present program has become more complex for students, especially the application process. In addition, as you point out, students who wish to enter fields that are less well-paid may be deterred from doing so if they need loans to complete their training. The repayment plan you propose would ameliorate that difficulty."

University of Tennessee, Memphis—James C. Hunt, chancellor: "IDEA Credit is a splendid concept. The need is desperate for many students who simply are priced out of the market and are unable to achieve basic and advanced higher educational experiences * * * we often see health professional students in dentistry, medicine, pharmacy and graduate school students in the basic sciences run up enormous debts in the process of obtaining their pre- and post-doctoral education and training. Some of our dental and medical students have debts far in excess of $50,000 at the time of obtaining their doctoral degrees. When monies are available for loans, the hassle factor is very, very considerable, and living expenses are seldom adequate at best. The IDEA Credit Program will simply greatly the administrative process and should enormously diminish the cost."

Eastern Iowa Community College District, Davenport—John T. Blong, chancellor: "Your proposal addressed these concerns without increasing the paperwork our institution must handle, an accomplished feat. From a college perspective, key points in your proposal are that the plan will not increase the budget (and may actually result in saving federal funds) and will simplify the paperwork for colleges. We cannot continue to let students graduate from college with a staggering debt which they can only hope to repay with high-paying jobs. Your proposal restores incentives for students to enter lower-paying professions which have direct social applications and benefits. This will help rekindle the spirit that made us a caring country idolized throughout the world * * * Thank you for your understanding of what our students truly face."

Quinebaurg Valley Community College, Danielson, Conn.—Robert E. Miller, president: "Please record this as a hearty endorsement for the Financial Aid for All Students Act. I favor this approach to loan distributions that would provide more support to more students with less bureaucratic control and expense. Banks and loan guaranty agencies constitute a barrier to students, especially those who tend to be less sophisticated about accessing resources that will enable them to attend college."

Oklahoma Baptist University, Shawnee, Okla.—Bob R. Agree, president: "The IDEA Credit program has merit. It would help the middle income family more than any other direct loan idea I have seen * * * Your proposal seems to incorporate the best of several efforts that we've seen."

Eastern New Mexico University, Roswell—Loyd R. Hughes, provost: "Please consider this a letter of support * * * Any change which will open up the financial aid system to move middle class students while at the same time increase the amount of aid to the neediest students, spread the paycheck period over a longer period of time (depending on income), simplify the system and also

save money seems almost too good to be true."

State of Connecticut Board of Governors for Higher Education, Mattatuck Community College—Richard L. Sanders, president: "I believe the entire proposal will do much to simplify a process which is very difficult for individuals to understand, both inside and outside of higher education. I vigorously support it. * * *"

The Boston Conservatory—William A. Seymour, president; James T. Bynum, director of financial aid: "The IDEA Credit program would be especially important to our graduates. They are teachers and performers in the arts, and their income potential is generally limited during the first few years following their separation from the Conservatory. A deferred repayment program based on income and collected through the tax system would make it possible for more and varied students to have access to a professional arts education."

New Community College of Baltimore—Myrtle E.B. Dorsey, vice president, student affairs: "It is reassuring to see that you understand the problems that face students and parents in pursing a college education. Your amendment cuts right through the red tape and gets to a major problem parents and students face: where to find funds. Often for low-income students, bureaucracy intimidates them and even discourages many from thinking about the possibility of access to higher education. Generations suffer when all citizens cannot avail themselves of higher education opportunities. * * * lenders will be very much against this proposal because they profit from these programs. I am concerned that the banking lobbyists may work to defeat this amendment. I think many citizens would be surprised to see how much money is spent to subsidize banks by the current student loan program."

University of Hartford, Hartford, Conn.—Dr. Timothy B. Brown, special assistance to the president: "I strongly support (IDEA Credit). * * * it is clear to me that our diverse system of higher education which includes a mix of excellent public and private institutions will survive and grow only with increased public involvement and support. Accountability, however, is of paramount importance if the public is going to support increased aid for higher education. It must be made absolutely clear to a skeptical public that higher education is, in fact, a public good and that funds for student aid are actually being used in a cost-effective manner to provide all sorts of benefits for the community and the nation."

Colorado Northwestern Community College, Rangely, Colo.—Aubrey Holderness, president: "(IDEA Credit) simplifies access of fund support for all students, better assures accessibility of higher education/vocational education opportunities for all students, assures better program and institutional accountability to which we are committed, simplifies process and paperwork for schools, and provides substantive administrative and operational savings."

Denton Texas—Pat Thomas: "As a single woman struggling to work full time and complete a graduate program, I have been frustrated to find that my income, while barely covering my living expenses, is 'too high' for me to qualify for student loans. As a result, I am financing my graduate education largely with consumer credit cards—hardly the most cost-effective way, but I find it is my only option. Your program would certainly help me and many others in graduate and undergraduate programs."

Montgomery, Ill.—Mary Williams: "We are such a family (that would benefit under IDEA Credit). My husband is approaching retirement age and our youngest child just started college this fall. We don't feel like taking out big loans ourselves when we can see a reduced income when we are still trying to pay them off. Our son has a good scholarship. * * * But it still leaves a lot of expenses to be covered through other means. Having raised six children we have not saved tons of money to put number six through college. He is a high achiever and we want him to take advantage of his opportunities. I see more direct loans to students as an advantage to people like us. This is not a 'hardship' story, but I think we are a good example of the families that would be helped by the ideas you have proposed."

Mount Mary College, Milwaukee—Sister Ruth Hollenbach, president: "We fully support your efforts not only for the increased assistance that many students need but also the improvements in delivery and collections of these loans. At Mount Mary College we consider excellence to be our oldest tradition. The Excellence Scholarship program will encourage students to work hard to develop their talents and abilities."

Lafayette College, Easton, Penn.—Robert Rotberg, president: "* * * I strongly support your proposed amendment to the Higher Education Act. An IDEA Credit program of loans to deserving students, repaid out of later taxed earnings, make abundant sense to me as an educator and as a taxpayer."

Palm Beach Community College, Lake Worth, Fla.—Melvin Haynes Jr., vice president of student services: "* * * we wholeheartedly endorse (IDEA Credit). The program assists in meeting the increasing need for our people to have affordable access to higher educational opportunities by providing credit to students in a much more efficient manner than does our present student loan program."

Norwich University, Northfield, VT.—W. Russell Todd, president: "I support the concept contained in IDEA Credit. * * * It is also encouraging to see, under your proposal, that America's middle-class families will once again be eligible for student aid."

Amherst College, Amherst, Mass.—Joe Paul Case, dean of financial aid: "Amherst College supports IDEA Credit. * * * From our perspective, direct lending simplifies the loan process for students, streamlines colleges' paperwork and administrative details, delivers funds more promptly to students and their institutions, and is very likely to produce substantial savings for taxpayers. Bypassing the multitude of lending institutions and guaranty agencies that a college with a student body drawn from across the nation must deal with is especially attractive to us."

Coalition for Democratic Values—("New Program for a High-Wage, High-Productivity Economy.") The current system of the federal government providing costly guarantees to private banks and secondary market organizations must be replaced by a simpler and cheaper program of direct government lending. And the current system of repayment must be changed to one that is based on the individuals' income after graduation * * * (to) re-open the doors of higher education to hundreds of thousands of young people, allow them greater choice in both their education and their occupations after school, and allow them to manage their debt in a rational way."

• Mr. DURENBERGER. Mr. President, I'm pleased to join my distinguished colleagues from Massachusetts, Illinois, and New Jersey in introducing legislation authorizing creation of a new pilot income contingent direct loan program.

This legislation is based on a proposal I first introduced last summer called IDEA, a proposal that was originally authored in the House of Representatives by my mentor on this issue, Congressman TOM PETRI from Wisconsin.

Senator SIMON and I expanded on the IDEA proposal in legislation we introduced last fall that used savings from IDEA to help finance an expansion in the Pell Grant Program and a new merit-based Excellence Scholarship Program.

I'm also pleased that the proposal we are introducing today also incorporates elements of similar legislation introduced by Senator BRADLEY earlier last summer.

Mr. President, these various bills all differ in their details. But, they all authorize a new student loan program that has two essential features:

First, college loans that are available to students directly from the Government—eliminating millions of dollars in administrative expense and red tape; and

Second, loan payments that are based on post-college income and that are made through the IRS—eliminating millions of dollars in defaults and vastly simplifying how loans get collected.

All the charts and graphs and calculations needed to explain and analyze the IDEA program can be boiled down to those two central features, those two sets of advantages, and those two calculations of savings.

Mr. President, a big part of my sensitivity to the rising cost of going to college stems from my own experience as a parent and the experiences of my constituents who also have sons or daughters who are in, or about to enter, college.

Just 2 months ago, a new national survey found the rising cost of college to be our third biggest worry as families in America—right behind crime and drugs and—surprising to me, at least—ahead of health care.

Millions of middle income American families are clearly worried that going to college is something that could again become the sole province of the unsubsidized rich and the totally subsidized poor.

And, millions of American families are clearly worried that their kids won't have the same opportunities that we had to go to college—just one generation ago.

Mr. President, I also see the fears and doubts that are facing middle income American families every day in my mailbag.

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."

One big reason for this frustration lies with the rising cost of going to college. From 1980 to 1987, inflation adjusted tuition rose five times faster than the rate of the median family income.

And, just 3 months ago, the papers were again reporting the College Board's annual report on average tuition and fees at public and private universities.

Inflation was 3 or 4 percent last year. But, tuition and fees were up 12 percent at public 4-year institutions and up 13 percent at 2-year public universities, the fastest growing sector of higher education.

All of this is happening at a time when incomes are leveling off, and home equity—the traditional savings bank that many of us drew on to finance our kids' educations—may even be declining in value.

What scares me the most about this trend is that it threatens to price middle income Americans out of higher education at the same time economic realities are demanding an even better educated work force.

That fear threatens the dream today's students have of getting a college education. And, that dream becomes a scary nightmare if we project current trends in the cost of higher education out into the future.

One constituent of mine recently wrote that he had priced out the cost of sending his three children to college—hoping to give them the same high quality education that had cost him and his family about $12,000 just 20 years ago.

His children are now ages 12, 9, and 3. And, by the time they complete college, the total cost of their education is projected to be between $200,000 and $400,000 depending on whether they attend public or private colleges.

That's an average of $67,000 for a public college education and $133,000 for private college—a tenfold increase in what it cost to send my Minnesota constituent to college just one generation ago.

A prudent parent would start saving for that kind of expense right now.

But, my constituent calculated that he and his wife would have to be saving more than $14,000 a year if their three children were going to public colleges and almost $30,000 a year to cover tuition and other expenses at private colleges—for each of the next 15 years.

Mr. President, that 21st century challenge cannot be met by our 1960's-era system of student grants and loans.

A system that's unnecessarily bureaucratic and complex.

A system that largely neglects the needs of middle income students and their families;

A system that spends billions of dollars a year on overhead and red tape;

A system that's vulnerable to administrative and financial problems best documented by last year's collapse of the Higher Education Assistance Foundation [HEAF];

A system that's limiting institutional, career and family-related choices for a growing number of students; and

A system that's burdening millions of students with inflexible loan payments and a growing level of debt that produced $3.9 billion in student loan default last year.

In the 5 years beginning in 1987, Federal student loan defaults have cost the taxpayers $11.5 billion.

More than 40 cents of every dollar we now spend on the Federal student loan program goes to pay off defaulted loans.

And, many of the thousands of borrowers in default are now stuck with a burden and a barrier to getting and sustaining a good start in life.

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 to me recently. "But, we feel our efforts are denied by the creditors insisting on unrealistic expectations."

The inflexibility of the current system is especially hard on very low-income individuals who may have failed the first time around in getting a college education and defaulted on their student loans.

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."

That kind of indictment of the current student aid system requires more than tinkering and fine-tuning.

What we need is a fundamentally different way to both easing the burdens of rising cost and of insuring each of us against the uncertainties of incomes that often rise and fall throughout life.

My colleagues and I had hoped that we could have taken a bigger step toward reaching that goal in this year's higher education reauthorization. And, I realize we still have a great deal of work to do in the Finance Committee to make this program a reality.

But, the legislation we're introducing today represents a good start on the kind of fundamental reform in the financing of higher education I believe we need.

The new student loan program we have proposed is a fair, simple, efficient way of assuring financial access to higher education for thousands of middle income Americans who don't now qualify for a federally guaranteed student loan, and for many other students who have exhausted their loan limits under other programs.

Most importantly, the IDEA program offers flexibility in avoiding needless defaults for graduates when their incomes rise and fall because of changes in the economy, career choices, illness, or family obligations.

IDEA offers individuals in occupations with relatively low salaries, like teachers and social workers, the opportunity to pay off their loans without the unfair burden than now can discourage a public service career.

IDEA could be a low-cost solution to the concerns all of us have heard from medical students during the higher ed reauthorization about the loss of deferred interest during long and relatively low-paying residencies.

And, IDEA offers the potential to eliminate inefficiencies and flaws in the current student loan program—saving millions of dollars now going for overhead and red tape—saving millions of dollars now going to pay defaulted student loans.

Before I close, Mr. President, I would like to briefly address the concerns that have been raised about the impact a direct loan program like IDEA might have on banks, guarantee agencies and other third parties in the current system.

There are many legitimate concerns to be raised about the mechanics of income contingent direct loans. And, great care will be needed in crafting the details of a plan that is financially feasible to both borrowers and the Government.

But, let me state as clearly as I can Mr. President, I do not believe that the interests of third parties should be the overriding consideration in what we do.

The purpose of the Federal Student Loan Program, is to help provide financial access to higher education, not to offer a guaranteed source of income for banks. If students, institutions, and taxpayers can be better served by a different way of doing things, then I say "why not?"

I say that despite the firestorm of protest that emerged from many of those who now act as intermediaries in the student loan system last fall Senator SIMON and I introduced the IDEA proposal.

As I looked around the hearing room when IDEA was first on the Labor Committee's agenda, I saw a room packed with lobbyists determined to protect a Government guaranteed profit center for those who now issue loans, provide secondary markets, and do the collecting of those loans that are paid on time and those loans that go into default.

I would remind those interested parties that the legislation we are introducing today does not eliminate any existing programs or the role of those who administer them.

If, in the future, students and their colleges prefer the IDEA program—and if those choices reduce demand for existing programs—then the marketplace will have spoken.

Mr. President, I realize IDEA is a far-reaching proposal. It confronts powerful special interests. It challenges deep-seated ideology.

But, the system of student loans we have now, will not adequately serve Americans into the 21st century. The system we have now must be fundamentally changed.

To bring that process of change, the IDEA program offers a solid commitment to ensuring access to higher education for all Americans. I urge its support and I look forward to working with my colleagues on both the Finance and Labor Committees to make that commitment a reality.●

Mr. SIMPSON (for himself, Mr. METZENBAUM, and Mr. LIEBERMAN):

S. 2256. A bill to amend the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, enacted July 5, 1946 (commonly known as the Lanham act), to require certain disclosures relating to materially altered films.

FILM DISCLOSURE ACT OF 1992

Mr. SIMPSON. Mr. President, I rise today—along with Senator METZENBAUM and Senator LIEBERMAN—to introduce the Film Disclosure Act of 1992.

This legislation would recognize the interest we all have in preserving the integrity of one of the most uniquely American of art forms—the motion picture. I personally recoil at the thought of colorizing such classics as "Casablanca" or "The Maltese Falcon." These films were intended to be shown in black-and-white by their creators.

Perhaps the most vivid example of an inappropriately altered film is the colorization of "Lost Horizon." That film was necessarily filmed in black-and-white because the mythical paradise in which it is set—Shangri-La—is formed by the author's and the audience's imagination. It is up to the viewer of "Lost Horizon" to "fill in the blanks" when visualizing that paradise.

I strongly believe that film audiences should know whether they are watching an original—or significantly different—version of the film in front of them. I also believe that film audiences should know whether the film's artistic authors object to the changes that have been made to the movie.

However, I also believe that any legislation that addresses film alteration must recognize the realities of the international market. The motion picture industry ranks second in producing a positive cash-flow in the U.S. balance of trade. While protecting the artistic integrity of motion pictures, I believe it is also essential that Congress do nothing to impede or harm the financial arrangements by which motion pictures are made and distributed.

The object of this legislation is to ensure that the artistic authors of motion pictures—principal directors, screenwriters and cinematographers—maybe able to inform the viewing public about any significant changes that are made to their work by studios or by television stations. The bill requires that labels be affixed to all films that are exhibited in a "materially altered" form. The label would contain two parts: First, the nature of the alterations would be described, and second, the objection, if any, of the principal artistic authors to the alterations would be clearly stated.

This bill does not prohibit the exhibition of materially altered films. Nor does the bill allow the principal artistic authors to have their names stricken from the altered versions of the film. The bill is truth in packaging proposal, nothing more. It simply gives the consumers of films vital information on: First, the changes that have been made to the film, and second, the objection of the film's author to those changes, if such an objection exists. I might add that film authors in many European countries have much more extensive rights to object to significant alterations of their work than this bill would provide.

Here are the types of alterations—made by people other than the artistic authors—that this bill would require to be labeled: First, colorization; second, panning and scanning—changing the film's image to fit wider movies onto the narrower television screen; third, lexiconning—altering the sound track; fourth, time compression or expansion—speeding up or slowing down a film; and fifth, editing—removal of material or insertion of new material.

These alterations occur with surprising frequency. It is my personal belief that many of these alterations pass unnoticed by a viewing public which might wish to see the original version intended by the artist. I also believe that these alterations discourage some artistic authors of films from making innovative films in the future.

However, let me emphasize again that this bill does not prevent alterations. It does not prevent copyright owners from changing the movie when it is distributed into the secondary markets—such as television or video stores. The bill simply will provide consumers with information on the alterations that are made to the film. Thus, this bill in no way impedes the workings of the market place for movies: It merely allows consumers of films to make the most informed choice possible when making their market-place decision about what films to watch.

A similar bill (H.R. 3051) has been introduced in the House by Congressman BOB MRAZEK and cosponsored by Congressman JOHN BRYANT. This bill differs from H.R. 3051 in the following areas:

First, it exempts film advertising from the labeling requirement;

Second, it changes the wording of the labels to ensure that the labels are factual, and not derogatory in any manner;

Third, it derives the remedies for a violation from the Lanham Trademark Act, not the Copyright Act;

Fourth, it establishes clear time limitations in the process of determining whether the artistic author objects to the alterations, to ensure that timely release of films into the secondary markets is not impeded;

Fifth, it prevents a film author from receiving more than $1 as consideration for waiving his or her right to object to a material alteration, to ensure that directors, screenwriters and cinematographers do not use this new right simply as leverage in contract negotiations with studios; and

Sixth, it clarifies that once a distributor of a materially altered film has contacted the authors of a film to determine whether there is an objection to the alteration, no subsequent commercial users of the film need to contact the film's authors—unless that user makes additional alterations.

Mr. President, it is my intention to work with the motion picture industry to ensure that this bill's intrusions into the industry's financial arrangements are reasonable and minimal. However, I believe that this bill is asking a small price for a large benefit—information about the artistic integrity of a film.

Mr. President, a little more knowledge never hurt anybody. That is all this bill provides: More knowledge to the consumer about the original artist's intent when a film is publicly shown. I commend this bill to my colleagues, and ask for their support.

I ask unanimous consent that a copy of the bill, a detailed summary of the legislation, and a statement by Senator METZENBAUM be printed at this point in the RECORD.

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

S. 2256

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 "Film Disclosure Act of 1992".

SEC. 2. FINDINGS.

The Congress finds that—

(1) motion pictures are an American art form that uniquely captures and preserves our national and cultural heritage;

(2) the integrity of a motion picture is compromised and diminished when the motion picture is sold, leased, or exhibited in a materially altered form;

(3) the public is misled when motion pictures are sold, leased, or exhibited in a materially altered form;

(4) the public has a right to know whether a motion picture which is being sold, leased, or exhibited has been materially altered;

(5) the reputation of the artistic author of a motion picture may be harmed when the original work is sold, leased, or exhibited in a materially altered form;

(6) the artistic authors of a motion picture must have the right to indicate their objections to any material alterations made to their work because otherwise the motion picture misrepresents their work;

(7) the practice of materially altering motion pictures can result in the discouragement of artistic creation in the motion picture field; and

(8) the Government has an interest in the encouragement of artistic creation through protection of an artistic author's reputation.

SEC. 3. AMENDMENT TO THE LANHAM ACT.

Section 43 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946, commonly known as the Lanham Act (15 U.S.C. 1125), is amended by adding at the end thereof the following:

"(c)(1)(A) Each public exhibition of a materially altered motion picture, and each copy of a materially altered motion picture offered to the public through sale or lease (including its film packaging), shall include a label which clearly and conspicuously discloses the following:

"(i) That the film has been materially altered from the form in which it was first released to the public.

"(ii) The nature of that alteration.

"(iii) The fact of objection, if any, by the artistic authors of the motion picture to any such alteration.

"(B) Any distributor or network that proposes to exploit a materially altered film in the manner set forth in subparagraph (A) shall—

"(i) make a good faith effort to notify in writing and by registered mail and in a reasonable amount of time prior to such exploitation those individuals described in paragraph (5)(B);

"(ii) determine the objections of any individual so notified to any specific material alteration of the motion picture;

"(iii) determine the objection of any individual so notified by the questionnaire set forth in paragraph (9) to any type of future material alterations which are in addition to those specifically proposed for the motion picture to be exploited;

"(iv) include or affix the label required under subparagraph (A) prior to the public performance of a materially altered motion picture already in distribution or the initial distribution of a materially altered motion picture to any exhibitor or retail provider of motion pictures intended for home use; and

"(v) in the event of affirmative objections by the artistic author to any future material alterations, include or affix such objections to any copy of a motion picture distributed or transmitted to any exhibitor or retail provider.

"(C) Whenever a distributor or network exploits a motion picture which has already been materially altered, such distributor or network shall not be required to satisfy the obligations set forth in subparagraph (B) (i), (ii), and (iii), if—

"(i) such distributor or network does not further materially alter such motion picture; and

"(ii) such motion picture was materially altered by another distributor or network that complied fully with all of the obligations set forth in subparagraph (B).

"(D)(i) The requirement of a good faith effort under subparagraph (B)(i) is satisfied if a distributor or network that has not previously been notified by each individual in paragraph (5)(B)—

"(I) requests in writing the name and address of each such individual from the appropriate Professional Guild Registry, indicating a response date of no earlier than 30 days following the date of the request, by which the appropriate professional guild must respond; and

"(II) upon receipt of such information from the appropriate professional guild within the time specified in the request, notifies each such individual reasonably in advance of the date upon which the motion picture is to be released into any secondary market.

"(ii) The notice to the artistic author shall contain a specific date, no earlier than 30 days following the date of such notice, by which the individual so notified shall respond in accordance with subparagraph (B)(ii). Failure of the artistic author or the appropriate professional guild to respond within the time period specified shall relieve the distributor or network of all liability under subparagraph (B) (except for clause (iv) of such subparagraph);

"(E) The obligations of an exhibitor shall be limited to—

"(i) broadcasting, cablecasting, exhibiting or distributing all labels required under this section in their entirety as included with or distributed by the network or distributor of the motion picture; and

"(ii) including or affixing a label as described in paragraphs (6) and (8) on a materially altered motion picture as required under paragraph (1)(A) for any material alterations performed by the exhibitor to which the individuals described in paragraph (5)(B) have objected through the questionnaire procedure described in paragraph (1)(B)(iii).

"(F)(i) The provisions of this paragraph shall apply with respect to motion pictures intended for home use through either retail purchase or rental, except no requirement imposed under this paragraph shall apply to a motion picture which has been packaged for distribution to retail providers before the effective date of this section.

"(ii) The obligations of a retail provider of motion pictures intended for home use shall be limited to including or distributing all labels required under this section in their entirety as affixed or included by a distributor or network.

"(G) There shall be no consideration in excess of one dollar given in exchange for an artistic author's waiver of any objection or waiver of the right to object under this subsection.

"(2)(A) Any artistic author of a motion picture publicly exhibited or offered to the public through sale or lease within the United States who believes he is or is likely to be damaged by a violation of this subsection may obtain appropriate relief with respect to any violation of this paragraph without regard to the nationality or domicile of the artistic author.

"(B)(i) In any action under subparagraph (A), the court shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of an artistic author. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States—

"(I) may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found; and

"(II) shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

"(ii) When a violation of any right of an artistic author shall have been established in any civil action arising under this section, the plaintiff shall be entitled to the remedies provided under section 35(a).

"(iii) In any action under subparagraph (A), the court may order that all film packaging of a materially altered motion picture (including film packages of motion pictures intended for home use through either retail purchase or rental) that is the subject of the violation shall be delivered up and destroyed.

"(C) No action shall be maintained under this subsection unless it is commenced within 1 year after the claim accrues.

"(3) Any disclosure requirements imposed under the common law or statutes of any State respecting the material alteration of theatrical motion pictures are preempted.

"(4) To facilitate location of a potentially aggrieved party, each individual identified in paragraph (5)(B) may notify the copyright owner of the motion picture or, as appropriate, one or more of the organizations maintaining a Professional Guild Registry. These organizations may maintain a current registry of persons so notifying them and may make available such information in their possession to facilitate the location of any individual so registered for purposes of paragraph (1)(B). No cause of action shall accrue against any of the professional guilds listed in such section for failure to create or maintain a Professional Guild Registry or for any failure to provide information pursuant to paragraph (1)(B)(i).

"(5) As used in this subsection:

"(A) The term 'film' or 'motion picture' means a theatrical motion picture after its publication.

"(B) The term 'artistic author' means—

"(i) the principal director, principal screenwriter, and, to the extent a theatrical motion picture is colorized or its photographic images materially altered, the principal cinematographer of the film; or

"(ii) in the event that an individual listed in clause (i) is deceased or incapacitated, the heir or heirs of that individual.

"(C) The term 'to colorize' or 'colorization' means to add color, by whatever means, to a published version of a theatrical motion picture originally made in black and white.

"(D) The term 'distributor' means any person, vendor, or syndicator who engages in the wholesale distribution of motion pictures to any exhibitor, network, retail provider or other person who publicly performs motion pictures by means of any technology, except such term shall not include laboratories or other providers of technical services to the motion picture, video or television industry.

"(E) The term 'heir' means any person to whom a right passes by bequest or by the applicable laws of intestate succession.

"(F) The term 'lexiconning' means to alter the sound track to conform the speed of the vocal or musical portion of a theatrical motion picture which has been the subject of time compression or expansion.

"(G) The term 'exhibitor' means any local broadcast station, cable system, airline or motion picture theatre or other person that publicly performs a motion picture by means of any technology.

"(H) The term 'material alteration' means any change, with the exception of changes excluded by this subparagraph, made to a motion picture after its publication. Material alteration includes, but is not limited to, the processes of colorization, lexiconning, time compression or expansion, panning and scanning and editing (purposeful or accidental removal of existing material or insertion of new material). Material alteration does not include insertions for commercial breaks or public service announcements, editing to comply with the requirements of the Federal Communications Commission (in this subsection referred to as the 'FCC'), transfer of film to videotape or any other secondary media now in existence or developed hereafter, preparation of a motion picture for foreign distribution (subtitling and editing limited to those alterations made under foreign standards which are no more stringent than existing FCC standards) or legitimate film preservation activities (the primary purpose of which is the restoration of the motion picture to its original version).

"(I) The term 'network' means any person who distributes motion pictures to broadcasting stations or cable systems on a regional or national basis for public performance on an interconnected basis.

"(J) The term 'panning and scanning' means the process by which a motion picture, composed for viewing on theatre screens, is adapted for viewing on television screens by modification of the aspect ratio (ratio of width to height) of the motion picture and the selection, by someone other than the motion picture's principal director, of some portion of the entire picture for viewing.

"(K) The term 'Professional Guild Registry' means a list of names and addresses of persons readily available from the files of (i) in the case of directors, the Directors Guild of America (DGA); (ii) in the case of screenwriters, the Writers Guild of America-West (WGA-W) and the Writers Guild of America-East (WGA-E); and in the case of cinematographers, the International Photographers Guild (IPG), and the American Society of Cinematographers (ASC).

"(L) The term 'publication', with respect to a motion picture, means the first paid public exhibition of the work following previews, trial runs and festivals.

"(M) The term 'retail provider' means the proprietor of a retail outlet that sells or leases motion pictures for home use.

"(N) The term 'secondary media' means any medium, including but not limited to video cassette or video disc, other than television broadcast or theatrical release, now in existence or hereafter developed, by which motion pictures are sold, leased, or distributed to the public.

"(O) The term 'syndicator' means any person who distributes a motion picture to a broadcast television station, cable television system, or any other means of distribution by which programming is delivered to television viewers.

"(P) The term 'motion picture' means a motion picture of 60 minutes duration or greater, intended for exhibition, public performance, public sale or lease. Such term does not include episodic television programs of less than 60 minutes duration (exclusive of commercials), motion pictures prepared for private, commercial or industrial purposes, and advertisements.

"(Q) The terms 'time compression' and 'time expansion' mean to alter the speed of a theatrical motion picture or a portion thereof with the result of shortening or lengthening the running time of the work in order to fit the picture into a television schedule, airline schedule, or secondary media length.

"(R) The term 'vendor' means the wholesaler or packager of a motion picture which is intended for wholesale distribution to retail providers.

"(6)(A) A label for a materially altered version of a theatrical motion picture intended for public performance or home use shall consist of a panel card immediately preceding and adjacent to the commencement of the motion picture, which bears one or more of the following statements, as appropriate, in legible type and displayed on a conspicuous and readable basis:

'THIS FILM IS NOT THE VERSION ORIGINALLY RELEASED. _____ mins. and _____ secs. have been cut [or, if appropriate, added]. The [insert, if appropriate: heirs of the] director, _____, and [insert, if appropriate: the heirs of the] screenwriter, _____, object because this alteration changes the narrative and/or characterization. It has (also) been panned and scanned. The director and [insert, if appropriate: the heirs of the] cinematographer, _____, object because this alteration removes visual information and changes the composition of the images. It has (also) been colorized. Colors have been added by computer to the original black and white images. The director and cinematographer object to this alteration because it eliminates the black and white photography and changes the photographic images of the actors. It has (also) been electronically speeded up (or slowed down). The director objects because this alteration changes the pace of the performances.'

"(B) A label for a motion picture that has been materially altered in a manner not described by any of the label elements set forth in subparagraph (A) shall contain a statement similar in form and substance to those set forth in subparagraph (A) which accurately describes the material alteration and the objection of the artistic author.

"(7) A label for a motion picture which has been materially altered in multiple ways, or of which an individual served as more than one artistic author, including the principal director and principal screenwriter, need only state the name of the artistic author once, in the first objection of the artistic author so listed. In addition, a label for a motion picture which has been materially altered in multiple ways needs only state once, at the beginning of the label: THIS FILM IS NOT THE VERSION ORIGINALLY RELEASED.

"(8) A label for a film package of a materially altered motion picture shall consist of—

"(A) an area of a rectangle on the front of the package which bears, as appropriate, one or more of the statements listed in paragraph (6) in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the package; and

"(B) an area of a rectangle on the side of the package which bears, as appropriate, one or more of the statements listed in paragraph (6) in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the package.

"(9) The questionnaire required under paragraph (1)(B)(iii) shall consist of the following statement and related questions:

'In order to conform [insert name of motion picture], of which you are an "artistic author" (or the heir thereto), to ancillary media such as television, airline exhibition, video cassettes, video discs, or any other media hereafter developed, do you object to:

'(a) Editing (purposeful or accidental deletion or addition of program material)?

Yes_____ No_____

'(b) Time compression/time expansion/lexiconning?

Yes_____ No_____

'(c) Panning and scanning?

Yes_____ No_____

'(d) Colorization, if the motion picture was originally made in black and white?

Yes_____ No_____

'(e) If the artistic author of the motion picture listed above is deceased or incapacitated, are you the heir of the artistic author?

Yes_____ No_____' ".

SEC. 4. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendment made by this Act shall take effect on the date of enactment of this Act.

(b) SPECIAL RULE.—Paragraphs (1) and (2) of section 43(c) of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (commonly known as the Lanham Act) (as added by section 3 of this Act) shall take effect 180 days after the date of the enactment of this Act.

Mr. METZENBAUM. I am pleased to introduce along with Senators SIMPSON and LIEBERMAN the Film Disclosure Act of 1992. Film is certainly one of the preeminent American art forms. American movies have changed the way we view ourselves, and the way we view the rest of humanity. They've made us laugh, made us cry, and made us think. Little more can be asked of a work of art.

Sadly, the integrity and authenticity of American films receive less protection in this country than in other parts of the world. Classic American films, works of art, are looked upon by their owners as products which can be altered or distorted without the consent or input of their artistic creators.

When the great director John Huston saw the colorized version of his masterpiece, "The Maltese Falcon," he considered it to be an act of defacement and mutilation. "The Maltese Falcon," he said, was "not to be conceived in any other way than black and white." Colorization ruined the tone, atmosphere, and visual force of his film, and yet the colorized version continued to be represented as his work. His name continued to be associated with a product that was nothing more than computerized forgery of his work. The public was misled, and the integrity of his artistic vision was harmed.

Imagine the reaction if a dealer in art prints altered a painting by Monet, Renoir, or some other impressionist because he thought the work of impressionist painters was too blurry or had too many dots. At the very least, we would want the public to know that those prints were not versions of the paintings as originally created by Monet or Renoir.

Or imagine the reaction if a publisher decided that the way to get more people to read Shakespeare would be to update all that 16th century Elizabethan English into 20th-century jargon. At the very least, we would want the public to know that any such work is not the original Shakespeare.

Modern technology has offered us wonderful new tools to aid in movie making. It also has offered much in the way of post production mischief making. Crayon-colored imitations of classic American works of art can be palmed off as the real thing. Scenes can be altered or added, shots can be changed or cut, and the dimensions and perspective of the film can be distorted, all without the consent of the artistic authors or the knowledge of the public.

The movie business is obviously big business. But the best American films are more than just products or commodities. They are works of art. And if they are going to be changed or altered at the whim of a studio marketing executive, the public at least should be told that there is an original version which conforms to the artistic vision of its creators.

When a motion picture is colorized or otherwise materially altered, what viewers see is no longer the product of the artistic vision and technical skills of the film's director and cinematographer. Rather, what they see is the product of a computer or a machine.

In the interest of full and fair disclosure, and in the interest of promoting the integrity and authenticity of American films, the public at least should be told that a materially altered film is not the original work created by its artistic authors.

The legislation being introduced today is simple. It simply requires that the public be told that the film has been altered, and that the artistic authors of the film be granted an opportunity to inform the public that they object to the alterations.

This bill does not forbid the colorization or material alteration of any film, and it will not delay the release of motion pictures into secondary markets such as videocassettes and television. Ted Turner now voluntarily labels the films which he colorizes, and there has been no adverse impact on sales or rentals.

We have tried to craft a bill based upon a simple principle: When a film is materially altered without the consent of its artistic authors, the public should be told and the creators ought to have the chance to register their objections. We are open to any suggestions about how to implement this basic principle, and are ready and willing to work with the studios or any other party interested in the legislation.

FILM DISCLOSURE ACT OF 1992 DETAILED SUMMARY

REQUIREMENTS

All materially altered films must be labelled.

The bill only requires the labeling of materially altered films.

The bill does not prevent materially altered films from being exhibited in their altered form.

The bill does not allow the artistic authors to have their names removed from the altered film.

Label shall consist of: (1) description of material alteration, and (2) objection, if any, of film's principal authors to the alteration.

"Descriptions of material alteration" are factual only; they may not be derogatory or express opinion about the artistic merits of the alteration.

"Objection of film's principal authors" may only be asserted by: principal director, principal screenwriter, or principal cinematographer (if film's visual images are materially altered).

"Material alteration" includes: colorization of black and white films, time compression or expansion (speeding up or slowing down a film), panning and scanning (changing the movie's dimension and perspective to fit a wide-screen movie into the TV's dimensions), or lexiconning (alteration of a film's soundtrack).

"Material alteration" does not include: panning and scanning performed by the principal director, insertions of commercial messages or public service announcements for television, television editing to comply with Federal Communications Commission rules (i.e., editing to remove obscene material from TV broadcasts), or legitimate film preservation or restoration activities.

PROCESS FOR DETERMINING OBJECTION OF FILM'S ARTISTIC AUTHORS

Person or entity which materially alters the film must contact the professional guild representing the film's artistic authors.

Professional guild must contact artistic authors, to determine whether there would be objection to the material alteration proposed.

If professional guild or artistic authors do not respond within time periods described below, then altered film may be released with a label describing only the nature of the material alteration.

TIME LIMITS

Director's, Screenwriter's, or Cinematographer's guild must provide film studio (or other material alterer) with name and address of film authors within 30 days of request.

Film author must respond with objection, if any, to material alteration, within 30 days of notification.

PERSONS OR ENTITIES COVERED

Any person who materially alters a film and then acts as a wholesale distributor of the altered version must comply with both the notification and labeling requirements.

Film studios and television networks are examples of the above.

Any person who exhibits a materially altered film must affix and display the label required by this bill.

Independent television stations and cable systems are examples of the above.

Persons and films not covered: retail video outlets (they need only display the label affixed by the entity that altered the film), films distributed at the retail outlet level before 180 days after the date of enactment of this bill.

FILM INTERESTS COVERED

Only materially altered films and the packaging of such films must contain labels.

Film advertising and promotional materials are not covered by this bill.

REMEDIES

Trademark Act remedies are available against persons violating the labeling requirements: injunctions (against further distribution of the non-labelled film), damages to the film authors, costs of the litigation brought by the injured film author, and recall of non-labelled films released onto the market.

WAIVER OF RIGHTS

Film authors may not receive more than $1 as consideration for their agreement to waive the right to object to a film studio materially altering their film.

This requirement ensures that a film's authors do not use the rights created by this bill simply as leverage to receive a larger compensation from the studio or other entity which employs them.

By Mr. BENTSEN (for himself and Mr. ROCKEFELLER):

S. 2257. A bill to amend the Social Security Act to extend the terms of service of the members of the National Commission on Children, and for other purposes; to the Committee on Labor and Human Resources.

TERMS OF SERVICE OF MEMBERS OF THE NATIONAL COMMISSION ON CHILDREN

• Mr. BENTSEN. Mr. President, today I am introducing legislation, cosponsored by Senator ROCKEFELLER, that will extend the appointment of the members of the National Commission on Children. The extension is provided to give the Commission the time to finish the work of fully disseminating the valuable information gathered during their intensive, 2½-year study.

In 1987, I authored legislation to establish this Commission because I believe it was time for our country to develop a bipartisan strategy to address the needs of our children. Children don't vote. Study after study has shown that, compared to other age cohorts, they are the poorest group in our society. But our future rests with them, and our Nation must act to meet the needs of our children and their families.

The Commission has worked diligently to research the issues facing today's families. I joined the chairman of the Commission, Senator ROCKEFELLER, and other Commission members for a visit to San Antonio, TX, in November 1989 to learn more about the importance of early childhood development and school readiness. This was just one of many site visits across the country in which Commission members spoke with children, parents, teachers, health care professionals, and others who work daily to meet the needs of American children and their families.

Despite the complexity of the issues involved and the wide range of views represented by Commission members, last June the National Commission on Children unanimously adopted a strong report that outlines ways our Nation can address the needs of children and families. This bold report offers a useful outline, but the Commission still has important work to do in disseminating its valuable data and findings to the American public.

Mr. President, the legislation I am introducing today simply extends the appointments of commissioners through December 31, 1992, so that they can follow through completely on their mandate. No additional funding would be necessary, as the funds needed to support the continuing operation of the Commission have already been provided by the fiscal year 1992 Labor-HHS appropriation enacted last year.

The Commission has made a major contribution to public awareness and to the debate about the needs of America's children and families. Our bill will make the technical changes needed to ensure that the Commission will continue to the end of this year and complete the official work that is needed to fulfill its mandate. It is my hope that the Commission's spirit of bipartisan consensus and commitment to children will encourage the administration, the Congress, and the people of America to work together to address the many issues important to our children.

Mr. President, I ask unanimous consent that the text of S. 2257 be inserted in the RECORD at this point.

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

S. 2257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATIONAL COMMISSION ON CHILDREN.

(a) AMENDMENT TO SOCIAL SECURITY ACT.—Section 1139(e)(1)(A) of the Social Security Act (42 U.S.C. 1320b-9(e)(1)(A)) is amended by striking out "for terms ending on March 31, 1991" and inserting in lieu thereof "for terms ending on December 31, 1992".

(b) AUTHORITY.—Notwithstanding any other provision of law, the National Commission on Children shall terminate on December 31, 1992. The Commission shall retain the authority provided to such Commission on the date of enactment of section 1139 of the Social Security Act (42 U.S.C. 1320b-9) until December 31, 1992. The Executive Director and staff of such Commission shall have a reasonable period of time, not to extend beyond March 31, 1993, to conduct those activities that have been determined by the Chairman of the Commission to be required to close down the operations of the Commission.•

• Mr. ROCKEFELLER. Mr. President, I am proud to cosponsor Senator BENTSEN's bill to extend the appointments of the members of the National Commission on Children.

Senator BENTSEN has been an extraordinary advocate for children and families. His vision in establishing the Commission has enabled us to thoroughly research the problems facing children and develop a bipartisan report on ways to address the needs of families. I am truly proud of our efforts, and believe that the consensus that emerged in our final report will provide the foundation we need to push forward on a bold agenda for children.

Our final report was published in June 1990, but the Commission still has work to do in order to complete its original mandate to assess the status of children, and move forward on proposals to address their needs through public- and private-sector programs.

In this final phase, the Commission has five basic objectives. First, I am committed to increase public consciousness of the problems facing American children and families and society's shared responsibility for solving them. Next, the Commission is developing a bold plan to inform public- and private-sector decisionmakers at all levels.

Our third step will be to translate the Commission's recommendations into specific strategic steps for implementation at the Federal, State, and community level. Next, it will be essential to build a strong base of support in all sectors of society for taking necessary steps to improve the health and well-being of our Nation's children. Finally, the Commission will also monitor progress.

In order to take advantage of the strong bipartisan recommendations and publish our additional research, the Commission needs to continue its work this year.

I am grateful for Senator BENTSEN's original leadership in establishing the Commission and his continued support for its mission.•

By Mr. MITCHELL (for Mr. KERREY, for himself, Mr. KENNEDY, and Mr. DASCHLE):

S. 2258. A bill to establish an Education Capital Fund to assist local systematic reform initiatives, and for other purposes; to the Committee on Finance.

EDUCATION CAPITAL FUND ACT OF 1992

•Mr. KERREY. Mr. President, today, I am introducing the Education Capital Fund Act of 1992. This legislation creates a new Federal partner in education, one that is willing and able to work directly with schools and school districts that are committed to undertaking systemic reform. I ask unanimous consent that a summary and the full text of the legislation be printed following my prepared remarks.

This legislation harnesses the ideas and energies of local educators, parents, students, community, and business leaders to restructure our Nation's educational system. Although our schools face difficulties, we should not lose sight of the fact that throughout the country there are tremendously successful experiments already occurring. We need to encourage and support these promising reforms because their success will trigger a revolution in our schools so that our children will have the skills necessary to compete in the coming century.

This legislation creates a venture capital corporation for America's schools. Its five-person Board of Directors will seek out opportunities to leverage a Federal investment in local initiatives. The Board will normally provide up to 75 percent of the assistance directly to local entities.

A local school or school district would enter into a 3- to 10-year performance-based contract with the Board, which would link annual payments to the entity's progress in carrying out the terms of the contract, including increasing student achievement.

The Board would also be authorized to enter into contracts with up to five States who are willing to commit to a statewide systemic reform initiative.

The Education Capital Fund Board would be an independent agency composed of two education experts, including one who is active at the local level, two business leaders involved in educational reform, and the Secretary of Education. The Board would administer a $1 billion dedicated trust fund raised through a modest 0.15-percent increase in the corporate tax rate. The tax will be eliminated once the fund reaches $1 billion. The Board will use the interest on the fund to invest in our schools.

There are three guiding principles to this proposal:

First, successful reform comes from below. School reform will only succeed if it originates at the local level and has a base of support and leadership to

sustain it over time. Top-down directives simply will not work. Federal or State bureaucracies are not flexible enough to respond to the needs of our country's 83,000 public schools. We need to abandon our reliance on the top-down factory-style model of education that has dominated public education for the last century. We need to unleash the knowledge, experience, and commitment of local teachers, parents, students, community, and business leaders. We need to recognize that teachers, if given a greater role in decisionmaking, will help transform how our children are taught and how our children learn. We need to reconnect the family and the school. The current gulf between the school and the family is simply too great. Education has been structured for the needs of bureaucrats, not for the needs of the child. The time has come to reclaim education for the child, the family, and democracy.

Second, there is no single blueprint for successful reform. Even though Federal and State Government have often exercised enormous influence in education, the primary educational political unit in our country has been the local school board. These 16,000 boards reflect the diversity and richness of their local schools. Each locality has its particular strengths and weaknesses. There is no one particular solution to restructuring our schools. There are many good ideas, but the particular combination of measures will need to respond to the specific local problems and will need to draw on the strengths of that community.

The most outstanding practitioner of this approach is Dr. Ted Sizer, founder of the Coalition of Essential Schools and professor at Brown University. Dr. Sizer writes:

> No two good schools are ever quite alike. No good school is exactly the same from one year to the next. Good schools sensitively reflect their communities, both the students and teachers with the school building, and the wider neighborhood it serves. A good school respectfully accommodates the best of its neighborhood, not abjectly—playing whatever tune any particular special interest group might demand—but sensibly, balancing the claims of national values with those of the immediate community.
>
> A good school is the special creation of its own faculty—its teachers, counselors, and administrators. These are its "permanent" folk. A school has character if its key faculty—its Senators—feel collective responsibility for it, take its standards and its style seriously and protect its reputation."

My plan seeks to provide venture capital to communities that are willing to challenge themselves and commit themselves to working over the long term to improve their schools, and in time, their communities.

Third, in order to be successful, reform must be systemic. Incrementalism, ad hoc, and uncoordinated are apt terms to describe most of the reforms that have been tried out on our schools. All too often we have became bogged down in a "project mentality" without giving enough thought to the limits of the structures within which our schools operate. Edward Fiske, in writing about the failure of the reforms kicked off by "A Nation of Risk," comments that:

> The reforms inspired by "A Nation at Risk" contained no new ideas! They called for more of the same: more core academic courses, more standardized tests, a longer school year, more money for teachers. By the end of the 1980's it was evident that the existing system of public education had been pushed to its limits and that more of the same would not make any difference.

Reform only has a chance of succeeding if our strategy is a coordinated effort that seeks to undermine the structural barriers that impede the recasting of our public education system to better address the needs of life in the 21st century.

This reform will need to be systemic reform. My thinking on this matter has been influenced by the work of David Hornbeck, who developed a series of components that are needed to provoke the type of systemic change I believe is necessary to reform our educational system. Systemic reform must be committed to a number of beliefs or assumptions:

All students can learn at significantly higher levels;

The goals of a school apply to all students;

Teaching and learning should be personalized to the maximum feasible extent;

Education must be performance- or outcome-based;

Assessment strategies must be as strong and rich as the outcomes;

School staff must have a major role in decisionmaking;

Major emphasis on staff development is essential;

A high-quality pre-kindergarten program is essential;

The needs of the whole child must be considered and addressed;

Technology can play a meaningful role in raising student and teacher productivity.

Merely adjusting one element will not work. Real change will only occur once we address this broad range of components.

The impetus for this legislation comes from my conversations with parents, students, teachers, administrators, counselors, probation officers, and others who have expressed a sense of urgency about children and their future. I have heard their words and this legislation begins to address their concerns. It allows the local community to formulate their ideas into a plan and offers a Federal partner that will help them realize their goals.

The Education Capital Fund will enable us to respond quickly and efficiently to the desires and needs of parents, teachers, and community leaders who are working at the local level to fashion specific educational programs for their children.

The commitment and know-how is there. I have met remarkable individuals working in the most trying circumstances who are succeeding despite the system. I want to harness their optimism and wisdom to bring about a revolution in education. We cannot be afraid to challenge our orthodoxies. We will need to challenge entrenched interests and bureaucracies. We will need to bring an experimental attitude and we will need to demand quality and performance from every school and every student.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

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

S. 2258

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 "Education Capital Fund Act of 1992".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) in light of the economic challenges in the coming decades, it is vital that the United States take far-reaching steps to rethink and redesign its educational system;

(2) numerous measures have been suggested to strengthen and improve the educational system;

(3) the scope of the problems confronting the 16,000 school districts and 83,000 public schools within the United States precludes any single solution;

(4) because of the fundamental importance of local participation to the success of educational reform undertakings, any redesign initiative must encourage, reward, and sustain local initiatives;

(5) school reform efforts will only be successful if students, parents, and business and community leaders work together with teachers and school administrators in order to improve education;

(6) the success of a school reform depends on the reform being a systemic reform;

(7) any systemic reform effort should be committed to a number of assumptions or beliefs, including assumptions and beliefs that—

(A) all students can learn at significantly higher levels;

(B) the goals of a school apply to all students;

(C) teaching and learning should be personalized to the maximum feasible extent;

(D) education must be performance- or outcome-based;

(E) assessment strategies must be as strong and rich as the outcomes;

(F) school staff must have a major role in decision-making;

(G) major emphasis on staff development is essential;

(H) a high-quality pre-kindergarten program is essential;

(I) the needs of the whole child need to be considered and addressed; and

(K) technology can play a meaningful role in raising student and teacher productivity;

(8) because education is a national concern, the Federal Government should be a leading

catalyst in encouraging State and local community efforts to strengthen and improve the education of our children;

(9) in order for the Federal Government to become a successful partner in local reform efforts, the Federal Government must redefine the traditional means of providing educational assistance; and

(10) in order for the Federal Government to respond to the needs of local reform efforts, it is vital that the Federal Government—

(A) provide assistance through a flexible mechanism that ensures accountability; and

(B) possess the means to contract directly with local school entities.

(b) PURPOSES.—The purposes of this Act are to—

(1) establish an Education Capital Fund;

(2) provide significant Federal assistance through the Fund to local educational agencies, consortia of the agencies, and nonprofit organizations as an impetus for systemic educational reforms based within the local community;

(3) provide significant Federal assistance to up to five States that agree to undertake a statewide systemic education initiative; and

(4) contract directly with the States, agencies, consortia, and organizations through the Fund to—

(A) develop and implement systemic reform initiatives that focus on efforts to redesign schools so that the schools meet the needs of all children; and

(B) establish changes and alignment of sets of policies that address critical issues facing education, including access, accountability, governance, curriculum, instruction, technology, assessment, finance, and resource development.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) BOARD.—The term "Board" means the Education Capital Fund Board established in section 4(a).

(2) FUND.—The term "Fund" means the Education Capital Fund established in section 9511 of the Internal Revenue Code of 1986, as added by section 15.

(3) SYSTEMIC REFORM INITIATIVE.—The term "systemic reform initiative" means one of a range of measures, including initiatives described in section 6(b), that are based on the assumptions and beliefs described in subparagraphs (A) through (K) of section 2(a)(7).

SEC. 4. EDUCATION CAPITAL FUND BOARD.

(a) IN GENERAL.—There is established as an independent agency an Education Capital Fund Board.

(b) COMPOSITION.—The Board shall be composed of—

(1) the Secretary of Education; and

(2) four members, no more than two of whom shall be from the same political party, appointed by the President with the advice and consent of the Senate, including—

(A) two individuals with experience with systemic reform initiatives, selected from among—

(i) individuals with experience in venture capital investment; or

(ii) prominent corporate officials;

(B) one individual with widely recognized experience in the field of education; and

(C) one individual selected from among local teachers, local school district officials, or other local education officials.

(c) VACANCIES.—The President shall fill any vacancy in the membership of the Board in the same manner as the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

(d) TERM.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the President shall appoint each appointed member of the Board for a term of 3 years.

(2) ORIGINAL MEMBERS.—The President shall appoint two of the members first appointed to the Board for a term of 3 years, and two for a term of 4 years. The President shall have discretion to determine which positions shall be filled for each term.

(3) VACANCY APPOINTMENTS.—Any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed.

(4) REAPPOINTMENT.—The President may reappoint an appointed member of the Board for a second term in the same manner as the original appointment.

(e) PRESIDENT AND VICE PRESIDENT.—The Board shall select a President and a Vice President from among the members of the Board.

(f) COMPENSATION.—Members of the Board, with the exception of the Secretary of Education, shall be compensated at a level comparable to level II of the Executive Schedule, in accordance with section 5313 of title 5, United States Code.

SEC. 5. STAFF OF BOARD.

(a) EXECUTIVE DIRECTOR.—

(1) APPOINTMENT.—The Board shall appoint an Executive Director. No individual may serve as Executive Director for more than 8 years. The Executive Director shall serve at the pleasure of the Board.

(2) RESPONSIBILITIES.—The Director shall—

(A) advise the Board about developments in education that merit the attention of the Board;

(B) identify promising systemic reform initiatives;

(C) consult with the Board on priorities for providing funding for systemic reform initiatives;

(D) design an application process for entities seeking funding for the initiatives;

(E) establish a referral network, as described in section 9, to provide technical assistance to entities;

(F) monitor initiatives that receive funding under this Act, and administer reviews of the initiatives, under section 10;

(G) disseminate the results of the reviews;

(H) prepare annual reports to Congress under section 13; and

(I) coordinate the work of the Fund.

(b) CHIEF FINANCIAL OFFICER.—

(1) APPOINTMENT.—The Board shall appoint a Chief Financial Officer for a 6-year term. The Chief Financial Officer shall serve at the pleasure of the Board.

(2) RESPONSIBILITIES.—The Chief Financial Officer shall oversee all financial transactions involving the Fund and ensure the continued financial viability of the Fund.

(c) GENERAL COUNSEL.—

(1) APPOINTMENT.—The Board shall appoint a General Counsel for a 6-year term. The General Counsel shall serve at the pleasure of the Board.

(2) RESPONSIBILITIES.—The General Counsel shall serve as the legal advisor of the Board.

(d) STAFF.—The Board shall employ such staff as the Board may determine necessary to administer the Fund.

(e) APPLICABILITY OF CIVIL SERVICE PROVISIONS.—The Executive Director, Chief Financial Officer, General Counsel, and staff of the Board may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and be compensated without regard to the provisions of chapter 51, and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates, except that no individual may receive pay in excess of the annual rate of basic pay payable for level V of the Executive Schedule, in accordance with section 5316 of title V, United States Code.

(f) ADVISORY BOARD.—

(1) APPOINTMENT.—The Board shall establish an Advisory Board, which shall serve on a part-time basis. Members shall be appointed by the Board and serve at the pleasure of the Board. The Advisory Panel shall be composed of seven members, at least three of whom shall be selected from among local teachers, local school district officials, or other individuals active in systemic reform initiatives at the local and State level.

(2) RESPONSIBILITIES.—The Advisory Board shall work with the Board and Executive Director to identify essential components of successful schools, school districts, and systemic reform initiatives, and on the basis of the identification process establish annual funding priorities for the Board.

SEC. 6. SYSTEMIC REFORM INITIATIVE CONTRACTS.

(a) ESTABLISHMENT.—The Board may enter into contracts with eligible entities to pay for the Federal share of the costs of carrying out systemic reform initiatives.

(b) USE OF FUNDS.—Eligible entities may use funds awarded under subsection (a) for the planning, implementation, expansion, or replication of systemic reform initiatives, that include among the components of the initiatives—

(1) school-based management and shared decisionmaking reforms;

(2)(A) programs that increase parent and community involvement in the schools; and

(B) other activities designed to enhance parental encouragement of student learning;

(3) coordinated efforts and partnerships with business, institutions of higher education, and other entities;

(4) programs to train teachers, principals, school board members, parents, and other individuals involved in a redesigning program;

(5) efforts to improve, reform, and strengthen curricula, especially efforts to—

(A) enhance critical thinking skills; and

(B) coordinate services across grade levels;

(6) programs of cooperative learning;

(7) models of alternative student assignment to schools and within schools;

(8) efforts to acquire and improve access to education technology, including distance learning technologies;

(9) programs of interactive learning through technology;

(10) programs to establish satellite learning centers;

(11) efforts to recruit and retain qualified teachers, including—

(A) programs designed to enhance the professional status and satisfaction of teachers;

(B) alternative routes to certification for qualified individuals from business, the military, and other fields;

(C) efforts to recruit and retain teachers in critical shortage areas, including early childhood teachers, mathematics and science teachers, and special education and bilingual teachers;

(D) incentives for teachers to work in inner-city schools; and

(E) in-service training programs;

(12) programs that decrease dropout rates;

(13) programs that assist at-risk children;

(14) efforts to ensure the readiness of all children for school, including—

(A) full workday, full calendar-year comprehensive early childhood development programs;

(B) parenting classes and parent involvement activities; and

(C) collaborative efforts with health and social service agencies to provide comprehensive services and to facilitate the transition from home to school;

(15) innovative summer programs to assist at-risk students;

(16) developmental education programs;

(17) efforts to improve problem-solving and higher-order thinking skills of students;

(18) tutoring, mentoring, and other activities to improve academic achievement of students directly;

(19) programs to serve homeless children, children affected by a desegregation plan, immigrants, migrants, or other highly mobile populations, even if such children do not attend a school assisted under this section; and

(20) programs that focus on school to work transition and prepare students for entry into the job force.

(c) BASIS FOR CONTRACTS.—

(1) COMPETITIVE BASIS.—The Board shall enter into contracts under subsection (a) on a competitive basis.

(2) CONSIDERATIONS.—In entering into contracts to fund systemic reform initiatives under subsection (a), the Board shall consider—

(A) the need for the proposed initiatives;

(B) the plan of operation and plan for evaluation of the initiatives;

(C) the educational value, budget, cost effectiveness, proposed impact, and expected outcomes of the initiatives; and

(D) the potential transferability of the initiatives to other settings.

(3) PRIORITY.—In entering into contracts under subsection (a), the Board shall enter into contracts that focus on systemic reform initiatives to redesign schools and shall give priority to proposals that—

(A) address critical issues facing education, including access, accountability, governance, curriculum, instruction, technology, assessment, finance, and resource development, including the preparation, certification and renewal of staff;

(B) benefit students or schools with below average academic performances;

(C) benefit schools or local education agencies serving a large number of disadvantaged students;

(D) help ensure a broad geographic distribution of initiatives that receive funding, including initiatives in rural, urban, and suburban settings;

(E) have demonstrated a broad-based community support for the proposed reforms and have the potential to become models of education redesigning; and

(F) are consistent with the priorities of the Fund, as established by the Board.

(4) DURATION.—The Board may enter into contracts under subsection (a) for periods of from 3 to 10 years.

(d) APPLICATION.—To be eligible to obtain funding under this section, an entity shall submit an application to the Board at such time, in such manner, and including such information as the Board may require. At a minimum, each application shall contain—

(1) a proposal containing a description of the systemic reform initiative to be funded under this section;

(2) a detailed description of the identified problems that are to be addressed by the proposal;

(3) a plan of operation, including a description of the measures the entity proposes to undertake in order to address the problems;

(4) a plan for evaluation of the initiative, including a description of the statistical indicators and other criteria to be used to evaluate the progress in addressing the problems, with an emphasis on authentic assessment of student achievement;

(5) a detailed budget for each year of proposed funding;

(6) information demonstrating that the applicant has established a partnership with teachers and parents, and has consulted with teachers and parents in developing the proposal;

(7) a description of the measures the local governing entity, school agency, or private sector will undertake to successfully complete the initiative and fulfill a local commitment to the proposal;

(8) information demonstrating coordination with local health and social service agencies, if applicable;

(9) information demonstrating the degree of community support for the proposal;

(10) information demonstrating private sector involvement in the initiative;

(11) a description of the ways in which the plan will improve opportunities for student success and will result in enhanced student achievement;

(12) an assurance that the eligible entity has a long-term, indepth commitment to the proposal;

(13) an assurance that the applicant is willing to streamline its administrative structure in order to cultivate an experimental setting for the educational reform; and

(14) an assurance, which may consist of a commitment to raise funds, that the applicant will obtain the non-Federal share of the costs of carrying out the initiative.

(e) CONTRACTS.—

(1) NEGOTIATION.—The Board shall negotiate any contracts described in subsection (a) on the basis of the information contained in the applications of the entities.

(2) CONTENTS.—Any contract entered into under subsection (a) shall specify—

(A) a description of the measures the entity proposes to undertake to carry out a systemic reform initiative;

(B) a description of the measures to be used to evaluate the progress made by the initiative;

(C) the objective criteria to be met each year of the funding term;

(D) the consequences should those criteria not be attained;

(E) a bonus system should the progress achieved by the entity exceed the criteria; and

(F) a detailed budget for each year of proposed funding.

(3) RENEGOTIATION.—The Board may renegotiate contracts entered into under subsection (a).

(f) ELIGIBLE ENTITY.—Entities eligible to enter into a contract under this section shall include—

(1) a local educational agency, as defined in section 1201(g) of the Higher Education Act of 1965 (20 U.S.C. 1141(g));

(2) a consortium of such local educational agencies;

(3)(A) such a local educational agency, on behalf of a particular school within such local educational agency; or

(B) a consortium of such local educational agencies, on behalf of a consortia of particular schools in such local educational agencies; or

(4)(A) a nonprofit partnership between such a local educational agency and a local college or university;

(B) an area-wide collaborative partnership involving a private sector business that enters into an agreement with such a local educational agency; or

(C) a consortium of local or county health and social service agencies in conjunction with a local educational agency or other entity described in paragraph (1), (2), or (3) or subparagraph (A) or (B).

(g) INFORMATION.—The Board shall widely disseminate information about funding of systemic reform initiatives.

(h) FEDERAL SHARE.—

(1) IN GENERAL.—The Federal share of the costs of carrying out systemic reform initiatives under this section shall be up to 75 percent.

(2) INCREASES.—The Board may increase the Federal share on a specific contract if the Board determines that the eligible entity involved in the contract is especially deserving of assistance and is unable to pay for the non-Federal share of the costs of carrying out the initiative funded under the contract.

(i) NON-FEDERAL SHARE.—The non-Federal share of the costs of carrying out systemic reform initiatives under this section shall consist of a cash contribution.

(j) ADMINISTRATIVE COSTS.—An eligible entity may use for administrative costs not more than 5 percent of funds awarded under subsection (a) for a fiscal year.

(k) APPLICATION TO OTHER FUNDING DECISIONS.—

(1) FEDERAL FUNDING DECISIONS.—In making Federal funding decisions for other programs, the head of a Federal agency shall not take into consideration funding under this section, except to the extent that an entity seeks additional funding for a systemic reform initiative that receives funding under this section.

(2) STATE FUNDING DECISIONS.—In order for an entity in a State to be eligible to receive funds under this section, the State shall not make funding decisions that take into consideration funding under this section, except to the extent that an entity seeks additional funding for an systemic reform initiative that receives funding under this section.

SEC. 7. STATE SYSTEMIC REFORM INITIATIVE CONTRACTS.

(a) USE OF FUNDS.—The Board may enter into contracts with five States in order to pay for the Federal share of—

(1) developing and implementing systemic reform initiatives that focus on systemic efforts to redesign schools so that the schools meet the needs of all children; and

(2) establishing changes and alignment of sets of policies that address critical issues facing education, including access, accountability, governance, curriculum, instruction, technology, assessment, finance, and resource development.

(b) BASIS FOR CONTRACTS.—

(1) COMPETITIVE BASIS.—The Board shall enter into the contracts under subsection (a) on a competitive basis.

(2) CONSIDERATIONS.—In entering into the contracts under subsection (a), the Board shall consider the factors described in section 6(c)(2).

(3) PRIORITY.—In entering into contracts under subsection (a), the Board shall enter into contracts that focus on systemic reform initiatives to redesign schools and shall give priority to proposals described in section 6(c)(3).

(4) DURATION.—The Board may enter into contracts under subsection (a) for periods of from 3 to 10 years.

(5) AMOUNT.—The Board is authorized to enter into contracts for up to $50,000,000 for each of the five States.

(c) APPLICATION.—To be eligible to obtain funding under this section, the Governor of a State, in consultation with the top edu-

cation and social service officials, shall submit an application to the Board at such time, in such manner, and including such information as the Board may require. At a minimum, each State application shall contain—

(1) a proposal containing a description of the systemic reform initiative to be funded under this section;

(2) a detailed description of the identified problems that are to be addressed by the proposal;

(3) a description of measurable objectives to be achieved by the initiative in education, health, social services, and employment;

(4) a plan for evaluation of the initiative, including a description of the statistical indicators and other criteria to be used to evaluate the progress in addressing the problems, with an emphasis on authentic assessment of student achievement;

(5) a detailed budget for each year of proposed funding;

(6) information demonstrating that the State will equalize the educational funding of the State and that the Federal funding provided by the Fund will be equalized;

(7) a description of the measures that the State government will undertake to ensure that there will be a broad level of community support for, and involvement with, the initiative by individuals involved in education, including parents, teachers, administrators, and business and community leaders.

(8) a description of the way in which the initiative will improve opportunities for student success and will result in enhanced student achievement;

(9) a description of specific steps that the State will undertake to streamline the administrative structure of the State in order to cultivate an experimental setting for the educational reform;

(10) a description of the way in which education, health, social services and employment delivery systems would be structurally connected to the initiative; and

(11) a description of measures to ensure accountability, which measures shall include a system of rewards and penalties for outcomes.

(d) CONTRACTS.—

(1) NEGOTIATION.—The Board shall negotiate and enter into contracts described in subsection (a) on the basis of the information contained in the applications of the States.

(2) CONTENTS.—A contract entered into under subsection (a) shall specify—

(A) the methods by which the State plans to carry out the initiative;

(B) the objective criteria to be met each year of the funding term for the initiative;

(C) the consequences if the criteria are not attained; and

(D) a bonus system if the progress achieved by the State exceeds the criteria.

(3) RENEGOTIATION.—The Board may renegotiate contracts entered into under subsection (a).

(e) FEDERAL SHARE.—The Federal share of the costs of carrying out systemic reform initiatives under this section shall be 50 percent.

SEC. 8. NONDISCRIMINATION.

(a) IN GENERAL.—Any funding provided under a contract entered into under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

(b) NONDISCRIMINATION.—Any individual with responsibility for the administration of a systemic reform initiative that receives funding under this Act shall not discriminate in the selection of participants to the initiative on the basis of race, religion, color, national origin, sex, age, disability, or political affiliation.

SEC. 9. TECHNICAL ASSISTANCE REFERRAL NETWORK.

(a) NETWORK.—The Board shall cooperate with regional educational laboratories or other appropriate entities to establish a technical assistance referral network to assist entities in planning, developing, and implementing proposals for systemic reform initiatives funded under this Act.

(b) MEMBERSHIP.—The Board shall ensure that the technical assistance referral network described in subsection (a) includes members of the business and education communities.

SEC. 10. REVIEW AND MONITORING PROCEDURES.

(a) REVIEW AND MONITORING.—The Board shall establish procedures for reviewing and monitoring contracts entered into under this Act. The procedures may not include any review by persons other than the Board.

(b) CONTACT.—The staff of the Board shall have quarterly contact with each entity that enters into a contract with the Board under the Act.

(c) ENFORCEMENT.—The Board shall promulgate regulations permitting the suspension of assistance to any entity that—

(1) fails to comply with the procedures for reviewing and monitoring contracts under subsection (a); or

(2) fails to comply with the conditions of the contract established—

(A) in section 6(e), in the case of a contract entered into under section 6; or

(B) in section 7(d), in the case of a contract entered into under section 7.

SEC. 11. EVALUATION AND DISSEMINATION.

(a) EVALUATION.—The Board shall establish procedures for ongoing evaluation of systemic reform initiatives funded under this Act. The Board may enter into contracts with outside entities, including the Regional Education Laboratories, to conduct the evaluation. Not more than 2 percent of the funds made available under section 9511(c)(1)(B) of the Internal Revenue Code of 1986 shall be available to carry out the evaluation.

(b) DISSEMINATION.—The Board shall establish and carry out procedures to ensure that ideas that are developed, tested, and proved by the initiatives as tools to improve the educational system of the Nation are widely disseminated and made available to entities interested in strengthening the educational system.

SEC. 12. ANNUAL REPORT.

Each entity that enters into a contract under section 6 or 7 shall annually prepare and submit a report on the systemic reform initiatives carried out under the contract to the President of the Board in such manner and containing such information as the President by regulation requires. At a minimum, the report shall contain—

(1) a description of the measures undertaken by the entity during the year;

(2) a description of the extent to which the initiatives attained—

(A) in the case of initiatives carried out under contracts described in section 6, the objective criteria described in section 6(e)(2)(C); and

(B) in the case of initiatives carried out under contracts described in section 7, the objective criteria described in section 7(d)(2)(B);

(3) a description of the measures the entity is proposing to undertake in order to qualify for additional funding, if the entity has not met the requirements of the contract; and

(4) if applicable, a description of the manner in which the entity incorporated recommended changes suggested by the Board during the previous review.

SEC. 13. REPORT TO CONGRESS.

The Board shall annually prepare and submit to the appropriate committees of Congress a report that contains a description of the systemic reform initiatives funded under this Act. At a minimum, the report shall contain—

(1) information on the number of applications to conduct initiatives that are received and reviewed, and the disposition of applications;

(2) information on the financial standing of the Fund, indicating initiatives financed and an overall view of projected commitments made during the year in which the report is submitted and in previous years;

(3) information on the proposed annual administrative budget of the Board for the following year;

(4) an evaluation of the progress and direction of the Fund; and

(5) recommendations for legislative reform regarding the operation of the Fund.

SEC. 14. REGULATIONS AND POLICIES.

(a) REGULATIONS.—The Board shall establish such regulations as may be necessary to carry out this Act.

(b) POLICIES.—The Board shall establish policies to carry out this Act, including the establishment of priorities to be used in the selection of entities to develop and evaluate systemic reform initiatives. The Board shall annually make available to the public the funding priorities of the Board.

SEC. 15. EDUCATION CAPITAL FUND.

(a) ESTABLISHMENT.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9511. EDUCATION CAPITAL FUND.

"(a) CREATION OF FUND.—There is established in the Treasury of the United States a fund to be known as the Education Capital Fund (referred to in this section as the 'Fund'), consisting of such amounts as may be appropriated or credited to the Fund as provided in this section.

"(b) TRANSFERS TO FUND.—There are appropriated to the Fund amounts equivalent to the additional revenues received in the Treasury as the result of the amendments made by section 16 of the Education Capital Fund Act of 1992.

"(c) EXPENDITURES.—

"(1) PURPOSES.—Amounts in the Fund shall be available, to the extent provided in appropriation Acts, for the purposes of—

"(A) making expenditures under section 6 or 7 of the Education Capital Fund Act of 1992; and

"(B) paying for the administrative expenses of the Education Capital Fund Board (referred to in this section as the 'Board'), established in section 4 of the Education Capital Fund Act of 1992.

"(2) PAYMENTS BASED ON ESTIMATES.—Payments under paragraph (1) shall be made on the basis of estimates by the President of the Board. Proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(3) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the funds made available under paragraph (1) shall be available for the purposes described in subparagraph (B) of the paragraph.".

(b) CONFORMING AMENDMENT.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended in the table of sections by adding at the end the following new item:

"Sec. 9511. Education Capital Fund Board.".

SEC. 16. INCREASE IN CORPORATE TAX RATE.

(a) IN GENERAL.—Subsection (b) of section 11 of the Internal Revenue Code of 1986 (relating to tax imposed on corporations) is amended by striking "34 percent" each place it appears and inserting "34.15 percent".

(b) CONFORMING AMENDMENTS.—

(1) Section 852(b)(3)(D)(iii) of such Code is amended by striking "66 percent" and inserting "65.85 percent".

(2) Section 1201(a) of such Code is amended by striking "34 percent" each place it appears and inserting "34.15 percent".

(3) Paragraphs (1) and (2) of section 1445(e) of such Code are each amended by striking "34 percent" and inserting "34.15 percent".

(4) Section 7518(g)(6)(A) of such Code and section 607(h)(6)(A) of the Merchant Marine Act, 1936 are each amended by striking "34 percent" and inserting "34.15 percent".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1992.

(2) NO TAX INCREASE IF UNOBLIGATED BALANCE IN FUND EXCEEDS $1,000,000,000.—If on December 31 of any year (referred to in this paragraph as the "determination date")—

(A) the unobligated balance in the Education Capital Fund exceeds $1,000,000,000, and

(B) the Secretary of the Treasury, after consultation with the Secretary of Education, determines that the unobligated balance in the Education Capital Fund will exceed $1,000,000,000 on December 31 of the year following the determination date if the increase in the corporate tax rate under the amendments made by this section is not effective, then the amendments made by this section shall not apply to taxable years beginning after the determination date.

SUMMARY OF EDUCATION CAPITAL FUND ACT OF 1992

Establish an Education Capital Fund with an accompanying independent five member board composed of business and education leaders. Education Capital Fund Board oversees the distribution on federal money under this Act and establishes funding policy and regulations.

The Board will act as a venture capital partnership. It will make 3-10 year grants available to local entities. The federal share will be up to 75 percent of the project's cost. The specific percent of federal assistance will be decided by the board. The local share should be raised from either public or private sources. The local share can be a commitment to raise a certain amount annually.

Local entities interested in applying for funding will be required to demonstrate broad teacher, parent, student and community, especially private sector support, for their proposed reform. The applicant will be required to describe fully measures to be undertaken, indicate how the plan will improve opportunities for student success, describe what measures should be used to determine whether progress is being made at the classroom level in order to qualify for continued funding, and provide a detailed budget.

Funding will be available for a full range of activities on the basis of the negotiated contract between the Board and the local entity.

The Board will undertake careful evaluations of funded programs in order to guarantee the program's effectiveness and financial viability. The Board will work to make the results of their assessments available to the educational and business community.

The Federal Education Capital Fund would be a dedicated trust fund holding approximately $1 billion. The money will be raised by a corporate surcharge tax of approximately .15 percent over a three year period. Once the money has been raised the board will use the interest generated from the fund to support local projects.

The legislation also provides for funding up to five state systemic initiatives.•

By Mr. BOREN (for himself, Mr. NICKLES, and Mr. WALLOP):

S. 2259. A bill to amend the Internal Revenue Code of 1986 to provide incentives for energy development, and for other purposes; to the Committee on Finance.

ENERGY DEVELOPMENT TAX INCENTIVE ACT

• Mr. BOREN. Mr. President, too many people here in Washington and throughout the country fail to understand how critical it is to our national security to have a healthy oil and gas industry. This lack of awareness is illustrated by the fact that we still import almost half of our Nation's crude oil even after the gulf war, an event that so dramatically highlighted the importance of energy independence.

One of the primary reasons that we have fallen into this trap of overreliance on foreign energy is that our tax policies have penalized, rather than encouraged, domestic independent producers over the last decade. Independent producers are critical to our Nation's oil and gas supplies; they drill 85 percent of the wells and produce 80 percent of the gas and 40 percent of the oil in the country. Today this industry is in a crisis. Since the so-called Tax Reform Act of 1986 was passed, crude oil production in the United States has declined more than 1.7 million barrels per day. 317,000 jobs have been lost in the last decade. And the rig count stands at 653, down from 4,530 10 years ago. This count is the lowest in recorded history.

We simply cannot afford to continue such misguided tax policies that do so much harm to both our economy and our national security. Today, Senator NICKLES and I present a comprehensive program to help the independent oil and gas industry begin to recover from the effects of a punitive tax system and a sluggish economy. The Energy Development Tax Incentive Act of 1992 is a multifaceted program, designed to solve economic and security concerns.

The Energy Development Tax Incentive Act [EDTIA] first provides independent oil and gas producers relief from onerous provisions of the alternative minimum tax system. Many experts point to the AMT as a primary cause of the industry's decline because it treats unfavorably one of the principal business expenditures of the industry—intangible drilling costs—and because it penalizes the capital recovery system unique to the minerals extraction industry—percentage depletion.

Both these items are ordinary and necessary business expenses that are instrumental to the development of oil and gas resources. From an economic standpoint, IDC's are most comparable to research and development costs. Like research and development expenses, IDC's are incurred before a capital asset is known to exist. These costs include survey costs, amounts paid to negotiate and finalize drilling contracts, costs to prepare the drill site, costs of transporting and setting up the rigs, and costs of cementing casing in place. These crucial and unavoidable costs—which may never be recovered—can amount to as much as 80 percent of the total costs incurred in developing a well.

Percentage depletion recognizes that oil and gas producers must discover their capital assets by investing funds that are totally at risk in the hope of finding an asset that may or may not exist. Percentage depletion recognizes that the economic profit from successful wells must compensate for economic losses from dry holes and marginal wells that do not recover their investment. It also acknowledges that oil and gas properties are wasting assets with no residual value; as oil or gas is produced, the value of the asset decreases with each passing day.

Thus, both types of expenses are legitimate and necessary, given the unique nature of the oil and gas industry. Moreover, they both correspond to ordinary business expenses that are deductible for every other business, whether it pays regular corporate tax or the AMT. Our proposal would completely eliminate IDC's and percentage depletion as tax preference items for independent producers paying the AMT. To eliminate the risk that our proposal could result in a taxpayer zeroing out its tax liability—thereby undermining the goal of the AMT to ensure that all taxpayers pay their fair share—this legislation provides that a taxpayer cannot offset more than 90 percent of AMT liability through claiming these deductions.

The AMT portion of the act also repeals as a preference investment in environmental improvement assets. These capital assets are used for the reduction of pollutants into the environment, the minimization of solid waste, waste conversion or recycling, the reduction of environmental hazards, compliance with environmental requirements, prevention or control of unplanned releases of pollutants, and

the manufacture, distribution, and sale of alternate fuels. The oil and gas industry is concerned about the effect of drilling and production on the environment, and it invests significantly in environmental improvement assets. This legislation ensures that such capital investment, when combined with the economic position of the industry, will not propel independent producers into the alternative minimum tax.

Second, the EDTIA allows independents to take an exploration and development tax credit for new domestic wells discovered and drilled. This credit is equal to the sum of 20 percent of qualified investment expenses up to $1,000,000 and 10 percent of such expenses over $1,000,000. This credit can be applied against either regular corporate liability or the alternative minimum tax liability. Such a provision is vital to ensure that all independents, many of whom are paying AMT during these recessionary times, can take advantage of the exploration incentive.

The third initiative contained in the legislation is designed to increase the profitability of stripper wells. The EDTIA increases the allowance for percentage depletion on these marginal wells from 15 percent to 27.5 percent; it therefore increases the period of time during which the wells profitably can produce oil and gas. The plan also raises from $21 to $28 the price that triggers the ability to take the allowance.

Fourth, we propose an expansion of the section 43 credit for enhanced oil recovery so that the credit can be taken for horizontal drilling and advanced secondary recovery techniques. This credit will be equal to 15 percent of the taxpayer's advanced secondary recovery costs. Advanced secondary recovery is recovery directed at producing unrecovered mobile oil that remains in the reservoir at the conclusion of conventional production due to reservoir heterogeneity and unfavorable mobility differences between oil and water. Both secondary recovery techniques and horizontal drilling must be encouraged to increase the amount of oil and gas produced by such enhanced methods.

The final provisions of the bill are designed to decrease the country's dependence on foreign oil and to encourage the use of alternative fuels that are less harmful to our environment. The first set of these provisions are similar to those contained in the bill I introduced in 1991 with Senator ROCKEFELLER and others, the Alternative Fuels Incentive Act. Alternative fuels, such as compressed natural gas, liquid natural gas, and electricity, are increasingly seen as important tools to help clean up the air and to diversify our supply of vital energy. But to allow alternative fuels to meet these expectations, the Federal Government must encourage their development through tax incentives. This legislation provides such encouragement.

The EDTIA provides a tax deduction for retrofitting or purchasing alternative fuel vehicles. These incentives are available to businesses, State and local governments, and other consumers. Our proposals also provides tax incentives for the installation of fueling equipment for alternative fuels at service stations and other appropriate locations.

Finally, the bill includes an imported oil security fee, a proposal I have made in four consecutive Congresses. I remain amazed that although our domestic production of oil has fallen to levels lower than 1977 levels, and although imports of crude oil and refined products continue to rise, this country has failed to come to grips with the threats inherent in its dependence on foreign oil. In addition, the lack of stability in oil prices through the mid-1980's has resulted in 25 percent less drilling than would have occurred had prices been perceived as stable.

Senator NICKLES and I offer a meaningful solution to this alarming problem. The EDTIA would impose an excise tax on all foreign oil brought into the United States that is priced below $25 a barrel. Currently, the price of crude oil in the international market hovers at approximately $18. The $25 figure in our proposal will act as a floor price for crude oil in the United States. No longer will domestic producers have to worry whether a foreign producer intends to flood the world with cheap oil. This floor mechanism will bring needed stability to our domestic industry. This in turn will promote the vital goal of a secure energy supply. Moreover, by increasing the price of oil, the Government will encourage the production of alternative fuels that are less detrimental to the environment.

Mr. President, the independent oil and natural gas industry is fast approaching the point of no return. Either we act now to reverse the devastation caused by a combination of the misguided tax changes in 1986 and the disastrous economic climate, or we will face the future without vibrant independent oil and gas producers and with increasing dependence on unstable sources of foreign oil.•

• Mr. NICKLES. Mr. President, today Senator BOREN and I are introducing a bill designed to remove some of the current tax impediments to domestic production of oil and gas. This bill, if enacted, will give our domestic producers the needed incentives to continue producing from marginal wells and stimulate additional domestic production. Such action is needed now if the domestic oil and gas industry is to survive.

Currently, our country only has 653 active operating rigs, the lowest level since such records were started in the 1940's. In addition, natural gas spot prices are around 84 cents in Oklahoma. Economically, this is killing producers and in many cases wasting precious natural resources.

Since the Persian Gulf war, we have heard increased rhetoric that the United States needs to become less dependent on foreign oil imports. But the fact of the matter is, too many in Washington refuse to enact effective and needed policies to make the goal of domestic oil independence a reality.

Since coming to the Senate, I have continually fought to get unnecessarily burdensome laws, which were passed primarily during the Carter administration and which regulated and penalized the oil and gas industry, off of the books. Fortunately, we have seen the repeal of the Fuel Use Act and the Windfall Profits Tax enacted as a part of that misguided policy.

However, our battles are far from over. Provisions in the 1986 tax reform package reflected on the mistakes of the Carter years, giving those in the energy industry even more headaches and obstacles to overcome with regard to exploration and production of domestic oil and gas resources.

That is why I have introduced a bill to change one such 1986 provision, the alternative minimum tax [AMT]. The legislation eliminates intangible drilling costs and percentage depletion as preference items in order to promote economic growth and tax fairness. I am pleased that Senator BOREN has joined me in this effort.

Since AMT penalties were imposed in 1986, exploration and development drilling has plummeted. Since that time, the industry has lost an average of 32,000 jobs every year, closed almost 400 drilling companies, and shut down 1,120 drilling rigs.

Current law stunts economic growth in the domestic oil and natural gas sector of the economy because it hurts capital-intensive business by denying full use of their ordinary and usual business expenses; penalizes investment in domestic oil and natural gas exploration and development; acts as a cap on drilling investments; and contributes to the decline in the U.S. crude oil production and the loss of more than 300,000 jobs in the domestic oil and gas industry since 1981.

Furthermore, current law unfairly taxes and burdens the oil and gas industry because only the principal business expenditures of domestic oil and natural gas exploration and development, intangible drilling costs, and the long-standing capital recovery system specific to the minerals extraction industry—percentage depletion—are singled out and penalized under the alternative minimum tax.

By eliminating the AMT penalties imposed on the ordinary and necessary business expenses of oil and natural gas producers, deductions that are already

provided for in the tax code are simply being allowed to be used. Furthermore, AMT relief levels the playing field for oil and gas producers.

Since introducing legislation to provide AMT relief in January 1991, I have continued my fight to alleviate this burden. On February 6, Senator BOREN and I introduced another bill which would eliminate IDC's and percentage depletion as preference items under the AMT. Also, on February 7, the Senate passed an amendment I authored directing the Senate Committee on Finance to consider AMT relief. And today, Senator BOREN and I are introducing further legislation to provide AMT relief as well as several other provisions to aid our ailing oil and gas industry.

The bill we are introducing today provides several additional incentives to encourage development and production of domestic resources. Specifically, this legislation calls for an oil and gas exploration and development credit. It provides for a 20-percent credit for the first $1,000,000 of annual exploration and development costs, and a 10 percent credit for annual exploration and development costs in excess of $1,000,000 which can be applied against both the regular and AMT liability.

This bill also would increase the percentage depletion for stripper wells. It provides that the maximum available percentage depletion rate on marginal oil and gas wells—15 barrels day or less—will be 27.5 percent. The depletion rate on these marginal wells will be scaled down to the current 15 percent rate as oil prices fall from $28 to $15 a barrel. It also provides that the current 100 percent net income limitation on the percentage depletion deduction be repealed for oil and gas properties.

In addition to the items mentioned above, this bill provides that the current 15 percent enhanced oil recovery tax credit be expanded to apply to the advanced secondary recovery costs of independent producers. It includes reservoir characterization and horizontal drilling in the definition of advanced secondary recovery.

The bill also contains two provisions designed to help promote the use of environmentally clean fuels, particularly natural gas, and to encourage environmental improvements. One provision provides that the depreciation adjustments under AMT will not apply to environmental improvement assets. The second provision provides deductions relating to vehicles which use clean-burning fuels. This provision gives a deduction ranging from $2,000 for cars to $50,000 for trucks and buses which use clean-burning fuels and a maximum annual deduction of $75,000 for the cost of clean-burning motor vehicle refueling property. Clean-burning fuels include natural gas, liquefied natural gas, propane and electricity. The deduction is available for both regular tax and AMT purposes.

Finally, the bill proposes a floor price on imported crude oil or refined petroleum products. It provides for a variable import fee on crude oil equal to the excess of $25 over the per barrel price of crude oil and a similar variable import fee on refined petroleum products equal to the excess of $28 over the per barrel price of crude oil.

These tax changes are vitally important to the health and survival of our domestic producers. It is my hope that Congress will enact these changes as part of our economic recovery package by March 20.•

• Mr. WALLOP. Mr. President, Today, I join with my colleagues from Oklahoma, Senators BOREN and NICKLES, in introducing legislation to reform the Federal Tax Code to encourage domestic energy production. Just last week, the Senate approved the National Energy Security Act of 1992, the first comprehensive energy policy to be passed by the Senate since I have served in this body. That legislation was developed by the Senate Energy Committee, on which I am the ranking Republican.

One criticism of our bill is that it does little to promote domestic production of oil and gas. whenever I have asked critics what more we could do, they have responded that we should change the Tax Code. As much as I would like to oblige their request, the Energy Committee does not have any jurisdiction over tax issues. Furthermore, under the Constitution, revenue measures must originate in the House of Representatives. Thus, it is impossible for us to reach into tax issues as part of the National Energy Security Act. I did join with Senator JOHNSTON, the chairman of the Energy Committee, in a letter to the chairman and ranking Republican on the Finance Committee outlining recommended changes in tax policy to promote our energy security. I would ask that a copy of this letter be included at the conclusion of my remarks.

The obvious solution to this procedural obstacle, to this missing piece of our energy puzzle, is to introduce a tax reform bill. The legislation we are sponsoring today is one of the missing pieces. We have crafted a bill with eight sections that modify tax policy to remove provisions which retard production and to establish new incentives for domestic energy development.

There are two obstacles to expanding domestic production. One is the price of oil. The price level is at one of the lowest real levels in 40 years. This is, in part, a response to market forces, but also to the oligopsony world of oil created by OPEC. Our solution is an oil import fee which reduces the influence of the market manipulators. However, I realize that many regions of the country are overly dependent on foreign oil, and a fee will not pass this year.

The second obstacle is one of the most absurd tax provisions to ever be enacted by Congress, the Alternative Minimum Tax. As anyone who attempts the incredibly risky business of oil exploration can affirm, the 1986 tax bill, which created the AMT, has been a disaster for our domestic energy producing industry. By including the percentage depletion and the intangible drilling costs as income items in the AMT, we create a confiscatory tax burden for the oil independents. In my own State of Wyoming, nearly 400 independents have closed shop in the last few years. Their demise is in part due to the alternative minimum tax. I think this whole provision should be repealed. But, I will settle for changing the treatment of depletion and drilling costs. That provision is included in our proposal.

I said our tax bill is one of the two missing pieces in the energy puzzle. To complete the picture, we must also allow exploration in ANWR. We do not address that issue in this bill—that debate will occur on another day. I do agree with my cosponsors that the bill we are introducing today is a major step in promoting domestic energy production, in ensuring our energy security. I would expect that many provisions in our bill will be included in the economic growth package to be soon debated in the Senate. I would urge my colleagues to support these reforms.

Mr. President, I ask unanimous consent that supporting materials be printed in the RECORD.

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

COMMITTEE ON
ENERGY AND NATURAL RESOURCES,
Washington, DC., July 22 1991.

Hon. LLOYD BENTSEN,
Chairman,
Hon. BOB PACKWOOD,
Ranking Member, Committee on Finance, U.S. Senate, Washington, DC.

DEAR SENATORS BENTSEN AND PACKWOOD: On June 5, the Senate Committee on Energy and Natural Resources reported S. 1220, the National Energy Security Act of 1991. This is comprehensive legislation which we believe can serve as a foundation for a national energy policy for the United States in the 1990's.

S. 1220 addresses many aspects of energy policy. However, in addition to the matters covered by the bill, energy tax measures play a fundamental role in directing national energy policy.

During the course of the Committee's consideration of S. 1220, we became aware of several energy tax initiatives that would complement its provisions. The attached document sets forth our recommendations with respect to these initiatives and indicates how they complement S. 1220.

We recognize that given the jurisdiction and expertise of the Committee on Finance, you are in the best position to evaluate the benefits and costs of their initiatives. We also recognize that you must operate within the constraints of the budget agreement. We

hope that our views will be of assistance to your Committee in dealing with these important issues.

Sincerely,

J. BENNETT JOHNSTON,
Chairman.
MALCOLM WALLOP,
Ranking Member.

ENERGY TAX INITIATIVES

OIL IMPORT FEE

S. 1220, the National Energy Security Act of 1991, is intended to reduce United States dependence on imported oil and to provide for the energy security of the country. During 1990, the United States imported nearly 8 million barrels of oil per day. This amounted to almost 47 percent of domestic delivered. Prior to Iraq's invasion of Kuwait, 50 percent of these imports came from OPEC nations, with 25 percent coming from the Persian Gulf. At the same time, our domestic production declined in 1990 to its lowest level in almost 30 years.

An objective of S. 1220 is to reduce oil imports. This can be achieved by maintenance of a reasonable floor price for oil which would provide an important incentive to stimulate the exploration and development of our domestic resource. For this reason, we recommend enactment of the following:

Variable Oil Import Fees (S. 215)

An oil import fee is collected when the international price for crude oil falls below $20/barrel and the international price of refined petroleum product, petrochemical feedstock, or petrochemical derivative falls below $22.50 per barrel equivalent. The amount of the oil import fee would be the difference between $20 and the international price of crude oil or the difference between $22.50 and the international price of refined petroleum product, petrochemical feedstock, or petrochemical derivative.

ENERGY EFFICIENCY AND RENEWABLE ENERGY

S. 1220 contains extensive provisions to reduce the rate of growth in energy consumption through the use of energy efficiency. Included among these are measures to improve energy efficiency in the industrial, commercial, and residential sectors, to improve federal energy management, and to increase energy efficiency in the utility sector.

S. 1220 also includes several important measures to encourage the development and deployment of renewable energy resources in the United States and on an international scale in lesser-developed countries. These provisions include joint ventures for the demonstration of renewable energy technologies such as biofuels, geothermal, wind, fuel cells and utility-scale photovoltaics, as well as expansion of the interagency working group that promotes the export of renewable energy and energy efficiency products and technologies. In addition, S. 1220 contains a provision granting authority to the Department of Energy to "buy-down" or subsidize interest rates on private bank loans in order to leverage long-term financing for the solar, biomass, and wind industries.

The objective of these provisions is to recognize the critical role that changes in patterns of energy use can serve in a national energy policy. The following tax initiatives would complement the energy efficiency and renewable energy provisions of S. 1120:

Exclusion for Public Utility Subsidies for Energy Conservation Measures

Exclude from gross income of utility customers the value of any rebates, financial assistance, or service provided by a utility for the purchase, installation, or maintenance of an energy conservation measure. Utilities are in the best position to identify cost effective energy conservation measures and to provide the appropriate benefit to encourage their customers to purchase and install those measures. The unique position of utilities to promote energy efficiency should be accorded strong Federal support through tax incentives.

Extension of the Business Energy Tax Credit

Extend the business energy tax credit for five years, and provide that investments in qualified solar energy and geothermal property would be permitted to offset both the regular tax and the alternative minimum tax of a corporation. Under current law, a general business credit equal to 10 percent of the qualified cost for certain investments in solar energy or geothermal property is available. Failure to extend this tax credit may result in the displacement of United States solar technologies by foreign competitors who have taken advantage of tax and other market incentives in their own countries to make inroads in United States markets.

Tax Credit for Production of Electricity From Renewable Resources

Tax credits for production of electricity from qualified renewable energy technologies should be continued in order to encourage investment in renewable energy production. This is not to suggest that tax incentives should be so large that they distort the market for energy. Rather such tax incentives compensate investors for their investment risk in renewable energy production. Production tax credits are an effective means for encouraging the development and utilization of renewable energy as well as reducing the use of fossil fuels to generate electric power.

TRANSPORTATION

The transportation sector uses 63 percent of the petroleum consumed in the United States. S. 1220 contains many provisions pertaining to reducing the use of oil in the transportation sector through greater energy efficiency and the use of alternative fuels. Among these are provisions pertaining to Corporate Average Fuel Economy, an extensive alternative fuel fleets program, an electric and electric hybrid vehicle demonstration program, an alternative fuels program, and provisions relating to mass transit and training. We recommend consideration of the following tax measures to complement the provisions in S. 1220:

Exclusions and Deductions Relating to Employer-Provided Transportation and Employee Parking

Provide an exclusion for the value of employer-provided transportation between an employee's home and work that is provided in a commuter highway vehicle. Provide an exclusion for an employer-provided transit pass for mass transit facilities.

Prohibit an employer for deducting employer-provided parking costs unless the employer provides parking subsidies pursuant to arrangement under which employee may elect, in lieu of parking, to receive a cash payment or equivalent transportation subsidy.

Limit the existing exclusion from an employee's taxable income for the value of employer-provided parking where space is rented from a third party.

Taxes and Rebates To Encourage Fuel-Efficient Automobiles

Provide for higher taxes for "gas guzzlers". Provide for a tax or rebate on every motor vehicle sold depending on whether its fuel economy is below or above the average for its vehicle class. However, any such proposal should avoid disproportionate impacts on domestic auto makers, and should minimize the opportunities for "gaming" (e.g., by attempting to change the class to which a vehicle is assigned). In addition, adequate lead time should be given so that auto makers have some opportunity to avoid the penalties.

Tax Deductions and Federal Payments for Clean-Burning Motor Vehicle Property

Provide higher tax deductions for alternative fuel vehicles and related refueling facilities. Provide payments from the Federal government to states and localities to share the cost of alternative fuel vehicles and related refueling facilities. Such tax revisions and payments could be viewed as a form of cost-sharing. It may be desirable for society as a whole to bear part of the cost that private companies, states, and localities would incur as a result of Federal mandates requiring alternative fuel use.

Alternative Fuel Vehicle Demonstration Projects

Permit the Federal Highway Trust Fund monies now available for mass transit to be used by municipal governments to purchase alternative fuel vehicles and to subsidize alternative fuel demonstration projects by commercial as well as local government fleet operators.

OIL & GAS PRODUCTION INCENTIVES

Certain provisions of S. 1220 are directed toward enhancing the supply of domestically-produced energy and, in particular, oil and gas. Among these are provisions to allow oil and gas exploration, production, and development in the Arctic National Wildlife Refuge, to encourage enhanced oil and gas recovery from known and producing domestic reserves, and to facilitate the delivery of domestic natural gas supplies in the marketplace.

Several oil and gas production incentives could be provided for in the Internal Revenue Code which would further the objective of increasing domestic oil and gas supply. We encourage the Finance Committee to consider the full range of these production incentives. Among the most important of these are:

Removal of Intangible Drilling Costs (IDC's) and Percentage Depletion From the Alternative Minimum Tax and Corporate Preference Reductions

Allow a deduction for IDC's and percentage depletion for purposes of calculating the alternative minimum tax.

Crude Oil Production Credit for Maintaining Economically Marginal Wells

Allow a tax credit for maintaining or increasing production from marginal wells.

Nonconventional Source Fuels Credit Allowed To Offset Alternative Minimum Tax Liability and Extended

Allow the section 29 credit for nonconventional fuels to offset the alternative minimum tax and extend the section 29 credit.

Repeal of Revenue Ruling 77-176

Repeal IRS ruling which holds that under certain circumstances an assignment of a working interest in leasehold acreage in exchange for an obligation to drill for oil and gas results in taxable income to the driller. The ruling currently discourages the use of joint arrangements to explore for oil and gas.

Additional Items

The Committee may also want to consider additional items, including: allowing early

accrual of expenses related to removal of offshore oil and gas production facilities, restoration of full expensing of IDC's; and current expensing of geological and geophysical costs.

RESEARCH

S. 1220 contains extensive provisions designed to promote research, development, demonstration, and commercialization of energy and energy technologies. We recommend consideration of the following tax initiative to complement these provisions in S. 1220:

Permanent Extension of the Research Credit

Permanently extend the tax credit for research and experimentation expenses which otherwise expires on December 31, 1991, at least with respect to energy and energy technologies.•

By Mr. COCHRAN:

S.J. Res. 260. Joint resolution designating the week of October 18, 1992, through October 24, 1992, as "National School Bus Safety Week"; to the Committee on the Judiciary.

NATIONAL SCHOOLBUS SAFETY WEEK

• Mr. COCHRAN. Mr. President, today I am introducing a joint resolution to designate the week of October 18, 1992, through October 24, 1992, as "National School Bus Safety Week."

The safe transportation of our children to and from their academic institutions is of the utmost importance. Each day, over 22,000,000 students ride schoolbuses to school, sporting events, and on field trips. There is a sense of security that all parents feel when they load their children onto those yellow buses; and with good reason, as schoolbuses have the lowest accident rate of any of the public transportation systems in our Nation.

Mr. President, the school transportation industry deserves to be commended for its outstanding performance. A week of national recognition for schoolbus safety will raise public awareness and encourage parents and children to appreciate the safety rules that foster an effective transportation system. Respect for safety and compliance with the rules are important to ensure the continued success of the school transportation industry.

It is also appropriate to call the Nation's attention to the schoolbus drivers of America. This resolution expresses respect and gratitude to schoolbus drivers for the great responsibility they assume in caring for our children during their routes. They are true professionals and merit our recognition and thanks.

Mr. President, I urge my colleagues to join me in support of this joint resolution.•

By Mr. CRANSTON (for himself, Mr. AKAKA, Mr. GRAHAM, and Mr. INOUYE):

S.J. Res. 261. Joint resolution to designate April 9, 1992, as a "Day of Recognition of Filipino World War II Veterans"; to the Committee on the Judiciary.

DAY OF RECOGNITION OF FILIPINO WORLD WAR II VETERANS

• Mr. CRANSTON. Mr. President, I have today introduced Senate Joint Resolution 261 to commemorate the service of Filipino veterans of World War II who, 50 years ago today, were fighting side-by-side with American soldiers in a valiant effort to defend the Philippines against the invading Japanese Imperial Forces. I am very pleased that committee members DANIEL K. AKAKA and BOB GRAHAM and Senator DANIEL K. INOUYE have joined me in offering this resolution, which would authorize and urge the President to proclaim April 9, 1992, the 50th Anniversary of the Fall of Bataan, as a Day of Recognition of Filipino World War II Veterans.

Mr. President, just over two months ago, on December 7, our Nation observed the 50th anniversary of the Japanese attack on Pearl Harbor. That unprovoked, massive surprise attack on the American fleet, which is properly remembered as one of the most significant events in our history, profoundly shocked the American people and caused the United States to enter World War II. The ceremonies at Pearl Harbor last December, attended by the President, the Secretary of Defense, and several of our Senate colleagues, refreshed our national recollection of the immensity of those events and provided an opportunity to honor the great sacrifices, bravery, and gallantry of the millions of American service members who, along with our allies during the following 4 years throughout the Pacific, Asia, and Europe, fought and won a great victory for our Nation, and for the principles of freedom and democracy.

The resolution we are offering today would pay tribute to the Filipino veterans of World War II who, along with American soldiers and sailors, fought under the command of General MacArthur in a valiant defense of the Philippines, in active resistance to the Japanese occupation, and in the recapture of the Philippines.

Mr. President, almost immediately after the attack on Pearl Harbor, Japanese forces attacked the Philippines, then an American territory moving towards full independence under the terms of the Philippine Independence Act of 1934. According to information provided by the United States Army Center of Military History, the combined regular United States and Filipino military forces in the Philippines at the time of the Japanese attack totaled over 155,000 troops. The majority, approximately 110,000, of those soldiers were members of the Philippine Commonwealth Army, which, on July 26, 1941, President Roosevelt, by Executive order authorized under the Philippine Independence Act of 1934, had called into the service of the United States Armed Forces. The United States Army presence in the Philippines consisted of approximately 19,000 American soldiers and nearly 12,000 Philippine Scouts, who were part of the regular United States Army. In addition, approximately 3,000 United States Navy shore-based personnel and 1,600 United States marines, who had been deployed from Shanghai in November 1941, were serving in the Philippines. These troops constituted the U.S. Army Forces in the Far East, which had been established in July 1941 under the command of General MacArthur, who had been recalled to active duty to assume that post.

The destruction of the American fleet at Pearl Harbor eliminated the ability of the United States to support the defenders of the Philippines. Yet despite their isolation, and the contrasting ease with which the Japanese were able to direct resources to support their invading forces, the Filipino and American forces waged a ferocious defense for 6 months. When the Philippines finally fell in June, four months after the Japanese commanders had expected to complete the campaign, 20,000 Philippine Army troops had been killed in action and approximately 24,000 Filipinos had been wounded.

Mr. President, the official United States Army history of the fall of the Philippines, prepared in 1953 by Louis Morton of the Office of the Chief of Military History, offers the following perspective on the efforts of the courageous defenders:

> Though the Japanese had won an important victory, the American and Filipino troops had not given their lives and their freedom in vain. For six months they had kept alive resistance in the Philippines, exacting heavy casualties from the enemy and immobilizing his forces. Not until Imperial General Headquarters, which had relegated the Philippines to a secondary place in the Japanese plan of conquest, had committed more men and planes than it had ever intended to the struggle was the campaign brought to an end. During the six months required to accomplish this task, the American and Filipino troops had retained their tenacious hold on Manila Bay and denied its use to the enemy. This was their mission and it had been accomplished.

Shortly before General Wainwright—who in March 1942 had assumed command of the United States forces in the Philippines when General MacArthur departed for Australia—surrendered to the Japanese, President Roosevelt wrote to him and noted the importance of the defender's efforts:

> In every camp and on every naval vessel, soldiers, sailors, and marines are inspired by the gallant struggle of their comrades in the Philippines. The workmen in our shipyards and munitions plants redouble their efforts because of your example. You and your devoted followers have become the living symbol of our war aims and the guarantee of victory.

Mr. President, the sacrifices made by the Filipino and American soldiers in

the Philippines during World War II still serve as a bright symbol of the great cost of freedom. The Filipino veterans of World War II who fought and died along with their American counterparts in defending United States territory that was soon to become their nation are most deserving of our remembrance and recognition for their sacrifices, loyalty, and contribution to the causes of peace, freedom, and human dignity. I am very pleased to offer this resolution and urge all of my colleagues to support its enactment.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD at this point.

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

S.J. RES. 261

Whereas, upon the outbreak of war between the United States and Japan in World War II, 110,000 members of the organized military forces of the Government of the Commonwealth of the Philippines who had been called into the service of the United States Armed Forces by order of President Roosevelt dated July 26, 1941, were committed to battle, along with United States personnel, against the Imperial Japanese forces that invaded the Philippines on December 8, 1941;

Whereas April 9, 1992, and May 6, 1992, mark the 50th anniversaries of the fall of Bataan and Corregidor, respectively, to Imperial Japanese forces;

Whereas the Filipino and United States defenders of the Philippines engaged Japanese forces from the beaches of the Philippine islands to the last defense of Bataan and Corregidor in a grueling battle lasting 150 days;

Whereas that defense compelled Japan to divert thousands of additional troops to the Philippines;

Whereas the enormous sacrifices of the defenders in the battles of Bataan and Corregidor provided the United States and its Allies with valuable time to prepare their armed forces for a counteroffensive campaign against Japan;

Whereas, in that defense, the members of the Filipino forces and their United States counterparts struggled against difficult odds and desperate circumstances and faced, with indomitable spirit, fortitude, and loyalty to America, powerful Imperial Japanese forces;

Whereas members of the Filipino forces acquitted themselves nobly during the Bataan death march, during their internment in death camps, and throughout 3 years of resistance against Japanese occupation of the Philippines; and

Whereas the United States recognizes the sacrifice, loyalty, and valuable contribution of the Filipino World War II veterans to the cause of peace, freedom, and human dignity: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 9, 1992, the 50th anniversary of the fall of Bataan, is designated as the "Day of Recognition of Filipino War Veterans", and the President is authorized and urged (1) to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities, and (2) to present a copy of this resolution to Filipino veterans and the Filipino people in Manila on April 9, 1992, during the observance of the 50th anniversary of the fall of Bataan, as an expression of goodwill and a reaffirmation of the continuing regard of the United States and the American people for a lasting Filipino-American friendship.•

• Mr. AKAKA. Mr. President, I am pleased to join Senators CRANSTON, INOUYE, and GRAHAM in introducing legislation to designate April 9, 1992, which marks the semicentenary of the Fall of Bataan, as a "Day of Recognition of Filipino World War II Veterans."

This resolution commemorates the heroic service of the approximately 110,000 members of the organized Filipino military forces, principally members of the Philippine Commonwealth Army, who were called into the service of the United States by President Roosevelt against the military forces of Imperial Japan. The resolution also honors the efforts of the 12,000 Filipinos—the so-called Old Philippine Scouts—who were in the service of the United States Armed Forces prior to the Roosevelt order of July 26, 1941. Together, their activities played an important role in the overall Allied war effort against Japan, by diverting key Japanese military resources to the Philippine theater of operations and giving the Allies valuable months to prepare a concerted counteroffensive against the Japanese war machine.

Mr. President, the United States has recognized the efforts of our Filipino allies in a number of ways. Pursuant to a postwar act of Congress, the 110,000 Filipinos called into service by Roosevelt are eligible for limited veterans benefits, such as pensions, life insurance, burial benefits, and disability compensation, payable at half the rate of U.S. veterans. The established 12,000 Old Philippine Scouts who were in United States service previous to that order are considered official United States veterans, and thus eligible for full veterans benefits. And, recently, the Immigration Act of 1990. Thanks principally to the efforts of my senior colleague from Hawaii, Senator INOUYE, Congress waived the residency requirement for Filipino World War II veterans applying for United States citizenship.

This legislation will continue Congress's tradition of formalizing the sense of gratitude and friendship we feel toward the people of the Philippines for their contributions to the Allied cause during the Second World War. By extension, this resolution also celebrates one of the fruits of our joint victory against Japan nearly 47 years ago, namely the evolution of the Philippines into a sovereign democracy.

Mr. President, I also have a secondary motive in supporting this measure. It is my hope that adoption of this legislation will help set the stage for Congress eventually to extend full veterans benefits to the 110,000 Philippine soldiers who were called into the United States service by President Roosevelt. In everything but name, these individuals are veterans: they fought for the same government, they faced the same dangers, they put their lives on the line for the same cause as other members of the U.S. Armed Forces. Senator INOUYE in this body and Representatives GILMAN and DYMALLY in the House have introduced legislation to grant these brave, overlooked individuals full veterans status. My colleagues should view the resolution we are introducing today as a stepping stone toward implementing these important measures.

Thank you, Mr. President. I urge my colleagues to support this important resolution.•

By Mr. BROWN (for himself and Mr. WIRTH):

S. 2260. A bill to direct the Secretary of the Army to transfer jurisdiction over the Rocky Mountain Arsenal in Colorado to the Secretary of the Interior for the purpose of establishing a national wildlife refuge, and for other purposes; to the Committee on Armed Services.

ROCKY MOUNTAIN ARSENAL NATIONAL WILDLIFE REFUGE ACT

• Mr. BROWN. Mr. President, today I rise to introduce a bill to establish one of the Nation's largest wildlife refuges, located in an urban area, in the country. The Colorado Metropolitan Wildlife Refuge Act of 1992 would transfer jurisdiction of the Rocky Mountain Arsenal in Colorado to the Department of the Interior for the establishment of a national wildlife refuge. The arsenal, located less than 10 miles from downtown Denver, will provide over 16,000 acres of open space in a metropolitan area.

I originally introduced a similar bill in July of 1991. Since that time, however, the House Armed Services Committee has approved an amendment in the nature of a substitute to H.R. 1435, the House version of my bill, which incorporates a compromise reached by Representatives ALLARD and SCHROEDER. Subsequently, I am introducing this revised version of S. 1460 in the Senate and would like to move forward with this bill in place of the original text of S. 1460.

This compromise, I believe, addresses most, if not all, the concerns raised by both the Senate Armed Services and Environment and Public Works Committees last year when I suggested adding S. 1460 as an amendment to the fiscal year 1991 Defense authorization bill.

In particular, staff on the Armed Services Committee were concerned that a transfer of the property from the Department of the Army to the Secretary of the Interior before the completion of the cleanup of the site would complicate both the cleanup and liability questions surrounding the

site. The compromise now sets the transfer of the site upon completion of the cleanup.

In addition, the advisory panel to which the Environment and Public Works Committee staff objected has been eliminated and the liability language responds to concerns raised by staff as well. It is my hope that we can begin action in the Senate as soon as possible.

Mr. President, Rocky Mountain Arsenal was established in 1942, and was used by the Army to manufacture and dispose of chemical weapons, such as nerve gas. The Army also leased a section of the arsenal grounds to a private company to manufacture pesticides.

The arsenal, which has been placed on Superfund's national priority list, is considered one of the most toxic pieces of land in the world. It is the No. 1 cleanup priority for the entire Department of Defense Environmental Restoration Program.

Mr. President, this legislation will benefit the region for generations to come by providing visitors an experience no other major metropolitan area in the Nation can duplicate. The arsenal serves as a habitat island, a largely undeveloped 27 square mile urban area sanctuary for mule and white tail deer, bald eagles, hawks, geese, rabbits, pheasants, coyotes, prairie dogs, and other species. It is now a prime wintering ground for the endangered bald eagle with up to 40 eagles using a communal roost on the arsenal from about November through February.

There are few, if any, other places in the United States where such large concentrations of threatened, endangered, and important wildlife are located so close to a major metropolitan area. This gathering of wildlife in a small area affords one of the best opportunities in the world for people to watch the interactions various species. The close proximity of wildlife and wildlife habitat to a major urban area provides uncommon opportunities for people to observe, study, and enjoy rare and important wildlife which otherwise would be more difficult to view and study.

We have a terrific opportunity to turn a site which has plagued the neighboring communities with the specter of nerve gas production for decade into an asset and I urge Congress to act quickly on this measure.●

ADDITIONAL COSPONSORS

S. 88

At the request of Mr. DURENBERGER, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 88, a bill to amend the Internal Revenue Code of 1986 to make permanent the deduction for health insurance costs for self-employed individuals.

S. 284

At the request of Mr. LIEBERMAN, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 284, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of payments under life insurance contracts for terminally ill individuals.

S. 311

At the request of Mr. ROTH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 311, a bill to make long-term care insurance available to civilian Federal employees, and for other purposes.

S. 703

At the request of Mr. WOFFORD, his name was added as a cosponsor of S. 703, a bill to amend the Harmonized Tariff Schedule of the United States to correct the tariff rate inversion on certain iron and steel pipe and tube products.

S. 765

At the request of Mr. BREAUX, the names of the Senator from Indiana [Mr. COATS] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 765, a bill to amend the Internal Revenue Code of 1986 to exclude the imposition of employer Social Security taxes on cash tips.

S. 873

At the request of Mr. BOREN, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 873, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of interest income and rental expense in connection with safe harbor leases involving rural electric cooperatives.

S. 879

At the request of Mr. DASCHLE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 879, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of certain amounts received by a cooperative telephone company indirectly from its members.

S. 1088

At the request of Mr. KENNEDY, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 1088, a bill to amend the Public Health Service Act to establish a center for tobacco products, to inform the public concerning the hazards of tobacco use, to provide for disclosure of additives to such products, and to require that information be provided concerning such products to the public, and for other purposes.

S. 1102

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 1102, a bill to amend title XVIII of the Social Security Act to provide coverage of qualified mental health professionals services furnished in community mental health centers.

S. 1314

At the request of Mr. BOREN, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1314, a bill to amend the Internal Revenue Code of 1986 to provide for fair treatment of small property and casualty insurance companies.

S. 1357

At the request of Mr. BREAUX, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Michigan [Mr. RIEGLE], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of S. 1357, a bill to amend the Internal Revenue Code of 1986 to permanently extend the treatment of certain qualified small issue bonds.

S. 1381

At the request of Mr. GRAHAM, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 1381, a bill to amend chapter 71 of title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive military retired pay concurrently with disability compensation.

S. 1446

At the request of Mr. KERREY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1446, a bill to provide for an equitable and universal national health care program administered by the States, and for other purposes.

S. 1463

At the request of Mr. BREAUX, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1463, a bill to amend the Federal Water Pollution Control Act to establish a comprehensive program for conserving and managing wetlands in the United States, and for other purposes.

S. 1476

At the request of Mr. DANFORTH, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 1476, a bill to recognize the organization known as the Shepherd's Centers of America, Incorporated.

S. 1521

At the request of Mr. MCCONNELL, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 1521, a bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of hard-core pornographic material.

S. 1578

At the request of Mr. THURMOND, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1578, a bill to recognize and grant a Federal charter to the Military Order of World Wars.

S. 1677

At the request of Mr. DASCHLE, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1677, a bill to amend title XIX of the Social Security Act to provide for coverage of alcoholism and drug dependency residential treatment services for pregnant women and certain family members under the medicaid program, and for other purposes.

S. 1681

At the request of Mr. SEYMOUR, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1681, a bill to amend title II of the Social Security Act to make it clear that States and local governments may not tax social security benefits.

S. 1698

At the request of Mr. SARBANES, the names of the Senator from Hawaii [Mr. AKAKA] and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1698, a bill to establish a National Fallen Firefighters Foundation.

S. 1731

At the request of Mr. MCCONNELL, the names of the Senator from Tennessee [Mr. GORE] and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of S. 1731, a bill to establish the policy of the United States with respect to Hong Kong after July 1, 1997, and for other purposes.

S. 1732

At the request of Mr. DASCHLE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1732, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of leased employees, and for other purposes.

S. 1842

At the request of Mr. DASCHLE, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 1842, a bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 1851

At the request of Mr. ROCKEFELLER, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1851, a bill to provide for a Management Corps that would provide the expertise of United States businesses to the Republics of the Soviet Union and the Baltic States.

S. 1866

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1866, a bill to promote community based economic development and to provide assistance for community development corporations, and for other purposes.

S. 1872

At the request of Mr. BENTSEN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1872, a bill to provide for improvements in access and affordability of health insurance coverage through small employer health insurance reform, for improvements in the portability of health insurance, and for health care cost containment, and for other purposes.

S. 1989

At the request of Mr. ROCKEFELLER, the names of the Senator from Alabama [Mr. SHELBY], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 1989, a bill to amend certain provisions of the Internal Revenue Code of 1986 to improve the provision of health care to retirees in the coal industry, to revise the manner in which such care is funded and maintained, and for other purposes.

S. 2080

At the request of Mr. LEVIN, the names of the Senator from Iowa [Mr. GRASSLEY], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 2080, a bill to clarify the application of Federal preemption of State and local laws, and for other purposes.

S. 2118

At the request of Mr. DECONCINI, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 2118, a bill to create a Department of the Treasury Forfeiture Fund.

S. 2159

At the request of Mr. BOREN, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 2159, a bill to amend the Internal Revenue Code of 1986 to stimulate economic growth and long-term competitiveness in the United States by providing middle-income tax relief and by stimulating capital investment, and for other purposes.

S. 2160

At the request of Mr. GRASSLEY, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 2160, a bill to amend the Internal Revenue Code of 1986 to allow taxpayers to elect a deduction or credit for interest on certain educational loans.

S. 2167

At the request of Mr. SEYMOUR, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 2167, a bill to restrict trade and other relations with the Republic of Azerbaijan.

S. 2197

At the request of Mr. GRAHAM, the names of the Senator from New York [Mr. D'AMATO], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 2197, a bill to promote a peaceful transition to democracy in Cuba through the application of appropriate pressures on the Cuban Government and support for the Cuban people.

S. 2232

At the request of Ms. MIKULSKI, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 2232, a bill to make available to consumers certain information regarding automobiles.

S. 2236

At the request of Mr. SIMON, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 2236, a bill to amend the Voting Rights Act of 1965 to modify and extend the bilingual voting provisions of the Act.

S. 2239

At the request of Mr. PRYOR, the names of the Senator from Maryland [Mr. SARBANES], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 2239, a bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights.

S. 2246

At the request of Mr. KENNEDY, the names of the Senator from Wisconsin [Mr. KOHL], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 2246, a bill to suspend the forcible repatriation of Haitian nationals fleeing after the coup d'etat in Haiti until certain conditions are met.

SENATE JOINT RESOLUTION 166

At the request of Mr. DOLE, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of Senate Joint Resolution 166, a joint resolution designating the week of October 6 through 12, 1991, as "National Customer Service Week."

SENATE JOINT RESOLUTION 210

At the request of Mrs. KASSEBAUM, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Rhode Island [Mr. PELL], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Joint Resolution 210, a joint resolution to designate March 12, 1992, as "Girl Scouts of the United States of America 80th Anniversary Day."

SENATE JOINT RESOLUTION 214

At the request of Mr. RIEGLE, the names of the Senator from Texas [Mr. BENTSEN], the Senator from South Carolina [Mr. THURMOND], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 214, a joint resolution to designate May 16, 1992, as "National Awareness Week for Life-Saving Techniques."

SENATE JOINT RESOLUTION 218

At the request of Mr. MITCHELL, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from South Carolina [Mr. THURMOND], the Senator from Hawaii [Mr. INOUYE], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of Senate Joint Resolution 218, a joint resolution designating the calendar year 1993 as the "Year of American Craft: A Celebration of the Creative Work of the Hand."

SENATE JOINT RESOLUTION 230

At the request of Mr. REID, the names of the Senator from Alabama [Mr. SHELBY], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Joint Resolution 230, a joint resolution providing for the issuance of a stamp to commemorate the Women's Army Corps.

SENATE JOINT RESOLUTION 233

At the request of Mr. BIDEN, the names of the Senator from Georgia [Mr. FOWLER], the Senator from Virginia [Mr. ROBB], the Senator from Ohio [Mr. GLENN], the Senator from Massachusetts [Mr. KERRY], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. MACK], and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of Senate Joint Resolution 233, a joint resolution to designate the week beginning April 12, 1992, as "National Public Safety Telecommunicators Week."

SENATE JOINT RESOLUTION 239

At the request of Mr. PACKWOOD, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from West Virginia [Mr. BYRD], the Senator from North Dakota [Mr. CONRAD], the Senator from Nebraska [Mr. EXON], the Senator from Alabama [Mr. HEFLIN], the Senator from Hawaii [Mr. INOUYE], the Senator from Nevada [Mr. REID], the Senator from Alabama [Mr. SHELBY], the Senator from Pennsylvania [Mr. WOFFORD], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Georgia [Mr. NUNN], the Senator from Kentucky [Mr. FORD], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Indiana [Mr. COATS], the Senator from Maine [Mr. COHEN], the Senator from South Dakota [Mr. DASCHLE], the Senator from New Mexico [Mr. DOMENICI], the Senator from Utah [Mr. GARN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Vermont [Mr. JEFFORDS], the Senator from California [Mr. SEYMOUR], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Wyoming [Mr. WALLOP], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Joint Resolution 239, a joint resolution designating February 6, 1992, as "National Women and Girls in Sports Day."

SENATE JOINT RESOLUTION 241

At the request of Mr. SPECTER, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of Senate Joint Resolution 241, designating October 1992 as "National Domestic Violence Awareness Month."

SENATE JOINT RESOLUTION 243

At the request of Mr. KASTEN, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Joint Resolution 243, a joint resolution to designate the period commencing March 8, 1992 and ending on March 14, 1992, as "Deaf Awareness Week."

SENATE JOINT RESOLUTION 246

At the request of Mr. LIEBERMAN, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of Senate Joint Resolution 246, a joint resolution to designate April 15, 1992, as "National Recycling Day."

SENATE JOINT RESOLUTION 247

At the request of Mr. DOLE, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from New York [Mr. MOYNIHAN], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Joint Resolution 247, a joint resolution designating June 11, 1992, as "National Alcoholism and Drug Abuse Counselors Day."

SENATE JOINT RESOLUTION 248

At the request of Mr. CONRAD, the names of the Senator from Indiana [Mr. LUGAR] and the Senator from Kansas [Mr. DOLE] were added as cosponsors of Senate Joint Resolution 248, a joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day."

SENATE JOINT RESOLUTION 254

At the request of Mr. MOYNIHAN, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Texas [Mr. BENTSEN], the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Louisiana [Mr. BREAUX], the Senator from Arkansas [Mr. BUMPERS], the Senator from Missouri [Mr. DANFORTH], the Senator from Kansas [Mr. DOLE], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. PRYOR], the Senator from North Carolina [Mr. SANFORD], the Senator from California [Mr. SEYMOUR], the Senator from South Carolina [Mr. THURMOND], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 254, a joint resolution commending the New York Stock Exchange on the occasion of its bicentennial.

At the request of Mr. D'AMATO, the names of the Senator from Florida [Mr. MACK], the Senator from Oregon [Mr. HATFIELD], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of Senate Joint Resolution 254, supra.

SENATE JOINT RESOLUTION 255

At the request of Mr. D'AMATO, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Joint Resolution 255, a joint resolution to designate September 13, 1992 as "Commodore Barry Day."

SENATE JOINT RESOLUTION 257

At the request of Mr. LAUTENBERG, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Joint Resolution 257, a joint resolution to designate the month of June 1992, as "National Scleroderma Awareness."

SENATE CONCURRENT RESOLUTION 70

At the request of Mr. SANFORD, the names of the Senator from Kentucky [Mr. MCCONNELL] and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Concurrent Resolution 70, a concurrent resolution to express the sense of the Congress with respect to the support of the United States for the protection of the African elephant.

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. KERRY, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution to express the sense of the Congress concerning the United Nations Conference on Environment and Development.

SENATE RESOLUTION 246

At the request of Mr. DOLE, the names of the Senator from Florida [Mr. GRAHAM] and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of Senate Resolution 246, a resolution on the recognition of Croatia and Slovenia.

SENATE RESOLUTION 249

At the request of Mr. D'AMATO, the names of the Senator from Tennessee [Mr. GORE], the Senator from North Dakota [Mr. CONRAD], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Resolution 249, a resolution expressing the sense of the Senate that the United States should seek a final and conclusive account of the whereabouts and definitive fate of Raoul Wallenberg.

SENATE CONCURRENT RESOLUTION 94—RELATIVE TO HUMAN RIGHTS VIOLATIONS IN NORTHERN IRELAND

Mr. DODD submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 94

Whereas the list of human rights abuses involving important elements of the British Government is lengthy and well documented, as evidenced by recent reports from the Norwegian Helsinki Committee, Amnesty International and the Helsinki Watch Committee;

Whereas the legal safeguards against such abuses of human rights are often inadequate;

Whereas while it is recognized that killings by the Irish Republican Army and Loyalist paramilitary forces outnumber those by the British security forces, of the more than 300 killings by security forces since 1969, many of which were against unarmed civilians, only 21 resulted in murder charges, and only two in convictions;

Whereas investigations of police abuses have been internal and have not been available to the public, including the victims and their families;

Whereas evidence persists that security forces, acting in concert with the British Government, have on more than one occasion sought to cover up reports of certain violations;

Whereas an investigation by Deputy Chief Constable John Stalker revealed the exist-

ence of an elaborate coverup in a case involving an elite antiterrorist squad of the royal Ulster Constabulary in the killing of six Catholic youths which included falsification of testimony, obstruction of the coroner's investigation and the destruction of critical evidence;

Whereas British authorities undertook a lengthy campaign to discredit Stalker and his recommendations were ignored;

Whereas there has been a long standing and warm alliance between the United States and the United Kingdom which has been a source of stability and comfort to many Americans, especially during this time of rapidly shifting international alliances;

Whereas the political and judicial principles which guide our Nation today, including safeguards painstakingly hewn from the British Magna Carta, urgently compel us to speak out against inequity and abuse no matter where in the world they occur;

Whereas the stubborn and irrepressible American commitment to fairness and decency does not distinguish between friend and enemy, criminal or prosecutor, and the American covenant of democracy commits the United States to protest any wrongdoing and confront any injustice;

Whereas it is clear that the turmoil and bloodshed in Northern Ireland will not come to an end until the British authorities, including the military and security forces, are prepared to protect and defend the human rights of all the citizens of Northern Ireland; and

Whereas as an ally and a friend, the United States has a unique opportunity to insist that the United Kingdom adhere to recognized standards of justice and decency in Northern Ireland and, as a leading power in the world community, the United States has a special responsibility to do so: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should urge the Government of the United Kingdom to address the continuing human rights violations in Northern Ireland and should seek the initiation of talks, under appropriate international supervision, among all parties involved in the conflict in Northern Ireland in an effort to find a lasting and equitable solution.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

SENATE RESOLUTION NO. 261—RELATING TO SENATORIAL COMMITTEE SERVICE

Mr. GRASSLEY submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 261

Resolved,

SECTION 1. LIMITATION ON LENGTH OF SERVICE ON CONGRESSIONAL COMMITTEES.

Rule XXIV of the Standing Rules of the Senate is amended by adding at the end the following new paragraph:

"5. (a) For the purposes of this paragraph, the term 'committee' includes a standing committee, select committee, and any other committee of the Senate and a joint committee of the Senate and the House of Representatives.

"(b) A Senator who has completed service as a member of a committee for 4 consecutive full Congresses may not be appointed to serve as a member of that committee until the beginning of the third Congress following the completion of the Senator's fourth term of service as a member of the committee.

"(c) To the extent possible, at least one-half of the Members of the majority party and one-half of the Members of the minority party that are appointed to serve on a committee during a Congress shall be Senators who served on that committee during the preceding Congress.

"(d) It shall not be in order to consider a resolution or take any other action that appoints Senators to serve on a committee in violation of this rule or any other rule of the Senate.".

SEC. 2. PHASING IN.

(a) SERVICE PRIOR TO THE 103D CONGRESS.—Service by a Senator as a member, chairman, or vice chairman of a committee of the Senate or of a joint committee of the Senate and the House of Representatives prior to the beginning of the 103d Congress shall not be counted for the purposes of paragraph 5 of rule XXIV of the Standing Rules of the Senate, as added by section 1.

(b) ESTABLISHMENT OF REGULAR ROTATION OF MEMBERSHIP.—To the extent practicable, no more than three-fourths of the Senators appointed to a committee for the 104th Congress shall be Senators who served on that committee for the 103d Congress.

(2) To the extent practicable, no more than three-fourths of the Senators appointed to a committee for the 105th Congress shall be Senators who served on that committee for the 103d or 104th Congress.

(3) To the extent practicable, no more than three-fourths of the Senators appointed to a committee for the 106th Congress shall be Senators who served on that committee for the 103d, 104th, or 105th Congress.

(4) To the extent practicable, no more than three-fourths of the Senators appointed to a committee for the 107th Congress shall be Senators who served on that committee for the 103d, 104th, 105th, or 106th Congress.

Mr. GRASSLEY. Mr. President, I rise to submit an important measure for the Senate's consideration. The resolution I propose today will amend the rules of the Senate to limit the length of time that Senators may serve on committees.

Mr. President, the Congress has never been held in such low esteem. Congress has been berated, beaten up, and blasted. The people are upset with Congress for exempting itself from various laws, for raising its salaries in the dead of night, for allowing drug deals in the House Post Office, and for many other inexcusable actions.

Congress is beginning to get the message that it needs to change its ways. Last year, the Senate began to take steps to provide its employees real remedies for violation of the civil rights laws. This was a step forward for this institution, but the job is hardly begun. We need to consider all worthy proposals that will improve the functioning of Congress and enhance public confidence in their democratic institutions. Although we finally did pass congressional coverage for civil rights violations, we have mainly responded to the public's alarm for change by pressing the snooze button.

One of the major causes for the inability of Congress to legislate properly, and for the public disgust with this body, is what political scientists for many years have called "iron triangles."

This is how scholars of the congressional process view the iron triangle.

These are interlocking groups that seize control of—and virtually gain a hammerlock on—the policy and budgetary agenda at the expense of the general public. It works like this: A Federal agency is given responsibility for a particular area. A congressional committee is given oversight responsibility over that agency. And special interest groups whose members are directly affected by the actions of the agency and the committee also play a role.

The special interest groups lobby committee members, many of whom they have known for years, and whom they have supported for years. The committee uses oversight hearings to make the agency be responsive to the special interest groups' desires. Satisfying those desires is a key means by which the member gains political support. And the agency makes its policy decisions with a watchful eye on the congressional committee.

Its future funding will depend in large part on how well it reacts to committee directives. The net result is that the special interest groups have a strong hand over what the congressional committee and agency do. In the absence of the iron triangle, Members would consider a broader range of interests in their legislative duties.

Whether or not Members of this body agree with the political scientists' point of view it is a fact that the description enhances the cynicism of our citizens toward Congress.

So, if the Senate rules required committee members to rotate committee assignments, the iron triangle situation would be less common. Special interest groups could not concentrate on a few Members to pressure because committee composition would change. Agencies would therefore be less beholden to a congressional agenda that in reality is set by pressure groups.

I believe that committee rotation would also help to gain control over Federal spending.

Today, many Members seek committee assignments where they can influence policy areas of particular importance to their home States. In this way, they can steer funding to their constituents. If Members had to rotate their service, it would be harder for Senators to shift pork barrel spending to their States.

By moving to different committees, Members would gain expertise in many different areas of policy, rather than only a few. This would allow Members to approach problems with insights from other areas that they can share in a variety of assignments. And by hav-

ing knowledge regarding a larger number of public policy areas, Senators will become better legislators. There will not be a loss of specialized expertise. A Member knows little more about a committee's domain after 20 years on a committee than he or she knew after 10.

Under my proposal, Senators could serve up to 8 years on any committee. They would then have to serve on another committee. However, they would be eligible to return to the original committee after 4 years. Rotation would be phased in so as to preserve a level of continuity and expertise among committee members. Committee rotation has worked well on a number of assignments, such as the Intelligence Committee, and I believe would function well for all committees.

The fact is, Mr. President, that the people are rebelling. They want to throw the rascals out. And they have reason to be upset. In response to their justified exasperation, many citizens have decided that they favor term limitations on Members of Congress.

I encourage my colleagues to consider this measure as a means of addressing many of the concerns that proponents of term limits have raised. The iron triangle is one of the main reasons why Members can entrench themselves in Congress. This resolution will go a long way to reducing that problem and, I believe, achieve through internal reform what many citizens now unhappily believe can be attained only by limiting congressional terms.

Mr. President, I hope that hearings can soon be held on this important and worthwhile proposal.

NOTICES OF HEARINGS

SPECIAL COMMITTEE ON AGING

Mr. PRYOR. Mr. President, I would like to announce for the public that the Special Committee on Aging has scheduled a hearing entitled, "Elderly Left Out in the Cold?: Effects of Fuel Assistance and Housing Cuts on Senior Citizens."

The hearing will take place on Tuesday, March 3, 1992, beginning at 9:30 a.m. in room 628 in the Dirksen Senate Office Building in Washington, DC.

For further information, please contact Portia Mittelman, staff director at (202) 224-5364.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LEAHY. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry, will hold a hearing on the School Lunch Program, Tuesday, March 3, 1992, at 9:30 a.m., in SR-332.

For further information please contact Ed Barron or Andy Fish of the committee staff at 224-2035.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a markup on Wednesday, February 26, 1992, beginning at 2 p.m., in 485 Russell Senate Office Building, on S. 1602, the Fort Peck Indian Tribes Montana Compact Act of 1991, and for other purposes, and S. 2245, to authorize funds for the implementation of the settlement agreement reached between the Pueblo of Cochiti and the U.S. Army Corps of Engineers under the authority of Public Law 100-202, to be followed immediately by an oversight hearing on the President's budget for fiscal year 1993 for Indian programs.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding an oversight hearing on Thursday, February 27, 1992, beginning at 2:30 p.m., in 485 Russell Senate Office Building, continuation on the President's budget for fiscal year 1993 for Indian programs.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, February 25, at 10 a.m. to hold a hearing on "Strategic Nuclear Reduction in a Post-Cold-War World: National Security Issues."

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban be authorized to meet during the session of the Senate Tuesday, February 25, 1992, at 10 a.m. to conduct a hearing on "The Federal Reserve's First Monetary Policy Report for 1992."

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. MITCHELL. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Veterans' Affairs Committee to hear the legislative presentation by the Disabled American Veterans. The hearing will be held on February 25, 1992, at 9:30 a.m. in the room 345 of the Cannon Building.

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

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS, AND FORESTS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks, and Forests and the Subcommittee on Mineral Resources, Development and Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., February 25, 1992, to receive testimony on H.R. 3359, a bill to amend the Geothermal Steam Act of 1970 (30 U.S.C. 1001-1027), and for other purposes.

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

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, February 25, 1992, at 2:30 p.m., to receive testimony on inventory management in the Department of Defense.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Tuesday, February 25, at 9:30 a.m., for a hearing on the subject of: Impacts of Nuclear Disarmament on Department of Energy.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, February 25, 1992, at 10 a.m., for a hearing on "Income Dependent Educational Assistance and Self-Reliance Loans."

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

ADDITIONAL STATEMENTS

COMMENDING POLICE CHIEF JERRY ZOHNER

• Mr. BRYAN. Mr. President, I rise today to commend one of Nevada's outstanding public servants on the event of his retirement. On February 28, Police Chief Jerry Zohner will retire from the North Las Vegas Police Department after 35 years of dedicated service. After joining the department in 1956, he was promoted to sergeant in 1962, lieutenant in 1971, captain in 1978 and chief in March, 1987.

Our Nation's police forces are under incredible pressures, face constant demands and are often placed in life-threatening situations. Throughout his 35 years of service, Chief Zohner has proved that he was well up to all the tasks demanded of him, and he has performed his job with bravery and diligence.

In 1968, Chief Zohner was awarded the Silver Medal of Honor for his courage when he rescued two fellow officers who were being held hostage by a gun-

man. The chief risked his life by making himself a target and allowing the two officers to escape safely. North Las Vegas Mayor William Taylor awarded him the medal for "devotion to duty, devotion to fellow officers and bravery." During the incident, Chief Zohner suffered gunshot wounds to his lung and hip.

Not only has Chief Zohner been dedicated to the police force but he and his wife Marie are valuable members of the community and active in their church. As Assistant Police Chief Ron Lusch put it, Chief Zohner's "heart lies with the city of North Las Vegas and the North Las Vegas Police Department."

North Las Vegas will miss having Jerry Zohner as their police chief. However, he leaves behind a valuable legacy of hard work and dedication that is sure to benefit the police force in the years to come.

On February 28, friends, family and colleagues will celebrate Jerry's retirement at a luncheon. I am disappointed that I will be unable to attend but I would like to extend to Jerry my thanks for his work over the years and my best wishes for his retirement years ahead.•

TRIBUTE TO LIZ McINTYRE

• Mr. SMITH. Mr. President, I rise today to congratulate Liz McIntyre of Lyme, NH, for her outstanding sixth place finish in women's freestyle skiing at the 1992 winter Olympics in Albertville, France. This is a tremendous accomplishment for Liz and everyone in the Granite State is very proud of her.

As you know, the Olympics represents the pinnacle of success in an athlete's career. I know Liz has trained long and hard to place so highly in this international competition. The people of New Hampshire have been watching Liz and all of the other American athletes with great enthusiasm.

Liz, age 26, is the daughter of Ross and Jean McIntyre of Lyme, NH. She is a 1983 graduate of Hanover High School and graduated from Dartmouth College in 1987. As the youngest of three children, Liz started skiing at the Dartmouth Ski Way at the age of 4.

After attending the Lyme School, Liz began competing in freestyle skiing as a junior at Hanover High School. Liz is a member of the U.S. freestyle ski team and has participated in national competition five times. After the Olympics, Liz will compete in Japan and Austria before going on to this year's nationals in Colorado in April.

We admire Liz's dedication and skill to her sport that has made her such a champion. Freestyle skiing has no set course and no poles. The skier goes down a steep, bumpy course and performs two aerial maneuvers throughout the course. The skier is judged on time, technique, and aerial moves such as the "spread eagle."

During the 1992 Olympics in Albertville, 24 women competed in the preliminary run on February 12. Liz finished fourth with the fastest time of all the women. The following day, the top eight finishers raced and Liz finished in sixth place. Four Americans finished among the top 24.

Again, New Hampshire is very proud of Liz McIntyre and her sixth place finish in Albertville. She has been a great ambassador from new Hampshire and we proudly look forward to her return to the Granite State.•

CONGRESSIONAL CALL TO CONSCIENCE

• Mr. DECONCINI. Mr. President, despite the dramatic moves toward democracy and the demise of the Soviet empire into independent states, we are still not rid of all of the vestiges of the past. One such vestige, one that has nearly been forgotten by many, is the still outstanding refusenik cases in the former Soviet Union. Unfortunately, this relic remains an irritant at a time when we are forging relations with the newly independent states, all of whom, except Georgia are now members of the Conference on Security and Cooperation in Europe.

We recognize the efforts of many of these states to institutionalize democratic reforms, including human rights, and realize that the transition is by no means an easy one. Nevertheless, we cannot ignore that fact that, though far fewer in number, individuals continue to be denied their right to leave, in violation of the Helsinki accords and other CSCE documents.

Mr. President, These emigration cases involve individuals in several of the former Soviet republics, principally in Russia. As cochairman of the Helsinki Commission I, along with Chairman STENY H. HOYER, have transmitted our concerns to the leaders of Russia, Ukraine, Belarus, and Moldova, requesting that they resolve the remaining refusenik cases in keeping with their stated intent to abide by CSCE provisions. The list that we forwarded to the Russian Government includes the case of Alexander Solomadin of Moscow. Alexander has been in refusal for over 10 years because his father will not give permission for Alexander to Emigrate. As a result, Alexander's application sits at OVIR, but is not even being considered.

Regrettably, we have seen little progress in Russia in resolving their outstanding, and, in some instances, longstanding refusenik cases. The Government of Ukraine has made some headway, favorably resolving to date 17 of the 26 cases on the United States Government's representation list, although some of the remainder continue to be denied due to state security reasons.

Mr. President, with the fall of the totalitarian system of the past, I can conceive of no reason why people such as Alexander Solomadin and his family continue to be in refusal. I strongly urge the Governments of the newly independent states, especially Russia, to allow the hundreds of individuals still in refusal their right to leave without further delay.•

REGARDING THE DEPARTMENT OF LABOR'S GLASS CEILING INITIATIVE

• Mr. HATFIELD. Mr. President, I would like to take a moment to commend and lend my support to the Secretary of Labor, Lynn Martin, in her effort to encourage America's industry to provide equal career advancement opportunities to minorities and women. The Secretary has made it a priority to shatter the so-called glass ceiling.

A report, entitled "Workforce 2000," which was produced by the Department of Labor in 1987, showed that minorities and women have made some important gains in entering the work force. In fact, during the past 25 years, shifting demographics and the practice of equal employment opportunity and affirmative action have resulted in greater participation of women and minorities in the work force. Although minorities and women have made important gains at the entry level of employment and into the first levels of management, there are still some serious barriers which have hindered these groups from reaching upper level management positions.

The Department of Labor has defined the "glass ceiling" as an artificial barrier based on organizational and attitudinal bias that prevents qualified individuals from advancing upward in their place of employment into management-level positions. Unfortunately, existing employment networks as well as recruiting techniques have all to often hindered qualified minorities and women from achieving executive status. These disturbing facts effectively eliminate over one-half of our work force from top leadership positions. Furthermore, our economy suffers because potential new leaders and new sources of creativity are rarely given the chance to help segments of American industry compete successfully in today's global market.

Through my examination of this issue, I have come to the conclusion that Oregon can serve as a model for the country to look to for providing women a suitable environment for career advancement into higher levels of their profession. Although Oregon is not the utopia for working women, I believe that it has made positive steps forward in this arena. For example, Oregon has a higher percentage of women in politics as well as a higher percentage of women running businesses than the national average. A recent article

illustrated Oregon's track record in this area. I ask that "Climbing to the Top," be printed in the RECORD following my remarks.

The article follows:

CLIMBING TO THE TOP

(By Gary Eisler)

If women were in predominant leadership roles in government, business, culture and interpersonal relations, what would the world be like?

There is no better laboratory in the country (and perhaps the world) to test that idea than here in Oregon.

A number of highly visible professional women have turned Oregon into a special place. To borrow an expression from the vestige of Marxism, a quantitative accumulation has resulted in a qualitative change—water has turned to steam, the "old boy" network may be joined by an "old girl" network.

Oregon is not paradise for working women yet, but it is as close as they are likely to find today. The state attracts ambitious women the way a flower draws bees. The high quality of the natural and urban environments, the small scale of society, the egalitarian character of the political system and the open nature of the culture create for women an all but irresistible allure. In these conditions women can find their potential, not just in fancy titles, but in the arts, sports, relationships and human growth. What's more, they can call the shots as leaders.

Professional women are drawn here because of an active network of women leaders. When Oregon was courting Judith Ramaley for the presidency of Portland State University, women's status was a key consideration.

"As I met people, I found a surprising number of women in senior leadership positions, playing significant roles in society," said Ramaley, who was executive vice chancellor at the University of Kansas. "One of the factors I considered in deciding whether to accept the presidency was the climate for women in leadership. Will anyone listen to me? Take my message seriously? I didn't want the fact that I am a woman to get in the way of my message."

Women in high places also open the doors for other women. Before she made the decision to reduce the number of state boards and commissions, Gov. Barbara Roberts had appointed 98 women, or 49 percent, to the 200 openings onto panels that oversee state activities. She also encourages her managers to hire more women, and has expanded the appointment of women to judgeships and as justices of the peace. Five of her 12 judicial appointments to date have been women.

This is not to say life is perfect here. Daily responsibilities overwhelm most working women, who must juggle work inside and outside of the home. Oregon-born professional women seemingly do not enjoy the fast-track corporate life as much as those recruited from elsewhere, and many of those mobile outsiders either have adult children or no children. Also, sexual harassment remains a constant and continuing problem.

Such bastions of male dominance as the Arlington Club and the Waverley Country Club have only recently admitted women as members. (Judith Hofer, president and CEO of Meier & Frank, recalls a time when she had to ask a male friend who was a member of the Waverley Club to be her host so she could entertain her senior executives there.)

But the glass ceiling has not yet been shattered. Unequal pay and unequal representation at the top levels of corporations and professions remain frustrating, and women still are not well-represented as attorneys, physicians and certified public accountants.

"I don't expect the glass ceiling to exist for long," said Don Frisbee, chairman of PacifiCorp, Oregon's largest corporation. "It's just a matter of time. The glass ceiling is not permanent in any sense of the word. Women are on their way up, and there is nothing to stop them permanently."

If there was anything to stop US West's Marsha Congdon or Portland General Electric's Kay Stepp, it didn't deter them for long. They are at the forefront of women's progress in the state's major corporations.

Congdon, who was with US West in Denver, was appointed Oregon vice president and chief executive officer of the telephone company in 1987.

Two years later, Stepp was named president and chief operating officer of PGE, the first woman to run a major investor-owned utility in the country.

Their corporations are both among the state's top 10 employers, with US West accounting for 4,200 jobs in Oregon. Together, Congdon and Stepp make Portland unique in the country—with two major utilities/employers run by women.

However, most professional women, impatient with the pace of advancement in major corporations, have found self-employment a faster route to success.

Fully 38 percent of Oregon's businesses are run by women—compared with 30 percent nationally. Oregon women generate a larger portion of their state's total revenue than women do anywhere else, said Diane McClelland, co-founder of The Foundation For Women Owned Business. Women-owned businesses contributed 19.4 percent, or $4.2 billion, of Oregon's revenues, she said. Some of the more successful businesses include Barbara Sue Seal of Portland real estate fame, Wilma Cronin of Cronin & Caplan real estate and Carolyn Chambers of Chambers Communications in Eugene.

Indeed, women constitute the fastest-growing segment of Oregon's small business, said Jill Hall, owner of J.H. Hall Marketing Communications, a public-relations consulting firm. "Owning their own business means women don't have to worry about the glass ceiling—they can dance on top of it with their own ambition," she said.

Congdon added, "Today, nobody thinks it's particularly strange that women run major corporations. But 10 years ago you wouldn't have expected a woman governor. The fact that Barbara Roberts is a women wasn't an issue. That's the important, amazing leap."

Roberts is one of only three women governors in the nation (the others are Ann Richards of Texas and Joan Finney of Kansas).

Among the state's top women officials, Roberts is a popular name—owing to the governor's husband, Sen. Frank Roberts.

His daughter, Mary Wendy Roberts, is Oregon's commissioner of labor. Her mother, Betty Roberts, is a former state Supreme Court justice.

Mary Wendy Roberts is expected to run for secretary of state, the position Barbara Roberts held before she became governor. The secretary of state is next in line of succession, and if Mary Wendy Roberts is elected, she would become Governor Roberts, should the present Governor Roberts leave office prematurely.

Another top woman politician, Superintendent of Public Instruction Norma Paulus, is herself a former secretary of state and candidate for governor.

At the urban level, Rena Cusma is executive officer of Metro, the regional council that represents the interests of the three counties in the Portland metropolitan area.

Portland has had two woman mayors. Dorothy McCollough Lee (1948–1952) and Connie McCready (1979–1980). Now former House Speaker Vera Katz may become the third one. If Katz succeeds—she is ahead in the polls—Oregon would be the only state where the reins of political power at the state and major urban areas are in women's hands.

Oregon in the early '80s had more women legislators than any other state. Today, women make up 18 percent of state legislators across the country, but are almost one-fourth of the Oregon Legislature.

It is partly women's political activity that helped create the climate that has made Oregon attractive to women today. In the early 1980s, Redbook magazine rated Portland the No. 1 city in legislation favorable to women. The magazine considered such issues as no-fault divorce, abortion rights, rape laws, displaced homemakers assistance and pregnancy leave.

Oregon was the first state to protect a woman's right to an abortion, three years before the U.S. Supreme Court Roe vs. Wade decision in 1973. It was also in Oregon that marital rape first became a public issue in 1979. Oregon was also among the ratifying states for women's suffrage in 1912 and the unratified Equal Rights Amendment in 1973.

"I've found no place where there are that many significant women in public leadership roles who shape the way people think, what people pay attention to, what they work on, spend their energy on," PSU's Ramaley said. "Women help shape the agenda here."

Sandra Suran, president of The Suran Group, a Portland consulting firm, has studied the question thoroughly and said she knows of no other place where all the elements come together for women the way they do in Oregon.

"It's easier to break into the structure and establish your position here," said Suran, who moved to Portland from Southern California when she was 18. "Things are more open here. If you're not part of the long-term network, you can still become a credible person. People are open to new ideas. This entrepreneurial spirit attracts women because they approach things differently."

Oregon's relatively small population also makes it easier for women to rise to the top. "People have a greater opportunity to perform at a fairly high level here than their counterparts from other states," she said. "Oregon retains its small-town atmosphere."

Bob Ames, vice chairman of First Interstate Bank of Oregon, agrees. "We decry our scale, but there is an advantage to being downscale. Governor Roberts could not have had a conversation with Oregon if it were much bigger."

The political structure that shares power with its citizens may also be a factor, said Joan O'Neill, a partner in the law firm of Dunn, Carney, Allen, Higgins & Tongue, and one of Portland's best litigators. She was a nun for 20 years and was dean of students at Marylhurst College before becoming a lawyer.

"Our system empowers the people with the initiative and the referendum," she explained. "The system fosters outsiders. We are a grass-roots, pavement-pounding people. We don't have a patronage system where you have to belong to the machine. Oregon is a populist place."

Oregon's relative isolation from the mainstream is another benefit. "The power bro-

kers of the world—who tend to be mostly men—don't reside here," O'Neill said.

People who are attracted to Oregon come for reasons in addition to money. If women's rights are taken seriously here, perhaps it's because Oregonians believe it's the right thing to do.

"It's part of Oregon's historic social conscience," Ames noted. "We have always been ahead of the pack," he said, citing Oregon's leading reputation for environmental causes.

Adds Bob Pamplin Jr. of the R.P. Pamplin Corp., "Portland has carved out a maverick, independent, individualistic niche in the world. It's not liberal or conservative, but independent," and for that reason is willing to give opportunities to some who would not have them otherwise.

History has also played a part in advancing women in Oregon. World War II broke women out of old patterns and attitudes—especially here. Portland drew thousands of women to work in the shipyards while the men were away at war. For many, it was the first taste of a living wage and independence.

That transformation has continued in Oregon to women's relationship to men today. In rural Oregon's uncertain economy, women in the past have had to rely on themselves because they could not be assured their men would have work. During the worst of the recession of the early 1980s, at the time of worst trouble, 37 percent of the businesses started here were by women,"said Suran. "When their husbands were out of work, women with no education in rural areas started businesses to keep their families going."

Portland is a place where women explore their athletic and artistic potential. The Portland Marathon, for example, draws more women participants (29 percent) than any other marathon in the world. The Portland Symphony Orchestra—with 43 women and 44 men—has the largest number of women and the highest proportion of women of 10 comparable operations.

If women in Oregon succeed at tasks usually associated with men, their most important contributions may come through qualities most often associated with women, such as communication and relationships.

Stepp said: "The higher up the ladder you go, interpersonal skills become more important. More important than giving orders is listening, speaking and writing to get work done through other people—which is what you do in top management. There is nothing I can do by myself. I depend on others to get the results to make the company successful."

Taiwan-born Y. Sherry Sheng, the 40-year-old who runs the Metro Washington Park Zoo, encourages every zoo employee to participate in planning, which is why her first move was to spend two hours a day meeting and interviewing each of the zoo's 100 employees.

According to Keyser, the governor's key aide, "It may be stereotypic to say it, but to some extent women are more relationship-oriented." She said Roberts' relational ability "has been key in getting people on board. She is terrific one-on-one. You feel like you're the only one in the room. She really connects and connects quickly."

Can women's touted qualities of communication, compassion and consensus achieve what has not been achieved before?

Certainly we all will be affected by the agenda set by women. Tops on Roberts' list of priorities, for example, are liveable communities, health care, housing and education.

Women's legislators here and elsewhere are generally more sympathetic about women's rights, health care and children/family issues than are men.

As women set Oregon's agenda, they will focus the state's power and resources on topics important to them. As they gain success, the face of leadership will change. It's not that women will exclude in the past. But unless they learn to follow women leaders, men may find themselves out of the picture.

An example is a group photograph in Salem. Education chief Paulus is pictured with the leaders of the education committees of both houses of the Oregon Legislature—Sen. Shirley Gold, D-Portland, and Rep. Carolyn Oakley, R-Albany. When an educational reform bill was passed in the last session—sponsored by Katz—all of the principals involved in the new legislation, including the governor, gathered for a group portrait.

Everyone in the photo was a woman.•

AUDIT OF ANTI-SEMITIC INCIDENTS

• Mr. SIMON. Mr. President, I rise today to bring to your attention the continuing efforts of the Anti-Defamation League of B'nai B'rith [ADL]. For the past 13 years, the ADL has compiled data about anti-Jewish attacks, harassment, and vandalism, in their "Audit of Anti-Semitic Incidents." I commend their work to expose and combat hate crimes and would like to share with you some of their findings. Their efforts in collecting this information and in developing education projects have played a critical role both in drawing public attention to this problem and in beginning to work toward a solution.

Unfortunately, the ADL's 1991 survey indicates that the number and severity of anti-Semitic hate crimes has worsened nationwide. There were 1,879 incidents nationwide reported to the ADL, the highest number ever recorded and 11 percent more than what was reported in 1990. Reports came from 42 States, the District of Columbia and the Virgin Islands.

Incidents of harassment, threats, and assaults totaled 950, a 25 percent increase from 1990, and more than triple the number that occurred in 1986. What is especially disconcerting is the increase of assaults against Jewish individuals. From 1979 to 1989, the number of reported assaults averaged just over 20 per year. In 1991, however, there were 59 reported cases of physical attack and even one murder.

Also, in 1991, the incidence of politically related anti-Semitic acts increased as the United States went to war in the Persian Gulf. in 1 month, there were 52 acts of hate mail, threats, and vandalism. A California country club, patronized by Jews, received a phone threat: "Kill Every Jew.* * * On Behalf of Iraqi People." As the ADL points out, this was not more political criticism, but acts of hatred.

Sadly, acts of hatred were also evident on our Nation's campuses. In 1991, there were 101 anti-Semitic incidents reported at 60 colleges. One of the more disturbing incidents occurred at Ball State University, in Indiana. Student actors were preparing to perform a play about the Holocaust, In an effort to understand the stigma Jews experienced in the ghettos of World War II Germany, the young actors were asked by their instructor to wear yellow Stars of David. Several students reported incidents of anti-Semitism in response to the star. While waiting at a bus stop, a driver screamed anti-Semitic obscenities at one student. Another student actress reported that, in one of her other classes, a fellow student refused to participate in a class dialog with her because of the star she wore.

While the ADL's audit makes a great contribution to increasing public awareness of anti-Semitic violence, there are other minority communities in our country who are also victims of hate crimes. In 1990, in response to these crimes, Congress passed the Hate Crimes Statistic Act, legislation I sponsored, along with Senator HATCH. By requiring the Department of Justice to collect data on crimes motivated by hatred based on race, religion, ethnicity, or sexual orientation, the act will give us a broader picture of hate crimes in our society.

On January 1, 1991, the Federal Bureau of Investigation officially began to implement the act. I was pleased to hear from Attorney General Barr, during his November 1991 confirmation hearings before the Senate Judiciary Committee, that the Department of Justice hopes to release its first preliminary report on the collected statistics some time soon. I urge the FBI to continue its good work and look forward to their results.

In closing, I again want to commend the ADL for its outstanding work. Not only does their data collection help to educate others, but working with communities, the ADL has helped to develop preventive measures. Hopefully, their educational efforts and their work with communities will aid in eliminating acts of hate crime violence.

I ask that the Anti-Defamation League's audit be printed in the RECORD.

The audit follows:

1991 AUDIT OF ANTI SEMITIC INCIDENTS

FOREWORD: THE SHOCK OF 1991: AN ANTI-SEMITIC RIOT

In 1991, for the first time in recent memory, a mob's cries of "Kill the Jew" echoed on an American street. The awful threat embodied in those words was soon realized: Yankel Rosenbaum, a 29-year-old Jewish scholar, was stabbed by a group of young rioters during unrest in Brooklyn's Crown Heights on the night of August 19, following the tragic accidental death of a black child in an automobile mishap. Rosenbaum died later in a local hospital.

The Crown Heights outburst, with its dozens of assaults and acts of vandalism, was the most dramatic and disturbing eruption of anti-Semitic violence in America in many years. These attacks were among the most noteworthy of the anti-Semitic incidents reported to ADL during 1991—the fifth straight year of increased anti-Jewish acts nationwide.

INTRODUCTION

There were 1,879 anti-Semitic incidents reported to the Anti-Defamation League during 1991. Reports from 42 states, the District of Columbia and the Virgin Islands resulted in the highest overall total of incidents ever recorded in the thirteen year history of the annual audit.

The 1991 total surpasses last year's 1,685 such incidents by more than 11%. The 1,879 incidents include a small but still troubling rise in 1990's total in the vandalism category—929 in 1991 from 927 in 1990, the 2nd highest number yet recorded. But in addition, the category of anti-Semitic harassment, threats, and assaults soared to the highest level ever reported. There were 950 such incidents in 1991—a 25% increase over the 758 noted in those categories in 1990. For the first time in the history of the ADL Audit, these more personalized incidents—in which Jewish individuals were menaced by mail or phone threats, verbal abuse or physical attack—surpassed the total of incidents in the vandalism category.

The most disturbing area of increase occurred in the category of assault against Jewish individuals. In 1991 there were 60 reported cases of physical attack, including one murder: that of a young Jewish scholar in Brooklyn's Crown Heights—a heinous act that could well be called the first lynching of a Jew in the United States since that of Leo Frank in 1915.

The past year also saw the greatest number of serious crimes yet reported. There were 49 vandalism episodes of arson, bombing and cemetery desecration, a 29% jump over the previous high of 38 noted in both 1990 and 1989.

Anti-Jewish incidents on U.S. college campuses rose again to their highest levels ever, continuing an alarming trend that has been manifest for the last four years. Acts of politically related anti-Semitism—coming largely during Operation Desert Storm in January and February—also multiplied.

On a positive note, Skinhead-related anti-Semitic incidents are down significantly, although still of concern. Effective law enforcement action at the federal, state and local levels against violent neo-Nazi Skinhead activity has sent a firm and clear message to such gangs that their criminal behavior will not be tolerated.

Serious crimes of vandalism

In 1991 there were 12 incidents of arson, 8 of attempted arson, 6 bombings, one attempted bombing and 22 cemetery desecrations—a combined total of 49 particularly serious vandalism incidents—representing the highest total ever reported in this sub-category.

In the first months of 1991 there was a rash of arson events in California which were directed at Jewish institutions. A Thousand Oaks synagogue was targeted three times and a nearby Ventura synagogue reported four attempted-arson attacks during the same period. In January, a North Hollywood synagogue had been fire-bombed and further north a fire was set at a San Francisco synagogue after a failed attempted arson ten days earlier.

In Brooklyn, New York, two Yeshivas suffered extensive damage as a result of arson attacks, one in May and another in July.

Arsonists also targeted Jewish-owned private property in 1991. In Knoxville, TN, a Jewish-owned business was set afire. A local Skinhead gang is believed to be responsible for that crime and other related vandalism directed at the owner and his property. In New Jersey, arson was reported at a Jewish-owned home in Haddonfield, in August. In November, in Jupiter, FL, the lawn of a Jewish homeowner was torched. In December, on Oak Park, Michigan the shrubs of a rabbi's home were set on fire; in July, in Holmesburg, PA, two acts of attempted arson were reported at the commercial property of a Jewish individual.

Bombing incidents were reported in four states during 1991. In Boca Raton, FL, a smoke bomb was thrown at congregants as they entered a synagogue. During the services shots were fired through the window. Two separate bombings of Jewish-owned automobiles were reported in Philadelphia, PA, on the same day in January. Both vehicles had Jewish religious articles displayed on their dashboards. Also in January, in San Francisco, a Jewish senior citizens home was bombed. In Beverly Hills, in June, a device with "explosive capability" was found in a public playground along with anti-Semitic leaflets. It was disarmed. In Colorado, in June, a Jewish homeowner reported that twice her property was bombed.

During 1991, a total of 22 cemetery desecrations were reported. There were four each in New York, Louisiana and Mississippi. There were three in New Jersey, two in Colorado and Massachusetts and one each in Maryland, Ohio and Minnesota.

Harassment, threats and assault

In 1991 there were 950 incidents of harassment, threat and assault directed at Jewish individuals and their institutions. It is the first time in the history of the annual Audit that the total in this category surpasses that of the vandalism incidents. While all incident totals have been arising steadily since 1986, harassment, threats and assaults have leapt dramatically in the last four years. From 1987 to 1988 a 41-percent increase was reported, followed by a 28-percent increase in 1989, and then a 29-percent increase in 1990. The 1991 increase is 25-percent. Thus, in the last 5 years all such incidents nearly tripled (193-percent).

The most disturbing aspect of this year's record totals are the unprecedented reports of physical assaults perpetrated against Jewish individuals. There have been sixty such incidents including one murder—during the Crown Heights outburst—which in turn triggered at least two dozen other reported assaults during the tense days which followed that event. Between 1979 and 1989 the yearly total of anti-Semitic assaults averaged just over twenty. In 1990 the total rose to 30. In 1991 that figure doubled.

The murder of Yankel Rosenbaum by a mob in Crown Heights was by far the most serious act of anti-Semitic assault in 1991.

Another significant development: In what is probably the most notable damage award ever in an anti-Semitic harassment case, a Chicago (IL) jury on March 27, 1991 returned a $1.8 million verdict against a Chicago woman and her adult son in a lawsuit arising out of their harassment of their next door neighbor, a Jewish woman, and her family. This is the largest known judgment to date in a lawsuit brought under Illinois' Ethnic Intimidation Statute (now called Hate Crime Statute).

The lawsuit against Lucille Olsen and her adult son, Neil Olsen, alleged that the Olsens had conducted a campaign of harassment against Sherry Del Dotto, her husband Larry Del Dotto, and their daughter. The Olsens' conduct included repeated anti-Jewish statements, white supremacists slogans, threats of physical violence, and a pattern of harassing conduct which occurred during 1984 and 1985 when the Del Dottos and Olsens were next door neighbors.

Sherry Del Dotto sought the assistance of the Anti-Defamation League in 1985. Suit was filed in August, 1985 and the Del Dottos were granted injunctive relief, designed to prevent further acts of harassment. The case came to trial on March 20, 1991 on issues of liability and damages. After a six-day trial the jury returned verdicts totalling $1.8 million against the Olsens.

What accounts for the surge in reported incidents of anti-Semitic harassment, threat and assault?

ADL has noted with deep concern the erosion of longstanding barriers against the expression of anti-Semitism. In the worlds of politics, culture, and education Jew-baiting, anti-Semitic scapegoating and conspiracy accusations have become not only more common, but more casually tolerated and rationalized. Such ideas, and the words that express them, have consequences.

The vastly increased level of harassment and assault incidents in recent years, including 1991, may signal a change in the tactics of many individuals wishing to express anti-Jewish hostility. It would appear that there is a new willingness by those inclined toward anti-Semitism to engage in direct, provocative confrontation with Jews, a kind of "in-your-face" intimidation, reflective of that erosion of the taboo against such open bigotry.

Many observers have noted a decline in civility in American life, a coarsening of both public and private discourse, with a corresponding rise in many people's willingness to employ and tolerate ethnic slurs, stereotyped insults and other forms of hateful speech. It is difficult, if not impossible, to measure this perceived phenomenon, but nowhere is it reflected more clearly or disturbingly than in the proliferation of bigotry and violence in the lyrics of some of the best-selling popular music of the day. Taboos have fallen—but are standards of taste and mutual respect, especially in those areas closest to today's youth, crumbling too?

Vandalism: Most active States

Despite a continued high level of anti-Semitic vandalism incidents nationally, several traditionally most-active states experienced slight decreases. For example, for the second straight year, New Jersey reported a modest decline. California, which saw a significant rise in 1990, also reported a small but welcome decline. And in Florida, which reported a slight drop in 1990, such episodes were down significantly. Maryland, which had risen sharply in the previous year, showed an encouraging decrease in 1991.

On the other hand, New York's total surged, after dropping in 1990, due largely to the Crown Heights outburst. Michigan also showed an increase after a 1990 decrease. And Massachusetts remained at its 1990 total, which was a slight drop from 1989.

The most active states were as follows: (see Appendix B for complete figures).

In 1991, New York led all states with 254 (up 68) reported vandalism incidents followed by California 124 (down 5) and New Jersey with 102 (down 5).

Next are Massachusetts with 68 (no change), Pennsylvania with 49 (up 5), Florida with 43 (down 22), Maryland with 41 (down 15), Illinois with 27 (down 6), Texas with 24

(up 19), Connecticut with 21 (up 5) followed by Michigan with 20 (up 4) and Colorado with 17 (down 18) and Ohio also with 17 (down 6).

In the next group, Georgia reported 14 (up 5), Louisiana 13 (up 8). Next were New Mexico with 11 (down 4), Virginia with 9 (down 6) followed by Minnesota with 8 (down 19) and Tennessee with 6 (up 2).

Nineteen remaining states each reported five or fewer incidents.

1991 vandalism: Geographic breakdowns

Ten Northeastern states plus the District of Columbia combined for a total of 549 incidents—59 percent of the national total. Last year there were 493 incidents reported in that region—53 percent. New York in 1991 had 254; followed by New Jersey, 102; Massachusetts, 68; Pennsylvania, 49; Maryland, 41; Connecticut, 21; New Hampshire 4; Maine and the District of Columbia each with 3, and two each in Delaware and Rhode Island.

In the West, seven states reported a total of 162 incidents—17 percent of the national total. California reported 124; Colorado, 17; New Mexico, 11; Washington, 4; Arizona, 3; Oregon, 2; and Utah 1.

In the South twelve states reported a total of 131 vandalism incidents—14 percent of the total. They are Florida, 43; Texas, 24; Georgia 14; Louisiana 13; Virginia, 9; Tennessee, 6; South Carolina, 5; Alabama, Mississippi and North Carolina each with 4; Arkansas, 3 and Kentucky 2. In addition, there was also one vandalism reported in St. Croix in the Virgin Islands.

Nine Mid-Western states accounted for 86 incidents—9 percent of the national total. Those states are: Illinois, 27; Michigan, 20; Ohio 17; Minnesota, 8; Wisconsin, 5; Missouri and Iowa each with 3; Indiana, 2; and Nebraska, 1.

Campus incidents

Anti-Semitic acts on American college campuses in 1991 remained at the disturbingly high level of 1990—though the dramatic trend of increase (72%) over the previous three years may have leveled off. There were 101 anti-Semitic incidents reported at 60 college campuses. Twenty-three of those campuses experienced more than one occurrence of anti-Semitic activity. In 1990 there were 95 incidents at 57 campuses with 11 experiencing multiple anti-Semitic episodes.

Recent ADL audits have reported on the increasing anti-Semitic incidents directed at individual Jewish students as well as places of Jewish activity on campus including Hillels, fraternity/sorority houses and dorms and offices of Jewish students and professors.

See Appendix D for a listing of 1991 Campus Incidents.

Among the many campus incidents of concern were the following:

On the campus of Cal State Northridge, in the Los Angeles area, a Sukkah erected by members of the Hillel Jewish Student Center was defaced with swastikas and anti-Semitic writing. (The Sukkah is a temporary ceremonial hut built to celebrate the Jewish harvest holiday of Sukkot.) The September 1991 incident was reported to the dean's office and to the campus police, as well as to the Anti-Defamation league and to the press. No suspects have been found.

Fifty-two mezuzas were stolen early Sunday morning, November 17, 1991, from the doorposts of dormitory rooms at Barnard College of Columbia University in New York City. The New York Police Department's bias unit and campus security office conducted an investigation. Barnard also stepped up security in the residence halls. However, the culprits have not been found.

In a positive outgrowth of the incident, many non-Jewish students at Barnard expressed solidarity with the victims of the vandalism. And the college president called a meeting to discuss student concerns about the theft, calling it "a very serious offense" and "an act of bias that is deeply disturbing."

And in one of the year's most unusual but distressing displays of prejudice, a group of student actors preparing for a dramatic production on the Holocaust became targets of anti-Semitic abuse. Judy Yordon, a professor of theater at Indiana's Ball State University, instructed the mostly non-Jewish cast of The Ghetto to wear yellow Stars of David to better understand the stigma Jews experienced under the Nazi regime. This exercise in sensitivity, however, provoked unexpected hostility toward the students.

Cast Member Matthew Socey wrote in the Ball State Daily News that while waiting at a bus stop, he saw a man roll down his car window to yell, "* * * Kike" at him. Other cast members attested that they had received neo-Nazi and Holocaust-denial literature. English instructor John Pea experienced the most dangerous response to the yellow star when, according to Socey, a driver motioned for him to cross the street, then gunned his car forward. (Mr. Pea apparently escaped injury.) African-American student actress Debbie Thomas encountered one student who pointedly refused to participate in a required class dialogue with her because of the star. "I've never experienced racism that was so blatant as that," Thomas said.

Although these displays of prejudice and contempt revealed a latent anti-Semitism, the community's response was overwhelmingly favorable toward the actors and the production itself. Over 2,000 people including a group of Holocaust survivors attended five sold-out performances of the play. Ball State Professor Susan Weintrob also affirmed that events surrounding the performance had sensitized the public at large to the persistence of anti-Semitism.

A troubling atmosphere on campus

In addition to the many acts of vandalism and other overt instances of campus anti-Semitism recorded in the ADL Audit, other developments—subtler but ominous—have contributed to a sense of unease and concern for Jewish students at many American institutions of higher learning.

Holocaust Denial on the Campus: Re-Cycling the Big Lie

Increasingly over the past few years, certain extremist activists and "intellectuals" have sought to exploit the academic tradition of open inquiry to promote their agendas of bigotry, intimidation, and historical distortion. For the Jewish community, no issue on college campuses is more sensitive in this regard than "Holocaust revisionism"—the doctrine which denies the facts of the Holocaust and contends that the Nazi genocide was a Zionist fabrication used to gain sympathy for Jewish causes.

Recent activity by advocates of this myth has contributed to an atmosphere in which students who defend the veracity of the Holocaust are accused of censoring thought and debate. In fact, Holocaust "revisionism" corrupts free inquiry by masking a deeper ideology of anti-Semitism.

Holocaust denial still has virtually no foothold in established university circles. Although a Northwestern University engineering and computer science professor, Dr. Arthur R. Butz, is the author of an early "revisionist" book titled *The Hoax of the Twentieth Century*, most of this literature is produced by individuals with questionable academic credentials and no qualification in history whatsoever. Yet, efforts to promote this lie have intensified.

For example, the most prominent recent distributor of the materials is Bradley R. Smith. He has edited the newsletter of the Institute for Historical Review, which is closely tied to the best-financed and most active anti-Semitic propaganda organization in the country, Liberty Lobby. Smith has been promoting Holocaust "revisionism" on college campuses by taking out full-page advertisements on the subject in student newspapers.

These ads state that Jews were merely confined by the Nazis to special work camps because of their influential role "behind international communism." Disputing the figure of 6 million deaths, these ads claim that typhus was the principal cause of death among camp inmates, and that gas chambers were "life-saving" fumigation chambers to delouse clothing and prevent disease. Although many campus newspapers, including those at Harvard, Brown, Yale, the University of Texas at Austin, the University of California at Berkeley, the University of Pennsylvania, and the off-campus, conservative *Dartmouth Review*, have refused to print the ad, others—including those at Duke and the University of Michigan have felt compelled to publish it in the interests of free speech. The Duke history department issued a statement urging recognition of the difference between interpreting history and denying it altogether.

In fact, the constitutional right of extremists to express offensive propaganda places college newspapers under no obligation to accept such ads. As one editor who rejected the Smith ad, Steven M. Markowitz of the University of California at Berkeley, told *The New York Times*, his paper's editorial policy forbade "racist, sexist or violence-inciting advertisements." Moreover, advertisements which dispute historically documented facts undermine the journalistic obligation to the truth—one of the values free speech is supposed to protect. Will ads be published which deny the internment of Japanese Americans, the enslavement of Blacks, or the Stalinist gulag? For now, it is only the fact of the Jews' mass murder that is being placed in the deceptive context of "open debate."

Taking Holocaust-denial onto college campuses is consistent with other efforts to mainstream the hate movement. Having failed to influence American society through violence and intimidation, right-wing extremists now further their agendas by distorting legitimate concerns into vehicles for bigotry, and mask their anti-Semitism through the code words "revisionism" and "historical review."

Given the horrifying legacy of bigotry, there is an additional grim irony in that Holocaust "revisionism" is being expressed by some radical figures on campus. Typically, these activists have masked Holocaust-denial rhetoric as part of a critique of Zionism, as one of member of the Islamic Movement of North America demonstrated: "The triangle of power finds the Americans at the top, but they're controlled by the Zionists below. The Americans do not control their own society. . . . There is no bigger terrorist nation in the world than the United States of America. They make Nazi Germany's terror look like nothing." Perhaps even more outrageous is the accusation offered by the anti-Semitic Pan-African revolutionary Kwame

Ture (who has told campus audiences that "the only good Zionist is a dead Zionist") in a 1990 speech at the University of Minnesota: ". . . the Zionists joined with the Nazis in murdering Jews, so they would flee to Palestine."

Campus Anti-Semitism/Anti-Zionism: "Political Correctness"

Today, in addition to traditional bigotry, Jewish students bear the brunt of highly-organized anti-Zionist campaigns, reflecting a discomforting reality: being pro-Israel, it seems, is not politically correct.

Jewish students face a double challenge not encountered by most other campus minorities. First, as this Audit illustrates, they experience traditional anti-Semitism. But the combination of domestic anti-Semitism and international anti-Zionism can result in unrelenting tension for Jewish students, faculty and administrators.

At some campuses, absurd and offensive distortions of the concepts of "diversity" and "multi-culturalism" have left Jewish students feeling vulnerable and isolated.

A typical illustration: At the University of Washington at Seattle, a proposed compulsory requirement for Humanities and Social Science credits included Ethnic Studies courses. But various arguments were advanced within a student-faculty task force opposing the appropriateness of including Jews as a minority worthy of such study. This, despite the obvious minority status of America Jews and the long history of that virulent form of racism called anti-Semitism.

In short, it seems that many advocates of the laudable concepts of curriculum diversity and multicultural sensitivity do not recognize anti-Semitism as a form of racism.

An unfortunate corollary is the tendency toward rationalizing the prejudices of "people of color," by claiming that racism is defined by the exercise of power over others; since, the slippery logic goes, racial minorities are not "empowered," they are simply not capable of being racist. Thus, anti-Semitism is excused, or even justified.

So, while Jews have excelled in academe and are fully accepted as students, faculty and administrators, at the same time the misuse of "political correctness" by some campus groups often delegitimizes Jewish values and concerns.

Anti-Zionist sentiment in the form of extreme and uninformed hostility to Israel and its supporters has caused consternation for Jewish students on many campuses. During last year's Persian Gulf War, anti-war sentiment was often mixed with anti-Zionist rhetoric. Moreover, some radicals within Black or Arab student groups have expressed anti-Semitism in the guise of anti-Zionism. A blatant example was a January 1991 editorial titled "What Is Zionism?" in the student newspaper at Morehouse College in Atlanta. The editorial stated in part:

"Zionism is a well organized and financed international conspiracy which controls the economic and political life of the United States and Europe; using this strangle-hold to steal and colonize the land of Palestinian people. It utilizes terror and murder to achieve its goal * * *."

Anti-Semitism of Extremists and Demagogues on College Campuses

Stridently anti-Semitic speakers including Louis Farrakhan, Kwame Ture, rap music figure "Professor" Griff, and Professor Leonard Jeffries, have become popular with Black student unions around the country.

Openly anti-Semitic representatives of the Nation of Islam are also accorded warm campus receptions including Conrad Muhammad, who spoke at Emory University last year, and Dr. Khalid Abdul Muhammad, who addressed the Columbia Black Students Union at Columbia University in the fall of 1990. (Muhammad referred to Columbia as "Columbia Jewniversity" in "Jew York City.") Another anti-Semitic speaker making the rounds on campus was Abdul Alim Musa, a member of the Islamic Movement of North America. During his appearance at the University of Washington on May 23, 1991 which was co-sponsored by the Black Student Union and the Muslim Student Association, Musa stated that U.S. policy was "controlled by an influential Jewish community, determined to keep minorities repressed and powerless."

At Southern Connecticut State University in 1991, Griff devoted twenty minutes of his lecture to an anti-Semitic diatribe, including the accusation that Jewish doctors injected black babies with AIDS.

There have been other disturbing indications of anti-Semitism by campus black activists as well.

A conflict arose at UCLA in February of 1991 over an anti-Semitic article that was published in *Nommo*, the Black student newspaper. The article was a defense of the content and display of the notorious anti-Semitic tracts *The Protocols of the Learned Elders of Zion and The International Jew* at a local function in Los Angeles in October of 1990. The author of the article wrote approvingly that the *Protocols* "present information which some believe confirms the theory that so-called Jews have plotted to control the world economically." When a meeting was arranged between UCLA's Jewish Student Union (which has filed a grievance with the school's communications board) and the staff of *Nommo*, the two Jewish representatives of the Jewish Student Union were jeered and mocked by members of the *Nommo* staff and members of the African Student Union. *Nommo* refused to acknowledge that the article was anti-Semitic.

In May, 1991 *Nommo* published anti-Semitic remarks by Darlene Webb, one of its editors, and a letter to the editor that urged hatred toward Jews. Entertainment Editor Webb's farewell statement was specifically directed at the Jewish news magazine *Ha'Am* and its staff. "Silly rabbits," she wrote, "they think I don't like them because they're Jewish. That's ridiculous. I don't like the majority of them because they're typical cave-dwelling . . . white, zionist (sic) * * * *."

The case of Prof. Leonard Jeffries, chairman of the Black Studies Department of the City College of New York, presents another kind of campus concern: anti-Semitism and racism by a faculty member, rather than from student groups. In addition to his infamous off-campus speech in July 1991 which was laced with anti-Semitic conspiracy accusations, Jeffries has promoted in his classes a bizarre theory of Blacks' racial superiority based on their higher level of the skin pigment melanin. Thus, Jeffries and his supporters carry Afro-centrism to an absurd and perverse extreme.

These anti-Semitic developments illustrate the disturbing fact that many Black student leaders and representatives—in effect, a significant portion of the future leadership of the Black community—repeatedly invite and enthusiastically support speakers who are well-known for their Jew baiting. These student leaders thus offer a respectable platform for anti-Semitic prejudice and ignorance—while generating tension among Jewish students who feel that they are "under siege."

1991 skinhead incidents

Neo-Nazi gangs known as "Skinheads" continue to perpetrate anti-Semitic and other racist crimes in 1991. For the second year in a row the number of "Skinhead" anti-Semitic incidents has dropped. This year there were 62 such incidents reported in 16 states compared to 87 in 21 states the previous year. The high mark year for Skinhead incidents was 1989 when 116 were reported in 24 states.

Still the Skinheads' message of hate, their menacing posture and their violent nature are troubling to all concerned Americans: blacks, Jews, Hispanics, immigrant minorities and gays continue to be targeted by Skinhead-gang members for brutal assault, threats and vandalism.[1]

Of the 1991 Skinhead-related incidents, 36 were vandalism, including an arson of a Jewish-owned business, and 26 were either harassment or threats directed at Jewish individuals and their institutions.

Police in Pennsylvania and in Connecticut made arrests of four Skinheads in connection with two of the incidents.

Law enforcement authorities in areas where Skinheads visibility is most prominent believe that dozens of additional vandalism incidents—particularly at public urban sites—are most likely the work of Skinheads, but do not contain a specific identifiable Skinhead "signature" such as the name of a gang or certain symbols.

Arrests

During 1991 in 14 states there were 52 individuals arrested in connection with 41 of all reported incidents. Of those arrested, twenty-five—48%—were 21 years of age or older. It is the highest percentage ever noted for that age group. Only once, since 1979, did the percentage for that age group exceed 20% (22% in 1987).

In 1990 110 individuals were reported arrested in 17 states in connection with 59 incidents.

A look at some noteworthy incidents

The following examples illustrate the considerable new coverage, community response and ADL counteraction which stemmed from several anti-Semitic incidents in 1991:

Brooklyn, NY

A hateful rampage engulfed the Lubavitch Hasidic community of Crown Heights in Brooklyn in August. It was the most dramatic and disturbing anti-Semitic outburst seen in the United States in many years. Tragically, it included the murder of a 29-year-old Orthodox Jewish scholar from Australia, Yankel Rosenbaum, who was attacked by a mob of young blacks shouting "Kill the Jew."

Following an accident on August 19 in which a car in the Lubavitch grand rabbi's entourage jumped the curb and slammed into two children, killing one, Gavin Cato, and critically injuring the other, his cousin Angela Cato, many young blacks surged through the streets over the next three days chanting "Arrest the Jews" and "Heil Hitler" attacking Hasidic Jews, smashing property and burning cars. Yankel Rosenbaum was walking along a street when the mob attacked him. Several demagogic speakers added to the hateful atmosphere, feeding the emotional flames with anti-Semitic scapegoating and rumors. New York City Mayor David Dinkins described the killing as a racial murder and a "lynching." One of

[1] See also ADL Special Report, "Neo-Nazi Skinheads: A 1990 Status Report," and other ADL materials on this subject.

Rosenbaum's attackers was arrested and charged with murder.

The Crown Heights Emergency Committee is an ad hoc group formed in the first days of the disorders in the Brooklyn community. It includes representatives of all major institutions of the community—i.e., schools, synagogues, service agencies, and representatives of the Jewish Community Council as well as local residents.

The following is a representative sampling of the more than 100 incidents of personal assault, harassment and property damage report to the Emergency Committee during the 3 day period of rioting August 19-21, 1991. It should be noted that the additional incidents took place sporadically over many weeks following the initial disturbances. In addition, many of these incidents were not reported to the New York Police Department for a variety of reasons—among them the fact that many of the victims were fearful of leaving their homes during a sustained period of serious violence.

Also, many incidents involving anti-Semitic expression may not have involved criminal activity, so that such incidents were not officially recorded as bias-related crimes.

During the August rioting, a total of 23 Jewish individuals suffered some serious bodily injury.

Two men received serious slash wounds, requiring stitches, caused by thrown bottles;

Another man beaten by a crowd of youths suffered a broken collarbone and a concussion;

A child, burned in a street fire, was hospitalized for his injuries and remains in treatment for psychological trauma;

Another individual was pulled from his car and beaten, another car was surrounded by a mob which smashed the windshield with a concrete block, injuring one passenger.

Another individual was severely slashed in the face with a broken bottle, requiring reconstructive surgery.

Among the property damage claims recorded by the Crown Heights Emergency Committee were the following:

On two occasions, bullets have been fired into a local synagogue;

Virtually every Jewish home on President Street in Crown Heights, as well as a synagogue there, suffered many broken windows.

Numerous car windows were smashed, and several cars were burned and destroyed. A van belonging to a Yeshiva was burned, and its windows broken. Several cars were defaced with swastikas.

Several new, as yet unoccupied, condominium buildings suffered arson damage estimated at over $60,000.

A swastika was painted on the door of a Jewish family's apartment. Beyond these overt acts of violence, the Crown Heights Jewish community suffered harassment in the form of a sign set up on a street corner reading "The Jew Is The Devil," and a nearby loudspeaker broadcasting viciously anti-Semitic speeches for several days and nights running.

Finally, amid this chaotic and violent atmosphere, a Jewish resident of Crown Heights named Brocha Estrin, a Holocaust survivor from Russia, jumped to her death from her third floor apartment on President Street. According to a leader of the Crown Heights Jewish community, her suicide "was a direct result of fear placed on her by strangers outside of the community using Nazi tactics."

Los Angeles, CA

One firebombing, four arsons and four attempted arsons at three different synagogues in the Los Angeles area angered and frightened Jewish residents. The arsons occurred between January and April.

The January arson caused $250,000 in damage to the synagogue and charred every room except one. ADL participated in a press conference held by the rabbi and issued a statement condemning the act. Additionally, the Los Angeles office along with the Jewish federation cosponsored a conference on Security for Religious Institutions. The Los Angeles City Council and the County Board of supervisors offered rewards totalling $35,000 for the arrest of those responsible for the firebombing. A rally was held outside the burned-out synagogue attended by 200 Christians and Jews from throughout Southern California to denounce hate. One Christian minister said: "If you touch one synagogue, you touch every Christian church in America." The local media covered the arson, the press conference, the security conference and the rally.

As noted, this arson was followed by a series of arsons and attempted arson in other areas of Los Angeles. ADL had held another security conference in Ventura County just prior to an arson there, which gave the temple administrators the necessary tools for dealing with vandalism and for handling the media. Also ADL contacted all the local synagogues and alerted them to possible copycat incidents, and the local police to increase patrols at all local synagogues. The arsons and attempted arson were also covered fully by the media. In late April, authorities apprehended someone they suspected of involvement in at least some of the arsons.

Boca Raton, FL

Between the 15th of May and the end of July, Orthodox Jewish congregants of two Boca Raton synagogues were the victims of vandalism, smoke bombs, drive-by shootings, BB gun shootings, verbal assaults and harassment.

ADL worked with local police to get them to respond and to take the incidents seriously and to be aware of and sensitive to the anti-Semitism. ADL consulted with the rabbis and synagogue leadership and security guards were employed. ADL also was able to get regular security patrols by the police and the private Boca Del Mar Development security increased for the protection of the rabbis and congregants. Several of the incidents were covered in the local press.

Dayton, OH

In November, two synagogues in Dayton were desecrated with spray-painted swastikas and the word "Jude" on the steps of one of the synagogues. Community and religious leaders including representatives from the Muslim community united in support of the Jewish community to denounce the desecrations which occurred on the 53rd anniversary of Kristallnacht. ADL was at the press conference and in contact with the Dayton police to offer assistance. Additionally ADL and the Jewish Federation posted a $1,000 reward for the arrest and conviction of those responsible for the vandalism.

The local media covered the vandalism and the press conference. The Greater Dayton Christian Council offered to help defray the expenses of cleaning up the synagogues on behalf of the Christian community.

Knoxville, TN

A group of Skinheads harassed and threatened, as well as physically attacked, a local store, its employees and its Jewish owner. Anti-Semitic materials have appeared on a bulletin board in the store, a rock has been hurled through the store window with a note—embellished with a swastika—that said "Don't let Jew bastards run the country," anti-Semitic graffiti was painted on the store's front door and a molotov cocktail was thrown which burned the store's carpet and caused other minor damage.

ADL worked with both the police and store's owner providing information on local Skinheads, urging protection for the store and its owner, and also helping the victim to deal with the effects of these hate crimes. Following the arson, the incidents ceased.

Johnson, VT

In the spring of 1991 ADL was informed that an official at Johnson State College in Vermont was made the target of an ongoing campaign of anti-Semitic harassment which included threats and letter of intimidation over a six month period. This official had fired someone for using anti-Semitic epithets against a Jewish woman an campus and for pushing her against a wall. Someone who had read about the ongoing anti-Semitic campaign against the college dean called ADL.

Over the ensuing months, the ADL office was in touch with a Vermont state representative, the Chancellor of the entire Vermont state college system as well as the president of Johnson State College to stop the harassment against the dean and to get anti-prejudice program up and running on all the Vermont campuses.

Unfortunately the perpetrator(s) were never apprehended; the victim left the Johnson State campus to pursue a Ph.D. Through the efforts of the Chancellor, ADL has been invited to address the presidents of all the Vermont state colleges/universities on responses to hate crimes, training police to properly investigate and pursue perpetrators on campuses, and the status of racism and anti-Semitism on American campuses today. ADL has also shared information about our Campus of Difference program with the Chancellor, as well.

A resurgence of politically related incidents

There were 52 anti-Semitic incidents linked by their perpetrators to the Persian Gulf war committed in 14 states across the country from the start of Operation Desert Storm on January 16 through February 14. Another 28 such incidents were reported over the next few months, for a total of 80. Hate mailings and threats included swastikas and statements such as "Death to Jews," "All Jews will burn and die in hell," and "Keep checking for those letter bombs."

At least 20 Jewish institutions received phone and/or mail threats. One California country club frequented by Jews received a phone threat that said: "Kill Every Jew . . . On Behalf of Iraqi people."

Seven cars on a Pennsylvania street were painted with the words: "Death to Israel" and "Saddam Rules." Another incident at Rutgers University in New Jersey showed a missile aimed at a Jewish star with the statement, "Now Jews should die."

One Jewish-owned business in New Jersey received the following phone threat: "Jew Bastard . . . I hope Hussein burns Israel." These incidents represented a continuation of the pattern of Persian Gulf-related anti-Semitic incidents that began soon after the Iraqi invasion of Kuwait in August 1990. ADL noted 25 such episodes in the second half of 1990, as the crisis heated up.

It should be noted that such politically related acts of anti-Jewish animus cannot be considered mere expressions of political criticism. Rather, the violence and bigotry of

the incidents cited place them beyond the bounds of legitimate debate. And while the Gulf crisis may be over, the danger of renewed political anti-Semitism in a presidential election year overcast with economic dark clouds will require continuing vigilance.

CONCLUSION

ADL's 1991 Audit findings represent the fifth consecutive year of significant increases in reported anti-Jewish acts. In the vandalism category (where the 1991 total was slightly ahead of that of 1990) the last five years have seen a jump of over one third. Acts of assault, threat and harassment (which soared by 25 percent in 1991) over the same period have increased by nearly 200 percent.

One of the major factors noted in recent years showed continued signs of increase in 1991—the rise of anti-Jewish incidents reported on college campuses. While the rate of increase slowed in 1991, these acts have doubled over the past 4 years. At the same time, another important factor again declined—namely, anti-Semitic acts by neo-Nazi Skinheads. To be sure, the violent crimes of such gangs remain a matter of serious concern; law enforcement agencies, both local and federal, have paid greater attention to this problem in recent years.

In 1991, the most serious forms of anti-Semitic vandalism—bombings, arson, and cemetery desecrations—continued to rise even beyond the high level of 1990. Such serious types of violence had also risen sharply in 1988 and 1989.

In addition, 1991 saw a significant rise in direct assaults against Jews; the year's total of 60 doubled that of 1990.

Another factor that had virtually disappeared in 1989 after leaping to prominence in 1988—i.e., anti-Semitic acts linked by their perpetrators to events in the Middle East—again came to wide attention in 1990. Then, in 1991, the Persian Gulf War brought with it a significant number of anti-Semitic acts, largely in the form of hate mail to Jewish organizations, blaming them and the Jewish community for the war or making other hostile statements. Such politically-related anti-Semitism calls for especially intensive monitoring—especially in the election year of 1992, with some candidates ready to scapegoat the Jewish community or engage in Israel-bashing.

Many observers have noted the possible correlation between, on the one hand, a perceived decline in civility, a coarsening of public expression and popular culture, in American society and, on the other, the dramatic rise in bias crime, particularly in the area of personal harassment, which the 1991 Audit figures reflect. This, combined with the pressure associated with a deteriorating American economy during the past year, may well have contributed to the new record-setting levels of anti-Jewish acts.

Yet numbers in themselves cannot tell the whole story. It should be remembered that behind each of the incidents noted here is an individual victim, a family, a community, targeted for intimidation—indeed, a form of terrorism. The lasting pain of scars, emotional as well as physical, inflicted by crimes of hate must not be underestimated.

The nationwide increase in anti-Semitic acts demands an ever more forceful response through those means available to official authorities and community leaders in a democratic society: firm enforcement of appropriate laws, regular and creative educational programming against prejudice, and enhanced public awareness of the nature and dimension of the hate crime phenomenon. ADL's active monitoring efforts, its "A World of Difference" project and its other counteraction and educational programs—including the publication of this Audit report—are geared toward those goals.

Despite the year's troubling statistics, the overall picture retains some positive features. Forty-six states and the District of Columbia now have statutes dealing with hate crimes, many patterned after ADL model legislation. Numerous states and localities are working to improve communication between community groups and law enforcement authorities, while such officials, increasingly sensitized, are developing better reporting and investigative procedures on bias crimes. The new federal Hate Crime Statistics Act has begun operation. Today, public officials, educational administrators and community leaders are responding more frequently to hate-motivated incidents with sympathy and solidarity toward victims, and a determination to reject and overcome the affront to decency and threat to pluralism presented by acts of gross or violent prejudice.

ADL's Counteraction Program: I

ADL has developed and supported a combination of preventive and counteraction measures over the past twelve years to enable the Jewish and other communities to protect themselves against vandalism and other forms of bias crimes, and to respond effectively should they occur. Major elements of this broad-ranging program are detailed here.

Conferences on Security and Bias Crime

In cooperation with law enforcement authorities, educational and other religious and ethnic organizations, ADL offices on both the local and national levels have carried out programs of public education, emphasizing the need for effective security at houses of worship and other community-based institutions.

In November, ADL in cooperation with the League for Human Rights of B'nai B'rith in Canada, convened the first comprehensive "Conference on Anti-Semitism Around the World." It brought together scholars, journalists, religious and community leaders from the U.S., Canada, Israel, South America, the U.S.S.R., Germany, Poland, and Romania to assess the phenomenon of anti-Semitism in a rapidly changing world. The diverse reports and discussions illustrated that there are common anti-semitic threads as well as distinctive differences in countries around the world.

Following Abraham H. Foxman's keynote address, the conferences heard assessments from columnist Richard Cohen (Washington Post) and Professor Julius Lester (University of Massachusetts, Amherst) on anti-Semitism among Black Americans, its root causes, manifestations and ways of dealing with the problem. Research scholars Gary Tobin (Brandeis University) and Leonard Dinnerstein (University of Arizona) addressed the issues, of how to define and analyze attitudes of the public toward Jews; the special characteristics of anti-Semitism in Canada were examined; a number of scholars led by Rumanian Chief Rabbi Moshe Rosen discussed anti-Semitism in a post-communist Eastern Europe and Soviet Union; and former New York Mayor Edward I. Koch presented the closing speech, "Fighting Anti-Semitism: Where Do We Go From Here." Koch urged that anti-Semites be publicly identified and that "good people everywhere must join the battle to make anti-Semitism unacceptable."

Around the U.S. throughout 1991, ADL-sponsored security and bias-crime conferences on anti-Semitism, security, hate crimes training and extremists have brought together all community elements—institutional leaders, clergy, educators, parents and law enforcement officials—to discuss bias-oriented attacks, and to grapple with the how-to's of stronger security measures. The conferences have also focused on the very difficult questions having to do with the whys of anti-Semitism and racism. ADL—both regionally and nationally—participated in various grass roots anti-bias activities such as the Northwest Coalition against Malicious Harassment, Inc. and the Stockton (New Jersey) State College Human Relations Coalition.

During 1991, ADL regional offices have organized, co-sponsored or participated in more than 40 such meetings, covering the following states: Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Maine (Maine saw its first-ever hate crimes conference held in Portland during May), Massachusetts, Michigan, Minnesota, New York, New Jersey, Ohio, Pennsylvania, Texas and Washington, D.C.

In addition to involvement in these security conferences, ADL staff members have been invited to brief law enforcement officials, at the local, state and federal levels on hate groups, bias crime legislation and other security-related topics throughout the year. For example, ADL's Charles Wittenstein (Southern civil rights coordinator) made a presentation on hate groups and hate crimes at the National Organization of Black Law Enforcement Executives (NOBLE) Georgia chapter meeting. Jodi Goodman (Houston regional office), along with ADL lay leaders made six presentations on hate crimes and who commits them, what the officers' roles are and what the laws are to six police cadet seminars during the year for the Houston police department. Dick Lobenthal (Detroit regional office) lectured the Midwest Gang Investigators Association annual conference on extremist groups.

By coordinating police and local institutional leadership, ADL seminars, conferences and training have established greater community awareness of practical bias-crime prevention measures, stronger support among cooperating agencies and heightened sensitivity by public officials for the citizens they serve. They have also helped community members to understand how important it is to report bias crimes whenever they occur.

Hate Crimes Statistics Act

As part of its overall hate crime countaction effort, ADL has played a leading role in the implementation of the federal Hate Crime Statistics Act. Under the Act, signed into law in April, 1990, the Department of Justice is required to collect data on crimes which "manifest prejudice based on race, religion, sexual orientation, or ethnicity." The Act also requires the Attorney General to publish an annual summary of the findings.

In the year since the data collection mandate was given to the FBI and its Uniform Crime Reporting Section, considerable progress has been made toward effective national implementation of the Act. Working closely with UCR professionals, ADL provided input and expertise. The FBI developed implementing guidelines and a training manual on the Act, documents which have not been distributed to over 16,000 law enforcement agencies around the country.

In early April, ADL represented other human relations organizations which had

helped to shape the Bureau's HCSA outreach and education efforts at a press conference announcing the FBI's implementation program. In the Fall, the Bureau began a series of training seminars for state and local law enforcement officials. As we go to print, the FBI has trained over 1000 representatives from law enforcement agencies in almost all of the 315 cities and counties in the U.S. with a population of more than 100,000. ADL resources on hate groups and hate crimes are referred to in the FBI training materials and the League's 17-minute police training video—produced in cooperation with the New Jersey Department of Law and Public Safety—has been highlighted at many of the FBI seminars and at other law enforcement conferences.

Training sessions have featured presentations on the utility of the data from law enforcement officers from areas where hate crime data already are being collected, discussions on the nature of prejudice and the special impact of bias-motivated criminal activity, as well as appearances by human relations groups, including ADL, to describe their expertise in analyzing and responding to hate crime.

In addition to the FBI conferences, in the past year ADL professionals have participated in panel discussion on hate crimes at a number of meetings of national law enforcement groups, including those sponsored by the International Association of Chiefs of Police, the National Sheriffs Association, the National Association of Black Law Enforcement Executives, the Justice Research and Statistics Association, the Police Executive Research Forum, the International Association of Directors of Law Enforcement Standards and Training, and the Federal Law Enforcement Training Center.

ADL hate-crime police-training video

The accuracy and uniformity of bias-crime data collected will only be as good as the "reporters." Thus, effective training for police officials on how to identify, report, and respond to hate crimes will be critical to ensure the success of the important new initiative represented by HCSA.

To help meet this need, ADL has produced a new law enforcement training film on hate crimes, in association with the New Jersey Department of Law and Public Safety. This seventeen-minute video is designed to be shown at police training academies and to individual law enforcement agencies across the country.

The film portrays actual incidents of criminal activity motivated by prejudice. It dramatically illustrates the impact of this type of crime on the victim and the victim's community. Most importantly, the film concisely outlines appropriate law enforcement response—by showing how to identify hate crimes and how to deal with the victim's trauma, and by underlining the importance of treating the criminal action seriously. The film has been endorsed by the International Association of Chiefs of Police, the National Organization of Black Law Enforcement Executives, the Fraternal Order of Police, and the Police Foundation. Former Attorney General Richard Thornburgh wrote the Foreword for the twenty-four page discussion manual for trainers that accompanies the film.

Security handbook

In 1991 ADL published a convenient pocket size security pamphlet which was based on its 1986 practical counteraction tool: *Security For Community Institutions*. Both the pamphlet and the handbook (first issued in 1984) continue to be widely distributed across the United States. They aim at preventing—and coping with—destructive violence against persons and property, particularly that motivated by religious or racial prejudice. Prepared in cooperation with the Crime Prevention Section of the New York City Policy Department, the handbook and the new pamphlet are based on ADL's experience in monitoring and countering anti-Jewish vandalism and other crimes directed at Jews and Jewish-owned property. They reflect the knowledge gained by the League in working closely with law enforcement agencies and in co-sponsoring security conferences and workshops. The ADL security handbook has received endorsement from local and federal law enforcement officials.

Both the handbook and the security pamphlet detail security measures and procedures for community institutions; suggest proper reaction when incidents occur; provide information on security programs carried out by the New York City Police Department's Crime Prevention Section and its Bias Incident Investigating Unit. The handbook provides additional material such as a model form for reporting incidents to local police departments, as well as the text of model state statute developed by ADL as a tool to assist law enforcement agencies in dealing with the problem of vandalism against religious and ethnic institutions. Both the pamphlet and the security handbook have been shared with churches, ethnic organizations other community groups which are also vulnerable to bias crimes.

Education

The Campus and the Workplace

In 1989, ADL announced the creation of the Mildred and Samuel Levine Institute for College Campus Affairs Programming to combat bias incidents and expressions of all forms of prejudice on campuses. The Institute's first event that November was a national conference on campus prejudice held at the University of Pennsylvania. And the Institute published "Combatting Bigotry on Campus: The Problem and Strategies for Counteraction," a report distributed during the conference. The Institute followed up by also publishing the conference's proceedings.

During 1991 the Mildred and Samuel Levine Institute sponsored a National Teleconference for Jewish students on the Persian Gulf War in February, and an October 1991 conference in Los Angeles called Dealing with Diversity on Campus: Tools for Jewish Students.

During 1990, ADL expanded its efforts against prejudice by adding two new programs: "A Campus of Difference" and "A Workplace of Difference." Both projects are modeled after ADL's seven-year-old educational and media program, "A World of Difference," which trains educators in K-12 in 25 regions across America to combat prejudice by increasing students' awareness of cultural and ethnic diversity and helping them learn to value it. When corporate and academic communities wanted information and guidance in dealing with growing racial, religious and ethnic tensions they were experiencing, ADL created the new programs to respond to those needs.

"A Campus of Difference" has been offered at over 45 campuses across the country including Columbia, NYU Law School, Mt. St. Vincent's College, the University of Texas, Sarah Lawrence College, Syracuse University, Yale University, Morrisville College, SUNY Oneonta, and Occidental College. Also, a video called "Facing the Difference: Living Together On Campus," which features college students talking about the problems they have faced in a highly diverse college environment, is now being disseminated widely.

AT&T, Security Pacific Corporation, the New York City Commission on Human Rights, Security Pacific Banks, NA, Southeast Banks, and Bellcore are among those businesses and agencies which have availed themselves of the new model programming of "A Workplace of Difference." Full-day workshops allow participants in both programs to interact and openly discuss issues of diversity, prejudice and discrimination.

Meeting the diversity awareness needs of our nation's law enforcement agencies presented a new training challenge to ADL, leading to the creation of a special training program specifically aimed at law enforcement professionals. The program has been offered at the National FBI academy, the Houston Police Department, the Little Rock Police Department, the Albany Police Department, and other law enforcement agencies.

During 1991 ADL coordinated all of its educational efforts to combat prejudice under one umbrella forming the A World of Difference Institute. In addition to ADL's ongoing programs a number of new initiatives will be taken. Through intensive training programs the Institute will assist educators in their efforts to combat prejudice and to value diversity.

In the Schools

The nation's schools must be included in any program designed to address the problem of bigotry. Confronting and eliminating prejudice should be an educational priority at all levels of education—school systems, individual schools, administrators, teachers, and professional education organizations.

ADL disseminates an extensive catalogue of print and audiovisual materials for schools. Included are books, curricula, and videos on prejudice reduction, multicultural education, the Holocaust, and ways of strengthening our democratic society. This catalogue of materials is utilized by more than 100,000 teachers, administrators, and curriculum developers.

Some examples: On the elementary level—a handbook "Teacher They Called Me A—!" has 69 classroom activities on such topics as Race and Ethnicity, Religion, Differences in Life Styles, Discrimination Against the Disabled, and the Influence of Gender on How Children Are Treated.

On the secondary level of classroom activity manual, "Being Fair and Being Free," teaches students the evils of prejudice in their own lives, in other countries, and in other times.

A large variety of excellent videos such as "Behind the Mask," "Names Can Really Hurt Us," and "Shadows Between Friends" show elementary and/or high school students facing prejudiced behaviors and learning about the evils of prejudice.

An updated series of 12 "Sports Posters" features famous athletes declaring: "If You Really Believe in America, Prejudice is Foul Play."

ADL, the National Urban League, and the League of United Latin American Citizens (LULAC) have formed a coalition to improve education. A major goal for this coalition is to work with schools to help them develop programs that teach the importance of intergroup respect and understanding within our democratic, pluralistic society. The coalition has produced two full-color posters that indicate their educational priorities. One features a "Report Card For Better

Schools." The other presents a multicultural group of children and explains: "Learning and Playing Together Today; Living and Working Together Tomorrow." These posters are available for purchase.

In cooperation with the National PTA, ADL has prepared and the National PTA has distributed a pamphlet entitled "What To Teach Your Child About Prejudice and Discrimination." In clear and direct language the pamphlet assists parents and teachers in telling youngsters how to treat others with respect and how to deal with prejudice directed against themselves.

ADL, together with the New York State Department of Education has developed a pamphlet for high school students, "Hate Can Hurt, Let's Stop Prejudice." The pamphlet has been widely utilized to initiate discussions among youngsters on how to deal with prejudiced behaviors.

To meet the threat of anti-Semitism, the ADL has produced two educational videos with discussion guides, plus three pamphlets under the overall title "Confronting Anti-Semitism." The two videos, "A How-To for Jewish Youth" and "A Family Awareness Project" simulate various scenarios such as anti-Jewish "jokes" and comments, and school policies that conflict with religious observances.

The pamphlets "Guidelines for Jewish Parents" and "Guidelines for the Jewish Community" help parents to aid young victims of hate, and Jewish communities in confronting modern anti-Semitism. The third pamphlet in the series offers "Guidelines for the Christian Community" on facing anti-Semitism.

This multimedia program is designed for schools, religious organizations, and community groups.

THE 1991 ADL AUDIT OF ANTI-SEMITIC VANDALISM AND OTHER INCIDENTS

State	1991 total	Change		Vandalism locations			Serious crimes				Cem. des.	Harassments, threats and assaults				
												Targets		1991 total	Change	
		1990	1991	INST	PVT	PUB	ARS	ATT	BMB	ATT		INST	IND		1990	1991
New York	254	186	+68	51	147	56	3	0	0	0	4	34	157	191	110	+81
California	124	129	−5	33	58	33	5	5	1	1	0	40	82	122	91	+31
New Jersey	102	107	−5	12	33	57	1	1	0	0	3	18	75	93	55	+38
Massachusetts	68	68	0	8	15	45	0	0	0	0	2	19	50	69	66	+3
Pennsylvania	49	44	+5	9	13	27	0	2	2	0	0	4	22	26	22	+4
Florida	43	65	−22	20	11	12	1	0	1	0	0	13	35	48	60	−12
Maryland	41	56	−15	4	19	18	0	0	0	0	1	8	29	37	56	−19
Illinois	27	33	−6	8	9	10	0	0	0	0	0	20	26	46	39	+7
Texas	24	5	+19	5	9	10	0	0	0	0	0	10	11	21	21	0
Connecticut	21	16	+5	1	4	16	0	0	0	0	0	3	23	26	23	+3
Michigan	20	16	+4	7	9	4	1	0	0	0	0	8	16	24	25	−1
Colorado	17	35	−18	5	9	3	0	0	2	0	2	3	18	21	28	−7
Ohio	17	23	−6	10	2	5	0	0	0	0	1	25	22	47	32	+15
Georgia	14	9	+5	4	4	6	0	0	0	0	0	3	20	23	13	+10
Louisiana	13	5	+8	11	1	1	0	0	0	0	4	18	0	18	6	+12
New Mexico	11	15	−4	2	1	8	0	0	0	0	0	8	9	17	9	+8
Virginia	9	15	−6	2	6	1	0	0	0	0	0	0	10	10	8	+2
Minnesota	8	17	−9	3	1	4	0	0	0	0	1	12	9	21	21	0
Tennessee	6	4	+2	2	3	1	1	0	0	0	0	0	1	1	1	0
South Carolina	5	0	+5	4	1	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	5	23	−18	3	1	1	0	0	0	0	0	1	0	1	4	−3
Alabama	4	2	+2	3	0	1	0	0	0	0	0	3	0	3	2	+1
Mississippi	4	2	+2	4	0	0	0	0	0	0	4	0	0	0	0	0
New Hampshire	4	5	−1	3	0	1	0	0	0	0	0	0	2	2	3	−1
North Carolina	4	1	+3	3	1	0	0	0	0	0	0	0	4	4	5	−1
Washington	4	4	0	3	0	1	0	0	0	0	0	8	12	20	12	+8
Arizona	3	11	−8	1	0	2	0	0	0	0	0	6	0	6	8	−2
Arkansas	3	0	+3	2	0	1	0	0	0	0	0	0	0	0	1	−1
District of Columbia	3	6	−3	0	1	2	0	0	0	0	0	0	5	5	8	−3
Missouri	3	2	+1	1	2	0	0	0	0	0	0	0	3	3	1	+2
Iowa	3	0	+3	0	3	0	0	0	0	0	0	0	2	2	0	+2
Maine	3	3	0	2	1	0	0	0	0	0	0	1	5	6	1	+5
Delaware	2	2	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Indiana	2	2	0	0	2	0	0	0	0	0	0	7	5	12	7	+5
Kentucky	2	2	0	1	0	1	0	0	0	0	0	0	3	3	1	+2
Oregon	2	6	−4	1	1	0	0	0	0	0	0	2	2	4	12	−8
Rhode Island	2	0	+2	2	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	1	2	−1	0	1	0	0	0	0	0	0	6	3	9	3	+6
Utah	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Virgin Islands	1	0	+1	1	0	0	0	0	0	0	0	0	0	0	0	0
Alaska	0	1	−1	0	0	0	0	0	0	0	0	0	2	2	1	+1
Kansas	0	1	−1	0	0	0	0	0	0	0	0	0	1	1	0	+1
Nevada	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1	0
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	5	5	0	+5
Hawaii [1]	0	1	−1	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho [1]	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2	0
Montana [1]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
1991 total	929	927	+2	233	369	327	12	8	6	1	22	281	669	950	758	+192

[1] For comparison to 1990 figures.

LISTING OF COLLEGE CAMPUSES REPORTING ANTI-SEMITIC INCIDENTS

California May 27, 1991, Claremont College Hillel, phone threat.

California August 1991, Claremont College Hillel, phone threat.

California September 1991, Cal. State-Northridge Hillel, vandalism.

California September 12, 1991, San Francisco City College, vandalism.

Colorado February 11, 1991, Univ. of Colorado-Boulder, vandalism.

Colorado November 20, 1991, Univ. of Colorado-Boulder Hillel, phone threat.

Connecticut February 6, 1991, Trinity College-Hartford, harassment.

Connecticut February 22, 1991, Southern Conn. Univ. New Haven, harassment.

Connecticut August 10, 1991, Yale Univ.-New Haven, 3-vandalism—1 harassment.

Connecticut September 11, 1991, Wesleyan Univ.-Middletown, 5-vandalism—1 harassment.

Connecticut October 9, 1991, Univ. of Hartford, vandalism.

Florida April 16, 1991, Florida Atlantic Univ., vandalism.

Florida October 17, 1991, Univ. South Florida-Tampa, vandalism.

Florida November 4, 1991, Univ. of Miami Hillel, phone threat.

Georgia January 1991, Univ. of Georgia-Athens, harassment.

Georgia January 30, 1991, Morehouse College-Atlanta, harassment.

Georgia March 23, 1991, Emory Univ.-Atlanta, vandalism.

Illinois February 6, 1991, Northwestern Univ.-Chicago Hillel, phone harassment.

Illinois May 29, 1991, Spertus College-Chicago, harassment.

Illinois June 10, 1991, Governors State Univ.-Univ. Park, harassment.

Illinois September 1991, Northwestern Univ., harassment.

Illinois November 21, 1991, Univ. of Illinois-Champaign Hillel, vandalism.

Indiana January 24, 1991, Univ. of Indiana-Bloomingham Hillel, harassment.

Indiana July 1991, U. Indiana-Bloomington Jewish frats, 2-vandalism.

Indiana October 1991, Ball State Univ.-Muncie, 3 harassment.

Iowa August 1991, Univ. of Iowa-Iowa City, vandalism.

Iowa October 30, 1991, Grinnel College-Grinnel, vandalism.

Kansas May 10, 1991 Wichita State Univ., harassment.

Maryland January 15, 1991, Univ. of Maryland-College Park, harassment.

Maryland February 4, 1991, Frostburg State Univ., 1-vandalism 1-harassment.

Maryland May 17, 1991, Baltimore Culinary College, harassment.

Maryland June 2, 1991, Univ. of Maryland-College Park, vandalism.

Maine January 1991, Wheaton College-Attleboro, vandalism.

Maine February 1991, Brandeis University-Boston, harassment.

Maine March 3-6, 1991, Harvard Univ.-Boston, 5-vandalism.

Maine November 11, 1991, Smith College-Northampton, vandalism.

Maine November 1991, Wellesley College, 2-vandalism.

Michigan, May, 1991, Oakland Univ. Rochester, vandalism.

Michigan, November, 1991, Univ. of Michigan-Ann Arbor, harassment.

Minnesota, February 4, 1991, Univ. of Minnesota-Minneapolis, harassment.

Minnesota, June 15, 1991, Univ. of Minnesota-Minneapolis, vandalism.

Minnesota, October 15, 1991, Univ. of Minnesota-Minn. Hillel, harassment.

New Jersey, January 10, 1991, Rutgers Univ.-New Brunswick, 3-vandalism.

New Jersey, May 14, 1991, Rutgers Univ.-Livingston, vandalism.

New Jersey, May, 1991, Rutgers Univ.-Busch, 3-vandalism.

New Jersey, February 5, 1991, Monmouth College, harassment.

New Jersey, October, 1991, William Patterson College, 2-vandalism.

New Mexico, January 3, 1991, Univ. of New Mexico-Albuquerque, 1-harassment 1-vandalism.

New Mexico, January 29, 1991, St. Johns College-Santa Fe, harassment.

New York, July, 1991, Brooklyn College, harassment.

New York, October 30, 1991, Queens College, harassment.

New York, September 11, 1991, Cornell Univ.-Ithaca, 2-harassment.

New York, November 17, 1991, Barnard College-NYC, vandalism.

North Carolina, November, 1991, Duke University, harassment.

North Carolina, November 25, 1991, Guilford College-Ashville, vandalism.

Ohio, August 30, 1991, Ohio State Univ.-Columbus Hillel, harassment.

Ohio, December, 1991, Ohio State Univ.-Columbus, assault.

Ohio, October 6, 1991, Univ. of Cincinnati Hillel, 2-vandalism.

Ohio, December 5, 1991, Ohio Wesleyan-Delaware, harassment.

Pennsylvania, February, 1991, Univ. of Pittsburgh, 2-vandalism.

Pennsylvania, September 9, 1991, Univ. of Pennsylvania, vandalism.

Pennsylvania, October 13, 1991, Penn State Univ., vandalism.

Pennsylvania, November 16, 1991, Keystone Jr. College-La Plume, vandalism.

Tennessee, July 4, 1991, Univ. of Tennessee-Knoxville Hillel, vandalism.

Tennessee, October, 1991, Univ. of Tennessee-Knoxville, 1-vandalism 1-harassment.

Texas, November 27, 1991, Univ. of Texas-Austin, assault.

Texas, December, 1991, Univ. of Texas-Austin, vandalism.

Vermont, March 5, 1991, Johnson State College-Johnson, 5-harassment.

Washington, January 31, 1991, Central Univ. Washington-Ellensburg, harassment.

Wisconsin, February 12, 1991, Univ. of Wisconsin-Milwaukee, vandalism.●

TRIBUTE TO DWIGHT E. HEFFELBOWER

● Mr. McCONNELL. Mr. President, I rise today to pay tribute to an outstanding Kentucky businessman who has worked in the defense industry for more than 42 years. Dwight E. Heffelbower is now the chairman and CEO of the Lexington-based Mason & Hanger-Silas Mason Co., Inc. This engineering services firm is one of the Nation's largest defense contractors.

Dwight Heffelbower began his career in 1949 at the Silas Mason Co., Inc. as a draftsman on a company contract at the Iowa Ordnance Plant in Burlington, IA. He soon worked his way up to junior engineer, then chief process engineer, and eventually to plant manager in 1963. During the 10 years he held that post, employment rose from 2,000 to 8,000 due to the buildup for the Vietnam War. Mr. Heffelbower became vice president of defense activities at Mason & Hanger in 1973 and moved to the Lexington headquarters. He took over as president and CEO in 1986, and since January of this year, he has served as chairman and CEO.

In his current position, Mr. Heffelbower is faced with the task of ensuring that Mason & Hanger continues to be successful in a post-cold war era. He claims that the biggest challenge facing the company is diverting away from Department of Defense work because conventional ammunition production is decreasing. In addition to its defense work, Mason & Hanger does extensive security work, an area which will likely expand as ammunition production decreases. One of the company's six subsidiaries is also developing a fiber optics and intelligence and detection system, a state-of-the-art security and monitoring system. The same company is studying and marketing a plasma energy system to transform solid, hazardous and medical waste into environmentally sound byproducts.

Over the years, Dwight Heffelbower has proven himself to be a capable, hard-working and honest businessman. He has worked his way up in one of the Nation's most rapidly changing industries. There is no doubt that Mason & Hanger-Silas Mason Co., Inc., will continue to enjoy tremendous success under the proven leadership of Dwight Heffelbower. Mr. President, please insert the following article from the Lexington Herald-Leader into the RECORD.

The article follows:

[From the Lexington (KY) Herald-Leader, Feb. 24, 1992]

CAREER REFLECTS WAYS ARMS INDUSTRY EVOLVED—DWIGHT E. HEFFELBOWER ROSE TO CHAIRMANSHIP OF MASON & HANGER

(By Liz Caras Petros)

Times were tough in 1949 when Dwight E. Heffelbower got his engineering degree and hit the job market. But at the Silas Mason Co. Inc., Heffelbower found a perfect match.

"They were hiring and I was looking," he recalled.

Although Heffelbower knew nothing about the company when he began work, he had a plan.

"I thought I would go there for a couple of years and get some experience," he said.

That was more than 42 years ago. Heffelbower is still with the company. And he's still learning.

The Lexington-based engineering services firm, now called Mason & Hanger-Silas Mason Co. Inc., is one of the country's largest defense contractors. So it has adapted its work to the changing military climate. Heffelbower's career mirrors those changes.

Heffelbower first worked as a draftsman on the company contract at the Iowa Ordnance Plant in Burlington, Iowa. The contract, with the Atomic Energy Commission, was for the construction and operation of the first plant that made high explosives components for atomic weapons and assembled them.

Heffelbower was plant manager from 1963 to 1973, during the buildup for the Vietnam War when employment rose from 2,000 to 8,000 and production began of 50 to 60 ammunition items at the same time.

In 1973, Heffelbower became vice president-defense activities for the company and moved to the Lexington headquarters. Since January, he has served as chairman and chief executive officer.

Mason & Hanger has a rich history as a U.S. defense contractor—a history that includes dealing with sensitive and dangerous materials.

Heffelbower, 66, is used to that. As a young engineer, he regularly handled explosives no one knew anything about. He considers himself lucky.

"We didn't know about all these things that are bad now," he says. "I think back at the things that we did fool with then and look at the EPA's list and I say we should never have touched it."

Mason & Hanger continues its involvement with U.S. defense-related activities.

It operates the nuclear weapons plant Pantex near Amarillo, Texas, where it develops and produces explosives for nuclear weapons and assembles, disassembles, modifies, tests and performs surveillance on America's nuclear stockpile.

Mason & Hanger also does extensive security work. Its forces guard Pantex, the Iowa and Mississippi Army ammunition plants, Los Alamos National Laboratory in New Mexico, and NASA's Johnson Space Center in Houston and the Langley Research Center in Virginia.

In the coming years, Mason & Hanger will be working to ensure that its prosperity continues, regardless of any U.S. disarmament. President Bush, in his recent State of the Union address, set some of those programs in motion.

"Out biggest challenge is to divert away from the Department of Defense work," Heffelbower said. "Conventional ammunition obviously is going down in volume."

That means expanding its security work to include other commercial projects. One of its six subsidiaries, Mason & Hanger National, is now developing a Fiber Optics Intelligence and Detection System, a state-of-the-art undetectable security and monitoring system.

The same company is studying and marketing a plasma energy system that uses plasma, or ionized gas, to transform solid, hazardous and medical wastes into environmentally sound byproducts.

The company is testing the process under which a plasma torch, which Heffelbower defined as "lightning controlled," melts materials with temperatures of between 3,000 and 5,000 degrees.

"It will liquefy them," he said. "Then when you tap the liquid it will solidify into essentially a glass. That's the way that we can get rid of some very difficult things."

Not only are those materials safe for landfills, but they also can be used in building materials, such as roadways.

The company has an experimental torch set up in Huntsville, Ala., and is in the process of designing one for a group of hospitals in California.

Heffelbower will continue to shepherd the company's goals from headquarters in Lexington, despite perpetual rumors that the firm will move closer to some of its facilities.

The company employs 5,000 people worldwide, 25 people at headquarters on Harrodsburg Road.

"There's no reason to move," Heffelbower said. "There are better transportation hubs to get into, but there are not very many better places to live than Lexington."

Good transportation is important, because Heffelbower is often traveling to the company's facilities across the country. But when he is at home, he spends time with his wife, Darlene, and their three granddaughters who live in Lexington.

His son, Darl, is manager of the Iowa Army Ammunition Plant, a post Heffelbower held 30 years ago.

But don't assume Darl is following in his father's footsteps.

"He's not that good," quipped Heffelbower. And every chance he gets, Heffelbower reminds Darl that his son took over the plant at age 40—four years later than his father did.•

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

• Mr. SANFORD. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Charles H. Riemenschneider, a member of the staff of Senator LEAHY, to participate in a program in New Zealand, sponsored by the New Zealand Government, from February 7–16, 1992.

The committee has determined that participation by Dr. Riemenschneider in this program, at the expense of the New Zealand Government, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Jay C. Ghazal, a member of the staff of Senator PELL, to participate in a program in the United Arab Emirates, sponsored by the United Arab Emirates, from January 6–13, 1992.

The committee determined that participation by Mr. Ghazal in this program, at the expense of the United Arab Emirates, was in the interest of the Senate and the United States.•

LBCS TEACHER WINS PRESTIGIOUS AWARD

• Mr. D'AMATO. Mr. President, I rise today to congratulate Mrs. Veronica Danca who has been a teacher with the Long Beach Catholic schools for 13 years. Mrs. Danca is a shining star in the educational community who has dedicated her life to educating our young people. Mrs. Danca's many contributions were recognized when she was selected to be the recipient of the prestigious Better Beginnings Award by the New York State Department of Education.

Mrs. Veronica Danca will be receiving the Better Beginnings Award for her outstanding work with young students and her leading role in organizing and directing Long Beach Catholic school's kindergarten and prekindergarten programs. The Better Beginnings Award was created for those dedicated individuals who have committed themselves to creating better beginnings for schoolchildren in New York State. That is to say, the award is given to individuals who have exhibited a firm commitment to improving pupil's early educational experience.

Mrs. Danca is a long time Long Beach resident who will be receiving her award this month at Long Beach Catholic School in the view of the students, parents, community members, colleagues, and school administrators. I join with here family, friends, and well-wishers in praising her for her achievements. I would also like to extend my best wishes to Mrs. Veronica Danca for success in all her future endeavors. For Mrs. Danca represents the best of New York and I salute her.•

CAPE VERDIANS

• Mr. LIEBERMAN. Mr. President, I would like to call to the attention of my colleagues an important article from the Hartford Courant on the contributions that have beeen made by Cape Verdians to American society. Although Cape Verde is one of the poorest countries in the world, its peoples have played a major role in New England. The first wave of Cape Verdian immigration to this country occurred in the later part of the 19th century, when men came to work in New Bedford, MA, on whaling ships or in cranberry bogs. More came to my State, Connecticut, to build the Bulkeley Bridge around 1900. They have a driving force in the State's economy ever since then.

I want to pay a particular tribute to State treasurer Frank Borges. Frank arrived in this country at the age of eight, knowing no English. He pulled his way up and has gone on to be one of the most eminent political leaders in our State. His stewardship has been particularly welcome during Connecticut's tough economic times.

Mr. President, I ask that the following article be placed in the RECORD.

The article follows:

[From the Hartford Courant, Dec. 22, 1991]

CAPE VERDIANS WORKED HARD FOR SUCCESSES

(By Tom Condon)

A few years ago, I was at the same party as State Treasurer Francisco L. "Frank" Borges. I overhead some guy who'd never seen Borges before ask why someone with an Hispanic-sounding name looked like an African-American.

The boyishly handsome Borges hears this all the time. His ethic heritage is actually a mix of Portuguese and African cultures and a host of others, that come together in a group of islands off the west coast of Africa called Cape Verde.

Cape Verder, independent since 1975, is one of the poorest countries in the world, ravaged by drought and hunger. Yet the small Cape Verdian community here is one of the great success stories in Connecticut and southern New England.

Along with Borges, other Capes Verdians you may have heard of include Hartford Deputy School Superintendent Charles Senteio, prominent lawyers Joseph Moniz and John Rose, state Public Works Commissioner Bruce Morris, former Mental Health Commissioner, Dr. Audrey Worrell, former Corrections Commissioner Raymond, Lopes, Bridgeport's pro basketball star Charles Smith, Norwalk-born jazz pianist Horace Silver, baseball all-star Davey Lopes (whose sister is married to Hartford School Superintendent T. Josiha Haig) and many others.

If your ancestors came from poor islands such as Ireland, Sicily or others, the story sounds familiar. Cape Verdians had little work and almost no schooling when the islands were a Portuguese colony. So work and education became obsessions. When the families got to this country, the father took any job he could find and saw that the kids went to school and earned a better life.

Borges and Senteio's fathers were both laborers with almost no formal education. The five Borges kids are college graduates and three are lawyers. The five Senteio kids are college graduates and three have advanced degrees.

Senteio recalls once not wanting to do his homework. His father handed him a shovel.

"If you won't use your pencil," he said, "you use this pencil." Charlie opted for the one with the eraser.

Borges came to this country at the age of 8, speaking no English, only Criuolo, the island's language. The first years of school were exceedingly difficult, but there was no question he'd succeed. His father had him at the kitchen table doing homework every night.

The 10 volcanic islands that sit 400 miles off Dakar, Senegal, were uninhabited when the Portuguese sailors found them in 1500s. They became a way station in the slave trade, eventually home to sick or escaped slaves, who built homes high in the mountains to avoid recapture. A penal colony was established on Cape Verde, which drew criminals and political dissidents of all stripe from many European countries.

The result, said Moniz, is a people of every hue and color who are very clannish and family oriented. Even in this country, "we all know each other," said Borges.

The first major immigration to this country was in the latter part of the 19th century when men came to New Bedford, Mass., either to work on whaling ships or in cranberry bogs.

Many moved to Rhode Island to become longshoremen. More came to Connecticut at

the turn of the century to build the Bulkeley Bridge. There are about 350,000 Cape Verdians in the islands and as many living in this country, most still in southern New England.

Moniz estimates that 15 percent to 20 percent of the island's economy comes from money American Cape Verdians send back to the islands.

Now that second- and third-generation Cape Verdians have made it, they'd like to nudge the U.S. to do something for their homeland. Cape Verde has never gotten much U.S. aid. Part of the reason, Borges thinks, is that most Cape Verdians work so hard they have little time for politicking.

Borges thinks it's time to convince Congress that the island's willing workers and key trade location make it an ideal site for development. They have the ear of Sen. Joseph Lieberman on this. Borges and Moniz are on the committee welcoming the country's prime minister to the U.S. next month.

But to really make themselves felt, someone—perhaps Borges—is going to have to get elected to Congress. And with Connecticut's Portuguese community and emerging Latino and African-American voting populations, Cape Verdian isn't a bad thing to be.•

NATIONAL FREE PAPER WEEK

• Mr. D'AMATO. Mr. President, I rise today to salute our Nation's free-community paper publishers for their continued contributions to the growth and success of local and State economies through their publications. Our free-community paper publishers form a strong and ever-growing industry that provides comprehensive buying information to millions of homes across the country each week. Celebrating the important role free community papers have played in providing information, news, and community support to their readers, I am proud to announce the seventh annual celebration of National Free Paper Week, March 15 through 21, 1992.

Free community papers blanket the country each week with more than 10 million door-to-door circulation across the country. Their contribution to the growth and success of local and State economies is immeasurable. By proclaiming National Free Paper Week, we all have the opportunity to give our free community paper publishers and their staffs the recognition that they deserve for their efforts.

I salute all those associated with the free community paper industry and urge my colleagues to support this fine industry by engaging in festivities honoring this essential industry.

Please accept my gratitude for all of your past efforts and I wish you continued success in the future. I am sure the week of March 15 will be filled with much jubilation.•

RURAL HEALTH CARE INITIATIVE

• Mr. KASTEN. Mr. President, I rise today to express my enthusiastic support for the Specter-Shelby amendment which was adopted last week as part of S. 1150, the higher education reauthorization bill. This amendment would specifically prohibit the implementation of the VA-HHS program known as the rural health care initiative.

The rural health care initiative is a joint venture by the Department of Veterans Affairs and the Department of Health and Human Services. This program would allow certain rural VA hospitals to serve nonveterans. VA hospitals participating in this program would admit and treat nonveteran patients.

While the Senate is looking at ways to improve the quality and delivery of veterans' health care, it is imperative that we do not lose ground in the process. I strongly believe that allowing VA hospitals to serve nonveterans would overburden the veterans' health care system. It is unconscionable to open up VA hospitals to nonveterans at a time when we allow eligible veterans needing care to be turned away.

Mr. President, the veterans health care system is being carefully scrutinized and its inability to serve all eligible veterans is being reviewed. It is essential that we do not imperil the future of the VA health care system by unnecessarily burdening it with outside demands. This amendment removes this threat by eliminating both the authorization and appropriation.

I am a cosponsor of both Senator SHELBY's and Senator SPECTER's bills to prevent implementation of the rural health care initiative, and I am pleased to support their bipartisan effort in the form of this amendment.•

SENATE JOINT RESOLUTION 255—DESIGNATING COMMODORE JOHN BARRY DAY

• Mr. D'AMATO. Mr. President, I ask that the text of Senate Joint Resolution 255 to designate September 13, 1992, as "Commodore John Barry Day," be printed in the CONGRESSIONAL RECORD.

The text of Senate Joint Resolution 255 follows:

S.J. RES. 255

Whereas John Barry, an immigrant from County Wexford, Ireland, volunteered his services to the Continental Navy and was commissioned as captain on October 10, 1775;

Whereas during the War for Independence Captain John Barry achieved the first victory for the Continental Navy while in command of the ship "LEXINGTON" by capturing the British ship "EDWARD", organized General George Washington's crossing of the Delaware River which led to the victory at Trenton in 1776, transported gold from France to America while in command of the ship "ALLIANCE", and achieved the last victory of the war for the Continental Navy, while in command of "ALLIANCE" by defeating the British ship "HMS SYBILLE";

Whereas during the War for Independence Captain John Barry rejected British General Lord Howe's offer to desert the Continental Navy and join the British Navy stating: "Not the value and command of the whole British fleet can lure me from the cause of my country";

Whereas after the War for Independence the United States Congress recognized John Barry as the premier American naval hero of that war;

Whereas in 1787 Captain John Barry organized the compulsory attendance of members of the Constitutional Convention in Philadelphia, thus ensuring the quorum necessary to adopt the Constitution and recommend it to the States for ratification;

Whereas on June 14, 1794, pursuant to "Commission No. 1", President Washington commissioned John Barry as Commodore in the new United States Navy;

Whereas Commodore John Barry helped to build and lead the new United States Navy which included his command of the U.S.S. UNITED STATES and U.S.S. CONSTITUTION (Old Ironsides);

Whereas in 1991 President Bush proclaimed September 13, the date of John Barry's birth, as "Commodore John Barry Day";

Whereas designating a day to commemorate Commodore John Barry would be important to United States Navy veterans, Irish-Americans, and to all the people of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 13, 1992, is designated as "Commodore John Barry Day," and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.•

ADL STUDY

• Mr. LIEBERMAN. Mr. President, Senator HATCH, Senator GRAHAM, and I would like to call to the attention of our colleagues a recent study by the Anti-Defamation League of B'nai B'rith on anti-Semitism in Eastern Europe. Prof. Deborah Lipstadt, the author of the study, points out that anti-Semitism is still a serious problem. In some cases, it has become worse with the emergence of ethnic conflicts and economic pressures. The search for scapegoats is always a danger under such circumstances, and we commend the national leaders in Eastern Europe who have spoken out about this problem.

I commend the ADL for commissioning this study. The ADL has always played an important role in fighting prejudice in any form in our country and abroad. This study is part of that fine tradition. I ask that it be placed in the RECORD.

The study follows:

[ADL International Report, Europe, Dec. 1991]

ANTI-SEMITISM IN EASTERN EUROPE: OLD WINE IN NEW BOTTLES

(By the Anti-Defamation League of B'nai B'rith)

INTRODUCTION

Anti-Semitism Under the Communists: There is a long history of anti-Semitism in Eastern Europe. After World War II, anti-Semitism was directly linked to a specific Communist policy of eliminating the infra-

structure of Jewish life. Jewish, along with many other religious institutions, faced numerous government-enacted obstacles. They found it difficult if not impossible to attract younger members of the community because celebrating one's Jewish identity was considered a hostile and anti-Communist act. Contact with Israel and with Jewish cultural and religious institutions worldwide was proscribed. Virulent attacks on Israel and on Jews were often voiced by government bureaucracies. Judaism and Israel were linked as negative entities.

Jewish history suffered under the Communists as well. The Holocaust was an attempt by the Germans to annihilate the Jews. For all intents and purposes it succeeded in Eastern Europe. Under the Communists, it no longer was a "war against the Jews," but was presented as a terrible act of aggression by the Fascists against the Communists. It is not surprising that few non-Jews who came of age in the post-war era in these countries understood either the dramatic effect World War II had on Jewish life or why Jews remain so sensitive to any manifestation of anti-Semitism.

The treatment of the Jews by the Communist regimes must, of course, be analyzed within the context of the treatment of other religious and ethnic minorities. Under Communism, the pressure for assimilation was intense. The differences, both religious and ethnic, between the different groups—Jews as well as others—were ignored, hidden, or actively suppressed by government bureaucracies. Because Marxist-Leninist theory denied the legitimacy of ethnographic differences, these distinctions were simply declared to be non-existent.

However significant the impact of Communist policy on anti-Semitism, one cannot ignore the long prior history of anti-Semitism in these countries. This history has been well documented and historically analyzed. It has social, economic, political and religious roots. Under the Communists, it was not allowed open expression. One saw little anti-Semitism graffiti or read few openly anti-Semitism articles in newspapers unless they were government authorized. But this animus was never eradicated. The speed and ease with which it emerged after the fall of Communism is indicative of the fact that it had long festered under the surface.

Anti-Semitism After Communism: Much of contemporary anti-Semitism can be attributed to the socio-economic dislocation that has emerged since the demise of Communism. The often caustic debates over democracy, nationalism and the role of an opposition have added fuel to the fire and fostered the increase expression of anti-Semitism. But the entire issue would not have come to the surface had it not existed as an undercurrent suppressed by the previous regime.

Now that Communism had been eliminated, Jewish life has improved dramatically. It is ironic, however, that because of the more open expression of anti-Semitism, Jews in many Eastern European countries feel less secure. Many of the existing formal and bureaucratic obstacles which had prevented the free development of the Jewish community have been removed. Jewish schools, camps, youth groups, seminaries, and university-level Jewish studies programs have been established. Communal institutions which existed under the Communists in a limited and precarious fashion are flourishing. This is an exciting and positive development and has prompted some to project the possibility of a reconstruction of Jewish life in Eastern Europe.

But at the same time, popular anti-Semitism has now percolated to the surface. Anti-Semitic graffiti, articles, religious homilies, political slogans and vandalism have appeared in virtually all the countries discussed in this report. The sale of traditional anti-Semitic material, including the well-known forgery, the "Protocols of the Elders of Zion," has been reported.

This anti-Semitism is not a new sentiment. In many respects, it is the same as before but now, instead of emanating from official government circles, it is coming from other sources. On some levels, it is more frightening to Jews. It is far less predictable and sometimes more openly virulent. Before, one could attribute it to a hated government policy. Now it seems to be coming from one's neighbor. Moreover, it harks back to an age-old teaching: "The Jews are the cause of all our problems."

Equating Jews With Communism: In many of these countries, Jews are held responsible for the miseries suffered under Communism. Because of the anti-Semitism Jews endured at the hands of the Nazis, there were Jews in each of these countries who embraced Communism after World War II. Proportionately, far more non-Jews associated with the party, but this fact seems to be lost on the anti-Semites. The association of these individual Jews with Communism has resulted in a popular sentiment: "The Jews are responsible for the terrors of Communism." Because post-war generations have not been taught about the specific horrors suffered by the Jews at the hands of the Nazis, they often fail to understand why Communism seemed a welcome alternative to many Jews.

Moreover, because a tradition of anti-Semitism had conditioned the populace to see Jews as a unified entity, i.e. the Jews, they fail to differentiate between the actions of individual Jews and the fate of the Jewish community as a whole. This ingrained prejudice makes it rational to argue that because some Jews supported Communism, all Jews are responsible.

Anti-Semitism Without Jews: It is ironic that this has become such a significant issue in an area which is essentially devoid of Jews. The Jewish population of these countries is small. [It is infinitesimal compared to the pre-war population.] In many cases it is composed primarily of elderly retired Jews, many of whom are supported by philanthropy. Richard Schifter, U.S. Assistant Secretary of State for Human Rights and Humanitarian Affairs, commented in June 1991 in Bucharest that "only a negligible proportion of the population of the countries in this region is Jewish. But that * * * has not put an end of anti-Semitism in this part of the world." The prevalence of anti-Semitism in an area in which there are so few Jews is yet another indication of the irrational and prejudicial nature of this sentiment.

CATEGORIES OF ANTI-SEMITISM

The anti-Semitism which has emerged can be divided into a number of different categories.

Nationalist Anti-Semitism: Much of the anti-Semitism evident in recent months is directly related to the emergence of a new and sometimes malicious form of nationalism. Within a number of Eastern European countries different ethnic/national groups are vying for political autonomy. In those countries where there are a multiplicity of minority groups, this form of anti-Semitism has been particularly potent. Some of those involved in these struggles have used explicit anti-Semitism as a political tool. This has been particularly evident in Slovakia, Romania and Hungary.

In other instances, politicians have relied on more implicit expressions of anti-Semitism. They have publicly claimed that they have "pure blood" or have made a point of stressing that neither they nor any of their family members has any "Jewish roots." This tactic has been utilized by national leaders, members of the opposition and politicians engaged in election campaigns.

In depicting Jews as "other," as inherently "cruel," and as consciously working to thwart the desires of the majority population, they have drawn upon a long standing anti-Semitic stereotype. They have "demonized" the Jew. Even in countries where there are virtually no Jews this tactic has been employed. It sets up a familiar enemy upon whom a whole array of woes can be blamed.

The essential question is what kind of national identity will be forged, particularly in countries with a multitude of ethnic/national groups. Will it be narrowly defined or will it be more pluralistic?

Entrepreneurial Anti-Semitism: Another form of anti-Semitism which has been evident in a number of the countries we reviewed can be described as economic, competitive or entrepreneurial anti-Semitism. The change to a free market economy has caused severe economic dislocation in much of Eastern Europe. Moreover, ambivalent feelings exist among the population towards those who have achieved or seemed poised to achieve economic success due to new market opportunities. In certain areas, entrepreneurs, both Jews and non-Jews, have been condemned by the same people who called for an end to the Communist economic system. Anti-Semitic canards with economic overtones have been used. This kind of anti-Semitism builds upon traditional imagery which has long accused Jews of "money lending" and "usury."

Populist ["Peasant"] Anti-Semitism: (Though we call this "peasant" anti-Semitism, it seems to be as prevalent in the city as in the agricultural areas.) This form of deeply seated anti-Semitism exists among the general populace. It is rooted in both national and religious stimuli. It has been described as a form of "mob" anti-Semitism. It sees the Jews as the source of a broad range of problems. The Jew becomes the "mythical" enemy upon whom much can be blamed. It often exists among those with absolutely no contact with Jews but who are nonetheless convinced that their personal troubles as well as those of their country are the fault of "the Jews." This kind of anti-Semitism is easily stimulated by religious and national sentiments. This sentiment might be most responsive to a sustained educational campaign by religious and educational institutions. Parish priests and classroom teachers could do much to eradicate it.

THE FIGHT AGAINST ANTI-SEMITISM

A number of positive steps have been taken to counter the emergence of anti-Semitism. We briefly list below the prototypes of these actions and which, if properly sustained, could have a meritorious impact.

Condemnation by Political Leaders: Political leaders in many of the countries in Eastern European have spoken out forcefully against this prejudice. Some have primarily done so in their meetings with Jewish or Israeli representatives. While representatives of the Jewish community have appreciated these sentiments they have sometimes wondered if they are being expressed solely for their benefit.

There is a self-serving reason for the countries of this region to fight this prejudice. They realize, as one observer recently commented, that "anti-Semitism is bad manners" and makes them suspect in European circles. "People with bad manners will not be invited to sit at the table." [The New York Times, December 9, 1990.] Eastern Europeans are aware that anti-Semitism may well jeopardize the aid and trade agreements they wish to make with [Western] European countries.

Some political leaders, e.g. Czechoslovakia's President Havel, have not hesitated to condemn anti-Semitism as soon as it manifested itself. They have done so publicly and unequivocally to their own media as well as foreign journalists. This is the response that is likely to have a positive impact on the fight against anti-Semitism, for it is not the victims or their children who need to hear the condemnation; it is the perpetrators and their heirs who must hear it. Because this is such a deeply seated prejudice, they must hear it more than once.

Action by Political Leaders: In certain cases, verbal condemnation must be accompanied by action. Such a step was taken by Poland's President Walesa when he established a Presidential Commission on Anti-Semitism. This type of response, if it receives sustained support from the highest political levels, can be important. Otherwise, it will be relegated to the category of prestigious but meaningless actions, designed to placate foreign opinion.

Condemnation by Church Leaders: In a few notable instances, church leaders have individually and collectively condemned anti-Semitism as antithetical to Christian principles. The most effective example of this is the Polish Episcopate's letter of January 1991. But such steps can only be effective if they are transmitted to the grass roots of the community. If cardinals and archbishops condemn, then parish priests must also speak out and educate about the evil of anti-Semitism.

Education: Though there has been some discussion, no broad-based programs to educate about anti-Semitism have been established. A few individual efforts have been made. Since the younger generations have such a murky sense of the Holocaust, this is one area which must be included in any education program.

ABSENCE OF A DEMOCRATIC TRADITION

The emergence of post-Communist anti-Semitism has been exacerbated by the absence of democratic tradition. Even those who fought for the overthrow of despotic regimes are often unwilling to tolerate a political opposition. They find it difficult to countenance the fact that now that they have attained power there are those who continue to speak out against them. They have no familiarity with this aspect of the democratic system. Consequently, they will engage in tactics designed to delegitimize the opposition. One way of doing so is to accuse your opponent of being supported by Jews or "Jewish interest," but it is not only those in a position of power who have utilized these tactics. In a number of cases those in the opposition have used anti-Semitic canards to undermine elected officials.

When one hears anti-Semitic voices in Prague, Bratislava, Budapest, Bucharest, Warsaw or a myriad of cities, towns and villages, it must be understood that these are voices which are not only expressing hostility towards Jews but also towards the basic notion of European democracy. Adam Michnik, one of Poland's leading journalists, has analyzed this problem in Poland. His observations can, in fact, be applied to virtually all of the countries in the region.

"Anti-Semitism has become a code and a common language for people who are dreaming of a nationally pure and politically disciplined state—a state without people who are "different" and without a free opposition. * * * When anti-Semitic opinions are express[ed]. Jews are not the issue. * * * The question is whether there will or will not be * * * democracy."

Though the situation in each of these countries may differ in its details, the general profile is the same. There is an urgent need for government officials consistently to speak out against anti-Semitism. They must speak out in their own country, to their own media and not just when they visit Jewish leaders on trips abroad.

Educational programs to teach non-Jews about the insidious impact of anti-Semitism must be established. These steps must be seen to have a significance that goes beyond the Jewish population. It must be understood that, if anti-Semitism is allowed to flourish, there is serious doubt whether democracy will flourish. The two cannot long co-exist.

The fight against anti-Semitism is a critical part of the struggle for a democratic future. Only when those in positions of political, religious, and economic power recognize that these two struggles are intimately connected is there any chance that this age-old hatred can be eradicated and that democracy will be secure.

POLAND

There have been a number of anti-Semitic incidents in Poland during the past two years, including a September 1991 attack on the Warsaw Synagogue. But far more disturbing has been the appearance of anti-Semitism in political and religious circles. At the same time, there have been a number of very positive developments which, if emulated by other countries, could significantly ameliorate the problem.

During the Polish presidential campaign, Lech Walesa was severely criticized for using anti-Semitism for political purposes. He accused two leading members of Prime Minister Mazowiecki's campaign team of "hiding their Jewish origins." He also called on voters to support him because "I am a full-blooded Pole with documents going back to his ancestors to prove it." His rallies consistently attracted anti-Semites who yelled slogans such as "Jews to the gas." To the consternation of many Poles, Jews and non-Jews alike, Walesa never disavowed them.

Before the run-off election, Walesa admitted that he had been wrong to identify himself as a "full-blooded Pole." Subsequently he announced that a Warsaw Ghetto museum would be established near the Umschlagplatz, the square from which Jews were transported to the death camps. During his visit to the United States in March 1991, he met with various Jewish groups and spoke at a ceremony at the site of the United States Holocaust Memorial Museum. He repeatedly distanced himself from the anti-Semitic remarks he made during the presidential campaign. He acknowledged that he had blundered. "I stumbled on this. I crashed into anti-Semitism. * * * Twice I gave clumsy answers." He also denounced the resurgence of anti-Semitism in Poland.

His disavowals and condemnation were welcome but not new. He had often made these types of statements in meeting with Western Jewish leaders. Of far greater importance was his decision, announced shortly before his departure for the United States, that he planned to create a "permanent task force" to combat anti-Semitism. The council's tasks are to design educational programs for Polish youth which stress the close links between Poles and Jews; to submit to the Ministry of Education and the church proposals which promote better understanding between Poles and Jews; to react to incidents of anti-Semitism and to examine any problems that might arise between Poles and Jews. The Under-Secretary of State in the President's Chancellery was cited in "Gazeta Wyborcza" as explaining that "the council [was] an institutional expression of the President's commitment" to not "allow anti-Semitism to increase."

The council's inaugural statement stressed the interconnections between Poles and Jews. "With no other people have Poles been so strongly linked as with Jews. No other people helped so much to create our economic life, culture, literature and art." If the council continues to have the support of the President and is allowed to become a true policy-making body, it may well be in a position to take concrete steps to reverse the spread of anti-Semitism in Poland.

Other major developments took place in the religious sphere. In August 1984, a group of about a dozen nuns from the Order of Discalced Carmelites moved into the Theatergebäude at the site of Auschwitz I. They had obtained permission from Polish authorities and church officials but never had any dialogue about this move with members of the Jewish community, inside or outside Poland. Though Jewish and Catholic leaders agreed in February 1987 that the Auschwitz convent would become part of a new center of information, education, meeting and prayer . . . outside the area of Auschwitz-Birkenau camps, and that there would "be no permanent Catholic place of worship on the site of Auschwitz and Birkenau camps," two years passed and the convent did not more. In July 1989, Rabbi Avraham Weiss and a small group of demonstrators protested outside the convent. They were ejected by Polish workers.

In August 1989, at the shrine of the Black Madonna, Poland's holiest icon, Polish primate Cardinal Glemp issued a homily in which he accused Jews of "getting peasants drunk," "breeding Communism," and warned them not to speak to Poles "from a position of a people raised above all others." He also accused the demonstrators of intending to kill the nuns at the Auschwitz convent. He stated that "Jewish power lies in the mass media" and that the media are at the disposal of the Jews. His statements, which drew on traditional anti-Semitic imagery, deeply disturbed Jews and non-Jews in and outside Poland. Prominent non-Polish church leaders denounced Cardinal Glemp's anti-Semitic accusations. In September 1989, Sister Maria Teresa, the superior of the Auschwitz convent, is reported in a widely-cited interview to have stated that the Carmelites "are not moving a single inch."

The negative impact of the Cardinal's statements was followed by the issuance on January 20, 1991 of a letter by the Polish Episcopate strongly condemning anti-Semitism. The letter was interpreted as a sign that the Catholic Church in Poland had decided to oppose anti-Semitism. It was particularly encouraging because it came from the highest levels of the Catholic Church, and was signed by all the cardinals, archbishops and bishops at the 244th Plenary Conference of the Polish Episcopate. It was mandated by them to be read in all churches

and chapels at Mass on January 20, 1991. Finally, and most importantly, the Episcopate's letter acknowledged the "greatness and variety of links between the Church, Mosaic religion and the Jewish nation." It noted that with "no other religion does the Church remain in such close relationship, nor does the Church find itself bound to any other nation so intimately." In addition, it conceded that, though many Poles rescued Jews during the Holocaust, "there were those who remained indifferent to this inconceivable tragedy." It "deplore[d] especially the action of some Catholics who contributed in any way to the death of Jews." On behalf of those Christians who "could have helped but did not," it asked "forgiveness of our Jewish brothers and sisters." It described anti-Semitism as "incompatible with the spirit of the Gospel." It described Poland as a "common Fatherland for Poles and Jews for ages."

It remains to be seen to what extent this letter will be followed up at the parish level and catechesis. Only if it filters down to local and community levels—to those with continuous and sustained contact with the population—will it have significant impact.

In 1991, immediately prior to his visit to the United States, Cardinal Glemp condemned anti-Semitism as "evil and . . . contrary to the spirit of the Gospel." He also retracted his accusation that Jewish demonstrators at the Carmelite convent intended to harm the Carmelite Sisters. "I understand seven members of the Jewish community who disturbed the peace of Carmelite Sisters in July 1989, to which I reacted in my homily on August 26, 1989, did not intend to kill the Sisters or to destroy the convent." He did not, however, retract any of the other accusations he made in his homily nor did he condemn anti-Semitism in Poland.

But these positive actions on the Church's part have been thrown into question by the emergence of a chauvinistic anti-Semitic electoral alliance which appears to be supported and encouraged by segments of the Church. This alliance was reported by the left wing liberal "Polityka."

"Invitations was sent out by the Church authorities for a conference to create a Christian electoral pact—the suggestion coming originally from the Christian Citizens Movement, the Christian National Union and representatives of parish and deanery communities."

According to the report, the Christian Citizens' Movement and the Christian National Union, both of which are regarded as anti-Semitic, have allied themselves with parish and deanery communities, the grass roots elements of the Catholic Church. In contrast, the Centre Citizens' Coalition, a combination of the Centre Alliance and the Citizens' Committees of Solidarity has distanced itself from the anti-Semitic Christian National Union and other similar groups.

One of the political parties known to have engaged in anti-Semitic accusations is the National Party. Its paper has accused Jews of being responsible for the troubles which have afflicted Poland.

But more disturbing than the actions of political parties, which have limited followings, are public opinion polls revealing how deeply rooted are anti-Semitic feelings in Poland. Surveys have found that 40 percent of Poles said they were unwilling to have Jews live near them. Similar studies were conducted in Czechoslovakia and Hungary where the response was 23 percent and 17 percent, respectively.

In April 1991, a poll taken in Poland revealed that one Pole in three believes that "the influence of people they believe to be Jewish is too great" in Poland. According to the survey, five percent admitted to being "extremely anti-Semitic," 10 percent were "strongly anti-Semitic," and 16 percent claimed to be "moderately or slightly anti-Semitic." The results are interpreted by the polling institute (CBOS) as "evidence of the existence of strong negative stereotypes," unrelated to the facts. An earlier poll taken before the presidential election in October 1990 revealed that 22 percent of Poles believed that "Jews are the ones with the greatest influence on the Mazowiecki government." The most strongly anti-Semitic statements were made by agricultural and industrial workers who typically had not advanced past grade school. There was no difference between city and country dwellers.

ROMANIA

Since the coup of December 1989, there has been a steady rise in anti-Semitism in Romania. A Romanian journalist recently observed that "everyone * * * feel[s] in danger now for political or ethnic reasons. Xenophobia and anti-Semitism are no longer under control." Anti-Semitic articles have regularly appeared in a number of newspapers. The charge is frequently made that Jews brought Communism to Romania and that the government is "overwhelmingly Jewish." Commemorations of the Holocaust have been marred by demonstrators. In certain towns, the celebrations of Jewish holidays have been cancelled because of fears of anti-Semitic attacks. Cemeteries and synagogues have been vandalized.

There are approximately 17,000 Jews in Romania, which has a total population of 23 million. Most of them are elderly. Fewer than one thousand are under the age of 30. "It's anti-Semitism without Jews," observed Petru Cluj, a journalist with Romania Libera, the nation's most prominent independent newspaper.

The tabloid press has produced numerous anti-Semitic stories, some of which have blamed Jews for the hardships Romania is enduring as its economy falters. The weekly newspaper Europa regularly publishes anti-Semitic articles including an attack against Israel Ambassador Zvi Mazel. Articles by its publisher, Ilie Neascsu, frequently contain citations of classic French, English, and German anti-Semitic literature. The paper published an article in May 1991 claiming that Jews "were occupying the majority of decision-making functions" in the government.

Another newspaper, Romani Mare, with a circulation of a half million, also published numerous anti-Semitic articles. In an article on the "Jewish problem" in April 1991, the editor wrote that he had nothing against Jews as long as they "leave this country alone." He complained that they held too many "key jobs" and that parliament and the Government were "full of Jews." The paper claimed that "While there are 20,000 Jews in Romania, 5,000 of them are in the country's leadership * * * the heads of TV and radio are all Jews, and in Parliament, it rains Jewish by the bucket. It's not their fault—domination has been their style since the dawn of time—but can't they let us breath a little, instead of trampling on us as they have been doing since 1947?" It also accused the Jews of "trying to disintegrate" the country. In subsequent articles, the expulsion of all Gypsies was also demanded.

Though the Government has condemned Europa's anti-Semitism, two of its principal ministers recently sent the publisher letters thanking him for giving ten percent of the weekly profits to the Defense and Interior Ministries. The letters were published in the paper. U.S. Assistant Secretary of State Richard Schifter described anti-Semitism as having "been injected into the political dialogue" in Romania in the "form of attacks on prominent personalities based on the ethnicity of their ancestors."

In July 1991, a visit to Romania by Jews from abroad, including Nobel Prize winner Elie Wiesel, to mark the 50th anniversary of anti-Jewish pogroms was marred by anti-Semitic outbursts. In addition, Romania's chief Rabbi Moshe Rosen has had death threats made against him.

On a visit to Israel, President Ion Iliescu disassociated himself from the outbursts of anti-Semitism. Both Iliescu and former Prime Minister Petre Roman have condemned many of the expressions of this hatred. But Iliescu has engaged in a strange kind of symmetry. In addition to attacking those who have engaged in anti-Semitism, he has attacked those who have condemned the anti-Semites. He has accused them of exaggerating the situation and sullying the reputation of Romania.

The tragedy of this development is exacerbated by the history of Romania's recent treatment of Jews. It was the one Eastern European country which never broke relations with Israel. Moreover, most of its 400,000 Jews were allowed to make "aliyah." In addition, Bucharest has served as a transit point for Soviet Jews in the process of immigrating to Israel.

The problem of anti-Semitism was aggravated in April 1991 when Marshal Ion Antonescu, the anti-Semitic dictator under whom Romania joined Hitler's invasion of the Soviet Union, was honored by the Romanian Parliament in a minute of silent tribute. Not one member of Parliament publicly opposed the motion honoring Antonescu, though a few did refuse to vote for it.

Mr. Iliescu has condemned Antonescu's rule, and the Government of Prime Minister Petre Roman denounced the resurgence of anti-Semitism. Nonetheless, in the weeks before and after the 45th anniversary of Antonescu's execution, newspapers and weeklies, including those which support the Government, published long articles praising Antonescu as a great patriot. Even when Mr. Iliescu disassociated himself from the tributes and condemned the praise for the former Hitler ally, most Romanian papers ignored his statements.

Despite this, his actions won the praise of Romanian and foreign diplomats, who saw his forceful and public position as a demonstration of "exceptional political courage in taking a stand against the broadening stream of assertive nationalism." In addition to Mr. Iliescu's condemnations, denunciations of anti-Semitism have been issued by Bogdan Baltazar, the government spokesman.

The manifestation of anti-Semitism in Romania can be traced, in part, to economic troubles, the political uncertainties caused by a weak government, and a population angry about the slow pace of reform. The profound social, economic, and political problems plaguing this country have proved to be a prime breeding ground for Jew hatred. There are dozens of political and ethnic groups who share no common ideology or culture. An ideology which attacks those who are "other," e.g. Jews, is one of the few things that unites the disparate groups. One cannot, of course, build a healthy democratic system which is solely predicated on the hatred of another group.

HUNGARY

Hungary is unique in that it has a much larger Jewish population than any of the

other Eastern European countries. There are approximately 80,000 Jews in the country. There has been a resurgence in Jewish life since the fall of Communism. A wide range of Jewish activities take place on a regular basis, many of them held under the umbrella of the Association for Jewish Culture. The nation's first official memorial to Holocaust victims was recently dedicated. The synagogue is filled on major religious holidays. In addition to Jewish religious schools, a Jewish secular school which emphasizes tradition, history, and culture—as opposed to religion—has opened during the past year.

But anti-Semitism has also emerged. In the spring of 1990, during the national elections some leaders of the Democratic Forum, an anti-Communist political party, played upon Hungarian anti-Semitism. In a radio broadcast, Istvan Csurka, a prominent writer and a member of the Forum executive, urged Hungarians to "wake up." He warned them that a "dwarfish minority" was robbing Hungarians of their national culture and symbols and called Jews "rootless cosmopolitans." Other well-known Democratic Forum members have engaged in similar tactics. Though the leadership of the party has distanced itself, it has not condemned them. A prominent Hungarian sociologist acknowledges that the Forum, while not an anti-Semitic party, did "deliberately play the ethnic nationalism card of 'us' versus 'the strangers' during the campaign. And they won."

Szent Korona is the publication of the Christian National Union—Hungarian National Party and the National Federation of Hungarians. It publishes vehemently anti-Semitic articles which have described Jews as "cruel" and accused them of "occupying . . . leading position[s]."

Hungary's President Arpad Goncz has condemned anti-Semitism. During a visit to Israel, he announced that this country would "do everything to ensure that Jews . . . are able to feel at home, live in peace, security and dignified honor."

Though there have been various manifestations of anti-Semitism, there also have been positive signs. A poll, conducted in May 1991, found that while 12 percent of the population had negative views of Jews, 67 percent had favorable views. In addition, in April 1991, an Interparliamentary Council against anti-semitism was formed. Many of the country's leading writers and intellectuals haves spoken out against anti-Semitism in a timely and forthright fashion.

About ten percent of Hungary's population belongs to designated minorities. They are entitled to certain privileges including special schools financed by the government. Some within the Jewish community would like the Jews to apply for this special status. Others object because it would be acknowledging what the anti-Semites have been claiming: Jews are "other." It would also deny the fact that the vast majority of Hungary's Jews are culturally Hungarian and do not consider themselves a national minority.

It is ironic that there has been such a resurgence of anti-Semitism in Hungary since so many Hungarians live outside of Hungary, where they are often denied schooling in their language and other cultural rights.

CZECHOSLOVAKIA

Anti-Semitism in Czechoslovakia as a whole has been peripheral to political developments. Jewish leaders have described it as "marginal" but it has not been totally absent. It has been particularly visible among Slovakian separatists. The Slovak National Party, a group with anti-Semitic overtones, won several seats in the Slovak National Council and the Federal Assembly. In March 1991, a crowd of approximately 7,000 Slovakian protestors at a rally chanted anti-Semitic, anti-Czech slogans and waved portraits of Nazi war criminal Josef Tiso. They also physically assaulted President Havel. During the rally, recordings of Tiso's speeches were broadcast. This is part of an effort to whitewash his role and that of Slovakia during World War II.

The occasion for the protest was the 52nd anniversary of the founding of the Nazi puppet state of Slovakia on March 14, 1939. Havel warned against nostalgia for an event that brought war and misery. This was not the first time President Havel had spoken out in a direct fasl ion to condemn anti-Semitism. Frantisek Miklosko, chairman of the Slovak National Council, who accompanied Havel on his visit, apologized for the behavior of the crowd.

Slovakian separatists have organized daily meetings and rallies in Bratislava in support of Slovakian independence. At such rallies, leaflets charging a Zionist conspiracy have been distributed.

In April, demonstrators protesting the resignation of Prime Minister Vladimir Machier complained that the political changes in Slovakia were the work of "Czechs, Hungarians and Jews." Demonstrators carried posters with vicious anti-Semitic statements.

In contrast to Slovakia, there have been very few, if any, expressions of anti-Semitism in Bohemia and Moravia.

As in other Eastern European countries, the racial/ethnic conflict in Czechoslovakia does not involve only Jews. Czechs and Gypsies have also been attacked. Skinheads have been using slogans such as "Gypsies to the Gas Chambers." Many of these groups are fiercely anti-foreign. They direct their animus also against Vietnamese and Cuban foreign workers. Currently, Jews are usually not the target of their violence.

Surveys of public attitudes towards Jews, Israel and the Holocaust in Czechoslovakia, Hungary and Poland demonstrate that 23 percent of Czechs and 34 percent of Slovaks preferred that Jews not live in their neighborhoods. Those who are disappointed by the pace of reform or the dislocation that accompanies the switch from a controlled to a market economy have looked for a scapegoat and found it in the Gypsies and Jews.

SUMMARY

In an area where anti-Semitism has been endemic for centuries, the 45-year experience with Communism has done little to change feelings about Jews.

Perhaps the most remarkable fact is that the virtual absence of Jews in most European countries, as a result of the Holocaust, has had so little impact on these feelings. Not only does there seem to be little understanding, even interest, concerning the genocide of the Jews. It's as if it hadn't happened. And anti-Semitism without Jews raises new questions about the persistence of age-old patterns of prejudice.

As Europe grows together, first in the West and eventually "from the Atlantic to the Urals," and as more people seem to see the trend, the importance of dealing with the old-new anti-Semitism becomes all the more critical. The unified Europe of the coming decades will be a new and exciting, not just as old frontiers and enmities diminish or fall, but also as old and destructive patterns of thinking about neighbors within countries are abandoned.•

STATE TAX ON RETIREMENT INCOME OF NONRESIDENTS, PROHIBITION

• Mr. D'AMATO. Mr. President, I rise today in support of S. 267 which calls for the limitation on State taxation of pension or retirement income. The problem addressed by this bill is taxation without representation, or more commonly known to you and I as State source income tax.

My State, New York, is one of the few States with this ridiculous tax. Men and women who have worked for years to save for their retirement, all the while paying local, State, and Federal income tax, are having at least some of their retirement income taxed by the State. The problem here is that many of these people no longer live in New York. I wish New Yorkers never left our great State, therefore making no one eligible for this tax and I did not have to stand here today and talk about it, but this unfortunately is not the case. People do move out of the State and for New York or any other State to tax these people's pensions after they have moved is simply unfair.

Mr. President, why should these people pay taxes to another State when they no longer receive the services and benefits these moneys are being used for? Not only will they not be able to use the roads, bridges, tunnels, or State parks, but they can't even vote in that State. They do not have the opportunity to choose their representatives in the State which is so eager to take their money. This sounds very familiar to the problem faced by our forefathers just before the American Revolution. This time the King of England is replaced by the State governments which have this tax.

I support this legislation for one reason—the State source tax is not fair. I urge the other Members of the Senate to join with me and become a cosponsor of this bill.•

A CLEAR CHOICE: OBSERVE THE ARTIFICIAL BUDGET AGREEMENT OR EMBARK ON AN INVESTMENT-LED RECOVERY

• Mr. WELLSTONE. Mr. President, I rise in support of legislation introduced today by Budget Committee Chairman SASSER on behalf of over 40 Senators, including myself, who believe it is long past time to take down the walls between defense and domestic expenditures in the 1990 budget agreement. Two weeks ago, I introduced an amendment, along with Senator WIRTH, which would have put the Senate on record urging that these walls be taken down. I believe it is long past time to draft legislation to provide short-term recession relief and long-term stimulus for economic growth. This bill will enable us to do that.

At first glance, this may appear to be a technical bill. But its passage, cou-

pled with comprehensive economic recovery legislation, would have huge political and economic implications for all Americans. This is where we engage the fundamental debate over how to invest the peace dividend—a debate which should no longer be held captive to the artificial and unreasonable spending caps, timetables, or supermajority requirements of the budget agreement. This debate is made much more urgent by the weight of the deep and prolonged recession under which our people struggle, and by the administration's stubborn refusal to take advantage of the genuinely new post-cold-war opportunity to restructure and reprioritize Federal spending. Instead, in the wake of these changes, the Bush administration has claimed to be proposing $50 billion in defense cuts for the next 5 years. When examined closely, the true savings from even that modest proposal are going to be about $44 billion in budget authority and $27 billion in actual outlays over 5 years. Only $27 billion in actual defense savings over 5 years—and only $4 billion next year. Compare that to the over $1.4 trillion the administration plans to spend on defense over the next 5 years.

Before the collapse of the former Soviet Union, the Department of Defense had planned to reduce its budget by about 3 percent in inflation-adjusted terms to conform to the 1990 budget agreement caps. With the world completely transformed militarily and politically, President Bush has now made the momentous decision to increase that percentage by one point, to about 4 percent a year. Is this the best we can do? Of course not. In the face of a crumbling Soviet military machine, and economic troubles here at home, we can—and should—cut our defense budget by at least half over the next 5 years. But we must also consider the effect of such cuts on the families of workers in defense-related industries, and on military families. Any large-scale defense build-down must take into consideration the effects of such cuts on working people, and must include adequate funding for Federal programs to address the economic dislocation caused by such a build-down. I am firmly committed to such economic conversion, and to programs designed to address the economic dislocation which would likely ensue from these defense cuts.

Mr. President, this bill will not increase the Federal deficit by one penny. It will merely allow us to restructure our spending priorities in light of new post-cold-war realities, shifting military spending for programs now obsolete to domestic spending for roads, bridges, airports, job training, education, and health care. In this time of deep and prolonged recession that continues to buffet American workers, we can rush urgent aid to those in need and put our economy back on the road to economic recovery with this legislation and the economic investment it allows.

In the next decade, the real battles will be economic, not military. In a post-cold-war world, we must seize this opportunity to reinvest in our people, in our economy. This legislation is the first critical step in that process. Coupled with a major Federal program of economic investment in human capital and infrastructure, it will allow us to free ourselves from now irrelevant spending caps and timetables and invest in the American people. I urge my colleagues to support this legislation, and I urge Chairman SASSER to bring it to the Senate floor quickly so that we can address directly the urgent and growing needs of Americans in this painful recession.●

RESOLUTION ON GENERALIZED SYSTEM OF PREFERENCES

● Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of the Senate resolution introduced by the Senator from Minnesota [Mr. DURENBERGER]. This resolution calls upon the President of the United States to ensure that the generalized system of preferences [GSP] trade program is no longer used to fulfill foreign policy needs at the expense of the American dairy, wine, mushroom, and other industries.

This resolution calls on the President to terminate the current GSP proceedings for products considered and rejected in the 1990 GSP annual review; to reinstate his GSP determinations of May 3, 1991; and to reauthorize the GSP program without the discretion to waive the 3-year waiting period.

Mr. President, I am concerned that New York farmers and businesses will be harmed by the July 12, 1991, White House decision to consider, as part of the trade enhancement initiative for Central and Eastern European countries, a new generalized system of preferences. As part of this initiative, previously rejected GSP petitions involving these countries will be reviewed.

After full consideration by the Trade Policy Review Group [TPRG], the President on May 3, 1991, rejected petitions for inclusion on the GSP list of Goya cheese, prepared or preserved mushrooms, grape wine and screws and bolts of iron or steel. On August 8, 1991, only 97 days after the President's rejection, the Trade Policy Staff Committee announced that it would reconsider these articles.

This decision is extraordinary since the regulations normally require a 3-year waiting period before reconsideration of the same articles. This waiting period provides some assurance to domestic industries that the GSP system will not be abused.

While I support democratic reform and the emergence of a market economy in the former Communist regimes, I do not believe that these reforms should be placed on the backs of already hard-pressed American farmers and agribusinesses.

Since these items are not covered by quotas, they could be imported in large quantities in direct competition with our domestic products. The granting of duty-free status under GSP for these products would automatically extend the number of countries on the GSP list to 130.

Mr. President, because I am concerned about the re-review process and its impact on the wine, cheese, dairy industry, and other businesses in New York and the rest of the country, I will support this bill and I ask my colleagues to join me as cosponsors.●

TEACHERS CAN'T BE PROXY PARENTS

● Mr. DURENBERGER. Mr. President, I want to take this opportunity to offer my congratulations to Washington Post columnist William Raspberry for reminding us of the important facts regarding education reform. In a recent column, entitled "Teachers Can't Be Proxy Parents," Bill set forth some fundamentals that we must consider in the debate over education in America:

First, we cannot agree on the answers for needed reforms in cost driven public service systems unless we agree on what the questions are.

Second, our Nation's public education system still does one thing very well—educate—teach.

Third, until and unless we stop using our public education system to do what public health and social service systems should be doing, we cannot get back on track.

Fourth, parenting skills should be taught, rather than learned.

As we search for new policy approaches for children in America, the Caplan-Choy-Whitmore research that Bill refers to should be studied very seriously. The conclusion of that study is that in finding reasons for academic success, "family is the critical influence." We need to face this fundamental fact when we set out to respond to the modern problems of children, families, and schools.

Mr. President, I ask that Bill Raspberry's column be reprinted in the RECORD.

The column follows:

TEACHERS CAN'T BE PROXY PARENTS

(By William Raspberry)

There's a simple truth about schools that you won't find in any of those studies on school reform, school restructuring or educational choice. You won't find it in the reports detailing how poorly our children are doing in comparison with the children of Taiwan or Denmark or in the critiques of those studies.

I know only two places where you can find it: in your own head, where the knowledge

has laid for as long as you can remember, and in the February issue of Scientific American magazine, where three researchers say it almost in passing.

Here it is: America's schools—unre- structured and unreformed—are doing a pretty good job of teaching children who come to school ready for learning.

Now if you and I know that, why is it that the people in charge of educational policy have such difficulty figuring it out? The reason, I suspect, is that, as with so many other policy matters, we tend to go searching for answers before we reach agreement on what the questions are.

For some of those who seek to influence school policy, the question may be how to eliminate the problems of race and caste in our society or how to raise the test scores of black and Hispanic children from poor families. For others, it may be how to get all of our children more interested in math, science, and English, or how to get smarter teachers into our classrooms. For still others, it may involve better preparation for entry-level jobs after high school, or improved college-prep courses or greater encouragement for girls.

With so many questions, it is not surprising that the only thing we can agree on is that something is wrong and needs to be fixed.

There's truth in that, but there is also truth in what you vaguely suspect and what teachers know beyond doubt: Much of what we talk about in our discussions of school failure has little to do with what happens at school and a great deal to do with what happens (or fails to happen) at home. For the youngsters who come to school ready for learning, the schools are working pretty well.

Nathan Caplan, Marcella H. Choy and John Whitmore, all of the University of Michigan, set out to explore reasons for the academic success of the children of Indochinese boat people in American schools. Their article is worth the effort to find it (their principal conclusion is that family is the critical influence: the value parents place on education, the sacrifices they are wiling to make—and to demand—for it, the direct involvement of parents in their children's school work).

But their research into the academic success *in American schools* of these refugee children leads them to a secondary conclusion: that "the American school sysem—despite widespread criticism—has retained its capacity to teach, as it has shown with these refugees. We believe that the view of our schools as failing to educate stems from the unrealistic demand that the educational system deal with urgent social service needs."

You know that, too. Even if you hadn't heard it from your children's teachers (which you probably have), you'd know it anyway: The more you require schools to feed children, protect them from drugs and violence, look after their health and coach them in safe sex, the less time and energy the teachers will have left for academics.

Say the authors: "The primary role of teachers has become that of parent by proxy; they are expected to transform the attitude and behavior of children, many of whom come to school ill-prepared to learn."

They do not dismiss the importance of the social services schools are called upon to deliver; they simply insist that we separate teaching from social services and at least consider whether it's reasonable to try to do both at school.

One social service that needs to become a matter of routine is that of teaching parents of young children how to get them ready for school learning. I'm talking about parenting classes conducted in recreation centers and church basements for those who already are parents, and I'm talking about classroom parenting courses for junior-high and high school students. Yes, mandatory—and for boys and girls. Most of them will sooner or later be parents, so they may as well learn something about being good parents.

That one innovation, widely instituted, might do more to improve school outcomes than all the reform/restructuring/choice recommendations that occupy so much of the educational debate.

That's not to say that the schools don't need improvement—perhaps even reform—only that there are some things that have to be done at home.

But you knew that.•

OUTSTANDING COMMUNITY PATROL

• Mr. D'AMATO. Mr. President, the success of any great service or program idea is dependent on those who are responsible for carrying them out. It is the great fortune of the Woodside area of Queens to have Patrolman Erwin Bustos on the beat looking out for the welfare of his community.

Patrolman Bustos provides a very visible patrol and is credited with being both responsive and communicative by the YOU Block Association. In the short time that Patrolman Bustos has been on the beat with the community patrol unit, he has won over the trust of residents, merchants, and the local block association. He responds quickly, follows up thoroughly, takes appropriate action, and communicates the results promptly. The results that Patrolman Bustos achieves instills great confidence by the community.

Patrolman Bustos is to be commended for his vigilence, availability, and willingness to assist and serve his community. It is the dedication and determination of individuals, such as Erwin Bustos, that make our streets safer and our world a little better. I wish to thank Patrolman Bustos for doing such a fine job. Efforts such as those provided by Patrolman Bustos make for resoundingly successful programs such as CPU, [Community Patrol Unit].•

THE ENERGY BILL

• Mr. WOFFORD. Mr. President, I am pleased that the Senate has moved to pass comprehensive national energy legislation early in this session of Congress. Ever since the first oil crisis nearly 20 years ago, I have considered it a national scandal that this Nation has not taken effective action to end our dependence on foreign energy sources. This legislation through its balance of increased conservation, increased energy efficiency and the rational development of our own resources can be an important first step toward energy independence. I commend the chairman of the Committee on Energy and Natural Resources, Senator JOHNSTON, for his tireless work in bringing S. 2166 to the Senate floor and securing its passage.

Energy independence begins with energy conservation. This legislation provides the framework for increased conservation starting with the energy practices of the Federal Government. Under S. 2166 the Federal Government will set an example in energy conservation by creating increased efficiencies in lighting, heating, ventilation, air-conditioning, as well as through the increased use of alternative fuel vehicles.

The legislation also emphasizes increased energy efficiency. The Federal mortgage pilot programs will create more energy efficient homes from the ground up. The bill allows small businesses to participate in installing and servicing energy efficient equipment as the Nation begins to modernize and upgrade its homes, office buildings, and factories. What is more, the Department of Energy will play an active role in developing energy efficient standards and guidelines for industrial and residential use.

The bill also makes the Federal Government a leader in the development of cleaner energy alternatives. For my State of Pennsylvania the clean coal provisions in title XIV are especially important in developing a variety of energy sources and uses based in the United States. Coal is the Nation's most abundant energy resource. Technological developments during the last two decades have shown that coal can be used cleanly in a variety of ways. This legislation furthers the development of clean coal technology in both fuel and nonfuel use. It also encourages the development and export of American clean coal technologies.

Mr. President, this legislation also promotes the use of alternative fuels. The incentives and programs contained in S. 2166 to use a variety of fuels in industry and in motor vehicles will aid in cutting our dependence of foreign energy sources. By the year 2000, the Nation could well see over 4 million alternative fuel vehicles on America's roads. The alternative fuels programs in S. 2166 will drive new fuel technologies, create job opportunities in new and emerging industries, reduce America's dependence on foreign energy sources, and promote increased environmental protection.

This legislation also extends energy research and development efforts in a number of areas using both the resources of the Federal Government as well as private industry.

Beyond the coal research initiatives, S. 2166 places a high priority on the development of natural gas fuels, end-use technologies, and supply enhancement. These efforts will increase the effective use of natural gas, an abundant American energy source. Increased research

will create a new generation of high efficiency heat engines as well as natural gas and electric heating and cooling technologies. These new technologies will, from their inception, have energy conservation and efficiency inherent in their design.

Finally, Mr. President, energy independence can become a reality not just a fleeting goal over coming decades. The programs in S. 2166 are bold, forward-thinking initiatives that rely on American energy sources and innovation. Energy security is intertwined with our national and economic security. This legislation provides the groundwork for the expansion of that security well into the next century, a benefit for all Americans.●

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. 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.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 noon on Wednesday, February 26; that, following the prayer, the Journal of the proceedings be approved to date; that the time for the two leaders be reserved for their use later in the day; and that there be a period for morning business not to extend beyond 1 p.m. with Senators permitted to speak therein: With Senator GORTON recognized for up to 5 minutes, Senators REID and LEAHY for up to 10 minutes each, Senator LEVIN for up to 15 minutes, and Senator HOLLINGS for up to 20 minutes.

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

RECESS UNTIL 12 NOON TOMORROW

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 6:52 p.m., recessed until tomorrow, Wednesday, February 26, 1992, at 12 noon.

NOMINATIONS

Executive nomination received by the Secretary of the Senate after the recess of the Senate on February 21, 1992, under authority of the order of the Senate of January 3, 1992:

CENTRAL INTELLIGENCE

VICE ADM. WILLIAM O. STUDEMAN, U.S. NAVY, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, AND TO HAVE THE RANK OF ADMIRAL WHILE SO SERVING.

Executive nominations received by the Senate on February 25, 1992:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

WILLIAM BAILEY, OF CONNECTICUT, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 1996, VICE HELEN FRANKENTHALER, TERM EXPIRED.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE U.S. ARMY, WITHOUT SPECIFICATION OF BRANCH COMPONENT, AND IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED IN ACCORDANCE WITH ARTICLE II, SECTION 2, CLAUSE 2 OF THE CONSTITUTION OF THE UNITED STATES. THIS APPOINTMENT IS VICE EXISTING APPOINTMENT AS A BRIGADIER GENERAL OF THE ARMY NURSE CORPS.

To be permanent brigadier general

BRIG. GEN. CLARA L. ADAMS-ENDER, [redacted] U.S. ARMY.

IN THE AIR FORCE

THE FOLLOWING PERSONS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be colonel

STEVEN A. TASK [redacted]

MEDICAL CORPS

To be lieutenant colonel

DAVID A. CROSS [redacted]

THE FOLLOWING REGULAR OFFICER FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE.

LINE

To be lieutenant colonel

OLIS L. LEWIS, JR. [redacted]

THE FOLLOWING PERSONS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 593, TITLE 10, UNITED STATES CODE.

RETIRED RESERVE—JAG

To be lieutenant colonel

BERT R. REED, JR. [redacted]

LINE

To be lieutenant colonel

JOSEPH A. AHNEW [redacted]
ROBERT E. ANDREWS [redacted]
JACK E. BERLIN [redacted]
WILLIAM R. MOOR [redacted]

THE FOLLOWING OFFICER FOR RESERVE OF THE AIR FORCE NONEXTENDED ACTIVE DUTY PROMOTION, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 8376, TITLE 10, UNITED STATES CODE.

MEDICAL CORPS

To be lieutenant colonel

PAUL G. ECHOLS [redacted]

THE FOLLOWING OFFICERS FOR RESERVE OF THE AIR FORCE NONEXTENDED ACTIVE DUTY PROMOTION, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF SECTION 1552, TITLE 10, UNITED STATES CODE.

LINE

To be lieutenant colonel

ROBERT W. ANDERSON [redacted]
DAVID M. DECKMAN [redacted]

HOUSE OF REPRESENTATIVES—*Tuesday, February 25, 1992*

The House met at 12 noon.

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

Gracious God, give us the gift of hope for the opportunities for today and a faith for the concerns of tomorrow. May Your good grace, that is new every morning, be with each person as they face the decisions that affect their lives and the lives of those they love. We are grateful that we are surrounded by those who support us and give us strength, whose love and affection fills the heart with joy, but above all, we give You thanks for Your peace and hope that passes all human understanding. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will recognize the gentleman from North Carolina [Mr. BALLENGER] to lead us in the Pledge of Allegiance.

Mr. BALLENGER led the Pledge of Allegiance as follows:

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

PRESIDENT DECIDES TO EMULATE POLICIES OF PATRICK BUCHANAN

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

Mr. NAGLE. Mr. Speaker, I appreciate this opportunity to address the House as we start what I think will be a momentous week. It is clear that this is a week in which we are going to attempt to debate the economic future of this country as we consider the President's proposals for economic revitalization.

However, we should also do it with an eye toward reality. This is not really that debate. It is a political debate, generated by the President's own problems within his own party.

The reality is that we are not really here to discuss in a bipartisan manner the direction this country should take to regenerate itself. Rather, we are here to serve as a whipping boy for the failure of the administration's policies over the last 3 years.

The President, when he lost that primary in New Hampshire, had two choices: He could reach to our side of the aisle for cooperation and conciliation, or he could attempt to become what his opponent is. He has chosen that, and as long as Pat Buchanan is in the primary process, Pat Buchanan's policies, unfortunately, will unfortunately govern this Nation, and this Nation will suffer as a consequence.

FINALLY LIBERALS ASK FOR TAX CUTS

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

Mr. BALLENGER. Mr. Speaker, it would now appear that many Members across the aisle finally realize that tax cuts are a necessary function of our national economic recovery. It is generally agreed that tax cuts are indeed essential to promote economic growth and provide much needed tax relief for working families. Without a tax cut for the working families of this country, the economy is surely due to fall into an even more severe tailspin.

Any Member who wishes to hold fast to the 1990 budget summit agreement and to the flawed economic models put out by the democratically controlled Congress is only promoting future economic disaster. As was predicted by some of us, the tax increases had a damaging impact on economic growth. Estimated tax revenues have indeed proven to be lower, not higher, by up to $130 billion over the next 5 years. Budget deficits have become bigger—not smaller—doubling from an estimated 5-year cumulative deficit of about $527 billion to more than $1 trillion.

The United States must abandon the 1990 budget deal; it's a bad idea, with little to offer in terms of economic recovery. Additionally, today is the 24th day until the March 20 Presidential deadline for enacting his budget proposal.

Yes, it is true that budget deficits are bad, but plummeting economic growth and family income along with increased unemployment are surely worse.

TRUTH IS STRANGER THAN FICTION

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

Mr. FROST. Mr. Speaker, when I was sitting here in the House Chamber several weeks ago, listening to President Bush deliver his State of the Union Message, I looked up at the rostrum and a funny thing happened. I didn't see George Bush. All I could see was Dana Carvey, the fellow who portrays him on Saturday Night Live.

What we had standing here before us was a caricature of the President. Sure enough, President Bush said he supported a middle-class tax cut but the caricature was saying, "Don't believe me."

And you know what? I didn't believe him. And lo and behold, less than 2 weeks later, President Bush walked away from the middle-class tax cut that he advocated during the State of the Union.

This week we have a clear choice. We can vote for the middle-class tax cut, which is in the Democratic version of the tax bill, or we can vote against the middle class and with the President of the United States. It is that simple.

Once again, truth is stranger than fiction.

A $93 BILLION TAX INCREASE

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

Mr. BARTON of Texas. Mr. Speaker, later this week, we will vote on different versions of economic growth packages.

Despite all the similarities in the initiatives, don't be misled. The Democrat alternative proposes $93 billion in permanent tax increases over the next 6 years. In contrast, the President's plan does not raise taxes by $1.

Furthermore, the President has already warned the Democrat leadership that he will veto their $93 billion tax increase alternative if it reaches his desk. Why anyone in this Chamber would want to be on record as having supported a $93 billion tax increase bill, only to have it fail down the road, is a mystery to me.

Perhaps the proponents of the Democrat alternative have lost sight of the goal. Or perhaps they are nearsighted with vision which only reaches to 1600 Pennsylvania Avenue.

ACTION MUST BE STARTED ON A TAX FAIRNESS, ECONOMIC REVITALIZATION PROGRAM

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

Mr. MAZZOLI. Mr. Speaker, the General Motors announcement of yesterday demonstrates very clearly that economic ills stalk this land. General Motors lost $4.5 billion in 1991, will have to close 21 manufacturing facilities by the mid-1990's to hope to regain profitability, and will have halved by 1995 its salaried and hourly work force.

Just over the weekend back home the Courier Journal ran a poll which suggested that 81 percent of Kentuckians felt that the national economy was unhealthy, and that they would have a worse personal financial condition 1 year from today than they have today.

Mr. Speaker, people are demanding action. This week the House should pass the Democratic version of the tax plan, even though imperfect, to get the ball rolling so that we can go to conference with the other body and produce an even more effective tax fairness and economic growth package that will in fact put people back to work again.

The people will have very little patience with either the President of the United States or with the Congress unless we take action starting this week.

MOVING EXPENSE DEDUCTION

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

Mr. LIVINGSTON. Mr. Speaker, the Democrat's tax bill has precious little in the way of job creation proposals, in fact it even has a proposal to increase taxes on a big group of people taking new jobs.

Right now if you move to begin work at a new place and the move satisfies a 35-mile test, the moving expenses are deductible. Ways and Means Committee Democrats offset tax breaks for narrow constituencies by voting several times to increase the mileage test. By the time they finished, the test had gone to 75 miles. The Democrats will be taking $500 million from people finding new employment. I guess that is the Democrats' idea of a jobs bill.

□ 1210

THE RESULTS OF REPUBLICAN POLICIES

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

Mr. SMITH of Florida. Mr. Speaker, let me read to you from the Philadelphia Inquirer back in October 1991 in an article they did.

> Caught between the lawmakers in Washington and the dealmakers on Wall Street have been millions of American workers forced to move from jobs that once paid $15 an hour into jobs that now paid $7 or less. If, that is, they aren't already the victims of mass layoffs, production halts, shuttered factories and owners who enrich themselves by doing that damage and then walking away.
>
> As a result, the already rich are richer than ever; there has been an explosion in overnight new rich; life for the working class is deteriorating, and those at the bottom are trapped.
>
> And for the first time in this century, members of a generation entering adulthood will find it impossible to achieve a better life style than their parents.

This happened in the 1980's. This happened because of the Republican policies and some of the failures of this body.

We have a chance in the next few days to reverse that, to forget about all the economists, to forget about all of the people that have given us advice and do what we know is right.

As Democrats, we know it and we hope the Republicans will join us. Give back this country to the middle class. Promote job growth. Promote a fairer Tax Code. Promote the things that made this economy great.

That is what is in this tax bill that the Democrats are promoting, and that is what will benefit the country.

I urge my colleagues to vote for doing what is right, what we think is right for a change.

DEMOCRAT ALTERNATIVES TRANSLATE INTO HIGHER TAXES

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

Mr. HEFLEY. Mr. Speaker, make no mistake about it. A vote for the Democrat alternative is an open invitation to higher tax rates in the near future.

The Democrat alternative provides a temporary, 2-year tax credit for many workers. But what happens after those 2 years. Will Congress let individual tax relief expire? Unlikely, most would say.

If the tax credits are made permanent, then additional tax increases will be needed. The Joint Committee on Taxation estimates that if the break points on the 35-percent bracket are adjusted to make the tax credits permanent, the new tax thresholds would begin at $64,000 of taxable income for couples, and $38,400 of taxable income for singles. Those thresholds for the 35-percent tax rate are below the break points for the current law 31-percent rate.

The Democrats' temporary feel-good plan only promises that tax increases on larger and larger portions of the middle class are just around the corner.

A CALL FOR SUPPORT OF THE DEMOCRATIC SUBSTITUTE

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

Ms. DELAURO. Mr. Speaker, for more than a year, we have stood here and promised working, middle-class Americans some relief from taxes—relief from the treatment they received during the 1980's and relief from the pain of a recession now in its second year.

Now is the time to make good on our pledge. If we don't pass a bill this week, it won't get done. The people I talk to in shopping malls, in grocery stores, and on the streets in my district want Congress to act now, but they don't believe we will. They are used to the rhetoric, and they expect inaction.

There is so much to be gained by passing this bill. It will provide real tax relief and incentives for economic growth. But more than that, it will restore the faith of the middle class in our ability to understand their concerns and respond to their problems. It will keep our promise to restore equity to the tax system; and it will show that our concern is deep enough that we can set politics aside.

Discussion and debate are important, but they only carry us so far. The measure of our success lies in the action we take to relieve the suffering of those who look to us for help. Now, more than ever, the sources of their support are limited. The middle class will surely get no relief from the White House. The President has turned his back on them. They can only look to Congress.

The country is waiting. We have everything to gain by passing this bill, and the trust of the American people to lose if we do not. Support the Democratic substitute.

THE 97-PERCENT BUDGET SEQUESTER

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

Mrs. VUCANOVICH. Mr. Speaker, a vote for the Democratic leadership tax bill is also a vote to cut Medicare and effectively eliminate the programs held hostage in the paygo sequester system.

How? Because the fiscal 1992–93 revenue loss in the Democratic plan is so large it requires a 97-percent across-the-board cut for the Commodity Credit Corporation, AFDC work programs, veterans education benefits, the social services block grant, and others.

While the tax bill purportedly delivers fairness to the disadvantaged with one hand, it takes away low- and middle-income benefits with the other machete swinging fist. Medicare and stu-

dent loans have limited protection, but provider payments will be cut by $3.8 billion and student loan interest rates increased.

You will not see this fairness issue on any charts from the other side.

We know the bill has a provision to nullify the budget agreement. If the financial markets thought Congress was abandoning all budget discipline, the increase in interest rates alone would choke any economic recovery. The budget waiver alone means the bill will be vetoed.

So, the Democratic leadership should face up to the truth—their bill can either be unfair or unfinanced.

ISRAELI LOAN GUARANTEES

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

Mr. SCHEUER. Mr. Speaker, yesterday the Secretary of State finally dropped the other shoe and announced that the administration would establish a direct linkage between the provision of loan guarantees for Israel and cessation of settlement activities on the West Bank and in Gaza.

This is a total reversal of the policy that the President himself enunciated last summer, when, asked whether the loan guarantees should be linked to settlement activity, he said, "I don't think it ought to be a quid pro quo."

It is pathetic how quickly this administration forgets the recent past.

One year ago, the Israelis were absorbing Scud missile attacks, sitting on their hands at the urging of the American Government, to preserve the allied coalition versus Saddam Hussein.

At the same time, the Jordanians had leaped into Saddam Hussein's arms, were breaking the U.N. embargo and supplying his country with desperately needed materials, and cheering his Scud attacks on Israeli civilians and American servicemen in Saudi Arabia.

How can we forget that?

But now, the Secretary of State says Israel won't get the full loan guarantees—which are vital to the absorption of Soviet Jewish refugees and which will cost us nothing—if she doesn't totally freeze settlement activity. And yet, he makes a "plea for Jordan assistance"—real taxpayer dollars in aid for Jordan.

Where are the conditions linking such aid to Jordan's ending the Arab boycott, its state of war with Israel, and its flouting of the U.N. trade sanctions on Iraq?

Frankly, Mr. Speaker, I am getting tired of our administration turning a blind eye to these obstacles to peace on the Arab side while obsessing on Israeli settlement activity.

Such an unfair, tilted policy promises to cripple the peace process. It is sending a perfectly clear message to the Arab parties—that we're keeping two sets of books and they don't have to negotiate, compromise, or make any concessions to Israel, because America will deliver Israel hogtied and powerless to them.

SUPPORT THE REPUBLICAN PLAN, H.R. 4200

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

Mrs. JOHNSON of Connecticut. Mr. Speaker, the single most important task before this Congress is to get the economy moving. To that end, tomorrow we will be considering on the House floor two competing plans. The Republican plan, H.R. 4200, is a lean, mean 95-page jobs bill. It provides targeted incentives: targeted to encourage investment in machinery and equipment now so we will be a stronger, more competitive Nation in the future; targeted to encourage people to invest in housing now so we will build stronger communities for the future. These are the kind of targeted incentives that can get the economy moving because they incentivize the right kind of buying with ripple effects. Furthermore they are the two most important proposals that our hearings in December before the Committee on Ways and Means said could turn the economy around.

In contrast, the Democrats bill is 629 pages, a grandiose proposal that increases the deficit by many billions of dollars. It is exactly the kind of bill that we were warned over and over again in our December hearings would slow the economy and cost jobs. People in Connecticut are desperate. They cannot stand a slowing of the economy and losing yet more jobs.

ANNOUNCEMENT OF RETIREMENT OF THE HONORABLE WILLIAM LEHMAN

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

Mr. LEHMAN of Florida. Mr. Speaker, the country-western star Kenny Rogers has a song about a poker player that says:

> You have to know when to hold them; you have to know when to fold them; you have to know when to walk away and know when to run.

Mr. Speaker, one also has to know when not to run.

As Calvin Coolidge said in the 1920's when urged to run for another term, he simply said, "I do not choose to run."

Mr. Speaker, I do not choose to run in 1992 for reelection. I do this with my own free will and without pressure, without concern about reapportionments, without concern about opposition.

Up to this very moment, I had not made up my mind on this matter. In fact, I was determined to run for reelection. But there comes a kind of a revelation, a self-realization that I cannot meet the standards that I set for myself in how I wanted to perform in this body. I am no longer sufficiently capable. I no longer have the aggressiveness and physical ability to do the job, to meet my own standards.

And that is why I decided not to seek reelection.

□ 1220

This is a very physical job to operate in this body. I do not have the physical capacity that I used to have.

I want to ask forgiveness of my family, my staff, and my supporters, because I have not told anyone about this decision until this very moment. I really feel badly about the way I am doing this, but it is the only way I could do it. This is a hard decision. It is the only one I can make at this time.

I guess one way to look at it is for 10 years in this body, as I managed the appropriations bills for the Department of Transportation and related agencies, I have heard in the committee and in the subcommittees and on the House floor "Good job, Mr. Chairman; good job, Mr. Chairman." I love that statement better than anything in the world, but 2 years from now I do not want that same statement made, not out of sincerity but out of sympathy. I could not handle that. That is why I am making this decision at this moment.

It has been a wonderful experience. I have the choice to run or not to run. Either way it was a bad decision, so I am trying to settle for the best I can.

I want to thank everyone here, the staffs and all the Members, especially members on the subcommittee, for all they have done for me during all these years. My own staff and the staff on the subcommittee and throughout this body have been wonderful.

I feel bad about my supporters in Florida and elsewhere, because I have not intentionally misled them. I truly was running flat-out for reelection.

I make this speech with reluctance and a great deal of sadness. I hope I find some peace and tranquility after the rest of this year. I am going to be here for awhile yet, and I will do the best I can. I'm sure that will be good enough for the rest of this year. Thank you very much.

A SOUND ENVIRONMENTAL POLICY NEEDED FOR OUR OCEANS

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

Mr. JAMES. Mr. Speaker, today the House will consider H.R. 2152, a bill

aimed at ending driftnet fishing in international waters.

The needless carnage inflicted by a 30-mile long drift net is an unnerving sight. Alongside thousands of food fish, there hang the ensnared, drowned bodies of air-breathing animals: sea birds, rare sea turtles, and dolphins.

These animals have no commercial value. Their slaughter is a cruel waste, and an abuse of the ocean, which belongs to everyone.

Driftnet fishing represents the indiscriminate and uncontrolled misuse of a commercial natural resource. Fish are an important food source, but they should not be harvested without regard for the survival of the rest of the creatures in the ocean.

The ocean and the animals in it belong to all of us, and we all have a responsibility to protect those resources while using them. All nations should do this. But they do not.

So we must take the lead, and bring sound environmental policy to our oceans, while penalizing countries foolish enough to ignore this critical need.

CONGRESS DEBATES AID FOR THE MIDDLE EAST WHILE AMERICA'S MIDWEST SUFFERS

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

Mr. TRAFICANT. Mr. Speaker, once again while Congress debates more money for the Middle East, the Midwest keeps getting kicked right in the teeth. General Motors announced they will lay off 15,000 American workers. Who is kidding who around here? It is not the quality of the cars, it is not the work ethics, the bottom line is the Constitution says Congress shall regulate commerce with foreign nations. The truth is that does not happen. Congress regulates American business but allows low wage unregulated foreign nations, even Communist nations, to have an advantage, taking our jobs and our dollars.

Wake up, before it hits everybody. It is evident the leading growth industry in America is narcotics. I plan to challenge constitutionally America's trade and tax policies because I firmly believe after seven years this body and the White House will do nothing about American jobs and American competitiveness. This is nothing more than a charade on the American people.

HOME BUYERS TAX CREDITS

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

Mr. ZELIFF. Mr. Speaker, well, it seems as though the Democrat leadership is catching on. After one committee caucus and two trips back to the drawing board, the Democrat alternative is looking more like what the President proposed nearly a month ago. Simply put, the Democrat alternative contains six of the seven economic growth proposals contained in the President's plan.

Regretfully, however, the Democrat alternative drops one of the most popular features of the President's bill—the provision which would give first-time home buyers at $5,000 tax credit. It's surprising that the Democrat leadership does not want to help individuals and couples realize their dreams of home ownership. But then again, had the Democrat alternative adopted the President's homebuyer's credit, their economic plan would look just like the President's.

Let us see if the proponents of the Democrat plan can explain to their constituents that it was a matter of pride, or better yet, is it not time that we all stopped playing games and started working together to put Americans back to work?

RECOGNITION OF THE EFFORTS OF THE AMERICAN RED CROSS IN PENSACOLA, FL

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

Mr. HUTTO. Mr. Speaker, I rise today to recognize the celebration of the 75th anniversary of the American Red Cross at Pensacola Naval Air Station in my district in northwest Florida, the chapter in the city of Pensacola.

From 1917 to today, from World War I to Operation Desert Storm, Red Cross professionals and local volunteers have provided comfort and assistance in time of natural and personal disaster and a helping hand and heart during times of national need.

Pensacola NAS is also home to the second oldest organized Red Cross volunteer group in America. In the early 1930's, women of northwest Florida lent their time to the Pensacola Naval Hospital. And today men and women in the Red Cross volunteer program augment hospital staff in any way that is needed.

President Bush has said that "from now on in America, any definition of a successful life must include serving others."

Mr. Speaker, the tireless volunteers of the American Red Cross in Pensacola, FL have known that credo for three generations. The men and women, volunteers and staff have been illuminating points of light for 75 years. My congratulations to all of them.

WHAT IS BAD FOR U.S. AUTOMOBILE COMPANIES IS ALSO BAD FOR THE U.S.A.

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

Mr. BEREUTER. Mr. Speaker, yesterday General Motors announced record losses. In that respect it joined Chrysler and Ford. In this case what is bad for General Motors and Chrysler and Ford is indeed bad for the USA.

The Members will recall that some years ago when we strongly encouraged, to use the term loosely, Japan to impose various restraints on the export of their automobiles to the United States, the first response of the American auto industry was to raise prices.

□ 1230

Instead of using that opportunity to capture market, they raised prices, and they failed to respond adequately to what much of the American public wanted in a quality, fuel-efficient automobile.

Several Japanese automobile companies have announced their intention to raise their auto prices so as to preserve their profit margins. And what was the response of at least two of the Big Three in the American automobile industry? No, it wasn't to hold their prices steady and recapture a larger share of the American market; it was to likewise raise prices and miss another opportunity. This Member implores the Big Three to rethink this matter.

Mr. Speaker, the American auto industry is too important to this Nation to ignore despite the fact that they may be inviting that kind of treatment. Therefore, this Member is willing to set aside his antiprotectionist sentiments and give some protection to the American auto industry to help them to recover their profitability and strength if they meet certain conditions: First, executives making over $½ million a year in salary and benefits must cut them by at least one-half; second, labor must agree to freeze their wages and benefits; third, management and labor must work cooperatively in the auto industry; fourth, the Big Three must not raise their unit prices, but instead understand that this is the time to hold their prices to increase their market share and overall profitability. In short, they must take advantage of this opportunity to sell more cars.

With agreement to those kinds of conditions, yes, we ought to help the American auto industry in its hour of need and preserve a crucial foundation sector in the American manufacturing industry.

ENACT FREEDOM OF CHOICE BILL

(Mrs. SCHROEDER asked and was given permission to address the House

for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, for anyone who wonders what America is going to be like when Roe versus Wade is rolled back by the Supreme Court, I ask them to look across the North Atlantic and look at Ireland. What a tragedy we see there when a very young girl has been impregnated by the father of one of her friends and yet the Government has ordered her to have the baby.

The Government gets its choice. The parents do not get their choice. The young girl does not get her choice. The Government wins. The Government says, "We control your life."

If that is what you like, that is where we are headed. I certainly hope this body does everything it can to enact the freedom of choice bill in the United States so we keep Roe versus Wade the law of the land rather than revert to the chaos we now see in Ireland where the Government steps into family homes and makes those decisions for individuals.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). Before the gentleman proceeds, the Chair would advise our guests, who we are happy to have with us, that they are to refrain from taking part in any of the actions on the floor of the House, showing their approval or disapproval thereof.

CAMPUS SEXUAL ASSAULT VICTIMS' BILL OF RIGHTS ACT

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

Mr. RAMSTAD. Mr. Speaker, last May I introduced H.R. 2363, the Campus Sexual Assault Victims' Bill of Rights Act. As of today, this measure has received the strong bipartisan support of 176 cosponsors.

This legislation is of vital importance to the thousands of women who are raped on our college and university campuses each year. Mr. Speaker, campus rape victims deserve to be informed of their legal rights. And whether the rape victim chooses to pursue the matter through campus proceedings or the court system, campus officials should provide them reasonable assistance in exercising their rights.

Mr. Speaker, knowing that one in four college women will be the victim of rape or attempted rape during her college career, Congress must take strong action to ensure victims their rights.

Last week, the Senate—without opposition—passed an amendment to the Higher Education Reauthorization Act which is based on the Campus Sexual Assault Victims' Bill of Rights Act.

Mr. Speaker, let us bring the higher education reauthorization bill to the floor as soon as possible so that we can join the Senate in taking this much needed action to protect campus sexual assault victims.

INTRODUCTION OF RESOLUTION COMMEMORATING VETERANS OF THE PACIFIC WAR FROM THE PHILIPPINES

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

Mr. BENNETT. Mr. Speaker, last night a very good TV program dealt with Yorktown. I do not know how many people have thought about it, but more French soldiers died at Yorktown than American soldiers.

Yesterday I introduced a resolution to commemorate the veterans of the Pacific war from the Philippines who were on our side in that activity. I hope Members of Congress will join with me in commemorating the fine deeds of the Filipinos in helping us to bring about peace in the world at that time.

Mr. Speaker, that is the reason why I am on the floor today.

TRIBUTE TO HONORABLE WILLIAM LEHMAN

We have just heard from the lips of a very fine American statesman the fact that he is not going to run next time because of his health.

BILL LEHMAN is one of the most outstanding Members of Congress. He has made a great record, and we are all very deeply obligated, the whole country is deeply obligated, to him for the things he made possible for our country. It is with great regret that I see him retiring.

He certainly has earned the accolades of all Americans.

THE DEMOCRATS' TAX BILL AND THE CREDIT MARKETS

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

Mr. GRADISON. Mr. Speaker, tomorrow we are going to consider tax proposals to stimulate the economy. It would be regrettable indeed if the Democrats' bill, H.R. 4287, were to pass. While the focus will be on the tax aspects of this bill, it is essential that we not overlook its fiscal impact, specifically the damage it could do to our struggling economy.

Section 2 of the Democrats' bill would blow up the Budget Enforcement Act by directing OMB to ignore any change in budget authority, outlays, or receipts resulting from this piece of legislation. By even considering H.R. 4287, we are sending precisely the wrong signal to the credit markets. The Democrats' bill will increase Federal borrowing by $30 billion over the next 2 years. No wonder we have already seen in recent days a disconcerting rise in long- and short-term interest rates, which is just what we do not need for the recovery. I appeal to my colleagues not to lose sight of the objective which is to strengthen, not weaken, the economy. The only sound answer is a no vote on the Democrats' plan.

PROVIDE A REAL TAX BREAK FOR MIDDLE-INCOME AND WORKING PEOPLE

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

Mr. SANDERS. Mr. Speaker, the working people of America are crying out for tax justice, but their pleas, unfortunately, appear to be falling upon the deaf ears of the Democratic and Republican leadership.

Study after study has shown that during the last decade the rich have become much richer, while middle-income and working people have seen a decline in their standard of living. And yet, the tax policies of the last 15 years have given huge tax breaks to the rich, while working people and the middle class are now paying significantly more in Federal, State, and local taxes.

Mr. Speaker, the tax proposals being offered by both the Democratic and Republican leadership are grossly inadequate. It is beyond comprehension that both parties, the Republicans more than the Democrats, but both parties nonetheless, still continue to provide more and more tax breaks for the rich—including significant reductions in the capital gains tax—70 percent of whose benefits would go to the wealthiest 4 percent of our population, those who earn a $100,000 a year or more.

Mr. Speaker, let us have the courage to take on the big money interests and finally ask those people to start paying their fair share of taxes—and with those proceeds, in a deficit-neutral manner, let us provide a real tax break for middle-income and working people—far more than is currently on the table.

DEFENSE ENVIRONMENTAL INITIATIVE

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

Mr. WELDON. Mr. Speaker, the Office of Technology Assessment today released a report stating that the United States will likely lose as many as 2.5 million defense-related jobs over the

next 10 years. Assuming the large cuts now planned for defense spending, OTA estimates that defense employment will decline by about 250,000 jobs per year.

As the OTA report notes, it is difficult to replace the well-paid jobs that defense manufacturing provides or to replace the military as the Nation's premier equal opportunity employer in any case, but this challenge could be even more difficult in a recession.

The workers who support our defense are some of the most talented individuals in this Nation. Our challenge is to create new job opportunities for all Americans—and to ensure that the talents of these professionals do not go to waste.

The administration has requested an unprecedented $3.7 billion for DOD environmental cleanup. Yet, studies show that there are not enough qualified people to do cleanup. I will soon be introducing a bill to make scholarships and loans available to train workers for DOD environmental cleanup, and am working on a more comprehensive effort to direct defense workers into this growing field. I look forward to the support of the House on this defense initiative with such great promise for the civilian and military world.

DEMOCRATS FIDDLE WHILE COUNTRY BURNS

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

Mr. SHAW. Mr. Speaker, Nero fiddled while Rome burned.

I might say that the leadership in this House on the Democrat side is continuing to fiddle while we do not solve the problems of unemployment in this country. We saw massive layoffs in the news today with General Motors closing down many of its plants. I see the gentleman from Michigan who is probably going to address this issue after I finish. Yet we have a Ways and Means Committee which met only 3 hours to consider a growth plan and the growth plan is coming back now in all kinds of bits and pieces.

We have a Democrat plan which is going to be offered supposedly tomorrow if they can pull it together with enough votes in order to try to advance it on the Democrat side that is claimed to be an economic growth package, but does nothing to stimulate the economy of this country.

It is time that we stopped talking about raising taxes during a recession and talk about creating jobs, talk about capital development, the things that create jobs in this country, and it is time that the Democrats and the Republicans work together in getting a package that will pass. There are good items in both packages that should come out in a unified package, and this House and this Congress should speak with one voice with the President and say that we are for the creation of jobs.

Mr. Speaker, let us get to work.

THE FIASCO OF THE ADMINISTRATION'S ECONOMIC ISSUES

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

Mr. LEVIN of Michigan. Mr. Speaker, in the past few days we have seen another fiasco with the administration of economic issues. The U.S. Attorney General announces his intention to use U.S. antitrust laws to fight cartel practices of foreign companies that exclude or limit sales of U.S. goods overseas or here in the United States, and immediately word comes that other forces within the administration, led by the Vice President, will fight such use of antitrust laws.

This disarray is symptomatic. Who is in charge, in the administration, of economic issues one asks? The answer is no one.

There is no single cause for the crisis in the U.S. auto industry, for GM's shattering announcement of plant closings yesterday, but one thing is clear. As the U.S. auto industry has worked to improve its product, the Reagan and Bush administrations have failed to improve their performance to help American companies have a fighting chance to survive and thrive.

There is no coherent American economic or trade policy and other countries have filled the vacuum with carefully designed policies and practices of their own.

When one hand in the U.S. Government does not know what the other is doing, American businesses are forced to function with one hand tied behind their backs and the innocent suffer, as was true yesterday for thousands and thousands of GM workers.

REPUTATION OF CONGRESS AT ALL-TIME LOW

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

Mr. GUNDERSON. Mr. Speaker, the reputation of the Congress is at an all-time low in the eyes of American people. I suspect after this week that reputation is going to be even lower, and frankly, it should be, because the President asked the Congress to work with him in a bipartisan manner to achieve an economic recovery program by March 20. This Congress began those hearings last December and ought to have no problem meeting that deadline in a bipartisan fashion.

Unfortunately, we are not only failing to work together in a bipartisan mode, but we also have made the decision that once again we are going to repeat the mistake of the budget summit agreement of 1990 which created most of the problems economically that we face today.

People should recall that we raised, going into the recession under that budget agreement, $144 billion in new taxes over 5 years. Unfortunately, because we raised taxes in a recession, in fiscal year 1992 alone the projected deficit is now going to be $130 billion higher than that agreement of only 14 months ago.

When, Mr. Speaker, will we learn?

THE PRESIDENT'S ATTACK ON CONGRESS

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

Mr. DURBIN. Mr. Speaker, yesterday the President of the United States spoke to a group of business people, and I guess to no one's great surprise, attacked the Congress. This is no surprise to anyone I am sure in an election year while the President is under attack from within his own party, that he would turn against the Democrats in Congress.

It is unfortunate that this climate is in place as we begin the debate on the economic recovery plan for this Nation.

I sense in the district that I represent that no one is out there cheering for the Democrats to win or cheering for the Republicans to win. They are cheering for the American workers, the American families to win in this debate. They could not give two darns as to whether anyone is going to capitalize on this politically.

The plan that the Democrats will offer tomorrow is an attempt to make some concessions to the President's point of view. The President wanted to repeal the luxury taxes on certain items. We agreed to that repeal. The President wanted capital gains benefits. We agreed to it, at least partially, to help families, farmers, and small businesses.

The things that we insist on as Democrats, though, as part of this plan are to have the wealthiest people in this country pay their fair share. Why is it so repugnant to this administration to have millionaires pay a little extra in taxes so that working families could help to pay their own bills?

I hope we can come together now in a bipartisan fashion. This Democratic alternative is an effort to do just that.

THE QUADRENNIAL DEMOCRATIC PARTY ACT OF MADNESS

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

Mr. GINGRICH. Mr. Speaker, this week we will witness the quadrennial Democratic Party act of madness. For 20 years every Presidential year the Democrats have moved to the left: George McGovern, Jimmy Carter; by 1980, Walter Mondale who promised to raise taxes and promptly crashed, losing all but one State, his own; and Michael Dukakis, who admitted by October that he really was a liberal.

Now what do we see? It is a Presidential year. The House Democrats are going to bring in a massive tax increase bill, a bill that has such a big tax increase that their front runner, Paul Tsongas, would veto it, and yet somehow they are going to muscle enough votes to pass a bill which will be a tax increase, which will cut Medicare and cut other entitlements, which will force a sequester.

And I said, every 4 years they seem to do it to themselves again. Once again the Party of the left is engaged in its quadrennial dance of self-destruction, but it is bad for America. The President asked for a tax cut. We ought to pass tax cuts.

The President asked for a bill that creates jobs. We ought to pass a bill that he can sign that would create jobs.

It hurts unemployed Americans to play the kind of partisan games the Democrats will be playing this week.

I think it is very unfortunate for America, and the American people, and I frankly would rather have a Democratic Party that was more rational about economics and willing to work on a bipartisan basis on a tax cut instead of a partisan tax increase bill.

CAN WE TRUST CHINA?

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

Mr. APPLEGATE. Mr. Speaker, President Bush is going to accept China's word that they will not send any more missiles to the Middle East. Now, this is the same Communist country that kills their own people for doing what Americans do every day, and that is to go out and speak freely as I am doing now and to assemble freely without fear from soldiers.

I ask you, can you trust a country like that? With friends like that, you do not need enemies.

But what does China get for all this? Well, George Bush is going to send them American high technology. That is right, folks. There go more American jobs.

I hope he does not get any more agreements going for him, particularly with our enemies, because we cannot afford any more of his benevolence.

IN SUPPORT OF THE PRESIDENT'S GROWTH PACKAGE

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

Mr. SOLOMON. Mr. Speaker, I am the ranking Republican on the Rules Committee. We have been for the last 2 hours marking up the so-called Economic Growth Package up in the Rules Committee.

Mr. Speaker, I tell you, I have become so disillusioned because I hear so much talk about whose side are we on. It is just too bad that we cannot be on everybody's side, be on America's side, because that is really what we need today.

In other words, America's side is everybody's jobs, not just somebody's jobs. So why do we have to be on somebody's side?

Right now the President has asked us for an economic growth package that would stimulate the economy.

□ 1250

And that is what we ought to be doing. Instead of that, we are going back to the Rules Committee in a couple of hours and finish up marking up this rule in committee. We will bring a bill on the floor that the President is guaranteed he will veto, and even a front-running Presidential Democrat nominee has said he would veto if he were the President. What kind of credibility could that bill have? Yet the American people are out there waiting for this Congress to act to do something. I think it is wrong. When are we going to get together to do what is right? It is no wonder the people want term limitation for Members of Congress—and so do I.

COMMUNICATION FROM THE HONORABLE BOB MICHEL, REPUBLICAN LEADER

The SPEAKER pro tempore (Mr. MAZZOLI) laid before the House the following communication from the Honorable BOB MICHEL, Republican leader:

HOUSE OF REPRESENTATIVES,
Washington, DC, December 26, 1991.

Hon. THOMAS S. FOLEY,
Speaker of the House, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to Section 141(a)(C) of Public Law 101-649, I hereby appoint the following two individuals from private life to serve as members of the Commission on Legal Immigration Reform:

Mr. Harold W. Ezell, 5000 Birch Street, Suite 4800, Newport Beach, California 92660.

Mr. Robert Charles Hill, 14507 Briarwood Terrace, Rockville, Maryland 20853.

Sincerely,

BOB MICHEL,
Republican Leader.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

TELEPHONE DISCLOSURE AND DISPUTE RESOLUTION ACT

Mr. SWIFT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3490) to protect the public interest and the future development of interstate pay-per-call technology by providing for the regulation and oversight of the applications and growth of the pay-per-call industry, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Telephone Disclosure and Dispute Resolution Act".

(b) FINDINGS.—The Congress finds the following:

(1) The use of pay-per-call services, most commonly through the use of 900 numbers, has grown exponentially in the past few years. This payment mechanism is convenient to consumers, cost-effective to vendors, and profitable to communications common carriers.

(2) The interstate nature of the pay-per-call industry means that its activities are beyond the reach of individual States and therefore requires Federal regulatory treatment to protect the public interest.

(3) The lack of nationally uniform regulatory guidelines has led to confusion for consumers, industry, and regulatory agencies as to the rights of callers and the oversight responsibilities of regulatory authorities, and has allowed some pay-per-call businesses to engage in practices which abuse the rights of callers.

(4) Because the consumer most often incurs a financial obligation as soon as a pay-per-call transaction is initiated, the accuracy and descriptiveness of vendor advertisements become crucial in avoiding consumer abuse. The obligation for accuracy should include price-per-call and duration-of-call information, odds disclosure for lotteries, games, and sweepstakes, and obligations for obtaining parental consent from callers under 18.

(5) The continued growth of the legitimate pay-per-call industry is dependent upon consumer confidence that unfair and deceptive behavior will be effectively curtailed and that consumers will have adequate rights of redress.

(6) Vendors of telephone-billed goods and services must also feel confident in their rights and obligations for resolving billing disputes if they are to use this new marketplace for the sale of products of more than nominal value.

(7) Many applications employing audiotext technology such as lotteries, games, and sweepstakes, sometimes erroneously have informed consumers that they must utilize audiotext services to claim or win a prize, or have not adequately informed consumers of

the right to participate in the same applications through other forms of entry.

(8) Some interstate audiotext services have offered programs aimed at children, inducing them to call such services without their parents' permission.

(9) Consequently, Congress should enact legislation that will offer consumers and vendors necessary protections and help facilitate the growth of a robust and competitive pay-per-call marketplace.

TITLE I—AUDIOTEXT INDUSTRY OBLIGATIONS AND CONSUMER RIGHTS

SEC. 101. AMENDMENT TO COMMUNICATIONS ACT OF 1934.

Title II of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"SEC. 228. REGULATION OF AUDIOTEXT SERVICES.

"(a) PURPOSE.—It is the purpose of this section—

"(1) to put into effect a system of national regulation and review that will oversee the audiotext business;

"(2) to give the Commission authority to prescribe regulations and enforcement procedures and conduct oversight to afford reasonable protection to consumers and to assure that violations of this Act do not occur.

"(b) AUTHORITY FOR REGULATIONS.—

"(1) IN GENERAL.—The Commission shall, within 270 days after the date of enactment of this section, complete a rulemaking proceeding to establish a system for oversight and regulation of audiotext services in order to provide for the protection of consumers and providers in accordance with this Act and other applicable Federal statutes and regulations. The Commission's final rules shall—

"(A) include measures that provide a consumer of audiotext services with adequate and clear descriptions of the rights of the caller;

"(B) define the obligations of common carriers with respect to the provision of the audiotext services;

"(C) include requirements on such carriers to protect against abusive practices by providers of audiotext services;

"(D) prohibit customers from being disconnected from local exchange services for refusal to pay for audiotext services; and

"(E) identify procedures by which common carriers and providers of audiotext services may take affirmative steps to protect against nonpayment of legitimate charges.

"(2) MINIMUM STANDARDS FOR PROVIDERS OF AUDIOTEXT SERVICES.—The regulations required by paragraph (1) shall prohibit any common carrier from offering audiotext services of any provider of such services who fails—

"(A) to include in each audiotext message an introductory disclosure message that (i) describes the service being provided, (ii) specifies clearly and at a reasonably understandable volume the total cost or the cost per minute and any other fees for that service, and for any other audiotext service to which the caller may be transferred, (iii) informs the caller of the option to hang up at the end of the introductory message without incurring any charge, and (iv) informs the caller that parental consent is required for calls made by children;

"(B) to disable any bypass mechanism which allows frequent callers to avoid listening to the disclosure message described in subparagraph (A) after the institution of any price increase and for a period of time sufficient to give such frequent callers adequate and sufficient notice of the price change;

"(C) to stop the assessment of time-based charges immediately upon disconnection by the caller;

"(D) to include an appropriate and clear signal, at intervals determined by the Commission, where technically feasible, during live interactive group programs, to alert callers to the passage of time, and explain this signal in the disclosure required by subparagraph (A) for such programs, except that the requirements of this subparagraph do not apply to programs for which the caller is required to preregister or presubscribe; and

"(E) to comply with such additional standards as the Commission may prescribe to prevent abusive practices.

"(3) COMMON CARRIER OBLIGATIONS.—The regulations required by paragraph (1) shall require that any common carriers offering audiotext services shall—

"(A) require, pursuant to contract or tariff, that a provider of audiotext services comply with the regulations issued pursuant to paragraph (2), and terminate, in accordance with procedures specified in such regulations, the offering of an audiotext service of a provider if such service is not provided in compliance with such regulations;

"(B) ensure that a caller is not billed—

"(i) with respect to audiotext services provided in violation of the regulations issued pursuant to paragraph (2); or

"(ii) under such other circumstances as the Commission determines necessary in order to protect callers from abusive practices;

"(C) establish a local or a toll-free telephone number to answer questions and provide information on callers' rights and obligations with regard to their use of audiotext services and to provide to callers the name and mailing address of any provider of audiotext services offered by the common carrier;

"(D) within 60 days after the issuance of final regulations pursuant to paragraph (1), provide, either directly or through contract with any local exchange carrier that provides billing or collection services to the common carrier, to all of such common carrier's telephone subscribers, to all new subscribers, and to all subscribers requesting service at a new location, a disclosure statement that—

"(i) sets forth in clear, standard English, or other languages as specified by regulation, all rights and obligations held by the subscriber and the carrier with respect to the use and payment for audiotext services;

"(ii) describes any nonpayment option prescribed by the Commission under subparagraph (B) and the applicable blocking option; and

"(iii) provides an explanation of live interactive programming;

"(E) ensures that charges for audiotext services are stated separately on the bill from the sections relating to local and long distance telephone charges and that such statement includes the toll-free telephone number specified in subparagraph (C);

"(F) notify in writing the State regulatory commission of any State within which the carrier intends to offer audiotext services of such intention, which notification shall include a description of the service to be provided to telephone users within that State as well as a list of the carrier's policies and procedures;

"(G) subsequently make available to the State regulatory commission, upon request, a list of audiotext telephone numbers accessible by callers within that State through such carrier, which list shall include the name, business address, and business telephone number of the audiotext provider; and

"(H) obtain from any provider of audiotext services that solicits charitable contributions proof of the tax exempt status of any person or organization for which contributions are solicited.

"(4) BLOCKING REQUIREMENTS.—The regulations required by paragraph (1) shall require that any local exchange carrier carrying audiotext services shall offer callers the option of blocking access to all audiotext services from their telephone, whenever technologically feasible. Such regulation may permit the costs of such blocking to be recovered by contract or tariff, but such costs may not be recovered from local or long distance ratepayers. Such option shall be offered at no charge to the caller for a reasonable and appropriate period (established by the Commission in such regulations) after (A) the effective date of such regulation, (B) an initial connection, or (C) subscription for any new telephone line.

"(5) EXEMPTIONS FROM INTRODUCTORY MESSAGE REQUIREMENTS.—The regulations prescribed by the Commission pursuant to paragraph (2)(A) may exempt from the requirements of such paragraph—

"(A) calls from frequent callers or regular subscribers using a bypass mechanism to avoid listening to the disclosure message required by such regulations; or

"(B) audiotext services provided at nominal charges, as defined by the Commission in such regulations.

"(6) CONSUMER REFUND REQUIREMENTS.—The regulations required by paragraph (1) shall establish procedures, consistent with the provisions of titles II and III of the Telephone Disclosure and Dispute Resolution Act, to ensure that carriers offering audiotext services and other parties provide appropriate refunds to callers who have been billed for audiotext services pursuant to programs that have been found to have violated this subsection or such regulations or any other Federal, State, or local consumer protection law.

"(7) RECOMMENDATIONS ON DATA PAY-PER-CALL.—The Commission, within one year after the date of enactment of this section, shall submit to the Congress the Commission's recommendations with respect to the extension of regulations under this section to services that provide, for a per call charge, data services that are not audiotext services.

"(c) EFFECT ON OTHER LAW.—

"(1) NO PREEMPTION OF ELECTION LAW.—Nothing in this section shall relieve any information provider, common carrier, local exchange carrier, or any other person from the obligation to comply with Federal, State, and local election laws and regulations.

"(2) CONSUMER PROTECTION LAWS.—Nothing in this section shall relieve any provider of audiotext services, common carrier, local exchange carrier, or any other person from the obligation to comply with Federal, State, or local laws relating to consumer protection or unfair trade.

"(3) GAMBLING LAWS.—Nothing in this section shall preclude any State from enforcing its statutes and regulations with regard to lotteries, wagering, betting, and other gambling activities.

"(4) STATE AUTHORITY.—Nothing in this section shall preclude any State from enacting and enforcing additional and complementary oversight and regulatory systems or procedures, or both, so long as such systems and procedures do not significantly impede the enforcement of this section or other Federal statutes.

"(5) LIABILITY.—No cause of action may be brought in any court or administrative agency against any common carrier or any of its affiliates on account of any act of the carrier or affiliate, and which the carrier or affiliate shows to be in good faith, to terminate any audiotext service in order to comply with the regulations prescribed under subsection (b).

"(d) DEFINITIONS.—For purposes of this section—

"(1) The term 'audiotext services' means any service—

"(A) in which any person provides, through interstate telecommunications—

"(i) audio information or audio entertainment produced or packaged by such person; or

"(ii) access to simultaneous voice conversation services;

"(B) for which the caller pays a per-call or per-time-interval charge that is greater than, or in addition to, the charge for transmission of the call; and

"(C) the charge for which is billed and collected by a common carrier or local exchange carrier.

Such term does not include directory services provided by a common carrier or its affiliate or by a local exchange carrier or its affiliate or any service the charge for which is tariffed.

"(2) A common carrier 'offers audiotext services' by transmitting an audiotext service through interstate communications. A local exchange carrier shall not be considered to 'offer audiotext services' if the local exchange carrier only provides exchange access services or billing services, or both, to a common carrier in connection with the common carrier's offering of audiotext services.".

SEC. 102. TECHNICAL AMENDMENT.

Section 3(c) of the Telephone Consumer Protection Act of 1991 is amended by striking "section 228" and inserting "section 227".

TITLE II—USE OF THE 900 TELEPHONE NUMBER

SEC. 201. REGULATIONS.

(a) IN GENERAL.—

(1) The Federal Trade Commission shall prescribe rules, as described in this subsection, for any advertisement for services or products procured through the use of a telephone number with a 900 service access code or any other access code under which liability for the service or product provided attaches to the telephone bill of the individual calling such number. Such rules shall require that the person offering such services or products—

(A) clearly and conspicuously disclose in any advertising the cost of the use of such telephone number, including the rate per minute and, if applicable, for the duration of the call,

(B) in the case of an advertisement which offers a prize or award or a service or product at no cost or for a reduced cost, clearly and conspicuously disclose the odds of being able to receive such prize, award, service, or product at no cost or reduced cost, or, if such odds are not calculable in advance, disclose the factors determining such odds,

(C) in the case of individuals under the age of 18 using such telephone number, clearly and conspicuously state, where appropriate, in any advertising that such individual must have the consent of such individual's parent or legal guardian for the use of such telephone number, and

(D) be prohibited from using advertisements that emit electronic tones which can automatically dial a pay-per-call telephone number.

(2) The Commission shall by rule require a common carrier that provides telephone services to a vendor who uses the telephone number described in paragraph (1) to make available to the Commission any records and financial information maintained by such carrier relating to the arrangements (other than for the provision of local exchange service) between such carrier and vendor.

(3) A rule issued under paragraph (1) or (2) shall be treated as a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(b) RULEMAKING.—The Commission shall prescribe the rules under subsection (a) within 270 days after the date of enactment of this Act. Such rules shall be prescribed in accordance with section 553 of title 5, United States Code.

(c) ENFORCEMENT.—Any violation of any rule prescribed under subsection (a) shall be treated as a violation of a rule under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) regarding unfair or deceptive acts or practices. Notwithstanding section 5(a)(2) of such Act (15 U.S.C. 45(a)(2)), communications common carriers shall be subject to the jurisdiction of the Commission for purposes of this Act.

SEC. 202. ACTIONS BY STATES.

(a) IN GENERAL.—Whenever an attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person has engaged or is engaging in a pattern or practice of telemarketing which violates any rule of the Commission under section 201(a)(1), the State may bring a civil action on behalf of its residents in an appropriate district court of the United States to enjoin such telemarketing, to enforce compliance with such rule of the Commission, to obtain damages on behalf of their residents, or to obtain such further and other relief as the court may deem appropriate.

(b) NOTICE.—The State shall serve prior written notice of any civil action under subsection (a) upon the Commission and provide the Commission with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting a civil action, the Commission shall have the right (1) to intervene in such action, (2) upon so intervening, to be heard on all matters arising therein, and (3) to file petitions for appeal.

(c) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this Act shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—Whenever the Commission has instituted a civil action for violation of any rule prescribed under section 201, no State may, during the pendency of such action instituted by the Commission, institute a civil action under subsection (a) against any defendant named in the Commission's complaint for acts or omissions alleged in the complaint for violation of any rule as alleged in the Commission's complaint.

(e) ACTIONS BY OTHER STATE OFFICIALS.—

(1) Nothing contained in this section shall prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State.

(2) In addition to actions brought by an attorney general of a State under subsection (a), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State for protection of consumers and who are designated by the Commission to bring an action under subsection (a) against persons that the Commission has determined have or are engaged in a pattern or practice of telemarketing which violates a rule of the Commission under section 201.

SEC. 203. ADMINISTRATION AND APPLICABILITY OF TITLE.

(a) IN GENERAL.—Except as otherwise provided in section 202, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.). Consequently, no activity which is outside the jurisdiction of that Act shall be affected by this Act, except for purposes of this title.

(b) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 201 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any person who violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

SEC. 204. DEFINITIONS.

For purposes of this title:

(1) The term "attorney general" means the chief legal officer of a State.

(2) The term "State" means any State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, and any territory or possession of the United States.

(3) The term "Commission" means the Federal Trade Commission.

TITLE III—TELEPHONE SERVICES BILLING AND COLLECTION

SEC. 301. CORRECTION OF BILLING ERRORS.

(a) INITIATION OF BILLING REVIEW.—A customer may initiate a billing review under this section with respect to a telephone-billed purchase by sending, within 30 days after receipt of a billing statement from a billing carrier that contains a charge for such telephone-billed purchase, a written notice to that billing carrier in which the customer—

(1) sets forth or otherwise enables the billing carrier to identify the name of the customer and the phone number to which the charge was billed;

(2) indicates the customer's belief that the statement contains a billing error that relates to a telephone-billed purchase and the amount of such billing error; and

(3) sets forth the reasons for the customer's belief (to the extent applicable) that the statement contains a billing error.

(b) RESPONSE TO CUSTOMER NOTICE.—

(1) RESPONSE BY BILLING CARRIER.—A billing carrier that receives a notice from any customer under subsection (a) shall—

(A) if the billing error is described in section 308(6) (D), (E), or (F) or otherwise relates to the calculation of amounts due, be

deemed to be a providing carrier for purposes of paragraph (2) of this subsection; or

(B) transmit such notice within 15 days to the providing carrier for the telephone-billed purchase to which the alleged billing error relates.

(2) RESPONSE BY PROVIDING CARRIER.—A providing carrier that receives from any customer a notice that meets the requirements of subsection (a) shall, unless the customer has, after giving such written notice and before the expiration of the time limits herein specified, agreed that the statement was correct—

(A) not later than 30 days after the receipt of the notice, unless the action required in subparagraph (B) is taken within such 30-day period, send a written acknowledgement thereof to the customer, which acknowledgement shall include the name, mailing address, and business telephone number of the vendor that is the subject of the notice, and

(B) not later than two complete billing cycles of the billing carrier (in no event later than 90 days) after the receipt of the notice and prior to taking any action to collect the amount, or any part thereof, indicated by the customer under subsection (a)(2) either—

(i) make appropriate corrections in the account of the customer, including the crediting of any related charges on amounts erroneously billed, and transmit to billing carrier and the customer a notification of such corrections and the providing carrier's explanation of any change in the amount indicated by the customer under subsection (a)(2) and, if any such change is made and the customer so requests, copies of documentary evidence of the customer's indebtedness; or

(ii) send a written explanation or clarification to the customer, after having conducted an investigation (including, where appropriate, contact with the vendor), setting forth to the extent applicable the reasons why the providing carrier believes the account of the customer was correctly shown in the statement and, upon request of the customer, provide copies of documentary evidence of the customer's indebtedness.

(3) INVESTIGATIONS CONCERNING DELIVERY OF TELEPHONE-BILLED PURCHASES.—In the case of a billing error where the customer alleges that the billing statement reflects goods or services not delivered to the customer in accordance with the stated terms of the transaction, a providing carrier may not construe such amount to be correctly shown unless the providing carrier investigates, with reasonable diligence, whether such goods or services were actually delivered or otherwise sent to the customer and provides the customer with a written statement of the results of such investigation.

(4) TERMINATION OF PROVIDING CARRIER RESPONSIBILITY.—After complying with the provisions of this subsection with respect to an alleged billing error, a providing carrier has no further responsibility under this section if the customer continues to make substantially the same allegation with respect to such error.

(5) PERMITTED ACTIONS BY BILLING CARRIERS.—Nothing in this title shall prohibit a billing carrier from removing a charge from a customer's billing statement upon receipt of a billing inquiry from the customer if the billing carrier—

(A) informs the appropriate providing carrier that the charge has been removed;

(B) informs the customer that removal of the charge does not limit customer liability for that charge if the vendor or providing carrier or its agent elects to pursue collection of the charge; and

(C) informs the customer that, to assure the protection of the customer's rights under this title, the customer must send a written notice in accordance with subsection (a).

(c) COLLECTION ACTIONS.—

(1) DEFINITION.—For the purposes of subsection (b)(2)(B) of this section, "action to collect the amount, or any part thereof, indicated by the customer under subsection (a)(2)" does not include the sending of statements of account, which may include late charges on amounts in dispute, to the customer following written notice from the customer as specified under subsection (a), if—

(A) the customer's account is not restricted or closed because of the failure of the customer to pay the amount indicated under subsection (a)(2), and

(B) the billing carrier indicates to the customer that the payment of such amount is not required pending the providing carrier's compliance with this section.

(2) NO EFFECT ON AMOUNTS NOT SUBJECT TO REVIEW.—Nothing in this section shall be construed to prohibit any action by a vendor, providing carrier, or billing carrier to collect any amount which has not been indicated by the customer under subsection (a)(2) to contain a billing error.

(d) FORFEITURE OF RIGHTS.—Any billing carrier or providing carrier who fails to comply with the requirements of this section or section 302 forfeits any right to collect from the customer the amount indicated by the customer under subsection (a)(2) of this section, and any late charges thereon.

SEC. 302. REGULATION OF REPORTS.

(a) ADVERSE REPORTS PROHIBITED.—After receiving a notice from a customer as provided in section 301, a vendor, billing carrier, providing carrier, or its agent may not directly or indirectly threaten to report to any person adversely on the customer's credit rating or credit standing because of the customer's failure to pay the amount indicated by the customer under section 301(a)(2), and such amount may not be reported as delinquent to any third party until the billing carrier or providing carrier has met the requirements of section 301 and has allowed the customer 20 days thereafter to make payment.

(b) REPORTS DURING CONTINUATION OF DISPUTE.—If a billing carrier or providing carrier receives a further written notice from a customer that an amount is still in dispute within the time allowed for payment under subsection (a) of this section, a vendor, billing carrier, or providing carrier or its agent may not report to any third party that the account of the customer is in arrears because the customer has failed to pay an amount indicated under section 301(a)(2), unless the vendor, billing carrier, providing carrier, or its agent also reports that the amount is in dispute and, at the same time, notifies the customer of the name and address of each party to whom the vendor, billing carrier, providing carrier, or its agent is reporting information concerning the arrearage.

(c) REPORTS OF RESOLUTIONS.—A vendor, billing carrier, providing carrier, or its agent shall report any subsequent resolution of any matter reported pursuant to subsection (b) to the parties to whom such matter was initially reported.

SEC. 303. PROMPT NOTIFICATION OF CREDIT.

With respect to any telephone-billed purchase where the vendor is a person other than the billing carrier, and where the vendor accepts or allows a forgiveness of a debit for the telephone-billed purchase, the vendor shall promptly transmit to the billing carrier a credit statement with respect thereto and the billing carrier shall credit the account of the customer for the amount of the purchase.

SEC. 304. RIGHTS OF CUSTOMERS.

A billing carrier or providing carrier who seeks to collect charges for a telephone-billed purchase from a customer for a vendor shall be subject to all claims (other than tort claims) and defenses arising out of any telephone-billed purchase in which the customer's telephone billing account is used as a method for collection, if the customer has made a good faith attempt to obtain satisfactory resolution of a disagreement or problem relative to the purchase from the vendor or providing carrier. In no event shall the billing carrier be liable for any amount greater than the amount billed to the customer for the purchase.

SEC. 305. RELATION TO STATE LAWS.

(a) STATE LAW APPLICABLE UNLESS INCONSISTENT.—This title does not annul, alter, or affect, or exempt any person subject to the provisions of this title from complying with, the laws of any State with respect to telephone billing practices, except to the extent that those laws are inconsistent with any provision of this title, and then only to the extent of the inconsistency. The Commission is authorized to determine whether such inconsistencies exist. The Commission may not determine that any State law is inconsistent with any provision of this chapter if the Commission determines that such law gives greater protection to the consumer.

(b) REGULATORY EXEMPTIONS.—The Commission shall by regulation exempt from the requirements of this title any class of telephone-billed purchase transactions within any State if it determines that under the law of that State that class of transactions is subject to requirements substantially similar to those imposed under this chapter or that such law gives greater protection to the consumer, and that there is adequate provision for enforcement.

SEC. 306. ENFORCEMENT.

The Commission shall enforce the requirements of this title. For the purpose of the exercise by the Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this title shall be deemed a violation of a requirement imposed under that Act. All the functions and powers of the Federal Trade Commission under that Act are available to the Commission to enforce compliance by any person with the requirements imposed under this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in that Act. The Commission may prescribe such regulations as are necessary or appropriate to implement the provisions of this title.

SEC. 307. STUDY OF NEED FOR ADDITIONAL REMEDIES.

(a) STUDY REQUIRED.—The Commission shall conduct an ongoing study of the need to develop and implement additional provisions to prevent evasions of the requirements of this title, through the use of alternative billing or other procedures, that undermine the rights provided to customers under this title. In examining such additional provisions, the Commission shall consider the extent to which such additional provisions may be implemented under the Commission's rulemaking authority pursuant to section 306.

(b) REPORTS REQUIRED.—The Commission shall submit to the Congress, not later than 18 months after the date of enactment of this Act, a report on the results (as of the end of

such period) of the study required by subsection (a), and shall submit such additional reports to the Congress as are merited by later findings of such study. Such reports shall include such recommendations for legislation as the Commission considers necessary to carry out the purposes of this title.

SEC. 308. DEFINITIONS.

As used in this title—

(1) The term "providing carrier" means a local exchange or interexchange common carrier providing telephone services (other than local exchange services) to a vendor for a telephone-billed purchase that is the subject of a billing error complaint.

(2) The term "billing carrier" means a local exchange or interexchange common carrier that transmits to a customer a statement of charges for a telephone-billed purchase.

(3) The term "vendor" means any person who, through the use of the telephone, offers goods or services for a telephone-billed purchase.

(4) The term "customer" means any person who acquires or attempts to acquire goods or services in a telephone-billed purchase.

(5) The term "telephone-billed purchase" means any goods or services (including information services) acquired through the use of the telephone, any part of the charges for which are compiled and transmitted through the use of billing services provided by a local exchange or interexchange common carrier, except that such term does not include—

(A) local exchange telephone services or interexchange telephone services or any service that the Federal Communications Commission determines, by rule—

(i) is closely related to the provision of local exchange telephone services or interexchange telephone services; and

(ii) is subject to billing dispute resolution procedures required by Federal or State statute or regulation; or

(B) the purchase of goods or services which is otherwise subject to billing dispute resolution procedures required by Federal statute or regulation.

(6) A "billing error" consists of any of the following:

(A) A reflection on a billing statement from a billing carrier of a telephone-billed purchase which was not made by the customer or, if made, was not in the amount reflected on such statement.

(B) A reflection on a billing statement of a telephone-billed purchase for which the customer requests additional clarification, including documentary evidence thereof.

(C) A reflection on a billing statement of a telephone-billed purchase that was not accepted by the customer or not provided to the customer in accordance with the stated terms of the transaction.

(D) The billing carrier's failure to reflect properly on a billing statement a payment made by the customer or a credit issued to the customer with respect to a telephone-billed purchase.

(E) A computation error or similar error of an accounting nature of the billing carrier on a statement.

(F) Failure to transmit the billing statement to the last address of the customer which has been disclosed to the billing carrier, unless that address was furnished less than twenty days before the end of the billing cycle for which the statement is required.

(G) Any other error described in regulations prescribed by the Commission pursuant to section 553 of title 5, United States Code.

(7) The term "Commission" means the Federal Trade Commission.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Washington [Mr. SWIFT] will be recognized for 20 minutes, and the gentleman from New Jersey [Mr. RINALDO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington [Mr. SWIFT].

GENERAL LEAVE

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the bill presently under consideration.

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

There was no objection.

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

Mr. Speaker, I am pleased to join my colleagues, Mr. MARKEY, chairman of the Telecommunications and Finance Subcommittee, Mr. RITTER, the ranking minority member of the Transportation and Hazardous Materials Subcommittee, and Mr. RINALDO, the ranking minority member on the Telecommunications Subcommittee in bringing this legislation to the floor of the House.

We have all seen the ads on television, playing to viewer's emotions, to call a number immediately if they are lonely, bored, or want to get instant credit. What you don't see or hear very clearly is how much the call or service will cost. This legislation will force those that provide 900-number services to state cost information in both advertisements and during the call itself.

The pay-per-call industry offers consumers a convenient, instantaneous method for purchasing goods and services. It has also offered some fly-by-night opportunists a convenient method for deceiving and stealing from consumers through the use of a payment system tied to the consumer's local telephone bill.

The two subcommittees of the Energy and Commerce Committee have worked together in a very productive manner and have crafted legislation that brings in focus the authority of both the Federal Trade Commission and the Federal Communications Commission to better protect consumers from deceptive pay-per-call operators. And in turn, the two subcommittees have benefited from the very good working relationship between the FTC and the FCC.

Specifically, title I of H.R. 3490 directs the Federal Communications Commission to complete a rulemaking to ensure that consumers will have adequate information about charges they entail when they make a 900-number call. This FCC rulemaking will also define the obligations of telephone common carriers to protect their consumers from abusive practices by information providers. And this FCC rule will prohibit the disconnection of basic telephone service for failure to pay a disputed 900-number charge.

Title II directs the Federal Trade Commission to prescribe rules for any advertisement of 900-number services or products. Such rules will include requirements for the clear and conspicuous disclosure of the cost of such calls, odds disclosure for contests and promotions, parental consent warnings for advertisements targeted to children, and the prohibition of the use of electronic tones that would automatically dial a pay-per-call telephone number.

The legislation also addresses a key missing component in the existing payment mechanism for 900-numbers, and that is a formal dispute resolution procedure such as that used in adjudicating customer complaints in the credit card markets. After the breakup of AT&T, the current telephone payment mechanism was developed for channeling telephone charges from interexchange carriers to the consumer's telephone bill. This telephone billing system did not envision the successful application and widespread growth of the technology used in the 900-number pay-per-call industry. Title III provides for telephone service billing and collection procedures—patterned on those used for credit cards and to be administered by the FTC—to resolve disputes by customers for pay-per-call transactions.

Mr. Speaker, the continued growth of the legitimate pay-per-call industry is dependent upon consumer confidence. First, unfair and deceptive behavior must be effectively curtailed. And second, consumers must have adequate rights of redress when they have legitimate complaints about 900-number charges on their telephone bill. And vendors of telephone-billed goods and services must also feel confident in their rights and obligations for resolving billing disputes if they are to use this new telephonic marketplace for the sale of products of more than nominal value.

This is progressive legislation in the best sense of the word. While it will help clean up the current problems in the pay-per-call industry, it is not meant to be punitive. This legislation recognizes the real and potential public benefits of the 900-number marketplace. But until both consumers and sellers have a confidence that deceptive behavior will not be tolerated, it will never achieve the potential that it might have. This legislation should go a long way to ensuring consumer rights and restoring public confidence in the electronic marketplace.

I urge the House to adopt this important consumer legislation.

Mr. Speaker, I simply would like to add that I have heard frequently from my constituent that they think Congress spends too much time fighting along partisan battles with one an-

other. That, of course, is the kind of activity that is most likely to draw the attention of the media; it is more colorful, it is more interesting.

But it is fairly typical in this institution that, in fact, the public business is done on a bipartisan basis. This particular legislation, I think, shows the degree of cooperation possible and, frankly, typical in Government. Not only has there been cooperation between Republicans and Democrats, there has been cooperation between two committees with different pieces of jurisdiction, and, even more importantly, there has been cooperation between two independent agencies of Government who have crossed jurisdictions.

So, this legislation we bring before you today is an example of how Congress and governmental agencies can and do work together, and that in itself should not be overlooked.

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

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

Mr. Speaker, I urge my colleagues to join me in supporting H.R. 3490, the Telephone Disclosure and Dispute Resolution Act. This bill addresses the problems associated with the rapid growth of the 900 services industry. The bill seeks solutions to those problems without restricting the growth and future viability of a service many consumers consider valuable and worthwhile.

Nonetheless, instances of abuse within the industry are on the rise, and the record compiled by the Subcommittee on Telecommunications and Finance amply demonstrates the need for some statutory standards and guidelines as the industry continues to grow.

H.R. 3490 takes a reasoned balanced approach to addressing problems in the 900 services industry. It affords consumers the necessary protections without imposing regulatory roadblocks to this relatively new service.

Title I of the bill, which was reported by the Subcommittee on Telecommunications and Finance, would require the FCC to adopt regulations that would ensure that the 900 service provider includes a preamble to each call that identifies the name and other important information about the provider, the nature of the service, and the cost of the call; 900 service providers also would be required to notify the caller that prior to incurring any charge, he or she may disconnect the call; 900 service providers would also have to use the type of equipment that stops billing once the caller hangs up.

In addition, the bill requires telephone companies to provide free blocking to customers, list 900 service charges in a separate portion of a consumer's phone bill, and establish a toll-free number for customers to ascertain their rights and obligations concerning 900 services.

Additionally, the bill would exempt prescribed and preregistered calls from the beeptone requirement that reminds callers of the passage of time. The bill would also exempt from the preamble requirement calls that cost up to $3. Finally, local exchange carriers that do not provide 900 services would be exempt from the consumer refund provisions and the FCC's reporting requirements.

Title II of the bill, which was reported by the Subcommittee on Transportation and Hazardous Materials, addresses the issue of advertisements of 900 services. In essence, title II would protect consumers from abusive advertising practices by 900 service providers. The FTC would be empowered to ensure that 900 services accurately disclose the cost of the service. In the case of lotteries or contents, 900 service providers must also accurately disclose, to the degree possible, the odds of winning.

In addition, State attorneys general would be permitted to pursue grievances in Federal district court. Title II would also establish a dispute resolution mechanism to allow the consumer to preserve his or her rights and obtain information on the provider for the purpose of pursuing a complaint. Finally, while the bill requires the provider to disclose prices for 900 services, the bill does not disturb longstanding practices, such as that of the yellow pages industry, of not accepting price advertising.

Mr. Speaker, as a sponsor of H.R. 3490, I would like to commend my colleagues Messrs. MARKEY, SWIFT, and RITTER—the other original sponsors of this measure—for working together on this important issue and devising a practical legislative solution to this problem. The Telecommunications and Transportation Subcommittees worked cooperatively, and in bipartisan fashion, in establishing a regulatory framework that not only seeks to put a stop to abuses but also provides consumers with a framework for seeking redress in the event of abuse. I would also like to thank the full committee chairman, Mr. DINGELL, and the ranking Republican member, Mr. LENT, for their work on and support of this bill.

Again, Mr. Speaker, I strongly urge my colleagues to support this comprehensive legislation.

□ 1300

Mr. SWIFT. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. MARKEY], the chairman of the Subcommittee on Telecommunications and Finance.

Mr. MARKEY. Mr. Speaker, I thank the gentleman from Washington [Mr. SWIFT] very much, and I congratulate the gentleman for his work and his subcommittee's work in constructing the portions of this legislation which fell under his subcommittee's jurisdiction. The bill, as well, has components which fell under the Subcommittee on Telecommunications and Finance, and, as a result, coordination was necessary, and, working with the full committee chairman, the gentleman from Michigan [Mr. DINGELL], we were able to bring a product out here today. Of course, without the assistance, cooperation, and working relationship which we have with the gentleman from New Jersey [Mr. RINALDO] and the gentleman from Pennsylvania [Mr. RITTER] this would not be possible, and up at the full committee level with the gentleman from New York [Mr. LENT] we were able to put together a piece of legislation which we present to the House today for its approval.

Mr. Speaker, I rise in strong support of this legislation. I think it is long overdue. This is a burgeoning marketplace which now has created a mind-boggling number of new services which are available to people in our country. It ranges all the way from sports statistics and stock quotes all the way down to offerings like gab lines, and horoscopes, and just about an infinite number of services, if anyone is interested in it. However, as is the case with many new industries, the growth of audiotext services has been accompanied by an increasingly large number of unscrupulous pay-per-call providers who reach into the homes of the United States to peddle fraudulent services to unsuspecting customers.

Unfortunately, peddlers of fraudulent 900 number services have cast a pall on the audiotext industry as a whole. Legitimate providers have suffered from practices that have undermined consumer confidence and stunted the growth of the once burgeoning industry. In addition to consumers, telephone companies have demonstrated considerable concern over this industry, so much so that one major carrier has announced that it will discontinue all 900 number offerings because there is inadequate regulation governing the industry. Because of these concerns, legitimate audiotext businesses are penalized by the actions of a few providers while the 900 number hucksters themselves continue to go unpunished.

Mr. Speaker, this legislation is meant to remedy that problem so that we can punish the hucksters while allowing the legitimate business people to move forward with providing these services to Americans. H.R. 3490 requires the FCC and the FTC to work in tandem to craft clear, constructive guidelines to govern offerings of 900 number services. Reporting and disclosure requirements will ensure that consumers know exactly what they will get for their money, before they incur any charge for the call. In addition, the legislation will guarantee that consumers will not have their phones disconnected for nonpayment of 900 number bills. H.R. 3490 also will give consumers

the option of blocking their lines from all outgoing calls to 900 number services, and equally important, will require children under the age of 18 to obtain parental consent before calling an advertised number.

The bill also includes a technical amendment that would correct a drafting error in the reference to a section in the law signed by the President regulating autodialers. This change has been cleared by both sides.

We think that this is a very good piece of legislation. It is one we have been able to put together on a bipartisan basis.

I want to specifically thank the gentleman from Tennessee [Mr. GORDON] for his work on this legislation, bringing it to our attention, and I recommend this legislation to the full House.

Mr. SWIFT. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MARKEY] 2½ additional minutes in order for him to be able to enter into a colloquy with the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Speaker, will the gentleman yield?

Mr. MARKEY. I yield to the gentlewoman from New York.

Mrs. LOWEY of New York. Mr. Speaker, I thank the gentleman from Washington [Mr. SWIFT] and the gentleman from Massachusetts [Mr. MARKEY], as well as the ranking minority members, the gentleman from Pennsylvania [Mr. RITTER] and the gentleman from New Jersey [Mr. RINALDO], for their work on this bill, and I would like to enter into a colloquy with Chairman MARKEY regarding a perfecting amendment that I hope can be incorporated into the final bill.

The 900 telephone line industry has brought numerous services into the homes of Americans via the telephone. Many of these services have been beneficial to Americans, however, these services have gone unregulated, allowing a few operations which are nothing more than frauds and ripoffs. It is well past time for remedial action.

H.R. 3490 is designed to address such problems by requiring the Federal Communications Commission and the Federal Trade Commission to regulate and oversee the activities of the 1-900 pay-per-call industry.

The amendment I suggested to the committee responds to a complaint from one of my constituents, who spent 5 minutes on the phone at $1 per minute trying to get information about Medicare for her mother-in-law from a private company which did everything it could to create the impression that it was run by the Federal Government.

I would like to suggest that 900 lines be subject to the same sensible restrictions as mail. Thus, I drafted an amendment, modeled on our deceptive mailing practices law, that requires that 900 lines that imitate Government programs or services contain a message in their audiotext specifying that their services are not approved or endorsed by the Federal Government and are not being made by an agency of the Federal Government. I also suggest that advertisements of 900 services includes similar language.

This is an important step, to protect Americans from being unknowing victims of such scams. While the 900 industry may be beneficial in many instances, we must prevent unscrupulous companies from profiting by deceiving consumers.

□ 1310

This problem was brought to my attention after the committee had marked up H.R. 3490, but I am anxious to work with the chairman to find a way to include my suggestion in the final bill. I would like to know if I have your support in this report.

Mr. MARKEY. We have discussed the very valid points made by the gentle lady from New York, and you can be certain that we will continue to work with you to see that your suggested language is included in the final bill.

Mrs. LOWEY of New York. I thank the chairmen and ranking members for working with me on this. I urge all of my colleagues to support this legislation, and I look forward to its swift implementation with my perfecting amendment.

Mr. RINALDO. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RITTER].

Mr. RITTER. Mr. Speaker, as the ranking member of the Transportation Subcommittee and a senior member of the Telecommunications Subcommittee, I have worked closely with my colleagues on the Energy and Commerce Committee to fashion this important legislation. I want to commend both of the subcommittee chairmen, the gentleman from Washington and the gentleman from Massachusetts, as well as the ranking member of the Telecommunications Subcommittee, the gentleman from New Jersey, for their diligent efforts on this bill.

Protecting the American consumer is a goal we all share on both sides of the aisle, and I want to note the excellent spirit of cooperation shown by all members on our committee in moving this legislation forward.

H.R. 3490 is legislation that will protect the American consumer and the integrity of legitimate American businesses. The 900 number industry has grown fantastically in the last several years—from less than 250 companies in 1988 to over 14,000 in 1990. The industry's revenues hit the $1 billion mark in 1990, and are projected to reach $1.7 billion by the end of 1992.

This is a growing, high-technology industry which should be regarded as a contributor to economic growth and to the competitiveness of our economy. But both the industry itself and its customers are threatened by a few unscrupulous operators who engage in fraudulent or deceptive practices. H.R. 3490 is meant to stop these predators in their tracks.

The legislation takes a comprehensive approach to consumer protection in the 900 field by joining the forces of the Federal Communications Commission and the Federal Trade Commission. The FCC is to address such matters as cost disclosure at the beginning of a 900 call, the option of free blocking of 900 services, separate listing of 900 charges in telephone bills, and the availability of a toll-free consumer information number for telephone customers.

The FTC, on the other hand, is to employ its expertise in fighting deceptive advertising practices. The FTC will promulgate rules requiring disclosure of key information in all advertising of 900 services—such as cost disclosure. The FTC rules will also prohibit such outrageous practices as evasion of parental consent for children who use 900 numbers, and the reprehensible practice of broadcasting ads directed at children which actually dial the 900 number by emitting electronic dialing tones when the unknowing child places the phone receiver up against the TV screen.

Both the FTC and State attorneys general will be empowered to seek injunctions and otherwise enforce the Federal rules. In addition, the FTC will oversee the implementation of a system of billing dispute resolution for 900 charges that is analogous to the system already administered by the FTC for credit card billing matters. The implementation of such a system, however, will not in any way prevent responsible carriers and providers from continuing or initiating their highly successful on-the-spot system for resolving billing disputes immediately over the telephone.

By taking this comprehensive, multidisciplinary approach and combing the legislative efforts of our Telecommunications Subcommittee, with FCC jurisdiction, and our Transportation and Hazardous Materials Subcommittee, with FTC jurisdiction, we have fashioned a balanced, proconsumer bill.

But we also have been careful to consult the telecommunications industry for its own perspective and expertise. In this way, we have sought to protect the interests of legitimate businesses who are harmed as much as consumers by the unscrupulous conduct of a few in this new industry.

This is the kind of bipartisan proconsumer, procompetitiveness legislation that I am proud to be associated with. I urge its prompt approval.

Mr. SWIFT. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. HARRIS].

Mr. HARRIS. Mr. Speaker, I want to take this opportunity to express my

strong support for this bill and to commend Chairman SWIFT, Chairman MARKEY, Chairman DINGELL, ranking members RINALDO, RITTER, and our colleague, BART GORDON, for their leadership on this important consumer issue.

A number of my constituents have complained about the shock that they experienced when they opened their phone bills. For instance, I received a call from a lady in Tuscaloosa, AL, whose 12-year-old son ran up a $3,000 phone bill in 1 month after he had seen a 900 number ad on TV. I received a similar letter from a pastor of a small rural church in my district. The church had been billed for several hundred dollars' worth of 900 number calls made from the phone in the church's office. All of these situations were preventable with the per line call blocking contained in H.R. 3490.

While the FCC has begun to take steps in the right direction of regulating the calls themselves, I am especially pleased with the provisions in this bill which protect a consumer's credit record from being blotted when these 900 number charges are disputed. This bill also makes certain that the local phone company cannot cut off essential telephone service because of outstanding 900 number bills.

The Alabama Public Service Commission has been very active in advocating introductory messages which clearly state the costs of these calls up front. H.R. 3490 contains just such a mandate. Full disclosure of all are necessary to insure that a consumer is making an informed choice.

While there are many legitimate uses of this technology, there are also many operators abusing the opportunity that this innovative use of our telecommunications network presents. H.R. 3490 is a measured response to these abuses which will protect consumers without discouraging further developments of this new industry.

I urge my colleagues to vote for this bill.

Mr. SWIFT. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER] for the purpose of engaging in a colloquy.

Mr. SCHUMER. Mr. Speaker, I thank the chairman and the gentleman from Pennsylvania [Mr. RITTER] for their leadership on this bill.

Is it the gentleman's understanding that, under section 201(a)(1)(A) of the bill, the Federal Trade Commission's rules on 900 numbers must include a requirement for clear and conspicuous cost disclosure in all advertising of 900-type services?

Mr. SWIFT. If the gentleman will yield, yes, that is my clear understanding.

Mr. SCHUMER. As to print advertising in particular, does this directive to the FTC to establish clear and conspicuous cost disclosure requirements empower the FTC to address the question of type sizes; that is, whether the cost figures are sufficiently large in a print advertisement to constitute clear and conspicuous disclosure?

Mr. SWIFT. The gentleman is entirely correct in his understanding. Indeed, there have been numerous instances in the past in which the FTC, in its role of prosecuting deceptive advertising practices, has included mandatory type-size requirements as part of its orders and consent decrees. Under H.R. 3490, the FTC would have those same powers in its 900 number rulemaking, in the context of the record created in the rulemaking itself.

Mr. SCHUMER. Is it also true that in past FTC orders, such as in the matter of Outdoor World Corp., the Commission has barred companies from advertising products or services—including prizes, awards, gifts, bonuses, or premiums—"without disclosing fully, in type of equal size to that used to identify such good or service and immediately following each good or service thus represented, any cost that the consumer must pay to receive such good or service."

Mr. SWIFT. The gentleman is correct.

Mr. SCHUMER. I thank the gentleman for confirming and clarifying this important aspect of the legislation.

I yield to the gentleman from Pennsylvania [Mr. RITTER] and thank him for his help and understanding in this matter.

□ 1320

Mr. RITTER. Mr. Speaker, I want to commend the gentleman from New York for his interest and his work on this issue in clarifying these very important matters, and I concur with the responses of the gentleman from Washington [Mr. SWIFT], my chairman.

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Pennsylvania and the gentleman from Washington for their help in this matter.

Mr. SWIFT. Mr. Speaker, the gentleman from Tennessee [Mr. GORDON] has provided an enormous amount of leadership on this issue. He originally brought this issue to the attention of the House and the legislation before us today contains many of the ideas and suggestions of the gentleman from Tennessee.

Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee [Mr. GORDON].

Mr. GORDON. Mr. Speaker, I wish to give my strong support to the Telephone Disclosure and Dispute Resolution Act, which contains the consumer protections for 900 number users that I believe are essential, and many of which I proposed in the previous Congress and again last year.

Chairman SWIFT deserves praise for his work in crafting this excellent bill and for bringing it to the floor today. I also want to praise Chairman ED MARKEY of the Telecommunications Subcommittee for his leadership in moving 900 number legislation forward in his subcommittee.

Finally, I wish to thank full committee Chairman JOHN DINGELL and his staff for moving this bill forward and bringing about the cleanup of the 900 business.

Mr. Speaker, this will be one of the most important pieces of consumer legislation Congress will pass this year. It will save consumers millions of dollars and bring the weight of the law down on the 1-900 fast-buck operators who prey on the young, the lonely, and those in economic trouble.

Almost 2 years ago, I began working to bring to light the way fraud and rip-offs were beginning to dominate the 1-900 industry.

Horror stories of people losing hundreds, even thousands of dollars to con artists abounded. Consumers had no confidence that 900 numbers were a good deal.

Irresponsible businesses set up across State lines to frustrate State law enforcement efforts. The Federal agencies were overwhelmed and not equipped to deal with this new technology.

Since then, we have made much progress. In October 1990, Representative MARKEY, after holding a hearing on my original legislation, asked the Federal Communications Commission to begin studying possible rules for the industry.

Early last year, I introduced a second 900 bill, H.R. 328. Representatives MARKEY and SWIFT, working with Chairman DINGELL, built on that legislation to craft the excellent bill before us today.

The 900 industry has responded to the congressional attention and started to clean up its act. The FCC, the FTC, and the Postal Service have gotten involved.

However, without this legislation, it would be too easy for the scam artists to slip back into the picture. Our intent and our message must be clear.

Unfortunately, there always are going to be some hucksters running scams. But this legislation gives consumers the basic tools they need to inform and protect themselves.

H.R. 3490 is a fair, commonsense approach that does not put an unreasonable burden on the information industry. Legitimate businesses do not mind telling their customers what they are buying and how much it is going to cost.

Many fine companies and entrepreneurs who considered entering the 1-900 industry turned away because they did not want to be associated with the unsavory characters who found a home in 1-900 numbers. Consumer confidence fell and the 1-900 industry's growth explosion began to fizzle.

This legislation gives industry and consumers alike a chance for a new

start. Today, we can make it clear that the crooks are not welcome in the 1-900 industry. We can give consumers and both Federal and State law enforcement authorities the tools they need to go after those who insist on trying to make a fast buck by fraud.

This legislation and its predecessors have drawn strong bipartisan support. I urge my colleagues to cast their votes for consumers and support H.R. 3490.

Mr. BLACKWELL. Mr. Speaker, I am pleased to rise in this noble Chamber to offer my support of H.R. 3490, the Telephone Disclosure and Dispute Resolution Act.

I unequivocally support this much needed legislation as in an attempt to regulate the telecommunications industry, a level of protection is being provided for consumers against unscrupulous companies who promote the use of the 900 service.

No question, I know of many parents who can readily relate horror stories about abuses that they have suffered as a result of the 900 service. Most youth fail to realize the seriousness of picking up the telephone and calling the 900 numbers of which they are bombarded on a daily basis. For the most part, they fail to notice the fine print that spells trouble to their parents' pocketbooks.

The advertisements intermittently flash across the television screen or are blurted out on a frequent basis over the radio. The truth of the matter is that there is no way to shield our children from this type of advertisement; therefore, we have no choice but to place some type of regulation that will serve to minimize its influence and deter its use.

The successful passage of H.R. 3490 is the very least that we can do to express our support for those parents who have become shocked, frustrated, and rendered defenseless after having learned that the amount of their telephone bill has tripled as a result of a youth or teenage family member's abuse of the 900 Service. We must pass H.R. 3490 because we as Members of Congress are aware that residing in every congressional district, there are those residents whose only means of communication rests with the use of the telephone.

I ask my colleagues to join me in supporting this much needed legislation.

Mr. LENT. Mr. Speaker, I rise in support of H.R. 3490, the Telephone Disclosure and Dispute Resolution Act, and I urge my colleagues to join me in supporting the bill.

Hearings held by both the Subcommittee on Telecommunications and Finance and the Subcommittee on Transportation and Hazardous Materials developed thorough records on the state of the 900 services industry. The subcommittees have found that while most of the providers offer a valuable and worthwhile product at a fair price, some bad actors are thriving in this market by misleading the American consumer. This bill is intended to address those abuses. It not only gives consumers increased protection but also provides them the means for redressing any abuses.

In crafting this bill, we recognized the importance of preserving the viability of the industry. Toward that end, I would like to clarify that in requesting the Federal Trade Commission to enact rules requiring the disclosure of prices for 900 services, our intent is to prevent the abuse of consumers. It is not our intent to disrupt or otherwise burden the ongoing operations of media which are currently providing excellent service to consumers.

In the case of a medium such as yellow pages, which has a longstanding prohibition against accepting price advertising, our intent in passing this bill is not to require the Federal Trade Commission to invalidate that process. Instead, we expect the Federal Trade Commission to determine which rules fully protect consumers without disrupting such longstanding practices.

Mr. Speaker, I would like to thank Mr. MARKEY and Mr. SWIFT, chairmen of the Telecommunications and Finance Subcommittee and the Transportation and Hazardous Materials Subcommittee respectively, as well as Mr. RINALDO and Mr. RITTER, ranking Republican members of the same subcommittees. Each of them worked hard in crafting this bipartisan legislation.

Mr. Speaker, I again urge my colleagues to join me in supporting the bill.

Mr. FRANKS of Connecticut. Mr. Speaker, I rise today in support of H.R. 3490, a bill designed to protect the consumer, the American family, from fraudulent telephone services.

Pay-per-call telephone services began as vehicles to provide families with a convenient and efficient means of obtaining goods and services. However, these 1-900 numbers have also become vehicles for consumer fraud. Our families today are already struggling through economic hard times, they don't need to be slapped in the face with unclear, unfair, and unwarranted charges.

Provisions especially targeted to help the family include an introductory message to be played describing the total cost of the call and all other related fees. Most importantly, H.R. 3490 would require the message to state that parental consent is required for calls made by children under 18. Families would be back in control and better able to decide what services they want to receive.

Mr. Speaker, the American family needs and deserves this bill. It is time to end the helplessness many families feel when they encounter fraudulent practices which result in costly and offensive calls. Let's put American families back in control of their lives. Let's pass this bill.

Mr. RINALDO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SWIFT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Washington [Mr. SWIFT] that the House suspend the rules and pass the bill, H.R. 3490, as amended.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

TRANSFER OF AIRCRAFT CARRIER U.S.S. "LEXINGTON" TO THE CITY OF CORPUS CHRISTI, TX

Mr. BENNETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4113) to permit the transfer before the expiration of the otherwise applicable 60-day congressional review period of the obsolete training aircraft carrier, U.S.S. *Lexington*, to the city of Corpus Christi, TX, for use as a naval museum and memorial, as amended.

The Clerk read as follows:

H.R. 4113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WAIVER OF WAITING PERIOD FOR TRANSFER OF U.S.S. LEXINGTON

Clause (2) of section 7308(c) of title 10, United States Code, shall not apply with respect to the transfer by the Secretary of the Navy under section 7308(a) of such title of the obsolete training aircraft carrier U.S.S. Lexington (AVT-16) to the Corpus Christi Area Convention and Visitors Bureau, Corpus Christi, Texas, for use as a naval museum and memorial.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. BENNETT] will be recognized for 20 minutes, and the gentleman from Virginia [Mr. BATEMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. BENNETT].

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

Mr. Speaker, on February 18, 1992, the Secretary of the Navy notified the Congress of his intent to transfer the obsolete aircraft carrier *Lexington* to the Corpus Christi Area Convention and Visitors Bureau. Under existing law the Secretary of the Navy has authority to transfer the *Lexington* to a not-for-profit corporation, such as the Corpus Christi Area Convention and Visitors Bureau, after notification to the Congress and expiration of a 60-day waiting period. However in this instance, Corpus Christi is ready and desirous of receiving the vessel now. Further, the vessel is ready for transfer, having already been moved by the Navy from Pensacola, FL—its last homeport—to a temporary storage location.

The bill would waive the otherwise applicable 60-day waiting period and allow an immediate transfer of the ship by the Secretary of the Navy.

Mr. Speaker, I urge that the House pass H.R. 4113.

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

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

Mr. Speaker, I join with my chairman and rise in support of H.R. 4113, legislation to waive the 60-day review period for the transfer of the U.S.S. *Lexington*.

When the Navy announced the decommissioning and retirement of the *Lexington*, the training carrier, in 1991,

several communities launched efforts to have the ship transferred to their respective areas for use as a naval museum and memorial.

The bid proposals from Mobile, AL, Quincy, MA, and Corpus Christi, TX, were fully evaluated by the Secretary of the Navy before he announced that Corpus Christi would become the new home of the *Lexington*.

The *Lexington*, known as the Blue Ghost, enjoyed a lengthy and auspicious career in the Navy, serving the United States since World War II. I can think of no better way to end her 48-year career than as a museum and memorial to the courageous sailors who have served aboard her, and the many pilots and crews who have trained aboard her.

□ 1330

Mr. BENNETT. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. Mr. Speaker, I rise today in support of Congressman ORTIZ's legislation (H.R. 4113) and to recognize the accomplishments of the U.S.S. *Lexington*. Since 1962, the *Lexington* has operated out of her homeport, Pensacola, FL, as well as Corpus Christi and New Orleans. Today, this body will vote to transfer the *Lexington* from my district in Pensacola, FL, to Corpus Christi, TX, where it will be used as a naval museum and memorial.

During World War II, the "Lady Lex" was hit extremely hard by Japan's Navy, not only once, but three times. Each time, Japan believed the Lex was destroyed. Each time, she quickly healed her wounds and went back into battle. Her ability to keep fighting, even after these blistering assaults, proved her worthy of Japan's new nickname for her, the "Blue Ghost."

After the Lex's brilliant stint during World War II, she was involved with the 7th Fleet off of Taiwan in 1958, and was on standby for the Laotian crisis of 1959, and served as an attack carrier during the Cuban missile crisis in 1963.

After the Cuban missile crisis, she sailed back to Pensacola to serve as an aviation training carrier. This important new role allowed her to train new student aviators and maintain the high state of flight training for active duty and reserve naval forces. In fact, her decks have trained the Navy and Marine pilots who fought to preserve the peace in conflicts from the Vietnam war to the Persian Gulf war.

While it is sad to see this noble and venerable lady leave the port at Pensacola after 30 years, I am pleased that her new mission will be an important reminder of the conflicts this country has fought to keep the mantle of freedom. I want to commend and congratulate my good friend, Congressman SOLOMON ORTIZ, for his years of dedicated work on home porting and to him and Corpus Christi for landing the Lady Lex.

Mr. BATEMAN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Speaker, I rise in support of this bill to waive the congressional review period to permit the earlier transfer of the aircraft carrier U.S.S. *Lexington* to the Corpus Christi area Convention and Visitors Bureau.

I should point out that Alabama's congressional delegation fought against the Texas delegation in an effort to obtain the *Lexington* for the U.S.S. *Alabama* Battleship Memorial Park in Alabama. Quincy, MA, also applied to the Secretary of the Navy for donation of the *Lex*, and I must say that its delegation also went to bat for Quincy. It was an intense competition and each applicant did an excellent job in promoting its case. Navy Secretary Lawrence Garrett told me this was one of the most difficult decisions he had made.

But, in the final analysis, Corpus Christi won the competition and the prize—the *Lexington*. I take my hat off to the people of Corpus Christi and, especially, to the gentleman from Texas [Mr. ORTIZ]. I sincerely hope that the *Lexington* museum and memorial will be a tremendous success and that it will have a positive economic impact on the area.

Mr. Speaker, donations such as this ordinarily require a 60-day congressional review. I think it is appropriate to waive that review period so that Corpus Christi may begin necessary work on the *Lexington* and facilities to berth it and get the museum operational as quickly as possible. There is no protest of the award on the part of my constituents in Alabama and I know of no other reasonable objections to a timely transfer.

The *Lexington* would have been a tremendous boost and asset to the people of Alabama. It could have graced our park, such as the U.S.S. *Alabama* does now, and it would have been an added attraction to the beautiful azaleas and to the magnificent magnolias and to the wonderful people of south Alabama, to add to the other attractions to bring tourism as well as history, naval history especially, to south Alabama.

But we fought, we fought the best battle we possibly could. We were outfought and outmanned by the Texas delegation. My hat is off to them, and we wish the people of Corpus Christi and the State of Texas the best of everything, and our sincere cooperation and congratulations for a job well done.

Mr. BENNETT. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas, Mr. SOLOMON ORTIZ, the author of this legislation.

Mr. ORTIZ. Mr. Speaker, I thank the gentleman from Florida for yielding time to me.

Mr. Speaker, I thank my good friend and colleague, the gentleman from Virginia [Mr. BATEMAN], the gentleman from Florida [Mr. HUTTO], and the gentleman from Alabama [Mr. CALLAHAN], for their support.

Mr. Speaker, my bill quite simply allows the immediate transfer of the U.S.S. *Lexington* to the Corpus Christi area Convention and Visitors Bureau for use as a naval museum and memorial.

It waives the 60-day congressional review period in order to allow the citizens of Corpus Christi to complete the actions necessary to get the museum up and running in time for the summer tourist season.

At this point, if all goes well, the U.S.S. *Lexington* should open as a museum in July.

As many of you know, the retirement of the aircraft carrier, the U.S.S. *Lexington*, brought requests from several cities across the Nation to obtain the use of the ship as a museum.

This inadvertently led last year to a competition among Mobile, AL, Corpus Christi, TX, and Quincy, MA, for the retiring historic carrier.

As a result, the Navy began a very lengthy review process of the applications from all three cities, requiring several rounds of detailed responses from all applicants.

The congressional delegations representing all three of the involved localities worked very hard to promote the proposals from their area.

In the end, on January 9, the Secretary of the Navy announced that he had selected Corpus Christi as the city to become the new home of the U.S.S. *Lexington*.

The Secretary of the Navy evaluated all three proposals on the technical and financial merits as well as a combined review.

The Corpus Christi proposal outscored the other two cities in all three categories.

In compliance with language passed in last year's Defense appropriations bill, the Secretary of the Navy prepared a very lengthy and detailed report outlining the basis for his decision.

It is clear from the report that the decision was fair and that the ship should be transferred to Corpus Christi.

The citizens of Corpus Christi have raised over $1.5 million in pledges and the city council has agreed to offer $3 million in city bonds to pay for the acquisition of the *Lexington*.

The people are ready to go and are eagerly awaiting the action of Congress to speed up the transfer process so that thousands of tourists can have the opportunity to visit the museum this summer.

In closing, I would like to thank Chairman BENNETT of the Seapower Subcommittee and Chairman ASPIN of the full Armed Services Committees, as well as the staff, for their hard work on the bill.

I am particularly grateful for their assistance and cooperation in bringing this legislation to the floor for a vote in such a speedy manner.

Passage of this bill is extremely important to the people from my congressional district and urge my colleagues to join me in supporting the expedited transfer of the U.S.S. *Lexington*.

The Secretary of Navy chose the Corpus Christi site after a review of the technical and financial merits of each proposal as well as a cumulative evaluation.

The citizens of Corpus Christi raised over $1.5 million in pledges and the city council has agreed to offer $3 million in bonds to pay for the initial acquisition and conversion of the *Lexington* into a museum.

The waiver of the 60-day review period is necessary in order to allow the *Lexington* to be up and running as a museum in time for the summer tourist season. Otherwise, the museum would open after the summer is over.

The conversion of the ship is both costly and time consuming. The site must be dredged and prepared for mooring. Utilities must be constructed, the pier prepared, and environmental type activity has to be conducted. In addition, the ship must be fitted with exhibits and prepared to handle the expected influx of visitors.

The ship would transfer after 60 days anyway unless Congress passed a resolution forbidding it. This is very routine and just speeds up the process.

Mr. BATEMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BENNETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HARRIS). The question is on the motion offered by the gentleman from Florida [Mr. BENNETT] that the House suspend the rules and pass the bill, H.R. 4113, as amended.

The question was taken.

Mr. BENNETT. Mr. Speaker, On that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1340

U.N. INTERNATIONAL DRIFTNET FISHERY CONSERVATION PROGRAM EFFECTIVENESS

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2152) to enhance the effectiveness of the U.N. international driftnet fishery conservation program, as amended.

The Clerk read as follows:

H.R. 2152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—HIGH SEAS LARGE-SCALE DRIFTNET FISHING

SEC. 101. DENIAL OF PORT PRIVILEGES AND SANCTIONS FOR HIGH SEAS LARGE-SCALE DRIFTNET FISHING.

(a) DENIAL OF PORT PRIVILEGES.—

(1) PUBLICATION OF LIST.—Not later than 10 days after the date of the enactment of this Act and periodically thereafter, the Secretary of Commerce, in consultation with the Secretary of State, shall publish a list of countries that conduct, or do not prohibit their nationals from conducting, large-scale driftnet fishing beyond the exclusive economic zone of any country.

(2) DENIAL OF PORT PRIVILEGES.—The Secretary of the Treasury shall, in accordance with recognized principles of international law—

(A) withhold or revoke the clearance required by section 4197 of the Revised Statutes of the United States (46 App. U.S.C. 91) for; and

(B) deny entry to any place in the United States and to the navigable waters of the United States to;

any large-scale driftnet fishing vessel that is registered under the law of a country included in a list published under paragraph (1).

(3) NOTIFICATION OF COUNTRY.—Before the publication of a list of countries under paragraph (1), the Secretary of State shall notify each country included in that list regarding—

(A) the effect of that publication on port privileges of vessels of the country under paragraph (2); and

(B) any sanctions that may be imposed on that country if nationals or vessels of that country continue to conduct large-scale driftnet fishing beyond the exclusive economic zone of any country after December 31, 1992.

(b) SANCTIONS.—

(1) IDENTIFICATIONS.—

(A) INITIAL IDENTIFICATIONS.—Not later than December 31, 1992, the Secretary of Commerce shall—

(i) identify each country the nationals or vessels of which conduct large-scale driftnet fishing beyond the exclusive economic zone of any country; and

(ii) notify the President and that country of the identification under clause (i).

(B) ADDITIONAL IDENTIFICATIONS.—Whenever at any time after December 31, 1992, the Secretary of Commerce has reason to believe that the nationals or vessels of any country are conducting large-scale driftnet fishing beyond the exclusive economic zone of any country, the Secretary of Commerce shall—

(i) identify that country; and

(ii) notify the President and that country of the identification under clause (i).

(2) CONSULTATIONS.—Not later than 30 days after a country is identified under paragraph (1)(B), the President shall enter into consultations with the government of that country for the purpose of obtaining an agreement that will affect the immediate termination of large-scale driftnet fishing by the nationals or vessels of that country beyond the exclusive economic zone of any country.

(3) PROHIBITION ON IMPORTS OF FISH AND FISH PRODUCTS AND SPORT FISHING EQUIPMENT.—

(A) PROHIBITION.—The President—

(i) upon receipt of notification of the identification of a country under paragraph (1)(A); or

(ii) if the consultations with the government of a country under paragraph (2) are not satisfactorily concluded within 90 days;

shall direct the Secretary of the Treasury to prohibit the importation into the United States of shellfish, fish and fish products, and sport fishing equipment (as that term is defined in section 4162 of the Internal Revenue Code of 1986 (26 U.S.C. 4162)) from that country.

(B) IMPLEMENTATION OF PROHIBITION.—The Secretary of the Treasury shall implement an import prohibition directed under subparagraph (A) by no later than the date that is 30 days after the date on which the Secretary has received the direction from the President.

(C) PUBLIC NOTICE OF PROHIBITION.—Before the effective date of any prohibition under subparagraph (A), the Secretary of the Treasury shall provide public notice of the impending prohibition.

(4) ADDITIONAL ECONOMIC SANCTIONS.—

(A) DETERMINATION OF EFFECTIVENESS OF SANCTIONS.—Not later than 6 months after the date the Secretary of Commerce identifies a country under paragraph (1), the Secretary shall determine whether—

(i) any prohibition established under paragraph (3) is insufficient to cause that country to terminate large-scale driftnet fishing conducted by its nationals and vessels beyond the exclusive economic zone of any country; or

(ii) that country has retaliated against the United States as a result of that prohibition.

(B) CERTIFICATION.—The Secretary of Commerce shall certify to the President each affirmative determination under subparagraph (A) with respect to a country.

(C) EFFECT OF CERTIFICATION.—Certification by the Secretary of Commerce under subparagraph (B) is deemed to be a certification under section 8(a) of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978(a)), as amended by this Act.

SEC. 102. DURATION OF DENIAL OF PORT PRIVILEGES AND SANCTIONS.

Any denial of port privileges or sanction established under section 101 with respect to a country shall remain in effect until such time as the Secretary of Commerce certifies to the President and the Congress that the country has terminated large-scale driftnet fishing by its nationals and vessels beyond the exclusive economic zone of any country.

SEC. 103. DEFINITIONS.

For purposes of this title:

(1) FISH AND FISH PRODUCTS.—The term "fish and fish products" means any aquatic species (including marine mammals and plants) and all products thereof exported from a country, whether or not taken by fishing vessels of that country or packed, processed, or otherwise prepared for export in that country or the jurisdiction thereof.

(2) LARGE-SCALE DRIFTNET FISHING.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "large-scale driftnet fishing" means a method of fishing in which a gillnet composed of a panel or panels of webbing, or a series of such gillnets, with a total length of two and one-half kilometers or more is placed in the water and allowed to drift with the currents and winds for the purpose of entangling fish in the webbing.

(B) EXCEPTION.—Until January 1, 1994, the term "large-scale driftnet fishing" does not include the use in the northeast Atlantic Ocean of gillnets with a total length not to exceed 5 kilometers if the use is in accordance with regulations adopted by the European Community pursuant to the October 28, 1991, decision by the Council of Fisheries Ministers of the Community.

(3) LARGE-SCALE DRIFTNET FISHING VESSEL.—The term "large-scale driftnet fishing

vessel" means any vessel which is used for, equipped to be used for, or of the type which is normally used for—

(A) large-scale driftnet fishing; or

(B) aiding or assisting one or more vessels at sea in the performance of large-scale driftnet fishing, including preparation, supply, storage, refrigeration, transportation, or processing.

TITLE II—FISHERIES CONSERVATION PROGRAMS

SEC. 201. IMPORT RESTRICTIONS UNDER FISHERMEN'S PROTECTIVE ACT OF 1967.

Section 8 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1978) is amended—

(1) in subsection (a)(4) by striking "fish products" and all that follows through "such duration", and inserting "any products from the offending country for any duration";

(2) in subsection (c) by striking "fish products or wildlife products" and inserting "products";

(3) in subsection (e)(2) by striking "fish products and wildlife products" and inserting "products";

(4) in subsection (f)—

(A) in paragraph (1) by striking "fish products and wildlife products" and inserting "products"; and

(B) in paragraph (5)—

(i) in the first sentence by striking "fish products and wildlife products" and inserting "products"; and

(ii) in the second sentence by striking "Fish products and wildlife products" and inserting "Products"; and

(5) in subsection (h)—

(A) by amending paragraph (2) to read as follows:

"(2) The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, and any other territory or possession of the United States.";

(B) in paragraph (3) by inserting ", including marine mammals" after "protect the living resources of the sea";

(C) by striking paragraph (4);

(D) by redesignating paragraph (5) as paragraph (4);

(E) by striking paragraphs (6) and (7); and

(F) by adding at the end the following new paragraphs:

"(5) The term 'International fishery conservation program' means any ban, restriction, regulation, or other measure in effect pursuant to a bilateral or multilateral agreement which is in force with respect to the United States, the purpose of which is to conserve or protect the living resources of the sea, including marine mammals.

"(6) The term 'taking' as used with respect to animals to which an international program for endangered or threatened species applies, means to—

"(A) harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect; or

"(B) attempt to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect.".

SEC. 202. ENFORCEMENT AGREEMENT.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the department in which the Coast Guard is operating, the Secretary of Commerce, and the Secretary of Defense shall enter into an agreement under section 311(a) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1861) in order to increase the effectiveness of enforcement of domestic laws and international agreements that conserve and manage the living marine resources of the United States.

(b) TERMS OF AGREEMENT.—The agreement entered into under subsection (a) shall include—

(1) procedures for identifying and providing potential locations of vessels that are in violation of domestic laws and international agreements designed to conserve and manage the living marine resources of the United States;

(2) requirements for the use of surveillance capabilities of the Department of Defense; and

(3) procedures for communicating vessel locations to the Secretary of Commerce and the Coast Guard.

SEC. 203. TRADE NEGOTIATIONS AND THE ENVIRONMENT.

It is the sense of the Congress that the President, in the carrying out of multilateral, bilateral, and regional trade negotiations, should seek to—

(1) address environmental issues related to the negotiations;

(2) reform articles of the General Agreement on Tariffs and Trade (referred to in this section as "GATT") to take into consideration the national environmental laws of the Contracting Parties and international environmental treaties;

(3) secure a working party on trade and the environment within GATT as soon as possible;

(4) take an active role in developing trade policies that make GATT more responsive to national and international environmental concerns;

(5) include other Federal agencies with environmental expertise during the negotiations to determine the impact of the proposed trade agreements on national environmental law; and

(6) periodically consult with interested parties concerning the progress of the negotiations.

The SPEAKER pro tempore (Mr. HARRIS). Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

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

Mr. Speaker, today I am pleased to bring before my colleagues legislation that will ensure that deadly large-scale driftnets will never again be used to ravage the oceans of this planet.

Large-scale driftnet fishing threatens the seas with overfishing and depletion of many species of fish, birds, marine mammals, and other wildlife. These destructive nets—ranging up to 40 miles long—hang in the water like walls of death, drifting with the tides and killing everything that comes in contact with them.

In the 1980's this Nation witnessed a tremendous proliferation in the use of large-scale driftnets by foreign fishermen in the North Pacific Ocean. In just 1 year in the North Pacific alone, over 2 million miles of driftnets were deployed—that is enough net to encircle the earth 80 times. Many of us could only imagine the incredible damage being done to our sea birds, whales, and our important salmon resources. But we were told by foreign governments not to worry because this method of fishing was no more harmful than any other.

Well, Mr. Speaker, I didn't believe them. Our fishermen—who were experiencing reduced salmon catches—knew better, and the environmental community was working hard to obtain more evidence of the devastating nature of these nets. We all agreed that driftnets were too destructive to allow in our oceans and that strong action was needed. In response to the massive buildup of foreign driftnet vessels, DON YOUNG and I authorized the Driftnet Impact Monitoring, Assessment, and Control Act of 1987. The goal of that law was simple, to obtain enough scientifically reliable data to shut down the fishery. The enactment of this law marked the official start of our 5-year legislative battle to end the use of large-scale driftnets.

As a result of the 1987 law, our Government placed observers on foreign driftnet fishing vessels. The reports we receive from those observers were nothing less than shocking. Tens of thousands of marine mammals, turtles, seabirds, and salmon of U.S. origin were being killed and discarded each year by foreign driftnet fishermen. By 1990, we finally had the scientific data necessary to prove that this method of fishing was devastating to the marine environment and must not be allowed to continue.

The war against large-scale driftnets spread from Congress, to the executive branch, to our environmental and fishing communities, and to the United Nations. In 1989, the U.N. General Assembly passed the first of several resolutions concerning the elimination of large-scale driftnet fishing. This past December, over 30 countries joined the United States in sponsoring Resolution 46-215, calling for a global moratorium on all large-scale driftnet fishing by December 31, 1992.

H.R. 2152 is intended to bolster the efforts of the United Nations to ensure that all nations comply with the required moratorium. Specifically, the bill:

Denies U.S. port privileges to any foreign driftnet fishing vessel. It is already illegal for U.S. fishermen to use large-scale driftnets;

Requires the President to embargo all shellfish, fish, and fish products and sport fishing equipment from countries that do not comply with the U.N. deadline;

Authorizes the President to use his discretionary embargo authority under the Pelly amendment against those countries that continue to ignore the U.N. deadline;

Strengthens the Pelly amendment by expanding the President's discretionary embargo authority to include any product imported from an offending nation;

Requires the Coast Guard and the Departments of Commerce and Defense to enter into a agreement to increase the effectiveness of enforcement of domestic and international fishery laws; and

Urges the President—when undertaking multilateral trade negotiations—to address environmental concerns.

Mr. Speaker, our committee began this fight more than 5 years ago; today we have a chance to end it. Chairman ROSTENKOWSKI and his colleagues on the Ways and Means Committee have been very supportive of our efforts to end the use of large-scale driftnets. For the first time ever, we are mandating in legislation trade sanctions against those countries that violate an international fisheries conservation agreement. And just as significantly, this bill strengthens the Pelly amendment by increasing the President's negotiating leverage in both international fisheries and wildlife negotiations.

H.R. 2152 is proof that when we all work together, great things can be accomplished. On behalf of our fishermen, the environmental community, and all the cosponsors of this bill, I urge my colleagues to support this very important piece of legislation.

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

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this important measure and urge its adoption.

Mr. Speaker, this bill is the result of decades of work by our fishing industry to stop one of the most environmentally destructive activities ever invented. For years, hundreds of vessels from foreign nations have been setting driftnets on the high seas and destroying our marine resources. In some years, our fishermen in Alaska have seen their catches reduced to almost zero because the seas have been swept clean by the driftnet fleet.

Finally, after decades of inaction, President Bush's administration has led the charge at the United Nations to bring this fishery to a halt. At the urging of the United States, the United Nations has called for a global ban on large-scale high seas driftnets and, as of the end of this year, all major driftnetting nations have agreed to this ban. While the environmental movement may call this a victory, I want to point out that it is our fishermen in Alaska who led the way to stop driftnetting.

Mr. Speaker, we hear a lot in this Congress about jobs. This is an American jobs bill. When the driftnet fleet steals our salmon, jobs are lost—fishermen lose their vessels, processing workers are laid off, and support industries suffer, not just in Alaska, but nationwide. If you support American workers, you should support this bill.

Mr. Speaker, I want to call the attention of the House to particular provisions of this bill.

Section 101(a) denies port privileges to driftnet fishing vessels that wish to enter U.S. ports. This denial is to be made in accordance with recognized principles of international law. A list of the driftnetting nations whose driftnet fishing vessels will be denied our port privileges is to be published no later than 10 days after the date of enactment of this act. It is the intent of our committee that the denial of port privileges shall take place as soon as the Secretary of State notifies each country that is included on the list. We expect the Secretary of State to notify countries immediately so that this sanction can be put into effect.

Section 101(b) imposes sanctions on the importation of fish, fish products, and sport fishing gear from countries that continue to engage in driftnetting on December 31, 1992. This sanction is effective immediately. If a country has vessels that are engaged in the driftnet fishery after that date, a provision is made to allow time for consultations with that country so that the driftnet fishery can be halted. We expect the administration to pay strict attention to the timeframe specified in the bill and not to delay in engaging in consultations or imposing sanctions if they are necessary.

Title II expands the Pelly amendment to the Fishermen's Protective Act of 1967 by giving the President the authority to embargo any product from a nation which is diminishing the effectiveness of an international fish or wildlife conservation program. We expect the President to use this authority broadly. In other words, if a nation is certified under the Pelly amendment and the President decides to impose sanctions, those sanctions are not to be limited to like products, such as imposing sanctions on imported fish products for violation of an international fisheries agreement.

Title II also requires the Coast Guard, the Department of Commerce, and the Secretary of Defense to enter into an agreement to use the capabilities of the three agencies to increase the effectiveness of enforcement of domestic laws and international agreements that conserve and manage the living marine resources of the United States. We have noted in the past that the three agencies have sometimes been reluctant to work with each other. The committee expects a full cooperative working arrangement among these three agencies. In other words, the committee expects all agencies in the executive branch to take a positive, active role in carrying out the provisions of this bill.

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

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of H.R. 2152. The purpose of H.R. 2152 is to enhance the effectiveness of U.N. Resolution No. 46-215 and to bring an end to the practice of large-scale driftnet fishing on the high seas. H.R. 2152 would do so by broadening the import sanctions applicable under United States law to countries whose nationals or vessels engage in large-scale driftnet fishing on or after December 31, 1992.

It is our hope that these import sanctions will never have to be used because all countries have indicated that they intend to comply with U.N. Resolution 46-215. That resolution requires countries to cease driftnet fishing on the high seas no later than December 31, 1992.

In the event that import sanctions are ever warranted, the bill sets forth procedures for applying them that generally follow customary procedures under U.S. trade law.

Mr. Speaker, I am pleased to report that the provisions of this bill have been worked out in close consultation between the Committee on Merchant Marine and Fisheries and the Committee on Ways and Means. As such, the bill comes to the floor today with broad bipartisan support from both committees. It reflects a clear recognition in the Congress of the importance of coordinating carefully our national policy with respect to the environment and our national policy with respect to international trade.

H.R. 2152 is an excellent example of how to produce legislation that meets the objectives of, and takes into account the concerns of, both the environmental community and the international trade community.

For these reasons, Mr. Speaker, I urge my colleagues to join me in supporting passage of this bill.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for yielding me this time.

I wanted to commend the chairman of the Committee on Merchant Marine and Fisheries and the gentleman from Alaska, the distinguished gentlemen who have brought this legislation to the floor, but I think it is also important to recognize that the real teeth in making this an effective piece of legislation are provided by legislative provisions in the resolution following within the jurisdiction of the Committee on Ways and Means. Their ability to write legislation to bring down trade sanctions upon violating countries is crucial to make effective congressional concerns about driftnet fishing. So I commend the chairman, the distinguished gentleman from Illinois [Mr. ROSTENKOWSKI], and other members of that committee.

The subject of this legislation, driftnet fishing, has been addressed by a subcommittee of the Committee on

Foreign Affairs. The distinguished gentleman from Pennsylvania [Mr. YATRON], and its chairman, and this Member who served as the ranking member, among others on the subcommittee have been concerned about this subject, have held hearings on this subject, and moved legislation on it.

Mr. Speaker, this matter first came to this Member's attention through my position as ranking member of the subcommittee of the Foreign Affairs Committee that has jurisdiction over international environmental policy. I was particularly disturbed by the practices of the Japanese fishing industry. And while the Japanese had at one time given lipservice to the international effort to eliminate driftnet fishing, their actions have suggested otherwise. Indeed, Japan is now claiming that the scientific data does not support the driftnet ban and, therefore, a driftnet moratorium should not be imposed.

But permit me to explore Japanese driftnet practices in more detail, Mr. Speaker.

Japan's use of driftnets causes as much, if not more, damage as its egregious and well-documented whaling practices. Driftnets are plastic filament fishing nets, up to 50 miles long and about 30 feet deep, that are dropped into the ocean, allowed to drift overnight, and pulled up in the morning to harvest the catch. Environmentalists call them walls of death because the nets kill not only the targeted marketable fish, but also everything else with which the nets come into contact—fish, whales, turtles, dolphins, birds, et cetera. This wanton, useless killing is quite literally strip mining of the oceans.

The Japanese have maintained a driftnet fleet in the North Pacific Ocean for over 30 years, mainly intended for harvesting squid. The statistics are gruesome. In the last 6 months of 1989, 32 Japanese fishing boats, or less than 4 percent of the North Pacific driftnet fleet, caught 3 million squid. In the process, they also accidentally killed 58,100 blue sharks, 914 dolphins, 141 porpoises, 52 fur seals, 25 puffins, 22 marine turtles, 539 albatrosses, 8,536 shearwaters, and 17 storm petrels. The driftnet fleets of Japan, Taiwan, and the Republic of Korea employ 40,000 miles of driftnets each night in the North Pacific alone, or 2 million miles of nets each season.

In 1981, Japan instituted a limited entry management system to regulate where in the North Pacific driftnets are allowed and when they may be used, but incredible damage occurs despite these regulations. In December 1987, Congress passed the Driftnet Impact Monitoring, Assessment, and Control Act requiring negotiations with the governments of the principle driftnet fishing nations—Japan, Taiwan, and the Republic of Korea—to develop cooperative scientific monitoring, assessment, and enforcement agreements on driftnet fishing. As a result of these negotiations, transmitters have been placed on some Japanese boats to allow satellites to follow the location of the vessels, and United States monitors have been allowed onboard some vessels operating outside of authorized fishing areas. However, the number of transmitters, observers, and other monitoring programs remains insufficient to accurately measure and analyze the activities of Japan's large driftnet fleets, and the monitoring agreements affect only the Japanese fleets in the North Pacific Ocean. Driftnet fishing in the South Pacific is just as destructive—environmentalists say that the large-scale driftnet fishing in the South Pacific could put the populations of albacore tuna, dolphins, whales, sea birds, and sea turtles at risk.

A recent development in Japan's driftnet fishing operations involves the violation of a Soviet-Japanese fisheries treaty. This treaty controls where and when Japan can fish in the North Pacific Ocean, limits the annual catch that Japan can take from these waters, and requires Japan to pay the U.S.S.R. an annual fisheries cooperation fee. Recently, Soviet patrol boats stopped a fleet of 12 North Korean driftnet boats operating in these restricted waters, only to discover that they were in fact Japanese boats. Apparently, a Japanese fishing company arranged with the North Korean's to lease Japanese boats and market the catch, reflagging the ships as North Korean. This would allow Japan to get around the quotas set by the Soviets, which have been significantly decreased over the last few years. It is not known whether the Japanese Government was aware of this deal, so we do not know whether the Government or private industry is to blame.

International concern for the environment has increased dramatically in recent years, including concern for the marine environment. In July 1989, the South Pacific Forum, an association of South Pacific nations, issued the Tarawa Declaration condemning the use of driftnets. According to the forum, the use of driftnets is "not consistent with international legal requirements in relations to rights and obligations of high seas fisheries conservation and environmental principles," and Japan and Taiwan are guilty of "indiscriminate, irresponsible, and destructive driftnet fishing." Last December, the United Nations passed a resolution calling for a ban on driftnet fishing in the South Pacific by June 30, 1991, and in the rest of the world by June 30, 1992, and the International Whaling Commission has passed a resolution in support of this U.N. resolution.

We in the Congress could pass resolutions deploring driftnet fishing until we are blue in the face without great effect. However, it is apparently only legislation like this, which begins to make it hurt when the nations practice this egregious kind of conduct which is so damaging to the fisheries industry and to the sea life of the world, that will cause offending nations and their fishing fleets to stop this driftnet fishing. So I commend the Merchant Marine and Ways and Means Committees for their effort and urge adoption of the resolution.

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

Mr. BEREUTER. I am happy to yield to the gentleman from California.

□ 1350

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

I want to join in commending the gentleman from Alaska [Mr. YOUNG] and the others who brought this legislation before us, but I also want to commend the gentleman from Nebraska [Mr. BEREUTER] for his role in this important problem. The gentleman has described it exactly as it is. Driftnets are really hurting the sea life of the world; it needs to be stopped. This legislation will finally put some real teeth into our efforts.

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for his past expressed concern and for his kind comments.

Mr. STUDDS. Mr. Speaker, I apologize for failing to commend individually every member of the Committee on Ways and Means. That was incorporated in my statement. They are duly commended.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, I rise today in support of H.R. 2152, a bill to enhance the effectiveness of the U.N. International Driftnet Fishery Conservation Program.

For several years, the United States has endeavored to protect marine mammals and threatened and endangered species from large-scale destruction such as that caused by driftnets. In 1990, the enactment of the Magnuson fishery management conservation reauthorization implemented a ban on the use of driftnets in the U.S. 200 mile exclusive economic zone and a prohibition of the use of such nets by U.S. fishing fleets anywhere in the world. It also prohibited the importation into the United States of certain fish or fish products caught with these nets.

In late 1989, the United Nations passed a resolution calling for the ban on large-scale driftnet fishing on the high seas by June 30, 1992. In December 1991, the U.N. resolution was strengthened and the ban deadline pushed back to December 31, 1992.

The time has come to ensure compliance with the international morato-

rium by all nations. For too many years, driftnetters have been allowed to fish the seas, decimating populations of marine mammals, sea birds, sea turtles, and nontarget fish populations, in addition to seriously overfishing target species. Lost or discarded driftnets roam the seas unabated causing widespread destruction of marine life.

H.R. 2152 encourages full implementation of the U.N. resolution to end large-scale driftnet fishing on the high seas by prohibiting fishing vessels of nations that engage in driftnet fishing from entering U.S. ports, and imposing certain import sanctions against countries whose vessels violate the moratorium. The bill also expands the authority of the President to impose import restrictions on any product of a nation which conducts fishery practices or engages in trade that diminish the effectiveness of international programs for fishery conservation or the protection of endangered or threatened species.

I strongly support H.R. 2152 and am pleased that the legislation includes language to notify nations of impending United States action when countries are in violation of the driftnet moratorium.

This legislation expresses the sense of Congress that we, as a nation, must do our part to end large-scale driftnet fishing and preserve our important marine life and I urge my colleagues support for its passage.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Speaker, I rise in strong support of H.R. 2152, which strengthens U.S. efforts to end the practice of driftnet fishing. I have long supported this measure as vital to protecting U.S. fisheries off the coast of the United States.

Ending driftnet fishing will have beneficial effects not only on the high seas, but in areas such as my landlocked rural northern California district as well. Overfishing of species such as salmon, which return inland to spawn, often has unintended side effects. It can trigger Endangered Species Act protections which have serious consequences on communities located hundreds of miles from the coast.

I regret that we did not take this step years ago. If we had, it may very well have prevented a serious problem affecting my district.

The winter run of chinook salmon, which spawns in the Sacramento River, has varied in number between 1,500 and 3,000 fish in recent years. Last year, however, it has dwindled to an estimated 200 fish. As a result, extraordinary measures are being taken to protect the remaining fish, including the drawdown of several major reservoirs, such as Whiskeytown Lake.

This action is wreaking havoc on the surrounding communities, threatening their access to domestic water supplies, and devastating the local economy.

Driftnets such as we are trying to eliminate here today have had a major impact on the chinook salmon. We must take steps such as enacting H.R. 2152 if we are going to successfully prevent these types of environmental and economic disasters from occurring again. I urge the adoption of this vitally needed legislation.

Mr. STUDDS. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, I congratulate the chairman and the committee for bringing this legislation to the floor. It is certainly much-needed legislation. The need for it illustrates the fact that people through sheer greed can be unthoughtful of those around them in the world.

Also, it protects the environment in a way which needs to be protected.

This legislation is very much overdue. I appreciate the activity of the committee in bringing it to the floor.

Mr. STUDDS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Washington [Mrs. UNSOELD].

Mr. YOUNG of Alaska. Mr. Speaker, I yield an additional 3 minutes to the gentlewoman from Washington.

The SPEAKER pro tempore. The gentlewoman from Washington [Mrs. UNSOELD] is recognized for a total of 5 minutes.

Mrs. UNSOELD. Mr. Speaker, I would like to begin by thanking the chairman and the ranking member of our Fisheries Subcommittee for their leadership and the opportunity to work with them in bringing this bill to the floor today.

I want to begin by thanking the chairman and ranking member of our Fisheries Subcommittee for their leadership and for the opportunity to work with them in bringing this bill to the floor today. During the past 3 years we have brought several pieces of driftnet legislation before this body. We initiated the bill establishing the U.S. policy of securing a global ban on this fishing practice, and we repeatedly sent the message to our negotiators that they must seek nothing less.

H.R. 2152 builds upon these past efforts and is the most comprehensive and strongest step yet to ensure an end to large-scale driftnet fishing. It lets these driftnetting nations know that if they insist on plundering the world's marine resources, we will deny port privileges to their ships and ban imports of their fish, fish products, and sportfishing equipment.

This bill also strengthens current driftnet enforcement efforts by requiring the Department of Defense to supplement the Coast Guard's limited surveillance resources. These provisions are similar to H.R. 2920, a bill I introduced last summer to crack down on pirate vessels that blatantly ignore national laws and international agreements.

Enforcement of these measures, however, must be more than a U.S. effort. We need a worldwide commitment to ensure that our marine resources are not depleted, and sustainable harvests are ensured for future generations. This is why I am introducing a resolution that calls upon our negotiators to seek international monitoring and enforcement agreements to ensure effective implementation of a global ban on large-scale driftnets. I hope we can act on this proposal—perhaps even including it in H.R. 2152—at a later date.

Mr. Speaker, H.R. 2152 includes two additional provisions that, while not directly related to large-scale driftnet fishing, reflect the same American frustration with the unwillingness of some nations to meet their obligation to conserve the fish and wildlife resources of our planet.

The first is based on a bill introduced by the distinguished gentleman from Alaska [Mr. YOUNG] to expand the President's embargo authority against nations that violate international agreements aimed at protecting our natural resources.

The second is based on a bill I introduced in response to a recent decision by a panel of GATT to restrict the use of trade sanctions to protect international resources.

The GATT decision, which was based on a United States embargo of tuna from Mexico, is troubling because it means that no country may have any law to protect the environment, or a species, outside its own geographic territory.

The implications of this ruling are enormous. It jeopardizes international programs to ensure rational management of migratory fisheries, compliance with an international whaling moratorium, and the international agreement to end large-scale driftnet fishing.

H.R. 2151 responds to these concerns by calling upon U.S. negotiators to address environmental issues during trade negotiations, and to develop trade policies that make GATT more responsive to national and international environmental concerns.

Strengthening our driftnet laws, expanding the President's embargo authority under the Pelly amendment, and reforming GATT are important steps toward environmentally sustainable management of the world's living resources. Unfortunately, the administration continues to oppose this bill based upon the strong driftnet language. I remind my colleagues that this is not the first time the administration has blindly opposed our legislation to end large-scale driftnet fishing. We have cast aside shortsighted administration objections before. I urge us to do so again.

□ 1400

Again, Mr. Speaker, I want to thank the chairman, without whose help we would never have pushed this legislation and this world policy to this point, and also thank the ranking members of our Committee on Merchant Marine and Fisheries for their leadership in this area.

I also want to thank the gentleman from Illinois, Chairman ROSTENKOWSKI, and the gentleman from Florida [Mr. GIBBONS], for their roles in bringing the bill to the floor today.

It is a strong bill. It will ensure an end to the terribly wasteful and destructive practice of large-scale driftnet fishing and improve the international management of our living marine resources. Again, I urge its adoption.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I commend the gentlewoman from Washington [Mrs. UNSOELD] for her very active leadership in this area.

Mr. Speaker, I yield 3 minutes to the gentleman from American Samoa [Mr. FALEOMAVAEGA].

Mr. FALEOMAVAEGA. Mr. Speaker, first, I would like to commend Chairman STUDDS, Chairman GIBBONS, Chairman ROSTENKOWSKI, the gentleman from Alaska [Mr. YOUNG] and many other Members for once again, bringing the spectre of driftnet fishing to the forefront of public awareness.

As a Pacific Islander, I am acutely aware of the dangers posed by driftnet fishing.

To illustrate the extent of driftnet activity that occurs in the high seas, for example in 1990—according to a report from a meeting held in British Columbia between the United States, Japan, and Canada—approximately 106 million targeted squid were caught and that an estimated 41 million other forms of marine life and mammals from over 100 species were killed as bycatch. This bycatch included 39 million other fish species, 700,000 sharks, 270,000 sea birds, 141,000 salmon, 24,000 marine mammals, and 406 sea turtles.

When these numbers, which represent only 1 year's data for a high seas driftnet fishery in one region are considered globally and over a number of years, the destructive and wasteful nature of this indiscriminate fishing method simply cannot be denied.

Some scientists have noted that the rate of nontarget species bycatch may even be higher, since many animals drop out of the 30-40 kilometer long driftnets as the nets are hauled in.

The U.N. General Assembly was right to call the world's attention to this important global problem by adopting resolutions 44-225 and 45-197.

The largescale driftnet fishing countries have had ample opportunity in the 3 years since the 1989 resolution to prepare to end this indiscriminate and wasteful fishing method by June 30, of this year.

In October 1989, I introduced House Concurrent Resolution 214 to support regional efforts to end driftnet fishing in the South Pacific. I honestly believe this and other legislation passed by the Congress helped formulate a decision by Japan, Taiwan, and Korea to comply with U.N. Resolution 44-225 and withdraw their driftnet vessels from the South Pacific.

Mr. Speaker, some will argue that this legislation violates certain provisions of the GATT and constitutes an illegal barrier to trade.

In August 1991, a secret three-person dispute resolution panel of the GATT declared that "no country may have any law to protect the environment or a species outside of its own geographic territory."

In my opinion, this type of irresponsible reasoning will lead to massive destruction of the Earth's dwindling resources and the environment.

Mr. Speaker, the Congress must not yield its responsibility on environmental policy to satisfy the needs of those who take no responsibility for conserving the world's food resources.

It is now technologically possible to destroy a majority of the fish and wildlife stocks on the high seas—I ask my colleagues to "take another giant step for mankind," and support H.R. 2152—it is not too late to save us from ourselves.

Mr. STUDDS. Mr. Speaker, I yield myself 1 more minute.

Mr. Speaker, if there is anyone who has gone uncommended, at this point who deserve it, I think it is probably the fishermen of the State of Alaska, who first called this to our attention with the observation of netmarks on the salmon returning to spawn in the rivers of Alaska. They were the ones, I think, who sounded the alarm bell to their distinguished Representative, their distinguished and determined Representative, the gentleman from Alaska [Mr. YOUNG] and brought it to our attention.

Those are U.S. resources obviously being intercepted on the high seas. It really is, I think, fitting that this debate ended with a tribute to the fishermen of Alaska, who first brought that to the attention of Congressman YOUNG and to the rest of this institution.

Finally, Mr. Speaker, let me just say that no one deserves commendation more than the distinguished gentleman from Alaska [Mr. YOUNG]. He has been an eloquent and tireless voice on behalf of those fishermen. We all owe him a debt. This is one of those areas where once again with some humility I can say on behalf of the gentleman from Alaska and myself that your humble and loyal Committee on Merchant Marine and Fisheries have brought to this floor a bill that has genuine bipartisan support and that is important to an awful lot of people and that matters and that will really accomplish something.

So, again, Mr. Speaker, I commend the gentleman. I commend the members of both committees.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. STUDDS. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I thank the gentleman from Massachusetts, the chairman of the subcommittee. I will duplicate what the gentleman from Massachusetts said, that this bill is long overdue and that the gentleman has met the charge of the chairman. And now we have it through Ways and Means, with the gentleman from Illinois [Mr. ROSTENKOWSKI], the gentlewoman from Washington [Mrs. UNSOELD]. Those people worked very hard, and I am glad that today we will pass this legislation.

I again compliment the gentleman.

Mr. REED. Mr. Speaker, I rise today in support of H.R. 2152, legislation to enhance the effectiveness of the U.N. international driftnet fishery conservation program. I would like to thank Chairman STUDDS, Mr. YOUNG, and other members of the committee for their attention and commitment to this issue. I was able to work closely with Chairman STUDDS in the drafting of this bill and I am pleased to be an original cosponsor.

I am pleased that this bill has received such wide support in Congress, and I believe that it will give some teeth to the U.S. driftnetting policy. At this time, it is still profitable for foreign countries to engage in driftnetting. Much to my dismay, it has been said that driftnet activity has been increasing in areas across the globe such as the People's Republic of China, France, Ireland, Taiwan, and Korea.

H.R. 2152 would correct this problem by imposing economic sanctions and denying port privileges to countries that engage in driftnetting, as well as by requiring the State, Commerce, and Defense Departments to use their resources to enforce the U.N. driftnet ban.

There are no known driftnet fisheries that do not incidentally take marine mammals in the net as well. The National Marine Fisheries Service recently released data that showed that a mere 10 percent of Japanese driftnets caught more than 81,000 blue sharks, 30,000 sea birds, 1,700 whales and dolphins, and more than 10,000 salmon and steelhead. I believe that Congress must discontinue the importation of tuna from these nations as a demonstration of our disapproval of their inhumane treatment of marine wildlife.

I urge my colleagues to continue their support of this legislation and vote to pass H.R. 2152.

Mrs. LOWEY of New York. Mr. Speaker, I rise today in strong support of H.R. 2152, legislation to impose tough sanctions of nations which fail to abide by international restrictions of the use of large-scale driftnets.

I want to congratulate the chairman of the subcommittee on Fisheries and Wildlife Conservation and the Environment, Mr. STUDDS,

for his leadership in moving this important piece of legislation. I also want to commend the chairman of the Ways and Means Committee, Mr. ROSTENKOWSKI, for his expeditious work in advancing this legislation.

This measure would deny entry into U.S. ports to vessels from nations which continue to use large-scale driftnets in violation of an international moratorium. Further, if these countries do not adhere to the U.N.-imposed deadline of December 31, 1992, to end this destructive fishing practice, fish, fish products, and sport fishing equipment from those countries will be denied access to U.S. markets. If 6 months after this deadline countries continue driftnetting, the President is given the authority to expand the embargo to any product from that nation.

This is tough legislation—some may say too tough—but the time for ignoring the environmental atrocities of some of our trading partners must come to an end. This legislation sends the clear signal that the United States will exercise its right to enforce its domestic environmental laws and support international efforts to stop environmental destruction.

The international community has taken steps to stop the senseless slaughter of marine mammals caused by the use of large-scale driftnets. Certain nations, however, are not prepared to abide by the U.N. resolution and insist on continuing this heinous practice. For the sake of our environment, and the economic welfare of nations which are observing the ban in good faith, we must be ready to respond with sanctions. This bill does that.

In this era of global economic interdependence, trade has the promise of strengthening cooperation between nations on a whole range of issues, including environmental protection. Given the ominous findings of late about the pace of global degradation of our air, water, land, and biological resources, environmental cooperation must become a top priority in our trade negotiations. I am very pleased that the bill brought to the floor contains language, which several of my colleagues and I sponsored in committee, to direct the administration to work for our environmental and economic interests in all trade negotiations.

This measure directs the U.S. Trade Representative to press environmental concerns during all trade negotiations and to work for changes in the international trade regime to stress environmental concerns and to ensure that the end result is a strengthening, not weakening, of environmental protections. In the past, U.S. negotiators have not emphasized environmental protection in international trade talks. This has allowed companies operating in nations with minimal environmental protections to enjoy a competitive advantage over firms operating in the United States, and permitted other nations to continue practices that threaten our global environment. The international system, the General Agreement on Tariffs and Trade [GATT], allows negotiators to virtually ignore environmental issues. The word "environment" does not appear once in the text of the GATT's authorizing document. It is high time that that changes.

Americans should be proud that we have one of the most advanced environmental protection programs in the world, but those standards should not cost us jobs. It's time for the administration to stand up for the environment and U.S. workers and demand that our trading partners impose strong environmental protections within their borders. We can preserve our environmental laws and strengthen the economy, but only if our trade representatives make protecting the environment and U.S. jobs a priority.

Under the current system, nations can harm the environment, exploit their workers, and undercut the U.S. economy—all under the guise of free trade. This legislation requires the U.S. Trade Representative to fight for fair trade that will prevent countries from damaging the environment and siphoning off U.S. jobs.

I urge my colleagues to support this legislation.

Mr. AUCOIN. Mr. Speaker, I rise in strong support of H.R. 2152, a bill to enforce the total ban on open-sea driftnet fishing. I want to thank Chairmen JONES, STUDDS, and ROSTENKOWSKI for their work in bringing this bill to the floor. Many of our colleagues have worked hard on this issue, but I must especially commend Representative UNSOELD for her tireless efforts to end this devastating practice that has threatened marine mammals, birds, and fish in the Pacific.

There can be no doubt that our efforts in this body are largely responsible for the complete termination of driftnet fishing that is scheduled to take place by the end of this year.

We woke up the State Department on this issue. We convinced them to adopt a firm negotiating position. This led to Japan's concessions and culminated in the latest U.N. General Assembly resolution, which was adopted late last year. Without our efforts, this progress would not have been possible.

But if we won the driftnet war, we must now enforce the driftnet peace. This bill provides many of the tools we need to achieve this goal.

Successful enforcement also depends on our making sure that the Coast Guard and other Federal agencies have the resources to carry out their responsibilities.

For many years, I've worked to increase the Coast Guard budget during the appropriations process. This year, I intend to press for adequate support of the Coast Guard's driftnet enforcement activities as well as its many other responsibilities.

There is a broader lesson in the driftnetting issue. For too long, our efforts to protect the marine environment where frustrated as other nations argued that driftnetting was good economics.

That was never true. Driftnetting is bad economics because it makes effective resource management impossible.

That's why I'm pleased that H.R. 2152 calls for the careful coordination of trade policy with environmental concerns.

It's time to recognize that the global environment must have a place in our consideration of trade and other issues. We cannot afford to ignore environmental abuses in other lands, for they touch us all. Most certainly, we cannot allow environmental destruction to proceed in the name of open trading practices.

I strongly support passage of H.R. 2152. I hope it will be followed by many more constructive efforts to protect the environment of this planet.

Mr. PANETTA. Mr. Speaker, I rise today in strong support of the driftnet fishing sanctions legislation. This legislation represents part of the legislation I introduced last November to ensure a more stable economic market for sockeye salmon.

Specifically, the legislation would prohibit the fishing vessels of nations that engage in large-scale driftnet fishing from entering U.S. ports, and impose import sanctions against countries whose vessels continue to use large-scale driftnets on the high seas after December 31, 1992—the U.N. deadline for all nations to end such fishing.

The measure also would expand the authority of the President to impose import restrictions on any product of a nation which conducts fishery practices, or engages in trade, that diminish the effectiveness of international programs for fishery conservation or the protection of endangered or threatened species.

Currently, the salmon market is substantially impacted by large-scale driftnet fishing. Every summer, fishermen from my district and many others go to Alaska to fish for sockeye salmon in Bristol Bay. Prior to the Alaskan fishing season, fishermen from various countries are using large-scale driftnets on the high seas to catch U.S. sockeye salmon illegally. When salmon is caught on the high seas and subsequently sold on the black market, the price of our fishermen's salmon inevitably decreases. Consequently, our fishermen are receiving a ridiculously low price for their salmon catch. This past season the fishermen just broke even. This legislation will help put an end to this extremely unfair market.

Additionally, this legislation addresses the devastating effect that large-scale driftnet fishing has on the environment. Thousands of sea birds and endangered sea turtles, and hundreds of thousands of marine mammals, including whales and dolphins, are caught and killed in the large-scale driftnets. This legislation will put a vitally necessary halt to this environmental destruction.

Today we have the opportunity to show our strong support for putting an end to large-scale driftnet fishing and its deleterious effects. I urge you to support this legislation and, by doing so, support our fishermen, fair trade, and the environment.

Mrs. MINK. Mr. Speaker, I rise today to urge my colleagues to join me in attacking the horrendous scourge of driftnet fishing by supporting H.R. 2152. This farsighted legislation will strengthen the U.N. moratorium against driftnetting, and it will signal to the world that the United States is prepared to take a leading role in protecting the environment.

Let there be no doubt about the destructiveness of driftnet fishing. A report released last summer by the National Marine Fisheries Service documents that thousands of animals are killed in large-scale driftnets each year. Observers monitored only 10 percent of the Japanese driftnetting fleet last year and found that those nets alone caught 81,000 blue sharks, 30,000 sea birds, 1,700 whales and dolphins, and almost 10,000 salmon and steelhead. That's just 10 percent of the Japanese fleet, and Japan is only one of many countries now driftnetting.

It is no wonder so many fish and other marine animals are swept up by these nets. Drift nets are up to 60 feet in depth and stretch for more than 30 miles—about the distance between here and Dulles Airport. They are literally walls of death. And the amount of net that is laid is extraordinary. The driftnet fleet in the North Pacific—about 1,200 vessels—casts more than 25,000 miles of net each summer night—enough net if laid end to end to wrap around the Earth's Equator.

Much is made, and rightly so, of the threat that driftnets pose to endangered species such as dolphins and sea turtles. But driftnets also threaten the balance, and the very existence, of our ocean ecosystems. With estimates that the world's oceans can only produce a total of 100 million tons of fish a year, and with present estimates suggesting that only about 85 million tons are now being produced, the indiscriminate destruction wrought by driftnets could play a part in an irreversible decline in marine life.

As a Representative of the island State of Hawaii, I fully appreciate the harm that can be done by these massive and destructive nets. Our tradition in the islands is to respect the ocean, take only what we need and can use, and leave the rest for another day. Preserving our most precious sources of life and sustenance on land and sea is a heritage too often forgotten by modern societies. Driftnet fishing is one of the most devastating examples of this.

The international community recognizes the problems posed by large-scale pelagic driftnet fishing on the high seas. In December 1989, the United States cosponsored Resolution 44–225 that was adopted by consensus by the General Assembly [UNGA], as was reaffirmation Resolution 45–197 a year later. UNGA Resolution 44–225 calls for an end to the use of large-scale pelagic driftnets on the high seas by June 30, 1992, unless jointly agreed conservation and management regimes can be put in place to prevent the unacceptable impacts posed by this fishing method on the marine environment.

But the U.N. moratorium is not enough. Despite indications that Ireland, Taiwan, and Great Britain intend to prohibit their fishermen from high seas driftnet fishing after the United Nations deadline, recent violations of existing agreements by Taiwan and the Republic of Korea and the reemergence of Chinese driftnet vessels in the North Pacific fishery has led many to question whether the United Nations moratorium will be fully implemented. That these violations came after the announcements of all of these nations that driftnet fishing would be halted doesn't help.

In fact, Japan has confirmed these doubts indicating that it intends to continue this practice after the United Nations deadline. On September 27, 1991, the Government of Japan filed a position paper with the United Nations challenging the moratorium called for in Resolution No. 44–225. They claimed at that time that the scientific data does not support the driftnet ban and, therefore, according to the language in the resolution, the moratorium should not be imposed. Although this prompted the United Nations to issue its reaffirmation resolution calling upon all nations to implement the moratorium without exception, it is now clear that the resolution may be fought, and may be ignored.

H.R. 2152 will enhance the effectiveness of the U.N. moratorium by denying port privileges to any nation that engages in driftnet fishing. It will also allow the President to impose sanctions on certain imported goods of those countries. This will send a signal to the rest of the world that the United States is prepared to use the power of its markets to enforce measures that seek to protect endangered species and our environmental resources.

But this crucial legislation goes further. It declares it to be the policy of Congress that environmental issues should be addressed during all international trade negotiations. And it directs the President, acting through the office of the U.S. Trade Representative, to pursue changes to the General Agreement on Tariffs and Trade [GATT] that would result in consideration of, and conformation to, the domestic environmental laws of the contracting parties to the GATT.

H.R. 2152 would also direct the President to seek to secure a working party on trade and the environment within the GATT as soon as possible. This working party would establish procedures to include environmental issues in ongoing and future GATT negotiations. Finally, it would direct the President to take an active role in developing national and global trade policies which make the GATT more responsive to environmental concerns, and to involve Federal agencies with environmental expertise in all trade negotiations.

H.R. 2152 is farsighted legislation that will signal to the world that the United States is prepared to take a leading role in confronting our environmental crises. And it will make it clear that we are prepared to back up U.N. regulations with our markets and our Government. I urge my colleagues to join me in supporting this important bill. Vote yes on H.R. 2152.

Mr. DOWNEY. Mr. Speaker, I rise today in support of H.R. 2152, the U.S. International Driftnet Fishery Conservation Program. I urge my colleagues in the House of Representatives to support this legislation which will significantly enhance the effectiveness of the U.N. international driftnet fishing ban.

It is imperative that the United States support strong international and domestic enforcement of environmental laws. Large-scale driftnets, which often exceed 30 miles in length, entangle virtually everything with which they come into contact. For the past several years we have worked in the United Nations and in other international bodies to reduce driftnet fishing operations. Unfortunately, the practice has not been eliminated. Hundreds of thousands of fish, dolphins, whales, turtles, and sea birds have been killed.

In 1987 the Driftnet Impact Monitoring, Assessment, and Control Act was passed. This was intended to monitor, assess, and reduce the adverse impacts of large-scale driftnets. The year 1989 saw the inception of the Wellington Convention, or the Convention for the Prohibition of Fishing with Long Driftnets in the South Pacific. The convention prohibited fishermen of member nations, including more than 20 South Pacific nations, the United States, and France, from using large-scale driftnets in their operations and encouraged the same practice in other countries. In addition, the convention set July 1, 1991, as the date for the elimination of this fishing practice in the South Pacific.

The United Nations addressed this problem when it adopted resolutions in 1989 and 1991 which recognized international efforts to stop large-scale driftnet fishing. Resolution No. 46–215 established a moratorium on all large scale driftnet fishing on the high seas effective December 31, 1992. The United States supported this recommendation and other attempts to discourage driftnet fishing by enacting the fishery conservation amendments in 1991.

However, some countries have already indicated that they will continue to use large-scale driftnets even after the U.N. deadline. With H.R. 2152, we have before us today an opportunity to address the issue and enhance the effectiveness of the United Nations resolution by broadening the import sanctions applicable under United States law to countries which engage in this type of fishing.

Specifically, this legislation provides for the implementation of U.S. sanctions and denial of port privileges for countries whose vessels continue to engage in large-scale driftnet fishing. Perhaps an even more important provision of the bill establishes Congress' policy that environmental issues should be addressed during all international trade negotiations.

It is imperative that international trade agreements not interfere with our environmental laws. H.R. 2152 codifies these goals and gives us some recourse against those nations which refuse to comply with the ban against large-scale driftnet fishing. I hope you will join me in supporting this proposal.

Mr. Speaker, when I visit students, schools, and constituents in the Second Congressional District of New York, one issue which invariably arises is the matter of driftnet fishing and the horrible toll it extracts on dolphins and other marine life. We must put a stop to this practice.

Mrs. MORELLA. Mr. Speaker, I rise to speak in support of H.R. 2152, a bill that would impose certain sanctions against countries whose fishing vessels engage in large-scale driftnet fishing on the high seas after December 31, 1992. The bill's purpose is to discourage nations from continuing large-scale driftnet fishing on the open seas and to increase the effectiveness of the U.N. International Driftnet Fishery Conservation Program.

H.R. 2152 would impose sanctions against countries whose fishing vessels continue to use large-scale driftnets on the high seas after December 31, 1992—the U.N. deadline for all nations to end this method of fishing. It would prohibit these nations' ships from entering U.S. ports and expand the President's authority to impose import restrictions on any products of any nation that engages in driftnet fishing. It would also ban all fish, shellfish, and sport fishing equipment from offending nations. The Departments of State, Commerce, and Treasury would coordinate their notification of offending countries prior to the periodic publication of a list of countries or citizens who are engaged in large-scale driftnet fishing and who will be denied entry to U.S. ports.

This bill also expresses the sense of Congress that to assist in coordinating U.S. trade policy with U.S. environmental policy, the President, in expediting multilateral, bilateral, and regional trade negotiations, should address environmental issues related to negotiations; reform the International General Agreement on Tariffs and Trade [GATT] to include consideration of international environmental treaties and national environmental laws; create a GATT working party on trade and environment; work to make GATT more responsive to national and international environmental concerns; and include other Federal agencies with environmental expertise in U.S. trade negotiations.

Drift net fishing throughout the world threatens the viability of marine species and ecosystems for entire regions. Large-scale net or combinations of nets indiscriminately kill hundreds of thousands of marine mammals such as dolphins and whales, endangered sea turtles, sea birds, and millions of nontarget fish.

The Fifth Annual General Assembly of Global Legislators for a Balanced Environment—of which I am a member and which includes members of the European Parliament, the Japanese Diet, the Commonwealth of Independent States, and the United States Congress—recently approved a policy to promote the implementation of the United Nations resolution which calls for a global moratorium on driftnet fishing.

I call on my colleagues to vote for H.R. 2152. It will put the United States on record in support of sanctions against those countries who continue large-scale driftnet fishing on the open seas. It will express the resolve of the U.S. Congress to end the unintentional damage to our environment that this practice causes, and it will signal the importance the U.S. Congress attaches to addressing environmental issues in the context of trade negotiations.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HARRIS). The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 2152, as amended.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

STEAMTOWN NATIONAL HISTORIC SITE

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3519) to authorize the establishment of the Steamtown National Historic Site, as amended.

The Clerk read as follows:

H.R. 3519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—STEAMTOWN NATIONAL HISTORIC SITE

SEC. 101. ESTABLISHMENT.

(a) In order to preserve and interpret certain elements of railroading, especially steam-operated railroads during the period of 1850 to 1950, there is hereby established the Steamtown National Historic Site (hereinafter in this title referred to as the "historic site"). The purposes of the historic site shall include interpretation of the evolution of railroads and their impact on the development of this nation, including technological, economic, social, and political effects and the relationship of railroads to industrialization.

(b) The historic site shall consist of the lands and interests in lands within the area generally depicted on the map entitled "Boundary Map, Steamtown National Historic Site", numbered STTO-80,000A, and dated November 1991. The map shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior. No revisions may be made in the boundary of the historic site, except by Act of Congress.

(c) Sections 1 through 5 of the Steamtown National Historic Site Act of 1986 (Public Law 90-591; 100 Stat. 3341-248-249) are hereby repealed.

SEC. 102. ADMINISTRATION.

The Secretary of the Interior (hereinafter in this title referred to as the "Secretary") shall administer the historic site in accordnace with this title and with the provisions of law generally applicable to units of the national park system, including the Act entitled "An Act to Establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2, 3, and 4). On or before September 30, 1993, the Secretary shall prepare and submit to the Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate a new comprehensive general management plan for the historic site. The plan shall be consistent with this title, with section 12 of the Act of August 18, 1970 (16 U.S.C. 1a-1 through 1a-7) and with other applicable provisions of law.

SEC. 103. ACQUISITION OF LAND.

(a) The Secretary may acquire lands or interests in land within the boundaries of the historic site only by donation or by purchase with donated funds.

(b) The Secretary may not acquire any lands or interests in lands for purposes of the historic site unless such lands are not contaminated with hazardous substances which will require removal or remedial action at the expense of the United States. Any funds of the National Park Service expended, prior to the date of the enactment of this Act, on removal or remedial action with respect to any contamination of lands within the boundaries of historic site shall be fully reimbursed before the Secretary may accept title to any lands for purposes of the historic site. Any such reimbursement shall be credited to miscellaneous receipts in the Treasury. After the full amount of such reimbursement has been credited to miscellaneous receipts, funds expended prior to the date of enactment of this Act by the National Park Service for which such reimbursement was made shall not be treated as amounts expended by the National Park Service for development for purposes of applying the limitation on appropriations for development set forth in section 106.

SEC 104. PARK SERVICE ACTIVITIES.

(a) The Secretary shall take such actions as necessary and appropriate to administer the historic site, to maintain and preserve the facilities at the historic site, to interpret the resources of the site and their history to the public, and to provide essential services to the public at the historic site.

(b) The Secretary shall preserve the collection of railroad equipment, including locomotives and rolling stock, which is present at the historic site as of the date of enactment of this Act. The Secretary may also preserve such equipment and essential machinery as is necessary for the maintenance of the lomomotives and rolling stock. A maximum of 3 steam locomotives and one diesel locomotive may be restored, but only 2 steam locomotives and one diesel locomotive may be operational at any time. The Secretary may not reconstruct or construct new yard equipment or other historic structures or objects. No Federal funds may be expended to provide access between the historic site and any structure that is privately owned and operated for profit. The Secretary may exchange or purchase appropriate examples of locomotives and rolling stock to enhance the site's collection if the total number of such equipment does not increase and if all such actions are consistent with the general management plan for the historic site. The Secretary shall, to the extent practicable, seek donations and assistance from volunteers and other cost-sharing methods to restore the locomotives and rolling stock.

(c) The Secretary shall preserve the artifact collection and archival materials located at the site.

(d) To the extent that it furthers public understanding, and provided that appropriate interpretation is provided, the Secretary may provide a regular excursion from Scranton, Pennsylvania, to Moscow, Pennsylvania. For purposes of such excursions, the Secretary may provide essential visitor services at Moscow, Pennsylvania. The Secretary may not expend funds of the National Park Service for the restoration or maintenance of tracks, bridges or tunnels located outside the historic site, except that the Secretary may use funds appropriated prior to November 15, 1991 for restoration of tracks and bridges between the historic site and Moscow, Pennsylvania, pursuant to the cooperative agreement to be entered into between the Secretary and the owner of such tracks and bridges permitting the National Park Service to use such tracks and bridges for excursions authorized under this section. The Secretary may pay customary and appropriate track usage fees and may also provide 4 other excursions annually if no such excursion is longer than 50 miles one way.

(e) User fees charged for any rail excursion undertaken shall be established at a level such that a minumum of 75 percent of the costs of maintenance, personnel and equipment for the excursion shall be covered by revenues from the user permit.

(f) The Secretary may assist the owner of Bridge 60 and Bridge 60 Wye with track and switch rehabilitation to facilitate activities associated with the historic site.

(g) The Secretary may enter into cooperative agreements with appropriate authorities for law enforcement and for purposes of controlling rail traffic through the historic site.

SEC. 105. ADVISORY COMMITTEE.

(a) here is hereby established the Steamtown National Historic Site Advisory Committee (hereinafter in this title referred to as the "advisory committee") to provide professional expertise in railroad management and history and advice to the Secretary in the development and operations of the historic site. The advisory committee

shall be composed of 11 members appointed by the Secretary to serve for terms of 3 years. The advisory committee shall include 2 experts in the operation of historic railways, 2 experts in the operation of commercial railways, 2 historians of technology, and 2 historians of social history, and 3 members of the general public. Any member of the advisory committee appointed for a definite term may serve after the expiration of his or her term until his successor is appointed. The advisory committee shall designate one of its members as Chairperson.

(b) The Secretary, or his or her designee, shall from time to time, but at least semiannually, meet and consult with the advisory committee on matters relating to the management and development of the site.

(c) The advisory committee shall meet at least 3 times annually.

(d) Members of the advisory committee shall serve without compensation as such, but the Secretary may pay expenses reasonably incurred in carrying out their responsibilities under this title on vouchers signed by the Chairperson.

(e) The provisions of section 14(b) of the Federal Advisory Committee Act (5 U.S.C. Appendix; 86 Stat. 776), are hereby waived with respect to this advisory committee.

(f) The advisory committee shall terminate on the date 10 years after the enactment of this Act.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, but not to exceed a total of $58,000,000 for development, reduced by all amounts appropriated for development since October 1, 1987. No Federal funds may be expended at the site for purposes other than those specified in section 104 and in section 105(d).

TITLE II—DELAWARE WATER GAP NATIONAL RECREATION AREA

SEC. 201. BOUNDARIES.

Section 2(a) of the Act of September 1, 1965 (79 Stat. 612; 16 U.S.C. 460o–1(a)) establishing the Delaware Water Gap National Recreation Area is amended by striking "as generally depicted on the drawing entitled 'Proposed Tocks Island National Recreation Area' dated and numbered September 1962, NRA–TI–7100, which drawing is on file" and inserting "as generally depicted on the map entitled 'Delaware Water Gap National Recreation Area' dated November 1991 and numbered DWGNRA–620/80,900A' which shall be on file".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on H.R. 3519.

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

There was no objection.

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

Mr. Speaker, H.R. 3519, introduced by Congressman JOE MCDADE, establishes Steamtown National Historic Site in Scranton, PA. The House acted on the initial authorization in 1986 but the Senate did not act; rather the Steamtown unit first received authorization in 1986 through provisions that were inserted in the fiscal year 1987 Interior Appropriations Act. Since that time there has been considerable attention given to Steamtown in the press, almost all of it negative.

The National Park Service has already spent $39 million on Steamtown with another $13 million appropriated for fiscal year 1992 putting total spending at over 2½ times the $20 million amount authorized for the site in the initial law.

Few people are neutral about Steamtown—most either love it or hate it. For Steamtown proponents, the site offers a unique educational experience in a historic setting. Steamtown opponents have decried its costs and argue that the locomotives and railcars, collected in Vermont and moved to Scranton, PA, lack integrity and significance.

Besides the scope and cost of the site, I have had serious concerns about the management of Steamtown. Considerable amounts of Federal funds have been spent on lands and interests in lands the National Park Service doesn't own. The National Park Service paid for cleaning up hazardous wastes on non-federally owned lands, raising serious issues of policy and liability. The National Park Service has been attempting to develop many of the railroad train excursions, raising questions whether the National Park Service is getting into the railroad tourism business in a major and inappropriate manner. Plans for the site have undergone little or no critical internal review. I am not pleased that the Delaware Water Gap National Recreation Area in an action that appeared to be done in concert with the Steamtown operation expanded its boundary by 28 miles without any action by the authorizing committee, much less agreement.

Looking where we stand today, I believe Steamtown should continue as a National Historic Site but believe that future development and operation of the site should be consistent with Congressional and National Park Service policies and practices. Hopefully both advocates and opponents can agree today on such a format.

Unfortunately, all too common the view of Steamtown is as typified in a letter I received from Mr. Michael Boland, president of the Downtown Scranton Business Association. Mr. Boland in opposing the Interior Committee's effort to place limitations on Steamtown because, and I quote, "Without the full development of the park as now planned it cannot hope to become a fully operating railroad museum capable of attracting tourists, who in turn will have a positive effect on our economy."

Mr. Speaker, the National Park System has a unique mission: To preserve and interpret nationally significant places of our heritage. While doing so the actions certainly assist local economies, but that should never be the primary purpose of national park units. Mr. Boland's letter illustrates my concern that Steamtown National Historic Site is less viewed as a national park unit than as an economic redevelopment package. Economic redevelopment should be the responsibility of such agencies suited to that purpose and mission, not of the National Park Service which has another—and unique mission.

Mr. Speaker, the Committee on Interior and Insular Affairs has considered the Steamtown matter carefully, including having a GAO review done of the site. The committee has reported legislation to put this runaway steam engine back on the right track, with a law that provides both vision and parameters for Steamtown National Historic Site. In doing so, the committee has reined in what is widely perceived as a runaway project and scaled back both the development and operation of the site. As amended, the National Park Service is directed to preserve and interpret American railroading from 1850 to 1950. The site's boundary has been reduced by eliminating nonessential lands. The bill as amended directs that lands contaminated with hazardous substances be cleaned up before the National Park Service can accept title and requires reimbursement for the cleanup that the National Park Service has already done. The National Park Service may provide one regular train excursion to Moscow, PA. The amended bill establishes an advisory committee to provide some professional guidance in the park's operation, and authorizes a total of $58 million for development rather than the $73 million that has been proposed. Finally, the legislation deletes the 28 miles of rail line extending from the Delaware Water Gap National Recreational Area.

Mr. Speaker, as my statement has indicated, Steamtown has been a very controversial matter. The committee has addressed this issue in a fair and reasonable way and has provided the House with what I believe is a balanced approach to the future development and operation of what has been a controversial site. I know this has not been easy for Representative MCDADE who has been an enthusiastic and forceful supporter of the project. We have finally worked together on this matter and I appreciate the cooperation he has displayed. This has not been a simple matter but one that will have positive results, for the Steamtown unit.

Mr. Speaker, I support H.R. 3519, as amended, and recommend its adoption by the House.

□ 1410

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

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

Mr. Speaker, I rise in support of H.R. 3519, a bill to establish Steamtown National Historic Site as a unit of the National Park System. This park has been extensively scrutinized during the nearly 6 years since its establishment and has been criticized both inside and outside the Park Service as an area not worthy of inclusion in the park system. At the outset of my statement, I would like to commend the chairman of the National Parks and Public Lands Subcommittee for taking the initiative to bring this controversial project before the committee so that we could address these issues and develop appropriate authorizing legislation.

To those persons who would argue that Steamtown does not belong as a unit of the park system, I would simply suggest they consider the role that railroading, and steam railroading in particular, had in the development of this country. Can there be any doubt that a park system which has areas dedicated to such obscure topics as Maine Acadian Culture, the American Impressionist Painter Movement, Houses and Forts which are fabrications based on scant historic information and not even constructed in their historic location, and even fossil insects should also tell the story of railroading in America?

Some persons probably want to argue that Steamtown is not the best site which could have been chosen to reflect American railroading and that additional study should have preceded its designation. The fact is that new parks are currently added to the system on a piecemeal and opportunity basis, behind the driving force of a local constituency, or sometimes even a single individual. Every new park area should be thoroughly studied prior to designation. Unfortunately, neither Congress or the administration seems to be patient enough to wait for thorough study prior to rushing out to support the latest park expansion proposal. In fact, over half of the 115 areas added to the park system in the last 20 years have been added without benefit of any formal study. I must point out that unlike many new parks, which are objected to by the administration, Steamtown was enthusiastically endorsed by the former Park Service director. However, I would certainly agree with those who argue that the generic process for designating units of the park system needs vast improvement.

The one other issue which is raised by this legislation is the enormous cost associated with designating industrial sites as units of the park system. At a reconstructed mill village in Massachusetts, the combined governmental expenditures at all levels have exceeded $175 million in the last 15 years. In the southwest corner of Pennsylvania, the NPS has spent tens of millions of dollars in preserving steel industry sites in the last few years. We must begin to develop a national policy on how to address these potentially costly sites which reflect an important part of our cultural heritage.

I would like to recognize the efforts to Mr. McDADE during development of this legislation. Mr. McDADE has truly been the driving force behind the Steamtown project and he is to be commended for his efforts to support development of this park. Through his efforts, the total Federal cost of this project has been substantially reduced, through millions of dollars worth of donations of land, property and services. This project is just one of many undertakings by Mr. McDADE, who has been a long-time supporter of the Park Service. His dedication to NPS goals through his efforts on the Appropriations Committee are to be commended.

I appreciate the spirit of compromise which Mr. McDADE has brought into the development of this bill. He has agreed to numerous changes to his original bill, many of which were necessary to place reason limits on future Federal expenditures. I must say that there is some language in this bill which reflects excessive congressional micromanagement and which does not belong in any piece of legislation. While I would agree that concerns have surfaced during committee consideration of this matter regarding the manner in which this site was developed, those problems are best dealt with at the agency policy level, not in an authorizing statute, I would hope that the Senate would agree with this sentiment and make the appropriate changes.

Mr. Speaker, the bill before us is a good one and reflects a lot of hard work on behalf of the chairman, Mr. McDADE, and other committee members and I join with the administration in commending it to my colleagues.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. McDADE].

Mr. McDADE. Mr. Speaker, I rise in support of H.R. 3519, a bill to authorize the establishment of the Steamtown National Historic Site.

I appreciate the efforts of my colleagues BRUCE VENTO, chairman of the Subcommittee on National Parks and Public Lands, and the ranking Republican, BOB LAGOMARSINO, in drafting this legislation and bringing it to the floor.

I want to point out that the authorization of Steamtown has broad, bipartisan support. The legislation was overwhelmingly supported in both the subcommittee and full Interior Committee.

This bill, like the original authorization of Steamtown in 1986, was the subject of public hearings. The Director of the National Park Service spoke at congressional hearings in strong support of the creation of Steamtown. In October of this year, the Park Service testified in support of continued funding to complete development of this historic site.

The legislation before us is the product of compromise. Many of the provisions are unnecessarily restrictive in my view, but I also believe the bill is a fair and honest effort to address some of the concerns raised by the chairman. The legislation cuts back projected spending and caps appropriations, but it will allow completion of the complex.

Steamtown is well on the way to becoming the Nation's finest operating railroad museum, one which is both historically significant and easily accessible to millions of Americans. Development of this historic site will be 85 percent completed with funds appropriated in the fiscal year 1992 Interior appropriations bill. I urge my colleagues to support H.R. 3519 so that this historic project can be completed for the education and enjoyment of future generations.

Mr. LAGOMARSINO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TORRES). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3519, as amended.

The questions was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

HAPPY BIRTHDAY, JOELLE HALL

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

Mr. YOUNG of Alaska. Mr. Speaker, it is rare that we have an opportunity to address this House floor in recognition of someone of great honor and stead for the House, especially on this side, and today I would like to wish happy birthday to Joelle Hall and say that we wish she will have many, many more years of great health and honor, and we do appreciate her efforts on this side of the aisle.

THE EUROPEAN COMMUNITY VERSUS THE WORLD

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

The SPEAKER pro tempore. Without objection, the gentleman from Nebraska is recognized for 1 minute.

There was no objection.

Mr. BEREUTER Mr. Speaker, I would like to share with my colleagues a few comments about the Uruguay round of GATT negotiations.

Mr. Speaker, I think there is a substantial degree of misunderstanding about the U.S. position on concluding the round vis-a-vis the European Community, those 12 countries of Western Europe. What is it really all about? The major controversy blocking an overall agreement in the Uruguay round is a dispute over agriculture, primarily over agricultural subsidies, and there is some view that it is the United States versus the EC on this subject. Indeed it is not. It is the EC against the rest of the world.

Mr. Speaker, the developing countries, which in many cases are one- and two-commodity exporters, are really very much impacted, in a negative sense, by the extraordinarily high subsidies, especially export subsidies, of the European Community. Many developing countries, like Australia and New Zealand, are likewise greatly damaged by European subsidies and by American subsidies that are used to counteract the European subsidies, and these developing and developed countries simply are not going to agree to the 13 or 14 other areas of reform in the GATT process unless the Europeans dramatically reduce their subsidy programs that impact their agricultural production and agricultural exports. For example, they are not going to agree to bringing services under the GATT umbrella for the first time or to a variety of anticounterfeiting or patent infringement reforms which are a part of the Uruguay round proposal unless they have some relief from the extraordinarily high subsidies of the European Community. After all, it is the developed countries like most of the EC countries, Japan, and the United States that have the most to gain from bringing services under the GATT umbrella and expanding the export markets for many of the more sophisticated manufactured products.

So, Mr. Speaker, it is the United States that simply carries the argument that the Cairns group of developed and developing countries also have as their great concern, as do many other developing countries across the world. And it is really the EC that is blocking this extraordinary trade breakthrough that we could see across the whole world if we simply had a successful conclusion of the Uruguay round.

So, this Member would hope that this group of countries called the European Community, which is not a solid bloc on this issue, would come to their senses. And this Member would hope in particular that the politicians in France, and in Ireland, and, yes, too, in Germany, because of the situation in Bavaria, would come to their senses and realize how much is hanging in the balance simply because of the lack of an agreement in the agriculture area. It is the EC position on its trade distorting agricultural practices which can, if changed, result in the successful completion of the Uruguay round.

Mr. Speaker, I thank my colleagues for their attention to these remarks about this important trade issue.

TRIBUTE TO BILL LEHMAN

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

The SPEAKER pro tempore. Without objection, the gentleman from Illinois is recognized for 1 minute.

There was no objection.

Mr. DURBIN. Mr. Speaker, it has been my honor to serve in this House of Representatives for 10 years and my good fortune to have served with some of the giants of this institution: Tip O'Neill of Massachusetts, Silvio Conte of Massachusetts, Claude Pepper of Florida.

Today in the well of this House of Representatives the gentleman from Florida [Mr. LEHMAN] stepped forward to announce that he was going to retire. It came as a surprise to many of us. We will really miss BILL LEHMAN. He is an extraordinary individual. For those who have not known of him or his service, I say, "It is unfortunate that you've not had that opportunity."

Mr. Speaker, several years ago BILL was diagnosed with cancer, but he fought back from that cancer to come back to this House of Representatives and to be a very effective Member.

□ 1420

Just last year, as fate would have it, he was felled with a stroke. Many people at that point in their lives might have given up, but not BILL LEHMAN. I see him regularly working with physical therapists and others to make sure he is back on his feet serving his people. But today he said that he did not feel he could continue to meet his own standard of physical performance and excellence and he was going to retire from this institution.

We will miss him. BILL LEHMAN is a gentle man. He works very effectively because he is bipartisan and he is gentle and he is honest.

The people in Florida, I am sure, take for granted many of their elected officials, but I can tell them that BILL LEHMAN has served them well as a Congressman from south Florida. Beyond that, he has served this Nation well, and he certainly becomes one of the giants of this institution for many decades to come.

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

Mr. DURBIN. I yield to my colleague, the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I want to commend the gentleman for paying tribute to BILL LEHMAN, who has certainly been an outstanding Representative of the people of Florida.

I have know BILL for many years. We came in about the same time. He is certainly an inspiration to all of us. Despite all of his hardships and obstacles that he has overcome by way of health, he has gone on to do commendable work in this institution. I am sure that all of my colleagues join in that complimentary message that the gentleman has delivered on the floor.

Mr. DURBIN. Mr. Speaker, I thank my Republican colleague, the gentleman from New York. I think his remarks indicate the bipartisan support that BILL LEHMAN has contributed to this institution.

TRIBUTE TO HON. WILLIAM LEHMAN UPON THE ANNOUNCEMENT OF HIS RETIREMENT FROM CONGRESS

(Mr. EDWARDS of California asked and was given permission to address the House for one minute.)

Mr. EDWARDS of California. Mr. Speaker, I learned with great regret a few moments ago about the retirement of Congressman BILL LEHMAN of Florida, and believe me, it was a great shock because BILL LEHMAN has not only been and is a dear personal friend but he has given magnificent service to this Congress and to the people of Florida and indeed the people of the United States.

I do not suppose, Mr. Speaker, that anybody knows more about transportation than BILL LEHMAN personally and as chairman of the subcommittee of the Appropriations Committee handling transportation. BILL has been a friend of those who are trying to do something about getting us out of automobiles and into cheaper and more efficient transportation. I think he has done more along that line than anybody else. I know that the people of California are extremely grateful, and I know that the gentleman in the chair is, too, because he has made massive contributions to transportation in his part of the State.

But more than that, and perhaps more importantly, he is a true friend of all of us. He has a wonderful wife, and he is a great family man. He and I and the late Ben Rosenthal and Bob Kastenmeier and SONNY MONTGOMERY always played a game of tennis whenever we had a chance, and we would meet in

the gym for paddle ball, too. Unfortunately, Bob Kastenmeier is no longer here, and neither is Ben Rosenthal. Abner Mikva is still at the Court, and he is another close friend of BILL LEHMAN'S.

I think that all of us who know BILL LEHMAN know that even though BILL thinks he cannot come back and he thinks he ought to give up his career at this time, he is an indomitable soul and the people of America and of Florida still have not heard the last of him.

Mr. Speaker, I yield to the gentleman from Florida [Mr. FASCELL], dean of the Florida delegation.

Mr. FASCELL. Mr. Speaker, I thank the gentleman very much for yielding.

Let me just simply add my words here to this shocking announcement by my dear friend. I had absolutely no idea he was retiring. We have been across the hall from each other for many, many years and have worked together for many years, so it was a real shock.

I agree with the distinguished gentleman from California when he says that very few Members of this House have the kind of tenacity and courage that BILL LEHMAN brought to his position as a public servant here and as chairman of a difficult and important subcommittee, the Subcommittee on Transportation of the Appropriations Committee.

Certainly all of us will miss him because BILL called the shots the way he saw them, and he is a remarkable person. In very many ways, with the depth of his education, his ability, and his keen sense of the political field, as well as all of his efforts with regard to legislation here in this body, I found him to be a great source of strength just in conversations on a daily basis as we met each other going to and from our offices and commenting on the activities of the day. That is certainly something I shall miss.

In a more direct way, let me say this as far as our area is concerned: BILL has been an outstanding public servant, not only because he tended to his duties but particularly with respect to the application of transportation. It has been a difficult job, but he managed to do that in a very strong way for us. I know that the people of Florida will certainly miss him, and the people of Dade County will certainly miss him because he has made a tremendous contribution for all of us.

I still cannot get over the surprise, frankly. I wish him well. I know that he has a lot of things to do. He is a great writer and a great reader. He has so many things on his mind that he wants to accomplish, and I am sure he will do them all. I cannot do anything but wish him and his wife and family all the best.

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

Mr. EDWARDS of California. Mr. Speaker, I thank the dean of the Florida delegation for his enormous contribution to this dialogue about our good friend, BILL LEHMAN. I believe he will still be around. Anybody who has been as active in public service as BILL LEHMAN and who loves this Congress like he does and gets along with all of us as he does will not be able to stay away, and if he does stay away, we are going to have to send an airplane down to get him and bring him back because he is someone we need very badly.

Mr. Speaker, it really has been a great shock to all of us to hear this announcement today.

CONGRATULATING PEOPLE OF LITHUANIA FOR THEIR SUCCESSFUL PEACEFUL REVOLUTION

Mr. HAMILTON. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 239) congratulating the people of Lithuania for their successful peaceful revolution and their continuing commitment to the ideals of democracy.

The Clerk read as follows:

H. CON. RES. 239

Whereas on February 16, 1918, a gathering of 200 Lithuanian delegates first proclaimed that their country was independent and that their government would be based on democratic principles, and for this reason February 16 is considered to be Lithuania's independence day;

Whereas the people of Lithuania endured a 51-year foreign rule which began as a result of the infamous Nazi-Soviet Pact of 1939;

Whereas the people of Lithuania courageously resisted the imposed communist dictatorship and cultural repression of this 51-year rule;

Whereas the people of Lithuania were able to mobilize and implement a nonviolent movement for social and political change which came to be known as "Sajudis";

Whereas the people of Lithuania supported and secured the right of a free press in Lithuania during the waning days of foreign rule;

Whereas on February 24, 1990, Sajudis, the peoples' movement, promoted through citizen action a peaceful transition to independence and democracy by fully participating in the first democratic election in Lithuania in more than half a century;

Whereas on March 11, 1990, the newly elected Lithuanian parliament, fulfilling its mandate from the people of Lithuania, declared the restoration of Lithuania's independence and the establishment of a democratic state;

Whereas the people of Lithuania and the civil servants of the government of Lithuania persevered in the building of democratic and independent institutions under conditions of economic blockade and armed assaults for over 17 months;

Whereas in January 1991, 10 months after the elected Lithuanian parliament restored independence, the people and government of Lithuania withstood a bloody assault against their democratic institutions by foreign troops; and

Whereas Lithuania's successful restoration of democracy and independence is remarkable for its use of nonviolent resistance to an oppressive regime: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) congratulates the people of Lithuania for their courage and perseverance in using peaceful means to regain their independence;

(2) pledges its support for the people of Lithuania as they establish and strengthen democratic institutions of government and a free market economy; and

(3) congratulates the people of Lithuania as they celebrate their well-deserved independence day on February 16, 1992.

The SPEAKER pro tempore. (Mr. TORRES). Pursuant to the rule, the gentleman from Indiana [Mr. HAMILTON] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

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

Mr. Speaker, I have moved to suspend the rules and pass House Concurrent Resolution 239, a resolution congratulating the people of Lithuania for their successful peaceful revolution and their continuing commitment to the ideals of democracy. The Committee on Foreign Affairs completed action on this resolution on February 19.

The resolution: Congratulates the people of Lithuania for their courage and perseverance in using peaceful means to regain their independence; pledges support for the people of Lithuania as they establish and strengthen democratic institutions and a free market economy; and congratulates the people of Lithuania as they celebrate their well-deserved independence day.

I want to commend the gentleman from Illinois [Mr. RUSSO] for his leadership in introducing this resolution.

I also want to commend Chairman FASCELL and Mr. BROOMFIELD for their strong support and their willingness to move this resolution expeditiously.

I urge adoption of the resolution.

□ 1430

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

Mr. Speaker, Sunday, February 16, 1992, marked the 74th anniversary of the independent nation of Lithuania. For the first time in decades, independence day in Lithuania could be celebrated openly, without fear of retribution.

This moment did not come easily for Lithuania. That small Baltic nation, along with Estonia and Latvia, endured over 40 years of occupation by a Communist oppressor. However, the long night of Soviet repression has ended.

As we witness the dawn of a new Lithuania, it is important to remember the steep price that nation was forced to pay. The economy is ruined, the environment damaged, and generations of Lithuanians suffered the physical and psychological abuses of communism. And none of us can rest easy while the troops of the Soviet empire remain stationed on Lithuania territory.

I have had the pleasure of working closely with the Lithuania-American community over a period of years to-

ward the goal of independence. I think it is important to recognize their persistence and endurance in pursuit of freedom for Lithuania.

I would also like to give credit to the Lithuania Legation located here in Washington, DC. This outpost kept alive the hope of a free Lithuania throughout the period of Soviet occupation.

It is rare to see a journey of courage and determination such as that experienced by Lithuania through its fall into oppression and the rise to freedom. As important as our support was during the moment of deepest despair in Lithuania, it is far more important that we remain committed to helping confront the challenges of rebuilding that nation.

I urge my colleagues to support this resolution.

Mr. HAMILTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I do not come to this topic with impartiality. As the gentleman from Michigan [Mr. BROOMFIELD] and the gentleman from Indiana [Mr. HAMILTON] know, my mother was born in Lithuania. I am a first generation American, and I am very proud of this tiny country, its courage and tenacity, and the success it has experienced because of its courage.

I want to commend my colleague from Chicago, IL [Mr. RUSSO], who introduced the underlying resolution which leads us to this debate today.

About 12 years ago I first visited Lithuania, and I saw it in the worst of times, under the dominance of Communist rule from Moscow. The people of Lithuania had lived under this burden for decades. I can recall the suppression of the basic freedoms which we enjoy in the United States.

I attended a Mass in Vilnius, the capital of Lithuania, at 6 a.m. on a Sunday morning and found the church packed, primarily by families with small children who came out in the darkness of the morning in the hope that the Communist officials would not detect the fact that they were keeping the hope of religious freedom alive.

I know at that same time that those representatives of the Catholic Church and the Jewish religion in Lithuania were denied the opportunity to practice their faith openly, and, if they did, they ran the risk that they would, of course, be blackballed by the Communist Party for any advancement. But they did keep their faith alive.

Two years ago the Speaker of the House asked me to head a delegation as I went back to Lithuania for the second time and as they had their first free election in almost half a century.

Mr. Speaker, I cannot tell you the celebration and jubilation in this small country that they would have their own election and elect their own representatives.

During the course of that visit, we visited with the Cardinal in Kaunas, Lithuania, Cardinal Sladkevicius. He is about 5 feet 2 inches and is perhaps 70 years old. He had a smile on his face and a twinkle in his eye, and he spoke English very well. He had just spent almost two decades under house arrest by the Communists. They kept him in the rural part of Lithuania. They would not let him come back to his cathedral in Kaunas.

Now he was back. With a smile on his face, he called me over to the side and said, "Congressman, you know, the Kremlin and Moscow are afraid of Lithuania."

When you thought about that statement on its face, it was incredible. How could the mighty Soviet machinery, the mighty Soviet Army, be afraid of 3 million people with no army, no navy, no air force, no nuclear weapons? And yet they were.

He pointed with pride to the fact that the Kaunas Cathedral was now being restored for religious services, and the same was true in Vilnius. Cathedrals decimated by the Communists and made into museums of atheism, were being restored, as was the hope and faith of the people of Lithuania.

Then, a year ago, Lithuania had a chance to announce its independence, but not without pressure from the Soviet Union. The dying gasp of the Kremlin and the Communists inflicted on that tiny nation, and Latvia and Estonia as well, were unspeakable crimes, innocent people killed in the streets, an embargo on the necessities of life, tanks rolling through the streets, the cobblestone streets of Vilnius and Riga.

The Soviets were trying one last time to stop Lithuanian independence. Blood was shed. Innocent people died.

But the Lithuanians never quit. They looked to us as a model and an inspiration. We should be humbled by that, that people continue to look to the West and the United States for that purpose.

I am glad that we have stepped forward and recognized them as the independent nation they are. But the fight is not over. Lithuania won independence one other time this century and lost it to the Nazis and the Communists. We do not want them to lose it again.

All of the Soviet troops must be removed from Lithuania. We must make certain that any humanitarian aid or technical assistance from the United States is shared with the Baltic nations. We must make sure that we have a close link with Lithuania and the other Baltic nations so that their dream of liberty and freedom which they have seen come true will endure forever.

Mr. BROOMFIELD. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise to express my strong support for House Concurrent Resolution 239 and I join my colleagues in commending the distinguished gentleman from Illinois [Mr. RUSSO], as well as the distinguished chairman and ranking member of our Foreign Affairs Committee, Messrs. FASCELL and BROOMFIELD, for their outstanding, expeditious work on this measure.

We join in congratulating the people of Lithuania for their successful and peaceful revolution and their continuing commitment to the ideals of democracy.

On February 16, 1918, a gathering of 200 Lithuanian delegates first proclaimed their independence and that their Government would be based on sound democratic principles. For 51 years that dream went unrequited. As a result of the infamous Nazi-Soviet Pact of 1939, the people of Lithuania were forced to courageously resist the Communist-imposed dictatorship and cultural repression of 51 years of Soviet rule.

Despite the dark days of Communist rule, the people of Lithuania were able to mobilize and implement a nonviolent movement for social and political reform which became known as the Sajudis. On February 24, 1990, Sajudis promoted, through citizen action, a peaceful transition to independence and democracy by fully participating in the first democratic election in Lithuania in more than 50 years.

Mr. Speaker, on March 11, 1990, the newly elected Lithuanian Parliament declared the restoration of independence and the establishment of a democratic state. Since that time, Lithuania has experienced the tumult of a bloody assault by foreign troops. Lithuania's successful restoration of stability and democracy is extraordinary.

Accordingly, I invite my colleagues to join in congratulating the people of Lithuania, for their courage and their commitments to those ideals we Americans hold so dear: democracy, freedom, and the pursuit of independence and national identity. I urge the unanimous adoption of this measure.

□ 1440

MR. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Speaker, this Member is pleased to rise in support of House Concurrent Resolution 239. For those who have long supported the legitimate Lithuanian aspiration of true self-determination, this is a long time in coming. It was 74 years ago that Lithuanians proclaimed an independent government that would be based on democratic principles. The intervening years have seen Lithuanian's losing its freedom because of the infamous Molotov-Ribbentrof Nazi tyranny, and So-

viet occupation. Now, as the proud people of Lithuania once again rediscover democracy, it is altogether appropriate that this body extends its congratulations on regaining its independence.

Returns your thoughts to the events of last year, when the notorious black berets sought to topple the Lithuanian Government. Desperate to put down dissent, the Red army and the KGB struck hard in January 1991. They sought to take over Government buildings, police stations, and television stations. The Lithuanian people took to the street and stopped the Soviet paratroopers in their tracks—but at a heavy cost. Fourteen Lithuanians died on the night of January 13, 1991, and over 500 were seriously injured. This body should not forget these brave individuals as we commemorate Lithuanian independence. If it wasn't for their courage and sacrifice, we may not be commemorating Lithuanian independence today.

Throughout Lithuania's darkest days, the United States remained the strongest supporter of its determination. This Nation never recognized the legitimacy of the forced annexation of Lithuania, Latvia and Estonia by the Soviet Union. And, as important as our support was during the years of deep despair, it is just as important that we remain committed in confronting the challenge of rebuilding that nation.

We all look forward to continuing close and even enhanced relations with the free people of Lithuania. This Member would close his remarks by simply adding his personal congratulations to those contained within this resolution and urge adoption of House Concurrent Resolution 239 by a unanimous vote.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Kansas [Mrs. MEYERS].

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in support of this resolution to congratulate the people of Lithuania for their successful, peaceful revolution. For the first time in over 50 years, the yellow, green, and red tricolor flies over a free Lithuania. The Lithuanian people have emerged from their imprisonment and now can join the community of free people.

We celebrate February 16 as Lithuanian Independence Day. On that day in 1918, 200 delegates proclaimed Lithuania's independence from the disintegrating Russian Empire, which had conquered the country in 1795.

But Lithuania's freedom lasted a mere 22 years. They were occupied and repressed first by the Nazis and then the Soviets. The dark hand of totalitarianism, clothed both in black and in red, closed over the country as the 1930's moved into the 1940's. Nazi Germany occupied the city of Klaipeda and renamed it Memel in 1939, and the Soviet Union, per the Molotov-von Ribbentrop Pact, conquered the rest of the country in 1940, and immediately started murdering and deporting Lithuania's political, business, educational, religious, and social leaders. Nazi invasion in 1941 brought more horrors, and Soviet liberation in 1944 just brought more vicious repression. Lithuanian guerrillas continued armed resistance to Soviet occupation into the 1950's.

Although armed resistance proved hopeless, Lithuanians never gave up the struggle to free their nation. Despite the Soviet Government's ban on Lithuanian culture, religion, and language, Lithuanians refused to give in. They kept teaching their children about their heritage, and kept striving for their independence. Finally they achieved their aspirations, but not without one last incident of Communist repression. After Lithuania voted for its independence and peacefully insisted the Soviet Union accept the principle of self-determination, the Black Berets of the MVD brutally murdered 14 innocent people in January 1991. Yet now, there is not only an American Embassy in Vilnius, but a Russian one as well.

The praise for these dramatic events must go primarily to the people of Lithuania, who bore the brunt of the struggle and the suffering. Still, the Lithuanian-American community deserves its share of the credit as well, for keeping the issue alive in America, to ensure the plight of Lithuania would not be forgotten. They made sure that the Lithuanian people knew their pleas were heard, and that they did not suffer in silence. Now that Lithuania has been freed, the next essential task is to help it rebuild its economy, shattered by Communist subjugation. I strongly support the technical assistance Lithuania and the other Baltic nations need to establish truly free markets and democratic nations.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. COX].

Mr. COX of California. Mr. Speaker, I would like to join my colleagues in congratulating not only the people of Lithuania but the people of Lithuanian extraction in America and throughout the world on this anniversary of their independence, on this recognition of the anniversary of their independence.

I have been to Lithuania more than once, the first time at the invitation of a man who would soon become its President. Sajudis was then a rump movement operating marginally legally, if not illegally, to defeat communism not just in Lithuania but in fact throughout the Baltics and by extension within the empire itself.

It is easy now that the Berlin Wall has fallen, now that Poland and the rest of Eastern Europe have all become free, now that the Soviet Empire itself has all crumbled, to think that this achievement was inevitable. It was not. Lithuania and Lithuanians never faltered in their desire for freedom. They put up with a great deal that frankly even we in America were not helping them with enough. It was the American ideal that kept them going.

During my visit to Lithuania, having seen the results of Communist brutality, of the tanks rolling on the streets, of Mr. Gorbachev himself, whose Oman troops were committing the most extreme atrocities against democracy, I am surprised, frankly that they were able to stick with it.

America has been with Lithuania since 1939, since before that, but certainly since the Hitler-Stalin pact. America has stood shoulder to shoulder with the people of Lithuania. We never recognized their forcible incorporation into the Soviet empire.

Frankly, while some of us were encouraging America to move even beyond that position to early recognition, big power politics played a role. And as a result of big power politics, America did not recognize Lithuania's independence certainly as early as the people in Lithuania did. I think we have a great deal to learn about American ideals and, therefore, I conclude by thanking the people of Lithuania for what they have told us about what it means to be Americans.

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

Mr. HAMILTON. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. RUSSO], who is the chief sponsor of the concurrent resolution.

Mr. RUSSO. Mr. Speaker, it is with great pleasure that I rise in support of House Concurrent Resolution 239, a measure I introduced to congratulate the people of Lithuania on their newfound freedom.

I want to take this opportunity to thank my good friend, the gentleman from Indiana for moving the matter swiftly through the subcommittee, and the chairman of the committee, the gentleman from Florida [Mr. FASCELL] for likewise moving it through the full committee.

For years the Lithuanian people have remained steadfast in their determination to see their children free. The Soviet Union desperately tried to extinguish not only Lithuania's sense of nationality, but its culture, its religion, and its commitment to democratic ideals and a free market economy. Last year after years of foreign domination, however, the Lithuanian people declared themselves a free and independent nation. For their strength and commitment to many of the freedoms our great Nation was founded on, they deserve our admiration and praise.

It is one thing never to have known freedom; it is quite another to have known freedom and lost it. For too long the Republic of Lithuania has understood this enigma all too well. The Soviet Union tried to force Lithuania

to the brink of cultural, ecological, and spiritual catastrophe—persecuting Lithuanian individuals for their religious convictions, ordering Lithuanian farmers to surrender their private farms in favor of collective farming practices, and forcing the Lithuanian people to accept the benefits of communism.

Throughout the years of persecution, Lithuania never ceded its belief in self-rule freedom. The Soviet Union tried everything to dissuade Lithuania from its commitment to democracy, including an 18-month economic blockade on the small republic and forcing the Lithuanian people to live under wartime conditions of rationing.

When Mr. Gorbachev announced his policy of perestroika, the Lithuanian people were among the first to exercise their new privileges. Independent political groups sprouted up and the heavy hand of communism was pried a little bit looser. Although last year the Soviets usurped control of the Lithuanian TV and radio tower, killed 13 people demonstrating against Soviet occupation, and forced the conscription of those Lithuanians not willing to serve in the Red army. Despite 50 years of subservience to Soviet will, however, Lithuania retained its national feelings and knew it wanted out. Heroically, Lithuania had the courage not only to say so, but to do so. Lithuania never lost sight of its ethnic self.

The resolution before us today commends the people of Lithuania for their courageous resistance to the imposed Communist dictatorship and their ability to mobilize and implement a nonviolent movement for social and political change which came to be known as Sajudis. This people's movement promoted, through citizen action, a peaceful transition to independence and democracy. On March 11, 1990, the newly elected Lithuanian Parliament fulfilled the mandate of its people and declared the restoration of Lithuania's independence and establishing an independent state.

The people of Lithuania and the civil servants of the Government of Lithuania persevered in the building of democratic and independent institutions under conditions of economic blockade and armed assaults for many months. The people and Government of Lithuania withstood a bloody assault against their democratic institutions by foreign troops. Given this history, Lithuania's successful restoration of democracy and independence is remarkable for its use of nonviolent resistance to an oppressive regime.

This resolution pledges the United States Congress' support for Lithuania as they establish and strengthen democratic institutions of government and a free market economy. Passage of this resolution is the least that the United States Congress can do to express our support for the Lithuania people's struggles and determination to live under their own free will. On behalf of the United States Congress, congratulations Lithuania.

□ 1450

Mr. BROOMFIELD. Mr. Speaker, I yield the balance of the time on this side to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, I have just returned from a 4-day trip to Moscow, and in the midst of the snowstorms and the rioting in the streets on Sunday by Communists carrying the hammer and sickle attempting to break through police barricades to demonstrate on Defense of the Motherland Day on Red Square and being stopped by police with truncheons, and meeting with the head of the KGB and trying to ask him to be forthcoming on information about American POW's left behind at World War II, Vietnam, and yes, Korea also, and asking him about the files of all the spies in Great Britain and the United States over the years, meeting Mr. Gorbachev on the roof of the big palace building inside the Kremlin, where he forced Mr. Yeltsin not to come to a military reception after defense of the motherland banquet and musical celebration in that big palace, a lot of thoughts go through one's mind.

When I shook Mr. Gorbachev's hand, I observed that he was much shorter than we had built him up to be in this country, both literally and politically, and I thought about that scene in Lithuania where he argued with the man in the street across the hood of a car. He said to this Lithuanian citizen, "We are stuck with one another. Don't you understand that?" I remembered thinking at the time, "No, you may think that you are stuck with Lithuania, but Lithuania does not want to be stuck with you, Moscow, the Kremlin, or communism." Lithuania, Latvia, and Estonia prevailed a decade or two before most of us who consider ourselves optimists thought they would.

It was not all sunshine and light, and it was not always upbeat for the Baltic States in this Chamber or in the Senate.

I remember just about a year ago Jack Germond, an otherwise pretty reasonable columnist and a commentator of Democrat persuasion, saying:

> If only the right wing would stop making a scene about these three little Baltic nations. They don't matter.

Within a year before that, George McGovern, former Senator, standard bearer of the Democratic Party, in 1972 said:

> Why don't we stop haranguing about the Baltic nations and east European countries? These people have the governments they want, and who in blazes are we,

and this is McGovern, these are his actual words,

> who are we to tell them they should not be allowed to select communism.

I remember after Ed Derwinski, one of our former colleagues who is now the distinguished Secretary of Veterans Affairs, put in the Baltic resolution year after year in this House, and when he finally was gerrymandered out of his seat in 1982 I picked up that torch and would put in the Baltic nations resolution, how many times did I read in the dominant liberal media press and hear it demeaned on television and on the networks that the term "captive nations" was demeaning to Moscow, the Kremlin, and to the Communist government, and that we should stop making a scene over the Baltic nations, should stop referring to them as captive nations, and it went on and on like that until in spite of the dominant liberal media culture in this country, communism began to collapse so rapidly before our eyes that everybody tried to get on the bandwagon and pretend that somehow, somewhere in their lives they also had been an anti-Communist.

It was not that way in my first 10 years in this House, from 1976 to 1986. We were considered in some quarters a little kooky if we were talking about freedom for Estonia, Latvia, and Lithuania. I visited all the legations in this town, two of them right up 16th Street from the White House, the one for Estonia up in New York, when I first got here 15 years ago to say why do we still recognize these countries, yet when it came time to recognize them for real as entities, as nations, my own administration dragged its feet.

It was not a proud moment for me to see one of my hero Presidents standing next to Brian Mulroney, the Prime Minister of Canada, saying, "We today recognize the three Baltic nations" and to have my side say, "We want to wait a little bit longer. The State Department feels the timing is not right."

No, now that they are free, now that we talk abut this incredible courage of these people, now that we recognize the horrible death of 13 innocent people, 14, on that night of January 13, 1991, now everybody wants to get onto the bandwagon.

I have a good memory, as good as anybody in this Chamber or the Senate, and as long as I am around I am going to remember that there was ridicule, scorn, and derision for those of us that tried to keep the torch of freedom alive for the Baltic States and all the other nations, and for the Soviet Union's dissolution itself.

There are a lot of people who never lifted a pinkie in their lives that serve in this Chamber and the other. As a matter of fact, some of them befriended the Ortega brothers, have spoken up for Castro, and have delayed this collapse of communism.

Somebody, I guess it is I, has to be a bad person and say, "Where the hell were you when we needed you, when we were speaking up for these countries,

when we were proud to stand in the well of the House and the Senate and call ourselves anti-communist? Where were you when you were licking the boots of the liberal columnists who were ridiculing conservatives in this country and saying 'Leave these people alone, they have got the kind of government they want?'"

I looked at that chaos in the Soviet Union Friday and Saturday and Sunday and Monday morning when we left and thought, "How are we ever going to be able to help these people as long as there are still die-hard Communists inside that country still trying to tear it apart? It is a long, long way before those people will have a free parliament, as we have here and in the other Western European nations, and it is going to require a lot of good will on our part, and yes, some of our Treasury and probably some lives still to be lost."

This Congressman remembers when anticommunism, and still is with some liberal columnists, was considered a stupid, if not an ugly, thing to do.

I look back to those votes on captive nations and people on the other side of the aisle saying, "Why are you such a dinosaur? Why are you putting these things forward? Why do we not let this thing rest?" That impulse toward centrist government, whether it is in Belgrade or in Moscow itself, is still there, not only in the State Department, not only in the majority party, but yes, a few weakening voices in my party.

Freedom is indivisible anywhere in this world, and the great English poet of the 1600's, John Donne, said it best:

No man is an island unto himself, but rather a peninsula, a part of the whole. Every man's death in the cause of freedom diminishes me, because I am every man's brother.

I paraphrase him weakly there in the end, but those words of John Donne should have been the battle cry, the clarion call of the other body and this body throughout all of these years, but it was not.

I sat there and looked at the head of the KGB, Mr. Primakov, and I said, "Yevgeny Primakov, give us the records on Alger Hiss, on the Rosenbergs, on all of these prisoners that have disappeared."

□ 1500

"You tell us what happened to Raoul Wallenberg. Give us back again the files of Lee Harvey Oswald," as this hateful movie "JFK" makes the rounds teaching young Americans that President Kennedy was killed by the Army, the Navy, the Air Force, the CIA, the FBI, and the Dallas police force. "Give us all these records before you ask us for money."

There is a lot of history to be written, and it is fitting and proper that we do this for Lithuania, for all of the free countries that are seeking freedom today, but let us not forget it was a hard-fought fight and some or our worst resistance came from our brothers and sisters right in this Chamber and in the other one.

Mr. FASCELL. Mr. Speaker, I rise today to support House Concurrent Resolution 239, congratulating the people of Lithuania for their successful, peaceful revolution and their continuing commitment to the ideals of democracy. This bill was adopted unanimously by the Committee on Foreign Affairs on February 19, and by the Subcommittee on Europe and the Middle East in November 1991. I would like to thank Representative MARTY RUSSO for his excellent work in the formulation of this important and timely piece of legislation and Representative LEE HAMILTON for his expeditious consideration of the bill in subcommittee.

Mr. Speaker, consideration of this bill comes at a pivotal and historic moment in the history of the Lithuanian people. On February 16, 1992, Lithuania celebrated its independence day, the first such celebration since the Lithuanian people achieved their much deserved and long awaited independence from the former Soviet Union in 1991. For 51 years Lithuania, together with Latvia and Estonia, has endured control from Moscow. For 51 years, the Lithuanian and other Baltic peoples courageously resisted the imposed rule of the Soviet State. In 1990, the new democratically elected Government of Lithuania declared the restoration of Lithuanian independence and subsequently in January 1991, the people and Government of Lithuania withstood a bloody assault against their new democracy and independence by Soviet forces unsuccessfully trying to turn back the clock.

House Concurrent Resolution 239, congratulates the people of Lithuania for their courageous, tenacious and ultimately successful and peaceful resolution, and for their continuing commitment to the ideals of democracy. Through the adoption of this bill, the United States Congress pledges its support for the people of Lithuania as they establish and strengthen democratic institutions and a free-market economy.

I strongly urge my colleagues to give their full support to this timely and important bill.

Mr. CARDIN. Mr. Speaker, I rise today in strong support of House Concurrent Resolution 239. The time has come for the House of Representatives to go on record congratulating the people of Lithuania for the success of their peaceful revolution and their continuing commitment to democracy.

On February 16, 1918, the people of Lithuania declared themselves to be the Independent Democratic Republic of Lithuania—an independent nation with all of the rights and privileges accorded every other independent nation. Unfortunately, their independence was short-lived. During World War II, the Soviet Union forcibly annexed Lithuania and her Baltic neighbors of Latvia and Estonia. The Soviets, in their zeal to integrate the Lithuanian people, began to systematically erase the unique culture, politics, language, and religion of the Lithuanian people.

Little more than a year ago, I was in Lithuania and saw democracy under siege firsthand. In Vilnius, the Lithuanian Parliament was surrounded by concrete and metal barricades, sandbags were stacked inside; and supporters of independence held a constant vigil outside. In my meetings with Lithuanian President Vytautas Landsbergis and Prime Minister Gedyminas Vagnoris, I was impressed by their commitment to a free, independent, and democratic Lithuania.

For 51 years, the United States worked to help secure freedom and independence for Lithuania. As Americans, it was difficult to comprehend the sense of joy and satisfaction felt by the Lithuanian people upon the success of their long struggle for independence.

As we congratulate the people of Lithuania for their courage in the face of tremendous adversity, we must also reaffirm our commitment to support and assist them in their struggle to fulfill their dream. If they are to be successful in establishing democracy and a free market economy, Lithuania must feel secure in the continuing support of the United States and the world community.

Mr. HOYER. Mr. Speaker, I rise in support of House Concurrent Resolution 239, a resolution congratulating the people of Lithuania for their successful peaceful revolution and their continuing commitment to the ideals of democracy. I commend my friend and respected colleague, Representative RUSSO for introducing this timely resolution, as it was only a few days ago, on February 16, that Lithuanians could celebrate, for the first time in over five decades, their national independence day in a free Lithuania.

The tragedy and triumph of the Lithuanian people in the face of the Communist Leviathan that kept them enchained for so many years is testimony to the strength, persistence, and faith of a people determined to throw off, by peaceful means, those who would repress them by force.

The cost, of course, has been high. Even, last year, the year of the Paris Charter, adopted by the Conference on Security and Cooperation in Europe at the CSCE summit in 1990, the death toll for Lithuanians involved in the struggle for freedom was at least nineteen persons. And we will probably never know how many brave Lithuanians were killed by Stalin's NKVD or died in the murderous gulag.

As Chairman of the Helsinki Commission, I have had occasion to follow closely Lithuania's odyssey to freedom over the last 5 years. In 1986, on the eve of the opening of the Vienna CSCE followup meeting, I held a press conference in Vienna to commemorate the 10th anniversary of the founding of the Lithuanian Helsinki Monitoring Group, several of whose members were in labor camps or exile at that time. Over the next 3 years, the Helsinki Commission held several congressional hearings on the issue of human rights and the independence movements in Lithuania and her Baltic neighbors, Latvia and Estonia. We were privileged to hear the testimony of former Lithuanian political prisoner Vytautas Skuotas, and of the then-Chargé d'Affaires Stasys Lozoraitis, now Ambassador of Lithuania here in Washington. Later we would welcome representatives of the freely elected Lithuanian Government, such as Vice-President Bronius Kuzmickas and then-Prime Minister Kazimiera Prunskiene, and of course, President Landsbergis himself in May 1991.

In February 1991, following the brutal onslaught by Soviet forces on civilians at the

Vilnius television tower, I led a commission delegation to Lithuania, to visit the embattled Parliament building where Landsbergis was holed up. We also went to the television tower where there were fresh flowers on the makeshift shrines to the fallen victims and the candles still burned. While the grief at that time was almost palpable, I think all of us on that delegation were very much aware that, as had been said in another context, "this would not stand." Somehow we sensed, even in the dark shadow of Soviet armor, that the people of Lithuania would persevere in their peaceful struggle, not for revenge but for justice.

And persevere they did. When the Helsinki Commission returned to Vilnius in September 1991, Lithuania had finally secured its freedom and had gained recognition by the international community. When we descended into the basement of the abandoned KGB building, we were greeted by Balys Gajauskas, now a Lithuanian legislator in charge of investigating the KGB's crimes, one of the Lithuanian Helsinki Monitors whose cases we had raised in Vienna 5 years earlier.

With its independence still in place, Lithuania now faces great challenges. The dark tread of the tyrant remains long after he has passed on. The Lithuanian economy is suffering from Moscow's deliberate policy of overcentralization. Issues of property ownership remain unsettled. Nationality complaints have been raised. The former Soviet Army, now CIS Army under the control of Russia, is still on Lithuanian soil.

But if the past is any indication of what we can expect for the future, then we know the people of Lithuania will meet the challenge, as they proceed with establishing and strengthening their democratic institutions of government and a free market economy, in a spirit of tolerance and a system governed by rule of law.

And so I want to again thank Mr. RUSSO for bringing this important resolution to the House floor. The United States Congress hereby congratulates all of the Lithuanian people and their Government for their present remarkable achievements and pledges its support for their future endeavors.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise today to urge my colleagues' support for House Concurrent Resolution 239, a bill which commends the people of Lithuania for their peaceful revolution and their continuing commitment to the ideals of democracy and a free market.

I want to thank my Illinois colleague, Congressman MARTY RUSSO, for his leadership in sponsoring this historic legislation.

Lithuania displayed courage as they led Eastern bloc countries of the former Soviet Union in declaring their own independence in 1990. There are those in my Chicago district who remember when Lithuania was last a free nation—in 1940—when the Soviet Union forcibly annexed Lithuania as a result of a 1939 pact between Hitler and Stalin.

Fifty years later, despite attacks on their country by Soviet forces, Lithuania has persevered and today we can celebrate their independence.

Again, Mr. Speaker, I urge my colleagues' support in passing House Concurrent Resolution 239 and commend Lithuania for their courageous stand which, I believe, contributed greatly to the fall of communism in all of Eastern Europe.

Mr. HOAGLAND. Mr. Speaker, today, as we consider House Concurrent Resolution 239, a bill to commend Lithuanian democracy, I am reminded of John F. Kennedy, who once said, "The most powerful single force in the world * * * is man's eternal desire to be free and independent." Two weeks ago, in Albertville, France, Lithuanians showed the fruits of their quest for freedom to the rest of the world. For the first time in almost 50 years, Lithuanian athletes walked under the Lithuanian flag in the opening ceremonies of the winter Olympic games. It is indeed gratifying that Lithuanians are now fighting for medals instead of fighting against tyranny. Although they did not win any medals during the winter games, I know they won the hearts of Americans who have watched for so many years, the struggle for Lithuanians to be free. Watching this event brought back memories of the historic events that took place over the past year in Lithuania and the former Soviet Union.

This 74th anniversary of Lithuanian independence is a special one for everyone who has fought for the end of Soviet rule. That longheld wish, in 1991, finally came true. Over the last year, the Lithuanian people have braved Soviet military raids and occupation, the killing of fellow citizens, and a failed Soviet coup attempt that massed Soviet troops in and around the country. Through all of this, they have persevered, voting overwhelmingly for independence from Soviet rule and establishing their own government and gaining the recognition of the United States Government, the United Nations, and the newly formed Commonwealth of Independent States.

The most rewarding event as an American and a Member of Congress representing Lithuanian-Americans, was this country's establishment of diplomatic relations with Lithuania on September 2, 1991. Some here in Congress and down Pennsylvania Avenue may think our job is finished. We have helped put pressure on the Soviet Union to release Lithuania from its strangling grip and now we can turn our efforts to their domestic needs. As hundreds of Lithuanian-Americans in my hometown of Omaha told me last week, we cannot turn our backs on the rest of the world at so crucial a time. After championing Baltic independence for 50 years, the United States must give moral, diplomatic, and technical help to these struggling democracies and emerging free-market economies.

As the Nation whose form of government so many others emulate, America must not close its eyes and or turn its back to the thousands of Lithuanians who look to us for guidance and help. Now that independence has been secured, we must help Lithuania maintain it. The fight for Lithuanian autonomy is not over. Military units of the former Soviet Army are still stationed in Lithuania. Russian President Yeltsin has made a commitment to all the Baltic Republics and the United States that he will withdraw the troops. But that has not yet happened.

Our Government must continue to support the ongoing efforts to normalize relations between all the new Baltic Republics and their former occupiers. In this way, and only this way, can Lithuania grow economically and politically. Not only that but we must work for stability and prosperity in the entire region by providing technical assistance to help the governments formerly under Soviet rule create market-oriented economies and systems of government that protect individual freedom and the common good.

Mr. Speaker, I commend all my colleagues that have supported Lithuanian independence in the past and urge them to continue to support freedom in that country so that future generations of Lithuanians can carry their flag in the Olympic games. I am pleased to vote "yes" today for this bill commending the Lithuanian people.

Mr. LEVIN of Michigan. Mr. Speaker, I rise today to voice support for House Concurrent Resolution 239, which congratulates the people of Lithuania for their successful peaceful revolution and their continuing commitment to the ideals of democracy. I only wish the resolution had recognized the efforts of those in other countries of the former Soviet Union who served in the cause of freedom.

For nearly 50 years, the peoples of Lithuania, Estonia, and Latvia struggled against their Communist masters to preserve their culture and restore their independence. The United States supported those aspirations, refusing to recognize the annexation of the Baltics by the Soviet Union.

Two years ago, the people of Lithuania took a courageous stand. They overwhelmingly supported Sajudis, the opposition party supporting independence, and rejected the Soviet-controlled parliament. They elected a new president, Vytautus Landsbergis, who vowed to regain for Lithuania the independence she had lost. The peoples of Estonia and Latvia soon followed suit and the struggle for freedom was joined.

With the collapse of the entire Soviet Union 6 months ago, it is easy to forget the tremendous courage and accomplishments of the Baltic peoples, and of those in other parts of the Soviet Union, such as the Ukraine. They stood resolutely but peacefully against a Soviet Government that threatened to crush their independence movements. When Soviet tanks rolled by the Lithuanian Parliament building and took the radio tower, the Parliament simply continued its work on establishing a new government.

Mr. Speaker, it is also easy to forget the difficult situation the peoples of the former Soviet Union now face. From Lithuania to the Ukraine to Russia, they are struggling against bitter odds to establish market economies and preserve their fledgling democracies.

Mr. Speaker, after standing with the Baltic peoples in their fight for freedom, we must not forget them or the newly freed peoples of the former Soviet Union at this critical juncture.

My visit to the Baltics and Russia in early September, and a subsequent meeting with President Landsbergis in Southfield, MI, convinced me that technical assistance and the development of trade between our countries offers the best hope for lasting change. That's why I introduced legislation to establish commercial export centers in the Baltics and the former Soviet Union, and I will continue to press at every opportunity for greater trade and contact between our peoples.

Mr. Speaker, I commend the sponsors of this resolution for their efforts in highlighting

the achievements of the people of Lithuania. Now I hope we will move on to the truly important task of cementing our bonds, commercial and cultural, in a way that benefits the American people and those in the Baltics and the former Soviet Union alike.

Mr. FEIGHAN. Mr. Speaker, on February 16, the people of Lithuania celebrated the 74th anniversary of their independence. When we look back at those 74 years, we see a tale of relentless struggle of a spirited and determined people to maintain their hard won independence for future generations of Lithuanians.

When 200 Lithuanian delegates first proclaimed their country's independence on February 16, 1918, they knew that the independence of such a tiny, democratic nation, surrounded by powerful autocratic states, would be severely tested.

The ignominious Hitler-Stalin pact of 1939, followed by the Soviet invasion a year later, sealed the fate of the Lithuanians for the next 51 years. But to the dismay and surprise of their Soviet oppressors, the Lithuanians would not stop their struggle. They would not allow their separate identity to be melted into the cruel Soviet system.

Instead, they courageously persevered through the hard times and resisted their oppressors. Most importantly, they continued to pass their culture, their identity and their hope for independence on to their children.

With the advent of glasnost, the Lithuanian people could mobilize and implement a nonviolent movement for social and political change which came to be know as Sajudis.

Finally, in February 1990, Sajudis held the first democratic election in Lithuania in over 50 years. The following month, the Parliament declared the restoration of Lithuanian independence.

What followed however, was Moscow's last ditch attempt to suppress Lithaunian independence. After months of economic blockade and other Moscow-imposed hardships, including armed assaults and outright murder, the Lithuanians and their democratic institutions persevered.

The resolution before us today congratulates the people of Lithuania for their courage and perseverance in using peaceful means to regain their independence. In it, we pledge our support for the people of Lithuania as they establish and strengthen democratic institutions of government and a free market economy. Finally, we congratulate the people of Lithuania as they celebrate their well-deserved independence day on February 16, 1992.

House Concurrent Resolution 239 is deserving of the unanimous support of the U.S. Congress. I urge all my colleagues to vote for this resolution.

Mr. YOUNG of Florida. Mr. Speaker, I rise in strong support of House Concurrent Resolution 239 in which the Congress, behalf of the American people, congratulates the people of Lithuania for their courage and perseverance in using peaceful means to regain their independence.

Our Nation and this Congress have steadfastly supported the people of Lithuania throughout their quest to restore freedom and democracy and this resolution pledges our continuing support as they establish and strengthen democratic institutions of government and a free market economy.

In recognition of Lithuanian Independence Day earlier this month, Vice President Dan Quayle traveled to Vilnius to pay tribute to President Landsbergis and all the courageous people of Lithuania, Latvia, and Estonia who kept the flame of freedom burning in the Baltic States.

Before a crowd of thousands of cheering Lithuanian's who turned out in snow-covered Independence Square, the Vice President led a celebration of the collapse of Communist rule, and pledged the continued unwavering friendship and support of the American people. As one who has drawn tremendous strength from the freedom-loving character of the Lithuanian people, and stood by them throughout their quest for independence, I commend the Vice President for drawing the world's attention to this important independence celebration.

Mr. Speaker, following my remarks, I would like to include for my colleagues the text of the Vice President's speech to the joyous Lithuanians in Independence Square, so that we all may continue to be reminded of the value freedom holds, especially in those oppressed lands, and so that we might be inspired to continue to be the guardian of democracy throughout the world.

In approving this resolution today, we celebrate the new found freedom of the people of Lithuanian, Latvia, and Estonia and reaffirm our long-standing commitment to the Baltic people that we will stand by them as their allies and partners in maintaining peace and democracy in the region.

REMARKS BY THE VICE PRESIDENT TO THE PEOPLE OF LITHUANIA, FEBRUARY 7, 1992

President Landsbergis, Honorable deputies, and friends: Sveikinu Laisva Lietuva! (I greet free Lithuania!) I bring you special greetings from President George Bush and your friends, the people of the United States of America.

Let me begin by paying a special tribute to President Landsbergis, a true champion of freedom. For many years, he helped keep alive the hopes of you, his countrymen. He never gave up. He inspired a nation, and in so doing, inspired the world. And so today, I am deeply honored to be standing next to President Landsbergis in a free and independent Lithuania.

In the middle of this century, darkness fell upon the peoples of Estonia, Latvia, and Lithuania. Millions suffered at the hand of an oppressive empire. Tens of thousands were martyred, brutalized, and torn from family and homeland. There was tragedy and despair. But the people of Lithuania never gave up hope—the hope of freedom. For, in the words of the Psalmist, "Weeping may endure for a night, but joy cometh in the morning."

The long night has ended. Morning has broken, and there is joy: Estonia is free. Latvia is free. Lithuania is free. Long live freedom!

Over the course of five decades, you showed courage and moral strength * * * that no oppressor could overcome. Your resolve never weakened. Your hearts were never dominated. And your spirits were never defeated. After every injustice * * * every injury * * * every indignity * * * the spirit of your people would always reappear as boldly, and as proudly, as the Hill of Crosses.

My country, America, was born in a revolution of independence, and our people have always had profound faith. This heritage makes Americans feel a special kinship with the Estonian, Latvian, and Lithuanian peoples. We have viewed with admiration your unshakable devotion to almighty God. And when your lifted your voice for freedom, you lifted the hearts of America—for you affirmed a great truth spoken by one of our founding fathers, Thomas Jefferson: "The God who gave us life gave us liberty."

For more than 50 years, we stood by you. American refused to recognize the Soviet occupation. The battle cry of freedom was sounded in march of 1990, when Lithuania reasserted its independence. The struggle intensified on January 12, 1991, where—at that television tower—your brave patriots gave their lives in the cause of independence. A short time ago I stood at the television tower and presented a wreath of remembrance from the American people. The events at your tower of bravery happened before a watching world, and the scene inspired others to fight as never before in the struggle of good against evil.

Now my friends, you are part of a new Europe—whole and free, and blessed with great opportunity. And let us remember that the world of tomorrow belongs to those who embrace democratic institutions and free markets. The great question of our time is settled: Freedom lives. Communism is dead. And the Russian soldiers are going home.

It is a privilege to stand at this place, on this day, with so many who made history. You changed a nation and helped change the world. I pledge to you the unwavering friendship of the American people in the months and years ahead. May God go with you, and may He always bless your dear, native land, Lithuania, the home of a free people.

Mr. HAMILTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TORRES). The question is on the motion offered by the gentleman from Indiana [Mr. HAMILTON] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 239.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 239, the concurrent resolution just considered.

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

There was no objection.

HONORING THOSE WHO HAVE LOST THEIR LIVES FIGHTING DRUG-RELATED CRIME AND VIOLENCE

Mr. FEIGHAN. Mr. Speaker, I move to suspend the rules and pass the joint

resolution (H.J. Res. 414) to honor, on the eve of the second drug summit, the hundreds of South Americans and North Americans who have lost their lives while defending their nations and the world community from the threat of drug trafficking and drug-related crime and violence as amended.

The Clerk read as follows:

H.J. RES. 414

Whereas the Cartagena Summit, in which the leaders of the United States, Colombia, Bolivia, and Peru participated 2 years ago, resulted in progress toward the participants' common goal of stopping the cocaine trade;

Whereas cooperation between the United States and other countries on such diverse issues as control of precursor chemicals, port control, aerial interdiction, and investigation and prosecution of money laundering is necessary for an effective strategy on reducing the drug supply;

Whereas the Presidents of Colombia, Bolivia, Peru, Ecuador, Venezuela, and Mexico, will be hosted by President Bush and will meet on February 26 and 27, 1992, in San Antonio, Texas, to discuss increased cooperation in the hemispheric campaign to eliminate illicit growth of drug crops, drug processing, drug trafficking, street level drug distribution, and drug consumption;

Whereas drug traffickers throughout the Americas have used violent means to facilitate the production and sale of illicit drugs;

Whereas law enforcement officers, military personnel, journalists, and judges have been killed in the line of duty by drug traffickers because of their courageous, selfless, and patriotic efforts to oppose the illegal and immoral terrorism or intimidation of drug traffickers in South and North America;

Whereas the greatest tribute to those who have given their lives in the war against drugs is to complete the job they have begun by defeating the international scourge of drugs which still threatens the lives of millions of people around the world;

Whereas drug abuse and drug-related crime remain among the gravest social ills confronting the United States;

Whereas significant progress has been made in reducing overall drug use, especially drug use among young people, as shown by such diverse statistical sources as the National Household Survey, the Drug Abuse Warning Network, and the High School Senior Survey;

Whereas much work remains to be done to reduce the number of addicted drug users, especially drug users addicted to cocaine; and

Whereas, under the President's National Drug Control Strategy, interrupting the flow of cocaine into the United States is essential to reducing cocaine use: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) the President should build upon the success of the Cartagena Summit and use the upcoming San Antonio Submit—

(A) to reaffirm the mutual commitment of the participating countries to halting the international cocaine trade;

(B) to continue assisting the Andean Strategy nations in their efforts to curtail cocaine production;

(C) to encourage cooperation among the participating countries in dismantling drug trafficking cartels and arresting and incarcerating major traffickers;

(D) to strengthen the legitimate economies of the Andean Strategy nations through trade incentives and other assistance; and

(E) to motivate the participating countries, all of which are victims of drug use, to reduce consumption of illicit drugs within their borders, and thus remove the incentives for the existence of the drug trade; and

(2) the honored dead in the war against drugs deserve the recognition and appreciation of all the nations for their ultimate sacrifice.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. FEIGHAN] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. FEIGHAN].

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

Mr. Speaker, I rise in support of House Joint Resolution 414 and I want to commend the sponsor, Mr. COUGHLIN, and the chairman of the Select Committee on Narcotics, the gentleman from New York [Mr. RANGEL], as well as the gentleman from Texas [Mr. SMITH], for their initiative in bringing this before the House and bringing it in such a timely fashion.

I also want to commend our chairman of the Foreign Affairs Committee, Mr. FASCELL, for moving the resolution in expeditious fashion so that we could pass the bill in advance of the convening of the antidrug submit.

Mr. Speaker, the resolution is a call to all Americans to take time to remember the supreme sacrifice made by all the victims of the international campaign against drugs. It honors the hundreds of North and South Americans who have lost their lives while defending their nations in the fight against illegal drugs.

As President Bush meets with the Presidents of Colombia, Bolivia, Peru, Ecuador, and Mexico, it is altogether fitting that we honor the foot soldiers in the war on drugs. We honor people like Enrique Camarena, the slain United States drug enforcement agent, Senator Luis Carlos Galan, a Colombian Presidential candidate, and hundreds of police officers, judges and journalists who have paid the dearest price as a result of their uncompromising stance against the drug trade.

We look forward to the Presidential submit as an opportunity to rededicate ourselves to this mission, to refocus our efforts, and to reinforce the commitment of each nation in this hemisphere, none of which is immune to the effects of this scourge.

As the resolution points out, there is no better way to honor those who have fallen in the drug war than by committing ourselves to completing the job at hand. That means beating back the worldwide demand for drugs. It means confronting the drug cartels and dismantling their trafficking organizations. And it means providing economic opportunities and fighting the poverty that make people turn to the drug trade for money and to drug use to escape their circumstances.

I ask my colleagues to support the resolution and I commend the sponsors for their efforts.

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

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

Mr. Speaker, I am in favor of House Joint Resolution 414 as an important expression of congressional support on the eve of the San Antonio drug summit. The Foreign Affairs Committee marked up the resolution this morning, uniting the efforts of Congressman LARRY COUGHLIN and Congressman LAMAR SMITH.

Before commenting on the resolution itself, I would like to take a moment to offer tribute to Congressman COUGHLIN who just announced he would be retiring after the 102d Congress. His leadership and tireless work on all the issues relating to narcotics control will be sorely missed.

LARRY COUGHLIN was first elected to Congress in 1968. For almost a quarter of a century LARRY has faithfully represented the greater Philadelphia area. Only 11 Republicans—myself included—have served longer in this body.

LARRY COUGHLIN's distinguished record of public service includes his footprints on many issues: Arms control, opposition to Government waste, support for mass transit, and many more.

The issue for which LARRY COUGHLIN is best known, however, is the issue that brings us to the floor today: Fighting the spread of illegal drugs. As ranking Republican member of the Select Committee on Narcotics Abuse and Control, no member has had a stronger or more effective voice in the war on drugs.

LARRY has devoted countless hours to the issue and his leadership and experience will not be easily filled. I wish LARRY COUGHLIN continued success in whatever pursuits he may choose to follow, but I am sure I express the regret felt by many when I say the House of Representatives will miss his presence.

Beginning tomorrow in San Antonio, TX, President Bush will host a drug summit with six Presidents representing our international partners in the fight against illegal drug trafficking. This summit will represent another step forward in our international efforts to fight drug trafficking and all its associated evils. The drug summit also illustrates the increasing cooperation and attention we are receiving from our Latin American neighbors in this fight.

House Joint Resolution 414 also recognizes the terrible price paid by the foot soldiers in the war on drugs. Throughout our hemisphere, many have paid with their lives in trying to stem the flood of narcotics into the United States. Hundreds of policemen,

soldiers, judges and journalists have been brutally murdered by drug traffickers. Those slain range from New York City police officers to Colombian judges to Mexican policemen. Mr. Speaker, these men and women are the unsung heroes of the war on drugs.

I am pleased the Foreign Affairs Committee was able to act so rapidly on this resolution and am sure I am joined by my colleagues in wishing President Bush and his team the best for the San Antonio summit.

I urge my colleagues to support the resolution.

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

Mr. FEIGHAN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. RANGEL], the very distinguished chairman of the Select Committee on Narcotics Abuse and Control.

Mr. RANGEL. Mr. Speaker, let me join with the previous speakers in support of House Joint Resolution 414.

My friend, the gentleman from Pennsylvania [Mr. COUGHLIN], the gentleman from New York [Mr. GILMAN], and the gentleman from Texas [Mr. SMITH], and I agree that this is the appropriate time for us to give support to our President and the Presidents from Peru, Bolivia, from Colombia, Mexico, Venezuela, and Ecuador, as they come together as world leaders to try to find some solution to the international problem of fighting drug trafficking from all over the world.

As we in the United States, those of us in the Congress and in public office, have to attend so many funerals of those in law enforcement who have fallen victim to drug traffickers and those engaged in criminal activities, we sometimes forget that we have friends and allies overseas who are in the countries that are producing the drugs that, against overwhelming odds, are prepared to go out, undermanned and underarmed against the drug lords and drug traffickers.

I remember when the gentleman from New York [Mr. GILMAN] and I were in Colombia talking with the widows and the families that were left behind as a result of the national Colombian police chief being slain. I remember how we looked at a building that had its innards taken out by a tank as the drug lords had the arrogance to go and to destroy the records that were in what would be the equivalent of our Supreme Court and how we paused and looked at it with heavy hearts and seeing how many judges had lost their lives as the result of so many people in the United States consuming the very cocaine that these people were trying to protect ourselves from ourselves.

So it is altogether fitting and proper, while we are frustrated and wishing that we had more success, that we not forget those people who made the ultimate sacrifice in North America or South America or Central America and that they, too, have to go down as heroes for the courage that they have had to stand up against overwhelming odds.

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I do hope that sometime, somewhere, we in the United States and in Europe will be able to convey upon those people who are engaged in the recreational use of drugs or those who are addicted to drugs unknowing, that it is their habits and their consumption that causes the production that finds so many lives being lost.

I congratulate the members of the Foreign Affairs Committee and the leadership that they have provided to give us a chance in this small way to speak out for the people of these United States and of civilized society in general, in thanking those people and the families of those people left behind and sharing their loss and their sorrow and hoping one day that no further lives have to be lost because the war would have been won.

Mr. Speaker, I rise in strong support of House Joint Resolution 414, honoring those international heroes who have made the ultimate sacrifice in the war on drugs, and encouraging the President to work with the participants at the San Antonio summit toward stopping the trade in illicit drugs. I commend my distinguished colleague, the ranking Republican of the Select Narcotics Committee, Mr. LARRY COUGHLIN, as well as the gentleman from Texas, Mr. LAMAR SMITH, for introducing the measures that have been combined in this resolution.

We are on the eve of a historic meeting of the heads of state from Boliva, Colombia, Ecuador, Mexico, Peru, the United States, and Venezuela. The purpose of this summit meeting is to further hemispheric cooperation in the international control of narcotics production, trafficking, and consumption. This meeting will build upon the broad framework of cooperation in the control of precursor chemicals, alternative economic development, enhanced trade of legal goods, drug interdiction, and demand reduction, as established at the Cartagena summit in 1990.

I am pleased that seven heads of state have raised this issue to such a high priority level that they have agreed to 2 days of meetings in San Antonio, TX. This level of priority is most important, especially to those who have been waging this war all along.

Throughout the hemisphere, courageous men and women have openly and fearlessly fought drug production, drug trafficking, and drug abuse. They have risked their lives in order to make their communities and nations more safe and healthy for generations to come. Many of those who have been at the forefront of this war, both in the United States and throughout Latin America, have made the ultimate sacrifice at the hands of ruthless and greedy drug criminals.

The brave men and women came from all walks of life, and from all cultural, ethnic, and economic backgrounds. From courageous law enforcement officers to honest journalists to concerned community leaders, these good people were slain for their work, their honesty, their dedication, and their integrity.

Mr. Speaker, to honor the memory of those who have given their lives to end the tremendous suffering caused by international drug trafficking and drug abuse, we must continue their mission. We must not allow their deaths to have been in vain. Their friends and families who mourn their loss need to know that the struggle of their lost loved ones continues; their cause is still very much alive.

Mr. Speaker, I have to admit that we are a long way from winning this war. Every day hundreds of thousands of people still abuse illegal substances, and every day there are still drug related deaths. Those whose lives have been touched by this tragedy understand all too well the importance of this fight against drugs.

I urge my colleagues to take this opportunity to renew our commitment to combatting the drug trade from its inception in the coca, opium, and cannabis fields to its devastation among the young people of this hemisphere.

Let us never forget those brave men and women whose lives were ruthlessly taken because they dared to do the right thing. We owe them our deepest respect and our undying gratitude.

I strongly urge my colleagues to support this important resolution. Thank you, Mr. Speaker, and many thanks again to the authors of this resolution.

Mr. BROOMFIELD. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York [Mr. GILMAN], who I should mention is not only a long-time member of the narcotics task force, but he has devoted many, many hours to this issue and we are very proud to have him on our Foreign Affairs Committee.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his kind remarks and for yielding this time to me.

Mr. Speaker, I am pleased to rise in support of this measure, House Joint Resolution 414, a measure honoring the courageous men and women of North and South America who have made the supreme sacrifice in our war on drugs, and to do it a few days before the San Antonio Summit Conference on Narcotics. I commend the gentleman from Pennsylvania [Mr. COUGHLIN], the ranking member of our Select Committee on Narcotics; our distinguished chairman of our Select Committee on Narcotics, Mr. RANGEL, whose eloquent words just preceded my rising on this measure; and the gentleman from Texas [Mr. SMITH] for bringing this resolution to the floor in this timely manner.

Over 1,500 drug law enforcement officers have died in the line of duty in the United States over the past 10 years. That number is shocking. Each Member of Congress is painfully familiar with such incidents in their own districts.

On the afternoon of March 5, 1990, one of my constituents, New York State police officer Joseph T. Aversa, was gunned down while trying to purchase

two kilos of cocaine in an undercover operation in Manhattan's Lower East Side.

Officer Aversa, age 31, had been a member of the New York State Police since March 1984, proudly serving with State Police Troop F in Middletown, NY.

In October 1989, Officer Aversa's outstanding service was recognized by his promotion to investigator. It was in that capacity that he began work as an undercover narcotics officer with the State's Drug Enforcement Task Force.

An apparent buy-and-bust operation went amiss when an undercover officer was led into an ambush in a New York City housing project.

Joseph Aversa bravely ran to the aid of his fellow officer only to be met with deadly gunfire.

As we reflect on the tragic loss of Investigator Aversa, we cannot help being outraged by the ruthless acts of violence committed daily by the drug dealers of our cities and in communities throughout the world.

Each and every day, we are losing more and more of our young people to drugs.

Officer Aversa's family and community have suffered a great loss. All nations have suffered tremendous losses due to illicit narcotics. Officer Aversa was one of a select few law enforcement officers who care so much for their fellow man that they made the ultimate sacrifice.

The public outcry to these inhuman acts should be loud and resolute. As we remember Joseph Aversa, and the life he devoted to our protection, let us become more determined to do our part to fight drugs and crime. We should not have to lose proud, young men and women to corrupt, ruthless, murderous criminals.

The United States is spending billions of dollars every year just to manage the addicts we have today, to say nothing about the billions we spend on enforcement and interdiction efforts. However, one nation alone cannot hope to prevail against the enormous tide of drugs being produced and smuggled across international borders. In order to address the drug war fully, a regional approach, organized at the highest levels of government, is imperative.

President Bush deserves great credit for his role in organizing the forthcoming second drug summit in San Antonio TX, this week where the Presidents of Colombia, Bolivia, Peru, Ecuador, Venezuela, and Mexico will meet to discuss the illegal narcotics situation and work toward developing further regional cooperation in our war against drugs.

The violence of the drug trade is the greatest threat to our free society, and the grip of the suppliers is getting tighter. Last year we heard about the marriage of Colombian cocaine kingpins and the Italian Mafia. Only through the cooperation of all the nations concerned can we hope to effectively combat this threat.

Mr. Speaker, I urge my colleagues to support this important measure, and support our President as he works with the Presidents of our neighboring nations to build cooperation in our fight against drugs.

Mr. BROOMFIELD. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Texas [Mr. SMITH], a cosponsor of this legislation.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman for yielding this time to me.

The timing of this resolution is especially important since tomorrow President Bush will be in my hometown of San Antonio for an international summit on a threat to all citizens of the world—drug dealing.

The drug crisis is real.

This week the leaders of Bolivia, Colombia, Ecuador, Mexico, Peru, and Venezuela will meet with President Bush in San Antonio to coordinate the counternarcotics initiatives by our countries.

The drug summit will be effective as part of the ongoing efforts by the United States to curtail the stream of drugs into our country.

This resolution supports the drug-fighting goals of the drug summit and honors those who have lost their lives in the war on drugs.

This resolution will encourage cooperation among the summit countries for the purpose of dismantling the drug trafficking cartels and arresting major traffickers.

We must address the multinational nature of the drug problem in order to curb the supply of cocaine and other illegal narcotics that is smuggled into the United States.

One-third of the total quantity of illicit drugs that enters the United States is transshipped through Mexico into Texas.

While the administration has increased resources at the border, much of the border remains isolated, creating an open invitation for smugglers.

Investigators intercept only about 10 percent of the drugs entering this country.

This makes cooperation with Mexico and the Andean nations essential to stanching the flow of drugs into our country.

It is clear that we are fighting a two-front drug war.

On one front, the assault against casual drug use has gone very well.

Since 1985, we have reduced the total number of drug users from 23 million to about 12 million.

On another front, the difficult work remains—addressing the hardcore drug problem.

To do this, we need to better target our treatment dollars, our education dollars, and our money for community partnership programs.

We must make sure we are getting it to the people who need it.

To help in this regard, I urge Congress to pass the administration's drug legislation and to fund fully the President's drug budget for this year.

We also should keep pressure on our Andean allies to reduce the supply of drugs leaving their countries.

And that is why we are here today, to support the President as he meets with his Latin American counterparts in San Antonio this week.

I urge my colleagues to support this resolution and the goals of the drug summit.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Speaker, on the eve of the second hemispheric drug summit, it is appropriate that we pause to honor those who have given their lives in the international war against drugs. As the chilling numbers make clear, the use of the word war in this context is not hyperbole. Indeed, the numbers are at once staggering and sobering.

During the course of the past 5 years, Federal, State, and local law enforcement agencies in North, Central, and South America have lost approximately 3,000 men and women in the war on drugs. Colombia alone has lost 1,951 law enforcement agents in the last 5 years, on top of the 72 judges murdered since 1982. These heroic individuals made the ultimate sacrifice so that their countrymen and the citizens of allied nations might live free of the plague of illicit narcotics.

These casualties make clear that this battle for freedom is as real as the epic battle against global communism from which we so recently emerged victorious. And victory in this war will require similar resolve.

At this time, it is important that we commend the determination and the courage of the citizens of the Americas in prosecuting this war. No one has sacrificed more than the law enforcement officers, military personnel, justice officials, elected officials, and others who have placed their lives on the line in the defense of international law and domestic order.

And as this resolution declares, those who have fallen, and their families, deserve our profound gratitude, our solemn respect, and our earnest prayers.

Mr. Speaker, I received a letter from the Colombian Ambassador concerning tomorrow's drug summit and Colombia's efforts in the drug war.

I include the letter, as follows:

EMBAJADA DE COLOMBIA,
Washington, DC, February 20, 1992.

Hon. MICHAEL G. OXLEY,
Representative, U.S. House of Representatives, Narcotics Abuse and Control, Washington, DC.

DEAR REPRESENTATIVE OXLEY: On February 26–27, President Cesar Gaviria will join President Bush and the leaders of Mexico, Venezuela, Peru, Bolivia, and Ecuador in San

Antonio, Texas to discuss increased international cooperation in the war against drugs. This Summit will follow-up on the work begun at the Cartagena Summit meeting hosted by Colombia in February 1990. As we approach the San Antonio Summit, I thought this an appropriate time to review the progress of the last two years and outline the task that remains ahead.

This Summit takes place at a critical time in the war against drug trafficking. For the past several years, the Colombia government has been engaged in a bloody struggle against some of the most dangerous, violent criminals in the world. Many of our country's "best and brightest" have died on the front lines of this war—presidential candidates, judges, policemen, military officers, journalists and thousands of ordinary citizens.

Yet since the Cartagena Summit, there have been important victories in the drug war. Colombia's law enforcement efforts resulted in a record level of cocaine interdiction in 1991—77 tons of cocaine, 13 tons of cocaine base and 167 tons of imported coca leaves were seized by Colombian authorities last year. In addition, 293 cocaine processing laboratories and 90 airstrips used by drug traffickers were destroyed. The leaders of the Medellin cartel, once the most feared and violent drug traffickers, are now dead or in jail. With help from the United States, new initiatives have been launched to attack the cartels at their financial nerve centers by disrupting international money laundering networks; recent actions in Cali are an example of these efforts. Finally, through reforms enacted under our new constitution, we are strengthening judicial mechanisms to better enable us to bring drug criminals to justice, including the protection of judges and witnesses and improved confidentiality of evidence.

But despite these efforts, there is still much to do. The flow of cocaine has not stopped. Faced with increasing pressure within Colombia, the drug lords have moved and expanded elsewhere. That is why an expanded group of Latin American leaders will meet in San Antonio to formulate a global strategy to curb drug trafficking—from the harvesting of coca leaves, to destroying laboratories, shutting down transportation and distribution networks and stopping buyers and dealers on the streets of America and Europe.

No matter how many drug traffickers we arrest and bring to justice, the production and distribution of narcotics will continue so long as the demand for these drugs exists in the United States and other countries. The battle against the drug cartels cannot and will not be won solely in the United States or in Colombia. Other countries must now join the battle with a heightened sense of commitment of resources and national will.

President Gaviria will reaffirm Colombia's commitment to this struggle at the San Antonio Summit. Colombia will also suggest renewed areas of cooperation with the United States and our Andean neighbors in all areas of fighting drug traffickers—stopping the flow of precursor chemicals used to process cocaine, controlling the flow of arms and weapons to the drug cartels and curbing international money laundering of drug monies. Of particular importance is the need to strengthen law enforcement and judicial cooperation—including improved information, intelligence and evidence sharing—among the Summit participants.

Our goal is clear. It is nothing less than to rid ourselves of a dangerous force that is perhaps the single greatest threat to the social fabric of both our countries.

Sincerely,

JAIME GARCIA-PARRA,
Ambassador.

Mr. COUGHLIN. Mr. Speaker, I rise to ask my colleagues to vote in favor of House Joint Resolution 414, which honors the thousands of South Americans and North Americans who have lost their lives while defending their nations and the world community from the threat of drug trafficking and drug-related crime and violence.

Tomorrow, February 26, President Bush will host the Presidents of Colombia, Bolivia, Peru, Ecuador, Venezuela, and Mexico at the second drug summit in San Antonio, TX. The objective of the summit is to find ways to increase the effectiveness of the hemispheric campaign to combat drug trafficking and abuse.

It was my hope in drafting this resolution to send a very clear message to our allies in Latin America in the war against drugs that their sacrifices in this struggle are understood and appreciated by the people of the United States. Just as our communities have seen dedicated law enforcement officers shot down in the line of duty because of drug-related crime and violence, our Latin American allies have had hundreds of their law enforcement personnel, judicial officials and even journalists murdered by powerful trafficking organizations. House Joint Resolution 414 acknowledges these sacrifices and honors those who have given their lives in this struggle.

I would like to express my deep appreciation to the members of the Foreign Affairs Committee, especially Chairman FASCELL, ranking Republican BROOMFIELD, and the leadership of the Western Hemisphere Subcommittee, Congressmen TORRICELLI and LAGOMARSINO for bringing up this legislation so quickly. My thanks also to the original cosponsors of this legislation, the chairman of the House Select Narcotics Committee, CHARLIE RANGEL, and Congressman, BEN GILMAN, cochairman of the International Narcotics Task Force. I also want to thank LAMAR SMITH for his contribution to this resolution.

There are a lot of statistics which we talk about in the war against drugs. Those who have died serving their country in the war against drugs must be remembered more than as mere numbers, but as heroes in the international war against drugs. Colombia, in particular, has paid a heavy price. In the last year alone they lost 747 members of their national police in counternarcotics activities. In honoring these international heroes we rededicate ourselves to finishing the job they have begun.

In the words of President Abraham Lincoln, in reference to another great struggle, it is the responsibility of all to be "dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain."

I hope my colleagues will join me in voting in favor of House Joint Resolution 414.

Mr. RANGEL. Mr. Speaker, I rise in strong support of House Joint Resolution 414, honoring those international heroes who have made the ultimate sacrifice in the war on drugs, and encouraging the President to work with the participants at the San Antonio summit toward stopping the trade in illicit drugs. I commend my distinguished colleague, the ranking Republican of the Select Narcotics Committee, Mr. LARRY COUGHLIN, as well as the gentleman from Texas, Mr. LAMAR SMITH, for introducing the measures that have been combined in this resolution.

We are on the eve of an historic meeting of the heads of State from Bolivia, Colombia, Ecuador, Mexico, Peru, the United States, and Venezuela. The purpose of this summit meeting is to further hemispheric cooperation in the international control of narcotics production, trafficking and consumption. This meeting will build upon the broad framework of cooperation in the control of precursor chemicals, alternative economic development, enhanced trade of legal goods, drug interdiction, and demand reduction, as established at the Cartagena summit in 1990.

I am pleased that seven heads of state have raised this issue to such a high priority level that they have agreed to 2 days of meetings in San Antonio, TX. This level of priority is most important, especially to those who have been waging this war all along.

Throughout the hemisphere, courageous men and women have openly and fearlessly fought drug production, drug trafficking and drug abuse. They have risked their lives in order to make their communities and nations more safe and healthy for generations to come. Many of those who have been at the forefront of this war, both in the United States and throughout Latin America, have made the ultimate sacrifice at the hands of ruthless and greedy drug criminals.

These brave men and women came from all walks of life, and from all cultural, ethnic and economic backgrounds. From courageous law enforcement officers of honest journalists to concerned community leaders, these good people were slain for their work, their honesty, their dedication and their integrity.

Mr. Speaker, to honor the memory of those who have given their lives to end the tremendous suffering caused by international drug trafficking and drug abuse, we must continue their mission. We must not allow their deaths to have been in vain. Their friends and families who mourn their loss need to know that the struggle of their lost loved ones continues; their cause is still very much alive.

Mr. Speaker, I have to admit that we are a long way from winning this war. Every day hundreds of thousands of people still abuse illegal substances, and every day there are still drug-related deaths. Those whose lives have been touched by this tragedy understand all too well the importance of this fight against drugs.

I urge my colleagues to take this opportunity to renew our commitment to combatting the drug trade from its inception in the coca, opium and cannabis fields to its devastation among the young people of this hemisphere.

Let us never forget those brave men and women whose lives were ruthlessly taken because they dared to do the right thing. We owe them our deepest respect and our undying gratitude.

I strongly urge my colleagues to support this important resolution. Thank you, Mr. Speaker,

and many thanks again to the authors of this resolution.

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Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FEIGHAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Ohio [Mr. FEIGHAN] that the House suspend the rules and pass the joint resolution, House Joint Resolution 414, as amended.

The question was taken.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed today in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 3490, by the yeas and nays;

H.R. 4113, by the yeas and nays;

H.R. 2152, by the yeas and nays;

House Concurrent Resolution 239, by the yeas and nays; and

House Joint Resolution 414, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

TELEPHONE DISCLOSURE AND DISPUTE RESOLUTION ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3490, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington [Mr. SWIFT] that the House suspend the rules and pass the bill, H.R. 3490, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 381, nays 31, not voting 22, as follows:

[Roll No. 17]

YEAS—381

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Barnard
Barton
Bateman
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (MO)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Murphy
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Wolpe
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zimmer

NAYS—31

Archer
Ballenger
Barrett
Boehner
Burton
Coble
Cox (CA)
DeLay
Dornan (CA)
Dreier
Ewing
Goss
Gradison
Grandy
Hancock
Houghton
Hyde
Ireland
Kolbe
Lewis (FL)
Nichols
Nussle
Penny
Porter
Riggs
Sensenbrenner
Stump
Taylor (NC)
Vucanovich
Walker
Zeliff

NOT VOTING—22

Anthony
Bentley
Coleman (TX)
Collins (IL)
Crane
Cunningham
Dannemeyer
Dickinson
Engel
Kolter
Levine (CA)
Lowery (CA)
Mavroules
Miller (WA)
Mrazek
Murtha
Roth
Serrano
Vander Jagt
Washington
Whitten
Wyden

□ 1545

Mr. SENSENBRENNER and Mr. LEWIS of Florida changed their vote from "yea" to "nay."

Mr. DOOLITTLE, Mrs. BYRON, Mr. FIELDS, and Mr. LIVINGSTON changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SWIFT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1579) to provide for regulation and oversight of the development and application of the telephone technology known as pay-per-call, and for other purposes.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1579

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 "900 Services Consumer Protection Act of 1991".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The pay-per-call telecommunications industry has grown into a national, billion-dollar industry as a result of recent technological innovations.

(2) Many pay-per-call businesses provide valuable information, increase consumer choices, and stimulate innovative and responsive services that benefit the public.

(3) Some interstate pay-per-call businesses, however, are engaging in practices which are misleading to the consumer, harmful to the public interest, and/or contrary to accepted standards of business practices.

(4) The improper activities of those businesses damage the reputation of the entire pay-per-call industry, causing harm to the many reputable businesses that are serving the public in an honest and honorable fashion.

(5) Many of the harmful practices of the pay-per-call industry are currently beyond the reach of regulatory agencies and existing legislation.

(6) The nationwide, interstate scope of pay-per-call services makes it impossible for the individual States to regulate these businesses within their individual borders.

(7) Therefore, Congress should enact legislation that provides for the proper and orderly regulation of the pay-per-call industry in order to protect the public interest and allow for the continued growth of pay-per-call businesses.

SEC. 3. PURPOSE.

It is the purpose of this Act—

(1) to put into effect a system of regulation and review of the pay-per-call business; and

(2) to give the Federal Communications Commission and the Federal Trade Commission authority to prescribe regulations, adopt enforcement procedures, and conduct oversight concerning the pay-per-call industry, to give State attorneys general authority to enforce Federal laws and regulations concerning that industry, to afford reasonable protection to consumers, and to assure that violations of Federal law do not occur.

SEC. 4. DEFINITIONS.

As used in this Act—

(1) The term "pay-per-call service" means any information service, provided by telephone, which receives payment, directly or indirectly, from each person who calls that service by telephone, except that such term shall not include information services for which users are assessed charges only after entering into a presubscription or comparable arrangement with the provider of such service. The Federal Communications Commission shall, by regulation, specify in greater detail the kinds of information services that are included within such term and the criteria for determining whether a valid presubscription or comparable arrangement is created, consistent with the purposes of this Act.

(2) The term "common carrier" has the meaning given that term under section 3(h) of the Communications Act of 1934 (47 U.S.C. 153(h)).

(3) The term "information service" does not include any regulated communication service provided by a common carrier.

(4) The term "provider of a pay-per-call service" does not include a common carrier when its sole action with respect to a pay-per-call service is—

(A) to carry such service over its network; or

(B) to bill and collect for such service.

(5) The term "caller" means a person using a pay-per-call service.

(6) The term "State" means any State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, and any territory or possession of the United States.

SEC. 5. FCC AND FTC REGULATIONS ON PAY-PER-CALL SERVICES.

(a) RULEMAKING PROCEEDINGS.—The Federal Communications Commission and Federal Trade Commission shall, within 120 days after the date of enactment of this Act, initiate coordinated rulemaking proceedings to establish a consistent system for oversight and regulation of pay-per-call services in order to provide for the protection of consumers in accordance with this Act, and other applicable Federal statutes and regulations. The final rules or regulations issued pursuant to such proceedings shall be effective within 1 year after the date of enactment of this Act.

(b) MINIMUM STANDARDS FOR PAY-PER-CALL SERVICES.—The rules or regulations issued by the Federal Trade Commission under subsection (a) shall require that a pay-per-call service—

(1) shall include an introductory disclosure message that describes the service being provided and the maximum charge per minute or per call and other charges, and informs the caller that charges for the call will begin at the end of the introductory message;

(2) shall enable the caller to hang up before the end of the introductory message without incurring any charge whatsoever;

(3) shall, after the institution of any increase in charges for the service, disable any bypass mechanism which allows repeat callers to avoid listening to the complete introductory disclosure message required under paragraph (1), for a period of time sufficient to give such repeat callers adequate and sufficient notice of the increase;

(4) shall not be aimed at children under the age of 12, unless such service is a bona fide educational service; and

(5) shall prohibit the use of a toll-free telephone number from which a caller will be automatically connected to an access number for a pay-per-call service.

(c) COMMON CARRIER OBLIGATIONS.—The rules or regulations issued by the Federal Communications Commission under subsection (a) shall include the following requirements for common carriers:

(1) A common carrier which contracts with a provider of a pay-per-call service shall make readily available on request—

(A) a list of the access numbers for each of the pay-per-call services it carries;

(B) a short description of each such service;

(C) a statement of the maximum charges per call or per minute, and any other charge, for each such service;

(D) a statement of its name, business address, and business telephone; and

(E) such other information as the Federal Communications Commission considers necessary for the enforcement of this Act and other applicable Federal statutes and regulations.

(2) A common carrier shall not disconnect a subscriber's local exchange telephone service, or long distance telephone service, because of nonpayment of charges for any pay-per-call service.

(3) A common carrier that provides local exchange service shall—

(A) offer telephone subscribers (where technically and economically feasible) the option of blocking access from their telephone number to all, or to certain specific, prefixes used by pay-per-call services, which option—

(i) shall be offered at no charge (I) to all subscribers for a period of 60 days after the issuance of the rules or regulations under subsection (a), and (II) to any subscriber who subscribes to a new telephone number prior to and for a period of 60 days after the time the new telephone number is effective; and

(ii) shall otherwise be offered at a reasonable fee as established by the appropriate State regulatory commission; and

(B) offer telephone subscribers (where the Federal Communications Commission determines it is technically and economically feasible), in combination with the blocking option described under subparagraph (A), the option of presubscribing to or blocking only specific pay-per-call services for a reasonable one-time charge.

(4) A common carrier that engages in billing and collection of charges for pay-per-call services shall—

(A) give telephone subscribers the option of cancelling charges for pay-per-call services in instances of unauthorized use or misunderstanding of such charges at the time of use, subject to guidelines prescribed by the Federal Communications Commission to prevent subscribers from abusing that option;

(B) send, to every person subscribing to a new telephone number and, within 60 days after the issuance of such rules or regulations, to all telephone subscribers, and at least annually thereafter, a disclosure statement that—

(i) sets forth all rights and obligations held by the subscriber and the carrier with respect to the use and payment for pay-per-call services; and

(ii) describes the applicable blocking options required under paragraph (3) (A) and (B);

(C) in any billing to telephone subscribers that includes charges for any pay-per-call service, display any charges for pay-per-call services in a part of the subscriber's bill that is identified as not being related to local and long distance telephone charges; and for each charge so displayed, specify the type of service, the amount of the charge, and the date, time, and duration of the call;

(D) in instances when such carriers contract for the collection and distribution of charges by any provider of pay-per-call services that solicits charitable contributions, shall obtain from that provider proof of the tax exempt status of any person or organization for which contributions are solicited;

(E) have the right to recover such carrier's costs of complying with subparagraphs (A), (B), and (C) from the provider of pay-per-call services for which such carrier conducts billing and collection;

(F) stop the assessment of time-based charges upon disconnection by the caller; and

(G) require that pay-per-call services be offered only via the use of certain telephone number prefixes.

(d) ADVERTISING RESTRICTIONS.—The rules or regulations issued by the Federal Trade Commission under subsection (a) shall—

(1) require that any provider of a pay-per-call service shall include, in any advertisement for a pay-per-call service a disclosure stating the maximum charge per call or per minute for calling the advertised number and such other information as the Federal Trade Commission shall consider necessary;

(2) require that, whenever the number to be called is shown in television and print

media advertisements, the provider of a pay-per-call service shall ensure that the charges for the call are clear and conspicuous and displayed for the same duration as that number is displayed;

(3) prohibit any person from advertising on any radio station, television broadcast station, or community antenna television station by means of an advertisement that emits electronic tones which can automatically dial an access number for a pay-per-call service;

(4) require that any telephone message soliciting calls to a pay-per-call service specify clearly, and at the audible volume of the solicitation, the maximum charge per call or per minute and other charges for such a call; and

(5) prohibit any person from advertising a toll-free telephone number from which a caller can or will be automatically connected to an access number for a pay-per-call service.

(e) MATTERS FOR FCC AND FTC CONSIDERATION.—(1) In conducting a proceeding under subsection (a), the Federal Communications shall consider requiring by rule or regulation that—

(A) a pay-per-call service—

(i) automatically disconnect a call after one full cycle of program; and/or

(ii) automatically disconnect interactive programs if no activity occurs within a reasonable, specified time period; and

(B)(i) a pay-per-call service providing a live interactive group program shall include a beep tone or other appropriate and clear signal during the program so that callers will be alerted to the passage of time; and

(ii) such tone or other signal shall be explained in the disclosure statement required under subsection (c)(4)(B).

(2) In conducting a proceeding under subsection (a), the Federal Trade Commission shall consider requiring by rule or regulation that a pay-per-call service for which there is a nominal per-call charge shall be exempt from the requirements of subsection (b).

(f) EFFECT ON DIAL-A-PORN PROHIBITIONS.—Nothing in this section shall affect the provisions of section 223 of the Communications Act of 1934 (47 U.S.C. 223).

(g) APPLICABILITY OF PENALTIES TO COMMON CARRIERS.—No common carrier shall be liable for a criminal or civil sanction or penalty under this Act solely because it provided transmission or billing and collection services for a pay-per-call service that violated a rule or regulation issued or prescribed under this Act.

SEC. 6. FEDERAL AGENCY ENFORCEMENT.

(a) FEDERAL COMMUNICATIONS COMMISSION.—Any violation of the regulations issued by the Federal Communications Commission under section 5 of this Act shall be treated as a violation of the rules and regulations under the Communications Act of 1934 and therefore shall be subject to the provisions of title V of the Communications Act of 1934 (47 U.S.C. 501 et seq.), including—

(1) criminal penalties for willful and knowing violation of Commission rules, regulations, conditions, and restrictions, consisting of a fine of not to exceed $500 for each day in which an offense occurs; and

(2) forfeiture penalties for the willful or repeated failure to comply with statutory provisions or Commission rules, regulations, or orders—

(A) of not to exceed $100,000 for each violation or each day of a continuing violation by a common carrier subject to title II of the Communications Act of 1934, or by an applicant for any common carrier license, permit, certificate, or other instrument of authorization issued by the Commission; and

(B) of not to exceed $10,000 for each violation or each day of a continuing violation by a person that is not such a common carrier or applicant.

(b) FEDERAL TRADE COMMISSION.—Any violation of any rule prescribed by the Federal Trade Commission under section 5 of this Act shall be treated as a violation of a rule under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) regarding unfair or deceptive acts or practices and therefore shall be subject to any remedy or penalty applicable to any violation thereof. The Federal Trade Commission shall prevent any person from violating a rule, regulation, or order of the Federal Trade Commission under this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act. Any person who violates such a rule, regulation, or order shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act.

SEC. 7. ACTIONS BY STATE ATTORNEYS GENERAL.

(a) AUTHORITY OF ATTORNEYS GENERAL.—Whenever the attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any provider of a pay-per-call service has engaged or is engaged in acts which violate any rule or regulation of the Federal Trade Commission under this Act, the State may bring a civil action on behalf of its residents to enjoin such acts, to enforce compliance with any rule or regulation of the Federal Trade Commission under this Act, to obtain damages on behalf of its residents, or to obtain such further and other relief as the court may deem appropriate.

(b) EXCLUSIVE JURISDICTION OF FEDERAL COURTS.—The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this section against a provider of a pay-per-call service to enforce any liability or duty created by any rule or regulation of the Federal Trade Commission under this Act, or to obtain damages or other relief with respect thereto. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of any rule or regulation of the Federal Trade Commission under this Act, including the requirement that the defendant take such action as is necessary to remove the danger of violation of any such rule or regulation. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

(c) FTC RIGHTS.—The State shall serve prior written notice of any such civil action upon the Federal Trade Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Federal Trade Commission shall have the right (1) to intervene in the action, (2) upon so intervening, to be heard on all matters arising therein, and (3) to file petitions for appeal.

(d) VENUE.—Any civil action brought under this section in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the violation occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

(e) INVESTIGATORY POWERS.—For purposes of bringing any civil action under this section, nothing in this Act shall prevent the attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(f) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this section shall prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal antifraud statute of such State.

(g) LIMITATION.—Whenever the Federal Trade Commission has instituted a civil action for violation of any rule or regulation under this Act, no State may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for violation of any rule as alleged in the Commission's complaint.

(h) DEFINITION.—As used in this section, the term "attorney general" means the chief legal officer of a State.

SEC. 8. STUDY OF THE USE OF CALLERS' TELEPHONE NUMBERS.

(a) STUDY.—The Federal Trade Commission shall conduct a study of the acquisition and use, by providers of pay-per-call services, of callers' telephone numbers to generate, compile, and sell or lease lists of such numbers. Such study shall investigate the extent to which such numbers are obtained with or without the knowledge or consent of the caller and shall identify methods by which callers could be given the opportunity to grant or withhold that consent.

(b) REPORT.—The Federal Trade Commission shall, within 1 year after the date of enactment of this Act, submit to the Congress and the Commission a report on the results of the study required by subsection (a). To the extent that the study identifies any abuses in the acquisition and use, by providers of pay-per-call services, of callers' telephone numbers, such report shall include recommendations for administrative or legislative changes to prevent such abuses.

MOTION OFFERED BY MR. SWIFT

Mr. SWIFT. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SWIFT moves to strike all after the enacting clause of the Senate bill, S. 1579, and to insert in lieu thereof the provisions of H.R. 3490, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read a third time, and passed.

The title of the Senate bill was amended so as to read: "An Act to protect the public interest and the future development of interstate pay-per-call

technology by providing for the regulation and oversight of the applications and growth of the pay-per-call industry, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3490) was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

TRANSFER OF THE AIRCRAFT CARRIER U.S.S. "LEXINGTON" TO THE CITY OF CORPUS CHRISTI, TX

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4113, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. BENNETT] that the House suspend the rules and pass the bill, H.R. 4113, as amended, on which the yeas and nays are ordered.

The Chair will remind the Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 20, as follows:

[Roll No. 18]

YEAS—414

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Wolpe
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—0

NOT VOTING—20

Anthony
Bentley
Coleman (TX)
Collins (IL)
Crane
Cunningham
Dannemeyer
Dickinson
Engel
Kolter
Levine (CA)
Lowery (CA)
Mavroules
Miller (WA)
Murtha
Roth
Vander Jagt
Washington
Whitten
Wyden

□ 1555

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to permit the transfer before the expiration of the otherwise applicable 60-day congressional review period of the obsolete training aircraft carrier U.S.S. *Lexington* to the Corpus Christi Area Convention and Visitors Bureau, Corpus Christi, Texas, for use as a naval museum and memorial.".

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

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

U.N. INTERNATIONAL DRIFTNET FISHERY CONSERVATION PROGRAM EFFECTIVENESS

The SPEAKER pro tempore (Mr. MAZZOLI). The pending business is the question of suspending the rules and passing the bill, H.R. 2152, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 2152, as amended, on which the yeas and nays are ordered.

The Chair will announce that this is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 412, nays 0, answered "present" 1, not voting 21, as follows:

[Roll No. 19]

YEAS—412

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder

Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Mrazek
Murphy
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Wolpe
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—0

ANSWERED "PRESENT"—1

Obey

NOT VOTING—21

Anthony
Bentley
Coleman (TX)
Collins (IL)
Crane
Cunningham
Dannemeyer
Dickinson
Engel
Frank (MA)
Kolter
Levine (CA)
Lowery (CA)
Mavroules
Miller (WA)
Murtha
Roth
Vander Jagt
Washington
Whitten
Wyden

□ 1605

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONGRATULATING PEOPLE OF LITHUANIA FOR THEIR SUCCESSFUL PEACEFUL REVOLUTION

The SPEAKER pro tempore (Mr. MAZZOLI). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 239.

The Clerk read the Title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana [Mr. HAMILTON] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 239, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 411, nays 0, not voting 23, as follows:

[Roll No. 20]

YEAS—411

Abercrombie
Ackerman
Alexander
Allard
Allen
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Murphy
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland

Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Williams
Wilson
Wise
Wolf
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—23

Anthony
Bentley
Coleman (TX)
Collins (IL)
Crane
Cunningham
Dannemeyer
Dickinson
Engel
Kolter
Levine (CA)
Lowery (CA)
Miller (WA)
Mrazek
Murtha
Rangel
Roth
Vander Jagt
Washington
Wheat
Whitten
Wolpe
Wyden

□ 1613

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HONORING THOSE WHO LOST THEIR LIVES FIGHTING DRUG-RELATED CRIME AND VIOLENCE

The SPEAKER pro tempore (Mr. MAZZOLI). The pending business is the question of suspending the rules and passing the joint resolution, House Joint Resolution 414, as amended.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. FEIGHAN] that the House suspend the rules and pass the joint resolution, House Joint Resolution 414, as amended on which the yeas and nays are ordered.

The Chair will remind Members this is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 410, nays 0, not voting 24, as follows:

[Roll No. 21]

YEAS—410

Abercrombie
Ackerman
Alexander
Allard
Allen
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bellenson
Bennett
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Blackwell
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Collins (MI)
Combest
Condit
Conyers
Cooper
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Doolittle
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Early
Eckart
Edwards (CA)
Edwards (OK)
Edwards (TX)
Emerson
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hoagland
Hobson
Hochbrueckner
Holloway
Hopkins
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
LaRocco
Laughlin
Leach
Lehman (CA)
Lehman (FL)
Levin (MI)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Marlenee
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Murphy
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Pastor
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schiff
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waxman
Weber
Weiss
Weldon
Wheat
Williams
Wilson
Wise
Wolf
Wolpe
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—24

Anderson
Anthony
Bentley
Coleman (TX)
Collins (IL)
Crane
Cunningham
Dannemeyer
Dickinson
Engel
Kolter
Lent
Levine (CA)
Lowery (CA)
Miller (WA)
Mrazek
Murtha
Roth
Taylor (NC)
Vander Jagt
Washington
Waters
Whitten
Wyden

□ 1620

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the joint resolution was amended so as to read: "Joint Resolution regarding the San Antonio drug summit."

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. WYDEN. Mr. Speaker, due to pressing business in my district, I was unable to be present for votes. Had I been present, I would have voted "aye" on H.R. 3490 and "aye" on H.R. 2152. I respectfully request that I be announced for both those bills.

PERSONAL EXPLANATION

Mr. TAYLOR of North Carolina. Mr. Speaker, on House Joint Resolution 414, rollcall No. 21, I was recorded as not voting. I was in the House and turned in an "aye" card.

PERSONAL EXPLANATION

Mr. ROTH. Mr. Speaker, due to travel scheduling, I was unable to vote on rollcall votes 17, 18, 19, 20, and 21. If I would have been able to attend, I would have voted "yea" on each of the measures.

PERSONAL EXPLANATION

Mr. ANTHONY. Mr. Speaker, I returned to my district to attend the funeral of a close family friend. Because of my sudden departure, I was unable to vote on H.R. 3490, H.R. 4113, H.R. 2152, House Concurrent Resolution 239, and House Joint Resolution 414. If I had been present, I would have voted in favor of each bill.

PRIVILEGES OF THE HOUSE—RETURNING TO THE SENATE THE BILL S. 884, DRIFTNET MORATORIUM ENFORCEMENT ACT OF 1991

Mr. ROSTENKOWSKI. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 373) returning to the Senate the bill S. 884 and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. MAZZOLI). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 373

Resolved, That the bill of the Senate (S. 884) to require the President to impose economic sanctions against countries that fail to eliminate large-scale driftnet fishing, in the opinion of this House, contravenes the 1st clause of the 7th section of the 1st article of the Constitution of the United States and is an infringement of the privileges of this House and that such a bill be respectfully returned to the Senate with a message communicating this resolution.

The SPEAKER pro tempore. The resolution constitutes a question of the privileges of the House.

The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 1 hour.

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

Mr. Speaker, this resolution returns the bill S. 884 to the Senate because it contravenes the constitutional requirement that revenue measures originate in the House of Representatives.

S. 884, the Driftnet Moratorium Enforcement Act of 1991, requires the President to impose economic sanctions against countries that fail to eliminate largescale driftnet fishing. Foremost among the sanctions provisions are those which impose a ban on certain imports into the United States from countries which continue to engage in driftnet fishing on the high seas after a certain date. These changes in our tariff laws constitute a revenue measure in the constitutional sense, because they would have a direct effect on customs revenues.

While the House, by adopting this resolution, will preserve its prerogative to originate revenue matters, I want to make it clear to all Members that our action in no way constitutes a rejection of the Senate bill on its merits. Indeed, the House has passed its own bill, H.R. 2152, which also provides for economic sanctions, including import sanctions, against countries which engage in largescale driftnet fishing on the high seas on or after December 31, 1992. This bill will provide effective enforcement authority for U.N. Resolution 46-215, which forbids the use of such type of fishing as of December 31, 1992, and was agreed to by all nations last December.

Thus, Mr. Speaker, our action today returning S. 884 to the Senate is intended solely to protect the constitutional prerogatives of the House of Representatives. It makes it clear to the Senate that the appropriate procedure for dealing with tariff matters that affect revenues is for the House to act first on a revenue bill and for the Senate to add its amendments to it and then seek a conference.

I urge all Members to protect the prerogatives of the House, agree to this resolution, and return S. 884 to the Senate.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. VOLKMER). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

VACATING SPECIAL ORDER AND GRANTING SPECIAL ORDER

Mr. LIPINSKI. Mr. Speaker, I ask unanimous consent that I be permitted to vacate my 60-minute special order on today's calendar and in lieu thereof, I request a 5-minute special order for today.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 194

Mrs. LLOYD. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of House Resolution 194.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Tennessee?

There was no objection.

THE 1991 ANNUAL REPORT ON ALASKA'S MINERAL RESOURCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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

To the Congress of the United States:

I transmit herewith the 1991 Annual Report on Alaska's Mineral Resources, pursuant to section 1011 of the Alaska National Interest Lands Conservation Act (Public Law 96-487; 16 U.S.C. 3151). This report, containing pertinent public information relating to minerals in Alaska, was gathered by the U.S. Geological Survey, the Bureau of Mines, and other Federal agencies. This report is significant because of the importance of the mineral and energy resources of Alaska to the future well-being of the Nation.

GEORGE BUSH.

THE WHITE HOUSE, *February 25, 1992.*

□ 1630

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 194

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of House Resolution 194.

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

There was no objection.

ASK TOUGH QUESTIONS ABOUT AID TO IRAQ

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

Mr. SLATTERY. Mr. Speaker, there have been a lot of questions about exactly what this administration's policy was toward Iraq prior to their invasion of Kuwait.

This weekend the Los Angeles Times broke a story I find very alarming. It has been spread on the newspaper pages across this country, and the story that I have with me is one carried in the Topeka Capital Journal. The headline reads "Bush Aided Iraq's Buildup," and the other headline is "Bush Used Top-Secret Plan To Aid Iraq's Buildup."

I call my colleagues' attention to this story because it contains some very, very important information. The information is corroboration of the rumors that we heard, and that is, according to secret documents, apparently this President was attempting to help Iraq prior to their invasion of Kuwait in many ways.

□ 1240

In fact, according to this story there are members of his own administration that strongly advised him against continuing to make loans to Iraq when we had information that the proceeds from these loans were being diverted to buy arms.

What in the world was going on in the corridors of this administration?

Mr. Speaker, I suggest that it is time for us to ask some tough questions of

the President and get to the bottom of this and find the truth. This is something the American public has a fundamental right to know.

Mr. Speaker, I include the following article from the Topeka Capital Journal of February 23, 1992:

[From the Topeka Capital-Journal, Feb. 23, 1992]

BUSH AIDED IRAQ'S BUILDUP

(By Douglas Frantz and Murray Waas)

WASHINGTON.—In the fall of 1989, when Iraq's invasion of Kuwait was only nine months away and Saddam Hussein was desperate for money to buy arms, President Bush signed a top-secret National Security Decision directive ordering closer ties with Baghdad and opening the way for $1 billion in new aid, according to classified documents and interviews.

The $1 billion commitment, in the form of loan guarantees for the purchase of U.S. farm commodities, enabled Saddam to buy needed foodstuffs on credit and to spend his scarce reserves of hard currency on the massive arms buildup that brought war to the Persian Gulf.

Getting new aid from Washington was critical for Iraq in the waning months of 1989 and the early months of 1990 because international bankers had cut off virtually all loans to Baghdad. They were alarmed it was falling behind in repaying its debts but continuing to pour millions of dollars into arms purchases, even though the Iran-Iraq War had ended in the summer of 1988.

In addition to clearing the way for new financial aid, senior Bush aides as late as the spring of 1990 overrode concern among other government officials and insisted that Saddam continue to be allowed to buy so-called "dual use" technology—advanced equipment that could be used for both civilian and military purposes. The Iraqis were given continued access to such equipment, despite emerging evidence that they were working on nuclear arms and other weapons of mass destruction.

"Iraq is not to be singled out," National Security Council official Richard Haas declared at a high-level meeting in April 1990, according to participants' notes, when the Department of Commerce proposed curbing Iraqi purchases of militarily sensitive technology.

Evoking Bush's personal authority, Robert Kimmitt, undersecretary of state for political affairs, added: "The president doesn't want to single out Iraq."

And the pressure in 1989 and 1990 to give Saddam financial assistance and maintain his access to sophisticated U.S. technology weren't isolated incidents.

Rather, as classified documents obtained by the Los Angeles Times show, they reflected a long-secret pattern of personal efforts by Bush—both as president and as vice president—to support and placate the Iraqi dictator. Repeatedly, when serious objections to helping Saddam arose within the government, Bush and aides following his directives intervened to suppress the resistance.

In the case of the $1 billion in commodity loan guarantees, for instance, senior Bush aides, armed with the presidential order—NSD 26—insisted the credits be approved despite objections by officials in three government agencies.

These officials warned that aid was being diverted to buy weapons in violation of American law, that the loans wouldn't be repaid and that earlier assistance efforts were plagued by financial irregularities.

Bush's involvement began in the early 1980s as part of the so-called "tilt" toward Iraq initiated by then-President Reagan to prop up Saddam in his war with Iran. Saddam's survival was seen as vital to U.S. efforts to contain the spread of Islamic fundamentalism and thwart Iran's bid for dominance in the Middle East.

Many in the American government, including Bush and Reagan, also hoped U.S. aid would gradually cause Saddam to moderate his ways and even play a positive role in the Middle East peace process.

But classified records show Bush's efforts on Saddam's behalf continued well beyond the end of the Iran-Iraq War and persisted in the face of increasingly widespread warnings from inside the American government that the overall policy had become misdirected.

Moreover, it appears that instead of merely keeping Saddam afloat as a counterweight to Iran, the U.S. aid program helped him become a dangerous military power in his own right, able to threaten the very U.S. interests that the program originally was designed to protect.

Clearly, U.S. aid didn't lead Saddam to become a force for peace in the volatile region. In the spring of 1990, as senior Bush administration officials worked to give him more financial aid, the Iraqi leader bragged that Iraq possessed chemical weapons and threatened to "burn half of Israel."

What drove Bush to champion the Iraqi cause so ardently and so long isn't clear. But some evidence suggests it may have been a case of single-minded pursuit of a policy after its original purpose had been overtaken by events—and a failure to understand Saddam's true nature.

Much of the blame for failing to perceive Saddam's expansionist ambitions and the dangers of building him up has fallen on mid-level officials and on agencies such as the Department of Commerce, which approved the sale to Iraq of $1.5 billion worth of American technology, and the Department of Agriculture, which authorized a total of $5 billion in loan guarantees.

However, classified documents from several agencies and interviews over the last two months demonstrate it was foreign-policy initiatives from the White House and State Department that guided relations with Iraq from the early 1980s to the eve of the Persian Gulf War—and that Bush and officials working under him played a prominent role in those initiatives.

For example:

In 1987, Vice President Bush successfully pressed the federal Export-Import Bank to provide hundreds of millions of dollars in aid for Iraq, the documents show, despite staff objections that the loans weren't likely to be repaid as required by law.

After Bush became president in 1989, documents show senior officials in his administration lobbied the bank and the Department of Agriculture to finance billions in new Iraqi projects.

After Bush signed NSD 26 in October 1989, Secretary of State James A. Baker III personally intervened with Secretary of Agriculture Clayton Yeutter to drop Agriculture's opposition to the $1 billion in food credits. Yeutter, now a senior White House official, agreed and the first half of the $1 billion was made available to Iraq in early 1990.

As late as July 1990, one month before Iraqi troops stormed into Kuwait City, officials at the National Security Council and the State Department were pushing to deliver the second installment of the $1 billion in loan guarantees, despite the looming crisis in the region and evidence Iraq had used the aid illegally to help finance a secret arms procurement network.

A Department of Agriculture official cautioned in a February 1990 internal memo that, when all the facts were known about loan guarantees to Iraq, the program could be viewed as another "HUD or savings-and-loan scandal."

Of the $5 billion in economic aid over an eight-year period, American taxpayers have now been stuck for $2 billion in defaulted loans.

INTRODUCTION OF LEGISLATION TO PROTECT AMERICAN COAL JOBS AND CREATE AMERICAN CONSTRUCTION WORK

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

Mr. BRUCE. Mr. Speaker—today, I am introducing, along with my colleague Congressman ANDY JACOBS, an important member of the Ways and Means Committee, legislation that will help protect American coal jobs and create American construction work. In the coming days, weeks, and months, this Congress will labor to find ways to jump-start the nation's trouble economy. I urge my colleagues, on both sides of the aisle, to support my proposal as a practical, cost effective method of strengthening our economy.

NATIONAL ECONOMIC CONDITIONS

I do not need to tell Members of this body the desperate situation our Nation is in. There are 8.9 million American without a job and the current recession is the longest in the United States since the Great Depression. The American people need and want action from this Congress and the administration. I applaud members of the Ways and Means Committee and others who have worked tirelessly to come up with a comprehensive growth proposal.

COAL INDUSTRY CONDITIONS

Though there are provisions of the different growth packages that I support, I feel that the plans under consideration are lacking a basic formula for economic stimulus. I am particularly disappointed in the apparent lack of concern about protecting existing jobs, especially those employed in coal mines across the United States. Regions of the country dependent on coal mining, such as southern Illinois, are currently experiencing some of the highest unemployment rates and the worst economic hardships in the Nation. My bill would provide a tangible incentive for utilities to speed up their environmental compliance plans, which would have a direct, positive effect on the rate of job creation for large-scale construction workers, and the rate of job retention among American coal miners.

EXPLANATION OF BILL

My bill would modernize and expand the definition of environmental prop-

erty and make available accelerated or straight line depreciation using a 5-year life. Under present law, 5-year straight line amortization is only available under limited conditions and only includes a narrow view of environmental property. This measure would also adjust the alternative minimum tax requirement to account for the unique problems faced by installers of pollution control equipment.

PROMOTING U.S. COMPETITIVENESS

This legislation would also put U.S. companies on a level playing field with other industrialized nations. Countries such as Japan and Germany understand that the cost of installing, maintaining, and operating antipollution devices and structures are often enormous. Countries of the world have responded to the cost of pollution control equipment by offering businesses valuable and reasonable tax incentives. By far the most common tax provision offered by our international competitors is the same type offered in my bill—accelerated depreciation. There is little disagreement that U.S. companies need to become more competitive and more aggressive in the international marketplace. I have complete confidence that the American worker can manufacture product or provide a service as well as anyone in the world. But should not placed upon American workers and companies Government mandates that will be difficult to overcome. They deserve our cooperation and assistance in conforming to the laws and regulations that Congress has instituted.

ENVIRONMENTAL PROGRESS

In addition to job creation and preservation, this legislation will encourage environmental progress. Existing cost recovery rules applicable to environmental property are antiquated and out of step with current environmental regulations. This proposal will encourage businesses to invest capital in property that results in a cleaner environment.

If we are serious about getting this economy running again, then we must start by making a commitment as a congress to the jobs we have in place. I urge my colleagues to support this bill and give American workers an opportunity to make a living.

The text of the bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF DEPRECIATION RULES RELATING TO CERTAIN ENVIRONMENTAL PROPERTY.

(a) GENERAL RULE.—Section 168(e)(3)(B) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of clause (v), by striking the period at the end of clause (vi) and inserting ", and", and by adding after clause (vi) the following new clause:

"(vii) any environmental property."

(b) ENVIRONMENTAL PROPERTY.—Section 168(i) of such Code is amended by adding at the end thereof the following new paragraph:

"(14) ENVIRONMENTAL PROPERTY.—The term 'environmental property' means a new identifiable item of property—

"(A) which is used in connection with a plant or other property in operation before January 1, 1991, to prevent, abate or control water or atmospheric pollution or contamination by removing, altering, disposing, storing or preventing the creation or emission of pollutants (including dust), contaminants, wastes, or heat, and property which monitors the creation or emission of pollutants (including dust), contaminants, wastes, or heat,

"(B) which does not significantly—

"(i) increase the output or capacity, extend the useful life, or reduce the total operating costs of such plant or other property (or any unit thereof), or

"(ii) alter the nature of the manufacturing or production process or facility,

"(C) which is not a building or its structural components, other than a building which is exclusively a facility described in subparagraph (A), and

"(D) the original use of which begins with the taxpayer, or, in the case of the first lessor, an item of property which is sold and leased back to the person with respect to which the original use began within 90 days of the date originally placed in service."

(c) ALTERNATIVE DEPRECIATION SYSTEM.—Paragraph (3) of section 168(g) of such Code is amended by adding at the end thereof the following new subparagraph:

"(F) ENVIRONMENTAL PROPERTY.—In the case of environmental property (other than property described in subparagraph (A) or (D) of paragraph (1)), the recovery period used for purposes of paragraph (2) shall be 5 years."

(d) ALTERNATIVE MINIMUM TAX.—

(1) Paragraph (1)(B) of section 56(a) of such Code is amended by inserting before the period "or in paragraph (14) of section 168(i)".

(2) Paragraph (4)(A)(v) of section 56(g) of such Code is amended by inserting "or in paragraph (14) of section 168(i)" after "section 168(f)".

(e) REPEAL OF SECTION 169.—

(1) Section 169 of such Code is hereby repealed.

(2) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 169.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1991, in taxable years ending after such date.

TENTH ANNIVERSARY OF ILLINOIS VETERANS LEADERSHIP PROGRAM

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

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the Illinois Vietnam Veterans Leadership Program [IVVLP] and the many Vietnam veterans it has served.

The IVVLP was founded 10 years ago as a comprehensive veterans employment service. Since its creation, the organization has assisted hundreds of veterans in Chicago and throughout Illinois to find gainful employment. The IVVLP's contributions are visible throughout the community.

Through the IVVLP's work, the Chicago Vietnam Memorial Fountain in Hearld Square was constructed and dedicated by business leaders and officials of the city of Chicago. In addition, the Vietnam Veterans Act was passed by the Illinois State Legislature to fund seven community-based, State-wide veterans organizations which have placed over 27,000 veterans.

The IVVLP is also concerned with education. Through the development and publication of "A Look Inside the War," the IVVLP seeks to present junior high and high school students with a broader view of the Vietnam conflict than that of a textbook. This supplemental reading guide conveys the experiences of those who fought in Vietnam to schoolchildren throughout Illinois.

Finally, the IVVLP has developed a pro bono legal service for veterans which has contributed over $125,000 of free legal services. In doing so, the IVVLP has assisted those in need with cases ranging from child custody to home foreclosures.

I believe the Illinois Vietnam Veterans Leadership Program is a model for groups throughout the Nation to emulate. Mr. Speaker, I urge my colleagues to join me in commending the IVVLP on its 10th anniversary and to join me in recognizing its work in veterans employment services, education, and public service. I look forward to celebrating many more anniversaries of this fine organization in the years to come.

THE INCREASINGLY IMPORTANT ROLE OF FORAGE CROPS IN AMERICAN AGRICULTURE

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

Mr. JONTZ. Mr. Speaker, forage crops are an increasingly important agricultural resource on both private and public lands in the United States. According to the National Academy of Sciences, approximately 25 percent—550 million acres—of the land in the United States is classified as cropland and pastureland. These lands provide most of the food that our Nation produces, including forage and feedgrains for domestic livestock, and most natural fibers—cotton and wool—as well. Rangelands cover another 20 percent—400 million acres—of the Nation's land area. They provide food for livestock and habitat for diverse populations of birds, fish, and other wildlife.

Forage resources on both pasture and range lands have traditionally played a vital role in U.S. livestock production, particularly beef cattle and sheep, and they will play an even more important role in these industries in the future, because of the need to achieve greater resource conservation and lower production costs. The dairy industry is a part of this trend as well.

Agricultural research and policy professionals now recognize that environmental, ecological, and human health benefits are obtainable from sustainable livestock grazing systems. Under these systems, livestock grazing in itself is recognized as food for land use

management on pasture and range lands, with improved livestock product quality and production efficiency as auxiliary benefits.

In addition to the traditional uses of forages to provide livestock weight gain, the cultivation of forage resources—grasses, legumes, grass-legume mixtures, and grass-legume-small grain mixtures—is increasingly important for meeting goals of soil conservation, water quality protection, and promoting soil fertility and pest control with reduced chemical use. To promote greater chemical adoption of these crops, Congress enacted the Integrated Farm Management Program option [IFM] as part of the 1990 Farm Act.

Mr. Speaker, the 1992 signup period for this program started on February 10 and will run until April 17. It is my hope that farmers who participate in the farm program will strongly consider enrolling in this program for the economic and environmental benefits it offers, and for the added benefit of assisting them to meet conservation compliance requirements by 1995.

The IFM allows producers to convert 20 percent or more of their acreage base to resource-conserving forage crops. The program gives the producer flexibility to adopt sustainable practices, because neither the acreage base nor deficiency payments are diminished. Some of the acreage placed in the IFM Program is eligible for haying and grazing, thus adding economic value to the IFM system.

Under related integrated resource management research provisions in the 1990 Farm Act, the Secretary of Agriculture is directed to assist livestock producers by conducting on-farm research to develop site-specific resource management practices that improve production and financial efficiency, environmental stability, and food safety. Pasture and range-based forage systems, if properly managed, may offer livestock producers lower cost methods of production; improved herd health maintenance; more humane animal care practices; improved conservation of soil, water, and forage resources; and a leaner meat product.

On the public lands, there is increasing public awareness about the condition of forage resources, not only because they are the primary sustaining factor underlying domestic livestock production on those lands but also because of concern about maintaining biological diversity in plant and wildlife species, promoting water quality, and protecting riparian areas from degradation.

An increasing number of ranchers, other users of public lands, and environmentalists are seeking to improve land stewardship methods on the public lands in order to promote greater forage growth and forage diversity, increased overall biodiversity of plant and animal species, and to achieve environmental quality. This often involves joint management of contiguous tracts of private and public lands which form one ranching or farming unit.

Researchers are gathering data which concludes that the grazing management practice known as rotational grazing can significantly increase forage utilization by livestock and stimulate forage regrowth on both private and public pasture and rangeland areas—thus contributing to the creation of a more sustainable livestock grazing system.

Researchers at land grant universities and at private research facilities are currently determining a greater range of alternative uses for forage resources, including the production of renewable biofuels such as ethanol. The requirements of the Clean Air Act which go into effect this year have increased demand for cleaner, blended gasolines, such as ethanol, and ethanol can be produced from grasses and legumes as well as from corn.

Despite the above benefits of forage crops to U.S. agricultural and environmental goals, under present U.S. policies forage resources are not being utilized to their full economic and conservation capacity for the benefit of livestock producers, other agricultural crop producers, and for conferring environmental benefits upon the general public. More specifically, due to lack of adequate research and policy development, forage resources are managed less productively and efficiently than other major crops, such as the Agricultural Stabilization and Conservation Service [ASCS] price-support program crops—wheat, feedgrains, rice, and cotton.

I believe that it is in the best interests of U.S. agricultural producers and the general public that forage crops be produced in an integrated manner which enhances the production of other, traditional agricultural crops—such as livestock and ASCS program crops—while also promoting resource conservation on both private and public lands.

We should give full recognition to forage crops as a resource whose cultivation and use are valued equally to those of other crops grown by U.S. agricultural producers under USDA price-support programs. To this end, a policy of integrated management of forage crop resources should be established as a foremost objective of agricultural public policy in the United States.

Mr. Speaker, it is my hope that agricultural producers in the farm program will utilize the economic and environmental benefits of forage crops by enrolling in the IFM Program, and even further, that producers on farms and ranches look for additional opportunities to develop other similar land stewardship practices which involve forage crops on private and public lands.

□ 1640

THE DEMOCRATS' TAX PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. I thank the Speaker.

Mr. Speaker and colleagues, 2 years ago we were having some economic difficulties and some revenue difficulties, and, rather than cutting spending, we had what was called a budget summit agreement. The Democrats in the House and the administration got together and they had a series of meetings, very highly publicized meetings, and during that period of time they reached an agreement on what should be done about the tax situation and the economic situation in this country.

Over the past decade the amount of tax revenues coming into the Treasury of the United States have gone from $500 billion a year to $1.1 trillion. We more than doubled the tax revenues, but we were still deeply behind the eight-ball as far as spending was concerned.

The problem was not that we did not have enough money; the problem was we were spending too much. What was the answer they came up with 2 years ago? To raise America's taxes by $181 billion over a 5-year period, the largest tax increase in history. That is what the Democrat Party wanted to do. They held the Republican administration's feet to the fire, and ultimately they were successful. They said that would solve our deficit problems. It was not a spending problem, as far as they were concerned, just that we did not have enough money. Never mind that we had more than doubled the tax revenue over the last decade.

They said we needed more money.

So, they raised America's taxes $181 billion. They said that that would reduce the deficit down to $200 billion a year and we would have a downward mode to a balanced budget in about 5 or 6 years.

What happened? They raised taxes by $181 billion, and instead of the deficit going down, it went up. We have the largest deficit in U.S. history last year, $400 billion-plus, following on the heels of the largest increase of taxes in America's history.

What does that tell us? It tells us when you take money out of America's pockets, they cannot spend it; if they cannot spend it, they cannot buy products; if they cannot buy products, then you do not produce the products; and if you do not produce the products, you start laying people off, unemployment goes up, and for each 1 percent of unemployment if costs the taxpayers of this country and the treasury $42 billion—that is, for each 1 percent.

So, raising taxes is not the answer. But that is what they did instead of cutting spending.

So, now we come to the Democrat proposal, which we are going to be talking about later this week. We will be voting on it on Thursday.

What do they want to do to solve the problems? They want to raise America's taxes again, by $93 billion. They say it is a tax shift, but the fact of the matter is they are taking $93 billion out of some taxpayers' pockets that they will not be able to buy products with, and it is going to exacerbate, not solve, the economic problems facing this Nation.

What are they going to do in return for that? They are going to give a tax break to the middle-income families that is going to amount to one candy bar a day, 50 to 60 cents a day. A $93 billion tax increase, and a candy bar in exchange for it.

And they wonder why we have economic problems.

I want to tell you just a few things before I yield to some of my colleagues. The Council of Economic Advisers estimates that the plan that we are proposing on this side of the aisle will create 500,000 new jobs over the next few years. The plan that they are proposing will cost us, will cost America, at least 100,000 jobs. They did not learn anything 2 years ago. They raised our taxes by $181 billion. We have got more unemployment than we have had before. We have more economic problems than we had before. The deficit is $400 billion. What do they want to do? Raise taxes again.

The problem is not that we do not have enough revenues; we are just spending too much.

So I would just like to say to my colleagues, "You are on the wrong track again," my Democratic colleagues, "you are on the wrong track again."

The way to get the economy moving is to have tax incentives, to get Government off the backs of the private sector in this country, to lower taxes, if anything, not to raise taxes; and to stimulate economic growth.

Cut the capital gains tax. They say that is a tax break for the rich. The fact of the matter is about 70 percent of the people in this country would benefit from a capital gains tax cut. It would stimulate more investment in the private sector, and when you invest in the private sector for capital improvements, more machinery and equipment, you create more jobs. More jobs means more taxpayers. More taxpayers means more tax revenue. You reduce the deficit and you get the economy moving.

When Ronald Reagan led the charge to cut the top tax rate 70 to 28 percent, that catapulted this country into an economic recovery the likes of which we have never seen. We created 21 million jobs over a 7-year period, 21 million new jobs. That is why we had more money coming into the Treasury, because we cut taxes, we put money in people's pockets, there was more capital investment, more people buying products, more products produced and you had to have more workers to produce the products. So, we had more employees paying more taxes, less welfare, and less expenses, and hence we had economic progress.

Now they are doing the wrong things; they did it 2 years ago and they want to exacerbate the situation by doing it again.

We must not allow that to happen.

We are already in a recession, and the way to get out of it is not to tax Americans more, it is to tax them less.

Mr. Speaker, I yield to my colleague, the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I really appreciate the gentleman from Indiana taking this special order, because I think it is very important to start today the education of the American people on who is running this Congress and what is coming out of this House and the other body in terms of a deceit, if you will, on the American people. I have heard time and time again the Democrat leadership talking about, "We are going to give tax relief to the middle class, that the middle class were those who suffered the most in the Reagan years, and we have got to return taxes to the middle class." I have no problem with that. But if you look at their package, if you look at how they structured this package—and, by the way, I might point out to the gentleman from Indiana that we do not really know what is in the package because, once again, we are going to be asked to come down to this floor and to debate a very complicated piece of legislation without having really seen it until we get down to the floor. Sometimes we do not even see it then. It is more of a trust-me type of mode.

But what we are talking about here is the latest information that we have on the Democrats' package that they are going to bring to the floor.

□ 1650

So, some of our figures may be a little off, but the story is still the same. That is a sham on the American people. This will not cause any growth, as the gentleman from Indiana [Mr. BURTON] has pointed out. In fact, it will do just the opposite.

Be forewarned. The American people should be forewarned that this is only the beginning of the increase of their own taxes, and we will get into how that happens in a minute as we describe this package. It has no semblance whatsoever to good economic philosophy, to free-market philosophy, to the strong philosophy on economics that this country was built on. It has no rhyme or reason. It is just a hodgepodge of different special interest gifts versus a total political bent in how they take their approach.

For instance, most people have heard that the Democrats are going to give them a $2 to $400 tax cut, but that is only temporary for 2 years, whereby the increase in taxes is permanent. They are going to raise the top rate of income taxes to 35 percent permanently.

Now what are they going to do with that money after 2 years? In fact, if we analyze this package, this package costs the Federal Government $30 billion in the first 3 years, and because of that this will force one of three options: An OMB sequester, which means an across-the-board cut, or a declaration that the Democrat tax plan has caused a national emergency, thereby waiving the budget agreement, allowing spending to continue and deficits to rise, or it will bust the budget agreement to increase that spending and also increasing the deficit.

We all understand what is going on here. This is a bait-and-switch. The Democrats need more money for their spending habits, and they have figured out a way to do that, by raising income taxes on the rich, soon to be followed, because they will have to pay for these higher deficits by other taxes, and they will not be able to raise more taxes on the rich.

So, who is next? The next bracket. Within 2 or 3 years they will be right back wanting to raise taxes on the middle-income Americans, and that is not supposition. That is history; that has always been history. When we have gotten the tax rates low, then they start creeping up a little bit, and always they creep up on the rich first, and then, soon to follow because they still want to spend money, soon to follow they raise taxes on middle incomes and lower incomes, and we end up with the kinds of tax rates that we saw in the 1970's.

Believe me, this is the beginning of increasing taxes on all Americans, and they do such silly things. For instance, they eliminate the deductibility of compensation for corporate executives in excess of $1 million, yet they put a 10-percent surtax on all those that make over $1 million. Now I do not understand this. They are going to be penalized for paying an executive over $1 million, and so then most companies will try to hide that kind of compensation through benefits and other means, and they are going to put a surtax of 10 percent on all those over $1 million. It just does not make a whole lot of sense. Who is going to pay that millionaire's surtax if we prevent million-dollar salaries?

And it also provides a 2-year extension of the temporary phaseout of the itemized deduction and personal exemptions for high-income taxpayers. The original date was extended from 1995 to 1997, and this is the crux:

They say they are raising taxes on the rich. Now granted, average Americans do not make $85,000, but I content that what they are doing is they are raising taxes on the American dream.

Consider the young man or woman that comes from a low-income or middle- to low-income family, that that family works hard, scrimps and saves, that young man or woman works hard to put themselves through school trying to realize the American dream of being successful, living better than their parents, and their parents wanting their children to live better than they, so they make sure that they go through college, maybe go through higher education beyond college, like maybe they get a master's, or maybe they go to law school, or maybe they become CPA or a doctor. Yet what we are telling these young people is, "The more successful you get, the more the government is going to confiscate from you."

Mr. Speaker, that is the kind of attitude that the Democrats of this House have when it comes to the American dream: "The more you make, the more you're going to pay." We are going to tax and penalize those people that are productive, that are out there creating jobs, and it has no, absolutely no—they have absolutely no concept of what drives this engine of our economy.

What drives it, Mr. Speaker, are people that dream about a future, that want to participate in the future. They want to go to school, better themselves, become a successful, productive American citizen. Yet we have no faith in that, or they do not have any faith in that in this House, and what they want to do is they want to tax that American dream. I think it is pitiful. I think this is a crazy package.

Mr. Speaker, I think the American people are going to realize that the Democrats are totally out of touch with what is real in this country, what drives this economic engine of this country, and they have totally lost it.

So, I just think that, as we get into analyzing this package during the hour of this special order, I think the American people are going to start to realize that this is a sham, and this is nothing more than a way of raising taxes so that they can spend more money.

Mr. BURTON of Indiana. Mr. Speaker, I am happy to yield to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Speaker, I think each and every one of us has been home for the Christmas break since Thanksgiving and has talked to various and sundry people all over the area, and I represent the most heavily industrialized district in the United States, and, when I sat down and talked with people there, they do not want a candy bar a day, they do not want a $400 tax cut. They would like to see something building for the future, the idea of new job creation and so forth.

I just was thinking of that $93 billion tax that they are talking about, or whatever the amount of money was. If that money were allowed to be spent by business and industry in buying equipment, think of the jobs it would create.

In my own company back home we are currently talking about buying a printing press, and the basic idea is we would like to be able to buy a printing press, but we are not sure whether we can afford it right now. But if some assistance came from the Federal Government, we could place an order for a printing press made in Wisconsin. Immediately they are going to pick up all kinds of jobs up there, and, when that printing press comes back to North Carolina, we are going to create 600 more jobs. That is the way to create for the future, not raising taxes and promising all kinds of crazy things like, "Well, the government is going to save you. Don't worry. We'll take care of you. We've got the big money. We're going to take care of everything."

Mr. Speaker, the people really want us to plan for the future, and we have not done that, and, as the gentleman from Texas [Mr. DELAY] said, and I think I have used this case over and over again, when Reagan put in his tax cuts in 1982 and things started moving, he created additional income, increase in income tax, every year, and I think it averaged about $80 billion a year, that we added more income than we had the year before. But what happened? Say we have to have half of that to take care of Social Security increases, and veterans benefits increases and so forth. That leaves us $40 billion left, $40 billion. He has 6 more years in office. Six times 40 is $240 billion. That balances the budget. It should have balanced the budget, but what happened? Congress comes along and spent every bit of it and more.

Mr. BURTON of Indiana. Way more.

Mr. BALLENGER. There is no way to trust anybody in this place. I have said that over and over again, and I think we all agree that a tax increase to give more money to Congress is actually creating a situation where they are going to spend it all on some other crazy ideas they have got instead of creating new jobs. It is sick.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from North Carolina [Mr. BALLENGER]. I think the analogy a lot of people give is: Giving Congress more taxes is like pouring gasoline on a fire.

Mr. Speaker, I am happy to yield to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I appreciate the opportunity to stand with my colleagues and comment on the proposal before us, which is the Democrat tax package that will be coming up here in the next day or two.

□ 1700

I have an interesting analysis prepared by the National Center for Policy Analysis that really I think tells the true story. Let me just quote from this.

It says:

> The economic plan devised by the Democrat leadership in the House of Representatives would lead to a net loss, a net loss of more than 100,000 jobs over the next six years, and prolong the current recession, according to the National Center for Policy Analysis. By contrast, the Republican plan would create almost 600,000 jobs.

Mr. Speaker, I think the people of this country are tired of all the posturing and all the empty rhetoric that we hear coming out of the other side. Let us face it, this recession was brought on beginning in 1986, when the liberal Democrats in the Congress insisted that the 1986 Tax Reform Act be revenue-neutral. That meant we had to make a bunch of changes in the tax laws that were negative to real estate that began to push us into the recession, that started slowing the economic growth down.

Then when the Democrats in the Congress forced their position on President Bush in 1990 and gave us the budget summit agreement and we enacted the luxury tax, which we all said would put people out of work and which, in fact, did put people out of work, we all said that when that agreement was struck and the taxes were raised, the largest single-year tax increase, as far as I understand, in U.S. history, we all understood that that would take us and push us right off the cliff into recession, and that is exactly what happened.

Now we are supposed to suspend our beliefs once again and indulge in the fiction that this plan being put forth by the Democratic leadership is going to result in anything positive for the economy of this country?

I think the National Center for Policy Analysis made it pretty clear what the impact of this disastrous plan is going to be, and the thing that strikes me, Mr. Speaker, is that we have the power, the people in this Chamber and the other body have the power to make a great difference in the lives of the American people.

By the policies that we enact, we could lift everybody up, make the economy grow faster, give people jobs, opportunities. We have that within our grasp, and it strikes me as criminal that we do not exercise correctly that tremendous lawmaking power that the people of this country have vested in us.

It is quite obvious that what we need right now for this country are measures that bring jobs and economic growth.

I would like to say a word about the middle-class tax relief. I strongly believe that the middle class is overtaxed and they desperately need tax relief. They do not need a dollar a day in tax relief. They need far more than that.

It seems to me it is incumbent upon us as Members of the House of Rep-

resentatives to enact a package of economic growth and job creation that will lift this economy out of the recession and will get us going so that we are strong, so that we can then enact the real middle-class tax relief that is needed, and is it ever so desperately needed.

The taxation, I believe, is destroying the American family. It has gone from the point in 1948 with an average family of four with a median income where that family paid 2 percent of its total income to the Federal Government in taxes, to the point today where that same family of four with a median income pays 24 percent of its total income to the Federal Government in taxes of all kinds, a twelvefold increase.

Mr. Speaker, this is hurting America. For the long term we need to make some significant changes that will bring real middle-class tax relief. But for now we ought to create jobs and stimulate the economy so we can get strong again and do the real job that must be accomplished.

Let me just point out one thing in this bad package. You have heard already testimony that we are going to get like a 2-year temporary tax cut for the middle class, financed by a permanent tax increase, hiking the rates. It is interesting to see what would have to be accomplished by the Democrat leadership if they were going to make permanent, as may think they will try to do, this middle-class tax relief, so-called middle-class tax relief.

Analysts have performed the studies and have found that if the Democrats want to make their 2-year tax credit permanent, then they would have to increase the tax rate on individuals with incomes of more than $35,000 per year and couples earning more than $70,000 per year. Mr. Speaker, if they think that those people constitute the rich for whom taxes can be raised, then they are as out of touch as their worst critics have been suggesting.

These people are the middle class. They are the people who ought to be paying less taxes, not more, as our Democrat colleagues are proposing, and we should reject out of hand this terrible package that is going to be proposed which will do nothing to create jobs but which indeed, as this analysis from the National Center for Policy Analysis has concluded, will cost 100,000 jobs over the next 6 years. This is a disaster and should be rejected.

Mr. BURTON of Indiana. Mr. Speaker, I thank my colleague, the gentleman from California. I appreciated very much his comments.

I see my colleague, the gentleman from Texas [Mr. ARMEY] is here.

Mr. ARMEY. Mr. Speaker, would the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, tomorrow we are going to have a very large debate in this body over what policy proposals might best help the American economy overcome its current doldrums. It is going to be surprising when we realize all the different ways in which the Government of the United States imposes taxes on the American people, and therefore, all the different ways in which the Government of this country might reduce taxes on the American people, that so much of the debate is going to be around the question of increasing or decreasing cuts in the tax on capital gains.

One has to wonder why this should be the centerpiece of such a debate. Let me see if I can help to understand it.

There is a body of noneconomic thought afoot in the country today that suggests that there is somehow or another a conflict between workers on the job and the machines with which they work over a fair share of the Nation's output.

The fact of the matter is, anybody that has actually been involved in a job on a production line producing a real product, and not ensconced in some ivory tower or somehow or other held aloof from the real process of production in the real economy, carried out by real people in their real jobs in the real world, knows that in fact it is the combination of the machine and the laborer, the skills of the machine and the science and engineering knowledge built into the machine, called technology, in conjunction with the skills of the worker, that actually produces a product and generates what we want more of these days, increased productivity.

So in fact if we are going to increase productivity and thereby increase chances for working Americans to have greater salaries from greater output, we have to have an increase in capital investment through which the new technology is applied, and that capital and labor come together and join in this production process and thereby give the Nation its product or goods and services that make our lives well.

It is very difficult for us to approach the problem of economic expansion, then, without trying to find ways to increase investment in real capital. It is their view that the benefits of increased investment in real capital and therefore the increased product of real capital in the working place go only to the owners of the capital. But we know better.

The fact is that 90 percent of the direct benefits from the utilization of capital and production, and the investment in capital, accrue to the workers. Without that capital investment these workers would not have a job.

That is illustrated to me by a working man on a production line in a plant in my district who was showing me the new machine that he was working with. This was a skilled machinist, a very long-term employee of the company, very excited about the new machine that he had to work with, who pointed out the increased output he gets every hour and every day because he has got this new machine, and how that has led to his raise because he was generating greater output. He was very fond of the machine.

□ 1710

I asked the gentleman what this machine cost if you were going to buy it? He said that this machine cost over $1 million. Then he turned to me and said, "You know, Congressman, if I worked to the best of my ability all my life and saved every dime I could save from taking care of my family, there is no way in my lifetime I could get together enough money to buy that machine."

It is those savers and investors across the country that made that machine available and made his increased output per hour, per day, greater, and allowed his salary to go up. That is the way capital and labor work together.

Now, what we have seen is that when you decrease the cost to people who invest of taxes on earnings from that investment, they tend to invest more. When they invest more, more workers have more machines with greater technology with which to work. Their product goes up, GNP goes up, their incomes go up, they get their raises, and they pay more taxes.

We have seen when you increase the cost to investors by raising taxes, telling them that you will get less of a reward by making that investment, they invest less. Therefore, fewer machines are put in place, fewer jobs are created, fewer raises are earned. Because less technology is increased, productivity goes down. That is the historical record.

So the extent to which this Nation accumulates capital through investment becomes a key to whether or not the Nation grows in its economy, or declines. It is extremely important that we measure this accurately.

Let me get to the debate. In this debate tomorrow those people who believe capital and labor compete with each other for relative "fair shares" are going to argue that when you decrease the cost of capital by cutting the capital gains tax it is not fair to the workers, as they did in 1989 when we had this issue before us in the Bill Archer-Congressman Jenkins proposal. Then they will say it is just a tax break for the rich.

Well, it turns out that the owners of capital that get the 10-percent benefit that do not go to the workers who work along with the capital are 69 percent either retired Americans or working Americans who own capital in their retirement program.

To give you an example, in the State of Texas, my home state, the State

Teachers Retirement Program is held 100 percent in capital instruments in the private sector of the economy. That would be General Motors stock, Ford Motor bonds, AT&T stock. And to the extent that that capital is made more productive and more valuable and that stock benefits, their retirement program goes up.

Thirty-one percent of the capital then is owned by individuals. I guess a fair estimate might be that half of those individuals, say 15 percent, let's say 16 to 17 percent, might be people with super normal incomes. Let us say 20 percent.

So what this side that is hostile to increasing the benefits of capital investment to the American people are suggesting is the American people are so full of greed and envy and jealousy and spite that they are willing in order to punish that 20 percent of the recipients of 10 percent of the benefits of capital investment so much that they are willing to take the benefits away from the 90 percent who are the primary beneficiaries.

They misjudge the character of the American people. They misjudge the sense of the American people. They have demonstrated they do not know how to measure the earnings of capital.

I am going to finish with this point, and this is a point I want to emphasize. This debate will rest tomorrow on the evaluation of the real impact of capital spending on the American economy, on the wages of the American workers, and on the tax receipts of the U.S. Treasury, by the Congressional Budget Office.

This is an official scoring agency of the Congress that is totally under the control of the Democrat majority of Congress. This is not a nonpartisan or bipartisan economic analytical group. It is a very partisan Democrat-controlled agency of the U.S. Congress called the Congressional Budget Office.

Every single employee of this organization is hired, promoted, given raises, and fired by the Democrat majority in Congress. I will guarantee you these hard-working men and women in the CBO, as we call it, know darned good and well who butters their bread and who can unbutter their bread.

They have given us forecasts. In the great debate in 1989 over the Archer-Jenkins proposal they projected that in 1990, there would be $254 billion worth of capital gains earnings in the United States. How they made that projection, we do not know. We have found one way you can duplicate that projection. You can take the patterns of earnings that we experienced from 1978 to 1979, demonstrate that trendline to a fourth grader with a color crayon, and if the fourth grader can draw a straight line from there, they can come to that number.

So I would suggest to you that the Congressional Budget Office in 1990 was no more accurate than would have been a fourth grader with a color crayon.

Now, what really happened? Incidentally, they argued then that if in fact you cut the capital gains tax by 2 percent, that all you would have to do is take 2 percent times $254 billion and you would find out how much is a tax break to the rich. Because in their estimation, only rich people own capital. Never mind the 69 percent of the ownership that is in the hands of retired American citizens or working men and women in their retirement fund, like the Texas teachers. Only rich fat cats in their understanding own capital. So they said this would be an unfair thing to do for the rich.

Now, what really happened in 1990? Real capital gains earnings realizations in 1990 were $120 billion. They had an error of $134 billion. That is to say the Congressional Budget Office was more than 100-percent wrong in just telling what would be the total earnings in a given year, let alone what would be the impact to the economy, on the lives of working men and women, on the lives of retired American citizens, on the Treasury from tax receipts, on the productivity of the Nation.

They could not even guess within a 100-percent margin of error what would be the level of capital gains earnings a year away from where they were already. In fact, during 1989 when the debate was taking place, during the time the experience was happening around them, they were guessing that total capital gains earnings were going to be $225 billion. Total capital gains earnings in that year was about $125 billion. So they were $100 billion off.

Looking at the world in which they were trying to live and saying what is happening in this world, they were $134 billion off saying what is going to happen by the end of next year.

These people coming down here tomorrow who are going to tell you that it is not productive for the American working men and women's opportunity to have a better job, to have a job, to have taxable income with which to get a tax reduction, or retired people to have a better retirement program, for the Treasury to have more money rather than less money, are going to rely on the estimates and scoring practices of the Congressional Budget Office, which is more than 100-percent wrong.

Incidentally, let me say that last year when I discovered this $134 billion error I called it to the attention of the Congressional Budget Office. They told me, "Oh, yeah, we had seen our error and we corrected it in technical corrections."

Mr. BURTON of Indiana. A $134 billion technical correction?

Mr. ARMEY. I do not know how things are in your home, but if I have a $134 billion error in my checkbook, I do not call that a technical correction. I call that a disaster. I think if General Motors had a $134 billion error in their checkbook, they would call that a disaster.

□ 1720

They said, "We corrected it." In fact, they had not corrected it. In fact, they covered it up. In fact, they continued making the error.

We are talking about whether or not we can make responsible public policy like what must be made as responsible personal or corporate or business policy by real people in the real world, and what this tells me is that if I have a business and I hire an accounting firm to project my sales, to project my earnings or to project what will be the change in sales earnings if I raise my price or lower my price and that accounting error makes over a 100-percent error, I either find the error and fire the accounting firm or I go out of business. If I do not find the error and correct the error, I go out of business. That is what happens in the private sector.

If one makes errors and one does not find them and correct them, one goes broke.

What we are seeing here, given the increased, get this, increased congressional appropriations for the Congressional Budget Office during the time these errors were being made, they have demonstrated that in government, if you make an over 100-percent error and you do not admit to the error, even when somebody else finds it for you and you do not correct the error, you go into a budget cycle with more money.

So we have a Congress that is appropriating to this agency more tax dollars to make more bad business analyses where they cannot even get within 100 percent of the truth. And I do not know how one can get that bad. One cannot get that bad by accident, I will guarantee. A 4-year-old with a colored crayon could do that by accident.

And they have the audacity to come down here tomorrow in this debate and cite the so-called analysis of the Congressional Budget Office. I have to tell my colleagues, I would be embarrassed.

I for one am probably a little more inclined to offer as testimony the prognosis of my 4-year-old nephew with his color crayon. I think I would have a better chance of getting somewhere close to the mark. That is the kind of intellectual gantry we are going to see behind this debate tomorrow that says capital gains tax reductions are not fair to working men who in fact get 90 percent of the benefits of increased output, increased investment, increased productive capacity, and increased productivity which they can then share with the working women on those same production lines.

Mr. BURTON of Indiana. Mr. Speaker, I thank Professor Archer, and I

hope tomorrow when the Democrats start quoting CBO, the gentleman will be down here to set them straight.

Mr. ARMEY. I might mention that the gentleman from Texas [Mr. ARCHER] thanks you, too.

Mr. BURTON of Indiana. Mr. Speaker, I yield to the gentleman from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. Speaker, the gentleman from Texas [Mr. ARMEY] brought up some interesting propositions there. I think it just points out the fact that the Democrats have been pushing us to the wall here, trying to make truth out of lies. I cannot believe that they would, as the gentleman from California [Mr. DOOLITTLE] points out, not want to change that luxury tax which in effect everyone knows costs the country dollars in revenue, costs the country jobs, somewhere 30,000 or more.

It is not the big guy that the gentleman from Texas [Mr. ARMEY] was talking about that gets hurt. It is the little guy that loses his job when those businesses close down. It is America giving away their industry to somebody else because we do not want it here, because we want to tax it and overtax it.

In this bill tomorrow the Democrats are going to try to tax you, raise your taxes by $93.5 billion over 6 years. And we know what that is going to do. That is going to increase the deficit even more.

What happened this year? Every time an appropriations bill went through this House, we increased our deficit by an infinite amount, and it added up to somewhere near $400 billion. Now we are talking about $30 billion more in the next year by raising taxes.

Come on, Americans. We know better than that. The National Center for Policy Analysis has said that if we reduce taxes on savings or other personal income, we will, for every $1 billion reduction, put $25 billion into the economy in the form of support and business and jobs.

In addition to that, about $11 billion will come back to the U.S. Government in other forms of revenue, which means that if we reduce taxes instead of raising them, we are going to not only stimulate the economy, stimulate jobs, but return a revenue increase after only about 6 months of operation.

That is what I call stimulating the economy. What the Democrats are doing is stimulating death.

This country is ready to turn around. The people of this country are ready to go to work and to try to say, "No more jobs is crazy." Their so-called middle-income tax relief does not provide relief for Americans. It does not even give retired Americans a break. They are still living on interest. They are living on a fixed income, and we are saying they are too old to get the advantage of any tax break. They are not part of America any more.

I do not think our retired Americans feel that way. I think they feel just as much as American as you and I, and they deserve that tax relief just as you and I.

Also we keep seeing and talking about cutting our military. In some conversations that I have had with some of the defense officials, it appears to me that when we cut our military, I am not sure we get the bonus that we are talking about. We are putting people back into the economy. We are taking away jobs in a decreasing economy. So how does that help this Nation? And yet we have got the Democrats calling for us to reduce the military, not just by what the administration wants but by another 50 percent.

And what that says is we want to put more out of work people out in our economy. This is a great time to do that. Let us put them out there and then 5 years from now take those savings and put them back into social programs, not reduce our budget which is what we are supposed to try to be doing.

You and I have to balance our check book. This Government, it is time we started balancing our check book. It is time we put this petty partisan politics aside and started thinking about America first. I wish that we could get the Democrat Party to come to us, work with us and help form an economic development plan that will work for America.

We had one, and they have torn it apart.

It does not even include the administration's $5,000 tax credit for first-time home buyers. So what are we doing? We are giving another bad signal. We are telling new Americans out there, "You cannot buy a house because you cannot afford it, and we are not going to help you get it."

I am not sure that anything we are doing right now is helping America save. The savings in America have gone from somewhere around 7 or 8 percent of the personal income, gross income, down to something around 4½ percent. And do my colleagues know what they are in our biggest competitors' countries, Germany and Japan? They are up around 17 to 18 percent or double or triple what ours is, which means that when we do have a recession, we have nothing to fall back on.

Does the gentleman from Texas [Mr. DELAY] know why in the world would Americans not want to save? Because the Democrats want to tax them to death. There is a tax on our savings. There is no incentive to save, and here we are with a bill that they are going to try to pass tomorrow that does not want to give us capital gains to stimulate the economy.

It only gives temporary tax cuts, but permanent tax increases, raising taxes, again as I said, to $93 billion.

It violates the budget agreement, really, by letting us go into debt the way we are. So what have they done? They have gone back on their word, have they not?

I think that is gross. I really think that we owe it to the American people.

I thank the gentleman from Indiana [Mr. BURTON] for giving me the opportunity to straighten this thing out.

□ 1730

Mr. BURTON of Indiana. I thank the gentleman for his very salient points he has made.

In addition, BILL GRADISON on the Ways and Means Committee sent a letter around today which indicated that this will trigger the sequester of $30 billion. So this is going to cause all kinds of chaos, this Democrat plan. And I think we need to come down here tomorrow in force and point out all of the deficiencies in it as we debate it.

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

Mr. BURTON of Indiana. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding.

There is floating around here a letter, which I cannot find about the sequester the gentleman talked about, about automatic cuts, and, I believe on Medicare and on farmers programs. On the one hand the Democrats I think are telling the American people, "We are here to help you," and on the other hand they are trying to pass a plan that has automatic cuts in it for those particular programs.

But that leads to some other things that I think are very important to bring up before we run out of time and to point out how ridiculous this plan is was not only the idea of class warfare, pitting higher income against middle-class income, but it is sort of a very deceitful way that they are doing things. I mentioned earlier about raising tax bracket is going to be permanent, while the tax relief is going to be temporary. Let me show how it will force the tax bracket to be increased for middle income Americans, because what happens here is they raise the current 31-percent tax bracket to 35 percent on individuals making $85,000 and couples making $185,000 to pay for the tax relief of $200 to $400 per family. That tax relief is only for 2 years.

Here we come into the third year. Do you really believe that the people that control this House are going to let that tax relief phase out and not extend it like they extend everything else around here? A lot of the things we do are on a temporary basis, and we just keep extending them, because once you create a constituency for tax relief, it is not going to go away. If they extend that tax cut that in their bill is set to expire in 1994, which by the way is an election year, if the Democrats wish to continue that tax cut, which will be popular in that election year, they will have to lower the threshold for the rich

tax bracket to individuals making $40,000 and couples making $75,000.

Mr. BURTON of Indiana. If I might inquire of the gentleman, what he is saying is that the $85,000 wage earner that is going to get the 35-percent tax rate will now be a $40,000 wage earner in order to meet the financial requirements to give that tax break to the so-called middle-income people?

Mr. DELAY. Or for a couple that makes $75,000. That is what I am talking about. They want to tax the American dream.

There are some other things in this bill that I think people are going to find very interesting. No Member of this House better vote for this bill that has a real estate market in their district that is in decline, because what they do is they require slower depreciation of real estate, which will further depress real estate prices, which puts more pressure on S&L's and banks, by the way, and that is the last thing that we need in a declining real estate and banking market.

What is really interesting about this is how they give to one and take away from the other. They tax the employee that has been laid off. So all these automobile employees that worked for GM and are going to be laid off, what they do is they very cleverly stick in there where right now we have a key deduction, a tax here that has to move at least 35 miles to qualify for a moving expense deduction, what they do is they raise that test to 75 miles. So if you lose your job, you will have to move 75 miles to get that little bit of tax relief on moving. Any economist will tell you that it is dumb to raise taxes on job-related moves during a recession or during times of high unemployment.

There is another alternative in there, and I will quickly end and get through some of these. The Democrat alternative provides a maximum tax credit of $400 on a joint return for a typical family of four. This amounts, as we have pointed out, to 27 cents per person per day. Furthermore, it is available only for 1992 and 1993. In 1994, an election year, they will extend that so that it drops the bracket, and that cannot be emphasized enough. It drops the income by which you have to pay 35 percent.

But also they have that temporary tax credit applying only to wages subject to Social Security taxes. So Americans who work for State and local governments or who do not participate in Social Security or are subject to Social Security tax, they get none of this middle-class temporary tax cut. And retired people living on fixed incomes, they get no tax relief either.

And unlike the President's personal exemption increase proposal, the Democrat tax credit provides no benefit for children. A family with several children will get no more tax relief than a couple with no children. Indeed, what they do, because we give a tax break for day care, and people that stay home or choose to stay home and take care of their kids will get no tax relief in comparison to those who choose to work, both parents working outside the home and putting their kids into day care. So they are choosing between different kinds of Americans, and I think that is just disgusting.

Also, and I will finish with this, on small business, no Member of this House ought to vote for the Democrat package that is interested in small business relief, because what they do is they tax productive small businesses. Prior to last year taxpayers could meet their estimated tax obligations by paying 100 percent of what they paid last year, or 90 percent of the current tax liability. In other words, trying to estimate their tax liability, they not only want to conform with the laws of the land, but they want to avoid a pretty hefty tax penalty for not making sure that they have estimated their taxes properly and given the Government its money up front, before they really deserve it. But at least they had it at 100 percent of last year's taxes. You could pay that or 90 percent of the current year's tax liability. The Democrat package would take that 100-percent safe harbor away and make it 115 percent. So the President is changing the withholding tables to put more cash in people's hands and the Democrats are doing just the opposite by forcing cautious taxpayers to overpay their taxes. It is not good enough for the Government to get their taxes up front, now they want 115 percent of their taxes up front. So they are penalizing the honest Americans that are trying to do the best they can in estimating their taxes.

I think this thing is so full of these kinds of things and the American people are not stupid. I think the Democrats feel that the American people are stupid because they throw them a few crumbs expecting to buy off their support when in fact what they are doing is they are absolutely jeopardizing their jobs by jeopardizing the economy of this country.

Mr. BURTON of Indiana. I just want to say to the chairman of the Republican Study Committee that I really appreciate all of the research he has done on this and his contribution.

Mr. Speaker, I would like to end up tonight with our Republican floor leader, the gentleman from Georgia [Mr. GINGRICH]. I think he has come down to participate in our special order. He has been very active in trying to combat the terrible package that the Democrats are presenting to the Congress, I think tomorrow.

Mr. GINGRICH. Mr. Speaker, I appreciate my colleague yielding to me. I want to thank him for hosting this special order to lay out the choice that the American people will face.

I just want to repeat something I said earlier in a 1-minute speech today, and that is that the Democratic Party seems to have a passion every 4 years for returning to the left. For 20 years now, starting with McGovern, and then Carter, and Mondale, and then Dukakis, we see this sort of leftward scurry for higher taxes and a bigger welfare state. And when we look at what the House Democrats are bringing to the floor this week, it is astonishing that they would have taken the President's State of the Union speech and his appeal for tax cuts and turned it into tax increases, that they could have taken the President's appeal in the State of the Union to create jobs and turned it into a program which the National Center for Policy Analysis estimates would kill 100,000 jobs. It is astonishing to me that in their passion for a larger welfare state, and in their passion for more tax money in the kind of economy we have right now, in the middle of a recession, that they could come in here with a massive tax increase proposal.

□ 1740

I think it is going to be very interesting to see how many of the more independent-minded Democrats are whipped into line by the machine and how many decide that they just cannot vote for a tax increase in the middle of a recession and that they feel compelled to vote no this week on the Democratic tax increase.

So I appreciate my colleague and my other friends coming over and discussing this. I hope in a few minutes to put a framework of thinking about economic growth into the RECORD.

I will just close by noting that you now have a Democratic tax-increase bill which their frontrunner, Paul Tsongas, has indicated he would veto. Now, when you write a bill so bad that not only would George Bush veto it, but the Democratic frontrunner would veto it, I would hope an awful lot of independent-minded Democrats would think twice before they would get dragged into voting for this kind of a tax increase.

I very much want to thank my friend, the gentleman from Indiana, for hosting this and giving us a chance to discuss the Democratic tax bill.

Mr. BURTON of Indiana. I thank the Republican floor leader.

I see I am about out of time, so let me just end up by hitting a few of the highlights of the Democrats' proposal that is going to really put this economy into an even worse tailspin.

Their tax proposal would cost 100,000 jobs. The Republican tax proposal would create 500,000 to 600,000 jobs. There is a net switch of between 600,000 and 700,000 jobs; 500,000 to 600,000 new jobs created by the Republican proposal, 100,000 jobs lost with the Democrat proposal. They want to raise

America's taxes again by $93 billion followed on the heels of a $181 billion tax increase just 2 years ago that put us into this economic tailspin we are in today.

The fact of the matter is that we do not need more taxes in this country. We need less taxes. We do not need more Government regulation. We need less regulation.

If you let the free-enterprise system work its will, if you turn the free-enterprise advocates loose, if you let the small businessman do his job without Government interference and more taxes, we will create more jobs.

When Ronald Reagan lowered taxes from 70 percent to 28 percent, the tax rate, we created 21 million new jobs over a 5- to 6-year period, and that brought in more than $600 billion in new tax revenues.

So what we need to do is cut taxes, not increase them. Their answer is to always tax and tax and spend and spend, and we cannot tolerate that anymore.

DEMOCRATIC TAX INCREASE KILLING JOBS

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

Mr. GINGRICH. Mr. Speaker, I am going to talk this evening about the Democratic tax increase killing jobs, and I think it is a magnificent example of the power of ideology over reality that in the middle of a recession the House Democratic leadership would decide that they had to bring in a class-warfare tax increase, an ideological bill, rather than cooperate with President Bush in developing a tax-cut, job-creating bill.

Let me make very clear, every American has an interest in this economy in passing a tax-cut program that would create new jobs. Every American has an interest in this recession in trying to find a way to put people back to work.

Let me give you a very practical example: The average new job at $25,000 gross income provides $346 in increased revenues to Medicare; that is taxes paid toward the Medicare fund; $1,050 toward Social Security; and $2,914 in income tax to the Federal Government. So every time we create a new job at the average salary in America, the Federal Government gains $4,827 in tax revenue for Social Security and the General Treasury, and by taking that person off of unemployment and taking them off of welfare, we save the Government the money it is currently spending. So the net effect on the deficit of having any one person go from unemployment and potentially food stamps and welfare to having an average job, the net change in the deficit is over $10,000.

So if you have a program which, as the President's chief economic adviser suggested, would create 500,000 new jobs, and that is the estimate of Dr. Michael Boskin, the head of the Council of Economic Advisers, 500,000 new jobs, each of them changing the deficit by a factor of $10,000, becomes a $5 billion shift immediately in the deficit. It means that the Government is creating $2.5 billion in additional revenue this year, and that that goes on every year, and that it is saving money on the spending side, because people are not at that point having to be on food stamps and welfare and unemployment.

In addition, I would say that the Congress could get its act together and put the country ahead of the party and actually pass a bipartisan tax-cut job-creation plan that the President could sign, and I think that that would stimulate confidence among consumers. They would go back out and buy cars and buy houses and make the kinds of investments that create jobs. And I think you would see another 2 or 3 million jobs created by the multiplier effect as consumer confidence went up and people went back and developed an opportunity to create new jobs.

We are at a real crossroads. The President of the United States came here, President Bush, in January and spoke in this Chamber at a State of the Union Address, and he asked the Democratic leadership to work with him in passing a tax-cut, job-creation program, a program designed for the free market, for the private sector, a program that recognizes what we are learning from Russia, Ukraine, Poland, Hungary, and Czechoslovakia, and that is that big centralized bureaucratic welfare state governments simply do not work. They do not create jobs. They do not create wealth. They do not increase the standard of living.

So if we are going to stimulate the private sector, the business communities, small-business entrepreneurs, create an environment to create jobs, the President wanted to pass a tax-cut program that would encourage people, a $5,000 tax credit for first-time home buyer to give them a real incentive to go out and get involved in the community and buy that very first home.

The use of the individual retirement account, the IRA, allowing people to take the money out and use it to buy a home, again, creates a sense of community and recognizing that building homes is the biggest single stimulator to get out of the recession, because when you build a home, you not only pay for the carpenter and the plumber and electrician, you also pay to buy the wood. You pay to buy the parts. You pay to buy the washer, the drier, and the refrigerator and the curtains and the furniture, and so that homebuilding is the most powerful multiplier of job creation in the economy.

The President's program has a very powerful stimulus to create home buying and to create homebuilding.

We could go a stage further. The President was also suggesting that we cut the capital gains tax. Now, the capital gains tax matters, because it is a tax on job creation. All we are suggesting is that there are about $400 billion in private money locked up today in stocks and bonds and funds and small businesses and savings accounts, people who will not liberate that money because the tax is too high, and we believe, and experts believe, that if we were to open up a tax incentive and encourage people to go out and to invest and to create new jobs, to shift their money out of old businesses to new businesses, to shift their money out of old investments to new investments, we believe it would create a tremendous improvement.

Now, let me give you a nonpartisan analysis. The National Center for Policy Analysis issued the following press release today:

> Study: Democratic economic plan would cost jobs, make the recession deeper. The economic plan devised by the Democratic leadership in the House of Representatives would lead to a net loss of more than 100,000 jobs over the next 6 years and prolong the current recession, according to the National Center for Policy Analysis. By contrast, the Republican plan would create almost 600,000 jobs.
>
> The House is expected to begin debate on both plans on Wednesday.
>
> "The difference is striking," said MCPA President John Goodman, "the Republic plan creates jobs. The Democratic plan destroys them. The higher taxes on investment income in the Democratic plan would discourage investment and more than offset the positive effects of new tax incentives the Democrats propose for capital gains and investment in equipment." Republicans in the House of Representatives are proposing a fast-track version of President Bush's economic plan. Key elements include a reduction in the maximum capital gains tax rates from 28 percent to 15.4 percent and liberalized depreciation rules for business investment in new equipment.

□ 1750

> The Democratic plan also calls for cutting capital gains taxes (through inflation indexing) and adopts the Republican proposal for investment in equipment, but the Democratic plan also includes a tax credit for workers, worth $400, a higher tax bracket for higher income families. an increase to 35 percent from 31 percent, and an additional surtax of 10 percent on income above a million dollars.
>
> The millionaire surtax may be good politics, but it is bad economics,
>
> Goodman said:
>
> Almost all the investment income in excess of a million dollars is investment income. The Democratic plan would impose an additional 14 percent tax on wealthy investors and encourage them to buy tax-exempt bonds rather than make job-creating investments.

The NCPA analysis was conducted by Gary and Aldona Robbins, two econo-

mists formerly with the U.S. Treasury Department. According to the Center's analysis, over the next 6 years the Republican proposal would create 593,000 jobs, while the Democratic proposal would lead to a loss of 103,000 jobs. The Republican proposal would increase the Nation's output of goods and services by $476 billion through 1997, while the Democratic proposal would actually do a loss of $69 billion in output.

The Republican proposal would be self-financing. Greater output would create new revenue which offsets the revenue loss from tax cuts by 1997, while the Democratic plan would increase the Federal Government's 6-year deficit by $53 billion. "The biggest difference in the two plans is the effect on investment * * * said Goodman. "The Republican plan rewards investors, while Democrats punish them."

According to the NCPA analysis, the Republican plan would increase investment spending by almost $200 billion a year.

By contrast, the Democrats tax on high-income investors would more than offset the stimulus provided by capital gains indexing. As a result, the Democratic plan would decrease investment by about $40 billion a year through 1995. "In order to create jobs and stimulate the economy, we must have more investment," said Goodman. "The Democratic leadership has lost sight of that fact."

The NCPA's formal forecast really outlines it. That is the end of my quoting from them in terms of a general thing, but let me cite the difference. They suggest that cumulatively the difference would be 617,000 jobs created by the end of the decade by the Republican plan and 24,000 jobs killed by the end of the decade, but the peak destruction would be 103,000 jobs killed by 1997.

Now, the reason is very direct and very simple. Imagine that we came on the floor and said, look, we have two proposals. One proposal would lead private citizens to invest an extra $240 billion a year, private money, not raising taxes, not having a government bureaucracy do it, not having Washington do it, not having Harvard professors do it, private money, privately saved, and privately invested to create jobs.

On the one hand you have a Republican program, which President Bush supports, which would create $240 billion in additional investment, and by the way, by doing that, that new proposal would lead to 617,000 new jobs in the private sector, permanent jobs, tax-paying jobs, creative jobs, productive jobs.

On the other hand let us say you had a program that would have $240 billion less in annual investment, and instead of creating 617,000 new jobs at its peak, it would actually kill 100,000 jobs.

Now, you can appreciate why if you are a Democratic national political strategist and your only hope for being in the White House in 1993 was to make the recession deeper, you might be attracted to a plan which according to the National Center for Policy Analysis kills 21,000 jobs in 1992, kills 62,000 jobs in 1993, lowers the gross national product or the gross domestic product by $3 billion this year, by $8½ billion next year and peaks in 1995 with a reduction in gross national product of $19 billion.

Now, you might say to yourself, well, I understand if I were a Democratic political strategist why surely for party political purposes I would like to deepen that recession, keep it going longer, and in fact put the country in a position where the country is in such pain by November that they vote Democrat; but if you are an American citizen who wants a job, if you are a business who wants more customers, if you are a citizen who thinks about your country's long-range health, if you are a grandparent worried about your grandchildren coming on the job market, if you are a parent worrying about your child coming on the job market, if you are a young person out there today looking for a new job, there is a pretty big difference between the Republican plan which ultimately creates 617,000 new jobs and the Democratic plan which at its peak kills 100,000 jobs.

Let me point out that is a gap of over 700,000 jobs between the two plans.

Now, what are 700,000 jobs worth? Well, I had one of my staff develop a relatively simple analysis which suggests that the Republican plan over the decade will increase revenue for the Government by $17 billion in additional income from taxes because more people are at work and more people are out there creating new jobs and creating new opportunities. But let me carry it a step further.

Why, you might ask, is there such a huge gap between on the one hand the National Center for Policy Analysis and the White House Council of Economic Advisers, both of which estimate very large increases in jobs? The President estimates at least 500,000 new jobs. The National Center for Policy analysis concludes 617,000 new jobs.

And the Democratic plan, which by the way, the Institute for Research on the Economics of Taxation [IRET] says the Democratic plan is "a threat to growth."

Why is there such a big difference then between that and what you might get from say the Congressional Budget Office or the Joint Committee on Taxation? I think the reason is fairly simple and fairly direct. The Joint Committee on Taxation or the Joint Tax Committee essentially has a socialist model. It is an astonishing model. I really fully came to appreciate this when Senator PACKWOOD, the ranking Republican on the Senate Finance Committee in 1989, asked the Joint Committee on Taxation how much money could be raised if we simply confiscated all the money above $200,000 a year. They said if you earn any money above $200,000 a year, we will take up all of it.

He wrote them a letter and he said please estimate how much would you get.

Now, imagine if you will, all of you who watched Paul Tsongas on the New Hampshire primary night when he said, "No goose, no eggs. No job creators, no jobs. You can't be pro-jobs and hate job creators. You can't be pro-jobs and engage in class warfare."

This is the Democratic front runner, Paul Tsongas. This is not a conservative. This is not George Bush or DAN QUAYLE. This is a former liberal Democratic Senator from Massachusetts who has worked in the private sector, and like Boris Yeltsin and like Mikhail Gorbachev has come to the conclusion that socialism and the welfare state do not work.

What did the joint committee say in answer to Senator PACKWOOD's question? They said that they would raise $104 billion the first year by confiscating all the wealth above $200,000. They would raise $204 billion the second year. They would raise $232 billion the third year, $263 billion the fourth year, and $299 billion the last year.

And Senator PACKWOOD called the joint committee back and he said, "Wait a minute. You mean to tell me that even at a 100-percent tax rate, you think we will be getting these increased quantities of money?"

At that point, the Joint Committee on Taxes sent back a letter and said they do not take into account any kind of human response. In other words, all of us know that if we raise taxes dramatically on the Jay Rockefellers and the Teddy Kennedys and the other wealthy millionaires in America that they are going to go out and find tax shelters. They are going to find municipal tax free bonds. They are going to find some way to avoid the taxation. We know that, and we know as commonsense people that if taxes go up dramatically, people will do less of what is being taxed. We know that in the real world, because we do it ourselves. We know that if you had 100 percent taxation, you would have an astonishing amount of cash transactions. You would have an amazing number of people who say, "I will build you a house for half price if you pay me in cash. I will sell you a new car for half price if you pay me in cash," because they would want to avoid the taxes. So we know in the real world of real human beings that when you have a 100-percent tax rate, you in fact are discouraging the behavior.

□ 1800

Yet the Joint Tax Committee assumes that nobody will be smart

enough to figure out that if they engage in 100 percent taxation they might as well not work.

Now, Ronald Reagan knew this. Why did he know it? Because in World War II we went to a 93-percent tax on earned income. He had friends who were movie stars who would make one movie a year. They would get into the 93-percent bracket, and they would stop. They would go fishing for the rest of the year or they would go to play golf or they would go skiing. But they would not work when 93 cents out of every dollar was being taken by the Government.

But that is how Ronald Reagan personally, in the real world, learned the practical impact of high taxes.

Now, what do we come to? Once again, having forgotten every lesson of the Jimmy Carter years—and remember, under President Carter we got to 13-percent inflation, 23-percent interest rates. The economy was disintegrating and headed into the deepest recession since World War II. And the country woke up and said,

Whoa, let's cut taxes, let's cut spending, let's slow down the welfare state, let's cut out redtape and regulations, let's give business a chance to create jobs.

What have we seen for the last 3 years? We have seen that our friends in the Democratic Party, with the unusual exception of Paul Tsongas, have not learned anything. The House Democratic leadership is right back at the same old welfare-state stand with the same old welfare-state tax increase.

The House Democratic leadership is going to come in this week and ask its members to walk the plank, to vote for a program that will kill 100,000 jobs, that will actually increase the deficit.

By the way, when you increase the deficit, the Government borrows the money. When the Government borrows the money, interest rates go up. Guess what happens? There is a second round of killing jobs. First, the Democrats kill jobs by raising taxes, and then they kill jobs by having a bigger deficit, which raises the interest rates, which further kills jobs, because, as you all know, when interest rates go up, people do not buy homes, people do not buy cars, people do not do the things you ought to do in order to create jobs.

Now what we are faced with is a core intellectual argument about the nature of reality. Some of us believe, with Boris Yeltsin, Mikhail Gorbachev, Lech Walesa, Vaclev Havel, with all the people who have given up on communism and socialism, we believe that the only effective way to create lots of permanent jobs is to stimulate private savings, stimulate private investment, private job creation, private business; to have thousands of new small businesses, to encourage people to go out and open up new businesses, to hire people to create the kind of private sector that is true permanent job creation.

Our friends on the left believe that you cannot risk doing that, that if you actually feed the goose, it will run off and do bad things; that you have to get golden eggs from a dead goose, and they are prepared to starve the goose with tax increases even if it kills the economy.

I think it is a very simple choice. What the American people have to decide is: Do you want higher taxes? Do you trust the Congress enough that you want it to have more money? Do you like Capitol Hill enough that you want it to spend more? Do you want it to do the things you read about, about the Congress and the Capitol, to make you feel that they ought to have more of your take-home pay? Or do you want us to cut spending in Washington, cut taxes? Would you rather have the Congress buy marble floors for elevators, $5,000 a piece; or would you rather have us buy $200 carpets so you have $4,800 at home to buy a new carpet for your living room? Do you want the Congress to spend more and more money on pork barrel, or do you want us to cut taxes so you can have the money at home so you can buy things for your family and your neighborhood, and give to your church or synagogue, or the charity in which you believe?

So, you have a very fundamental choice. It is not complicated at all. On the one hand you have a Democratic Party, the party of McGovern, Carter, Mondale, and Dukakis, which in the House is still committed to a welfare-state program of massive tax increases. On the other hand you have one Democrat running for President, Paul Tsongas, and the Republicans, led by President Bush, who believe you need to cut taxes to create jobs, who believe that you need to be serious about what you are doing and you have got to find real incentives and you have got to move ahead toward real opportunities.

Now, I believe it is important for us to have this focus because I believe people need to look at real jobs. We are never going to compete with Germany or Japan by starving our factories. We are never going to have workers who are productive as they need to be by blocking the purchase of new equipment. We are never going to create the jobs for our children and grandchildren by taxing the job creators and taxing the people who want to invest.

And, frankly, when you have a very high capital gains tax, all you do is guarantee that people will keep the money where it is. I talked to a young couple the other day. Their grandfather owns some timber. He had a firm position. As long as the tax is as high as it is now, he is not selling it, because he does not want to give the money to the Government. He would rather just let the trees keep growing, pay real estate tax, property tax, and wait because he just hates the idea that the Government is going to take that much of his money.

I talk to people who say, "Well, I have a little stock I would like to sell, but, frankly, with the current tax rate, it is too high. I won't sell."

What are the Democrats proposing to do? They have proposed to raise taxes.

Now, you would think, having watched Governor Florio in New Jersey have a tax revolt, that they would decide that raising taxes does not make any sense. But they said,

Oh, no, we have to have a tax increase. We have to prove that class warfare is more important than job creation.

Let me pose this simple challenge to our friends in the Democratic Party: I do not believe there is a town in America where, if you went in and said, "We want to create a thousand new jobs," they would say, "Yes, but will you punish the rich first?"

I do not think there is a town in America where, if you went in and said, "We want to encourage young people to go out and have a better future," and they would say "No, no, you have to tax the American dream, you have to tax the dream of rising, you have to tax the dream of succeeding."

I do not think there is a town in America where people who are unemployed—and notice what we do, we offer tax breaks to Japanese factories, offer tax breaks to German factories and all over America. There are local-State programs that have a special tax rate.

If you will build your factory here, you will get 5 years of tax abatement, if you will come over and create jobs here.

All over this country today, I have talked to city and county officials, I have talked to chamber of commerce officials, and they love the idea of industrial revenue bonds. Have a little tax-free bond that would help build that next factory.

So, as long as you are a foreigner, if you want to come and build the next auto plant, "We will give you a tax break to build your factory."

Now we come to that American who has a new idea, the person who invented the next computer or the next videotape recorder or has invented the newest kind of medicine. They say,

You know, I think I can create a new company that would grow as fast as Polaroid or Apple Computer or IBM or Xerox. I think if you will give me a chance to work and save and keep my money and invest it, if you will give me a chance to go out here and issue a little stock and create a small company, I believe I might create 5,000 new jobs here.

Now, I say this from personal experience.

In Carrollton, Georgia, they have a company called Southwire. It is 40 years old and employs over 5,000 people. There are 5,000 families earning a good permanent income because we en-

couraged somebody to go out and create a new factory and that factory today is the largest single independent wire producer in the world.

I had lunch recently at Coca-Cola. In the 1880's Coca-Cola was a small company in Villa Rica, GA. It had a brand new idea. Today it spans the world, 150 countries.

Each of these ideas started small. I fly Delta Air Lines occasionally. Delta originally was comprised of two crop-dusting airplanes, the whole company, two cropdusters in Louisiana.

Now, you start with that idea that the genius of America has been dynamic, it has been exciting, it has been growth-oriented. The genius of America has been to say to people,

If you will go out and you will work your heart out and you will save and maybe even take a second job, if you will do what it takes, someday you can succeed.

What do our good friends, the liberal Democrats, say?

No, we got to tax that success, we got to tax that dream, we got to tax that opportunity. If you are breathing, tax it; if you are drinking water, tax it; if you are standing still, tax it.

It does not seem like there is anything they cannot find some excuse to tax.

If you were to take all the tax increases their Presidential candidates are proposing—different candidates are proposing different tax increases, whether it is a 50-cents-a gallon gas tax increase or some other increase, a surcharge here, a big tax there—it is astonishing how creative they are at raising taxes. And yet I would argue that there are two challenges to the Congress this year; one I have described in earlier speeches as a necessary revolution to replace the welfare state. In those speeches I cited the Reader's Digest article from January entitled "How the Unions Stole the Big Apple." And I cited the case in Reader's Digest in January of the $57,000 a year janitor in a school, $57,000 a year, who was required by his contract to mop the school three times a year—not three times a week, not three times a month, not three times a quarter, but three times a year.

Now, when you are paid $57,000 a year to mop once every 4 months, you are clearly never going to be able to afford that kind of Government because they can always find a new reason not to work and charge you more money. Where do we see the biggest calls for tax increases? For big-city mayors, mayors who will not make their bureaucracy work, who will not go through and make them efficient, will not take the steps necessary to reform them, but who instead turn to working Americans and say, "I want you to pay more taxes out of your hard work so I can give it to the bureaucracy that is not doing its job"?

□ 1810

And again, in the Reader's Digest article in January, "How the Union Stole the Big Apple," there is an entire section about the sanitation workers' contract which was written in such a way that, as they got more efficient, garbage trucks; they now have crews that work 4 hours a day and are paid 4 hours a day to do nothing, paid 4 hours a day to go to the health spa; and now let me contrast that, if I might—and by the way, lest someone thinks I am exaggerating, the New York Times has twice in the last 2 weeks editorialized because Mayor Dinkins in the middle of a massive deficit, $1,900,000,000 deficit, in the middle of screaming for everybody else to raise their taxes to transfer money to New York City, according to the New York Times he has again signed a contract with the sanitation workers that keeps the same deal.

Now why would I go back home to Georgia and say to hard-working citizens,

I'm going to raise your taxes on your work so we can transfer money to New York City to pay for somebody who is working 4 hours a day and going to the health spa at your expense on your money?

Why should I raise taxes on a janitor in a school in Georgia who may mop every day for $17, $18, $21 in order to take money from that Georgia janitor and transfer it to a $57,000 a year janitor who has to mop every 4 months? It is just not right.

Yet our friends in the Democrat Party are so trapped into the welfare state, they are so much beholden to their large big-city machines, that they have to find ways to raise taxes to increase the amount of money they can give away through the welfare state.

And so the choice this week is very simple. Choice No. 1, I say to my colleagues, is,

Do you believe we need a revolution to replace the welfare state? Because, if you do, you've got to vote no on the Democrat tax increase because the only way you're going to force change in the welfare state is to starve it. Giving the welfare state more money just lets it get bigger, lets it get sloppier, lets it get more inefficient, lets it do more things that make no sense to average working Americans."

No. 2:

Do you believe the future of growth, the future of getting out of the recession, the future of job creation, is largely in the private sector with business? Or do you believe socialism might work, that while it failed in Russia, and failed in Czechoslovakia and failed in Germany, we could make it work here? Now, if you believe a bigger welfare state will work, if you believe a bigger bureaucracy is good, if you believe we ought to have more power and more money in Washington so Washington can control your life more, then you ought to vote for the Democratic tax increase because that's what it finances. In the end the Democrats raise taxes so they can have a bigger version of their government, so they can have a larger welfare state, so they can have more control over your lives, so they can decide what pork to give you because they took your money from you in the first place. Or do you believe that President Bush is right in focussing on creating real jobs that are permanent in the private sector by encouraging investment, by encouraging savings, by encouraging work?

Now I happen to believe, as the President said in his State of the Union Message, that the time has come to replace the values of the welfare state. I believe with the President that we have to go to a process, first of all, of requiring able-bodied citizens under the age of retirement to work, if they get money from the Government; second, of reforming the bureaucracy so they have efficient and effective cutting out of waste, cutting out the redundancies, cutting out the redtape; and, third, cutting taxes to encourage people to work, to save and to invest.

So, I hope every citizen who really wants us to replace the welfare state, every citizen who wants us to get out of the recession, and every citizen who wants us to create permanent jobs, jobs that take people off of welfare, jobs that take people off of unemployment, jobs that allow people to pay taxes because once again they are working for a living; I hope that every person who wants us to have that kind of a future will call their Congressman and will say,

Vote no on the Democratic tax increase. Vote yes for President Bush's tax cuts. Vote yes to create jobs. Vote yes to end the recession.

Mr. Speaker, that is the choice we are going to face in the next 48 hours.

REQUEST FOR 30-MINUTE SPECIAL ORDER

Mr. VOLKMER. Mr. Speaker, I ask unanimous consent to be allowed to address the House for 30 minutes.

Mr. GINGRICH. Mr. Speaker, reserving the right to object, I am, of course, going to give my good friend, the gentleman from Missouri [Mr. VOLKMER], a chance to have his special order. But let me, under this reservation for just a moment, point out for those who study the House, who would like to know, that they should understand that the Democratic leadership, which is in the process of writing a one-sided rule, has not yet finished that rule and, therefore, has not filed it, and, therefore, under the rules of the House, if they fail to file the rule before we adjourn today, they could not bring up their tax increase bill tomorrow, and we could not begin debate tomorrow.

So, while I will withdraw my reservation in just a moment, I want to make sure all my colleagues understand that we are having an opportunity to watch the process at work and that the rule, which I believe is remarkably one-sided in favor of the tax increase bill, will be brought in, and I look forward to hearing the comments of my good friend,

the gentleman from Missouri [Mr. VOLKMER].

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

CUTTING TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 30 minutes.

Mr. VOLKMER. Mr. Speaker, while I have been here during special orders, I have heard described the Democratic proposals and also the President's proposal, and it just is not portrayed as I have studied it, and it does not appear to me that the proposals have been characterized properly. One of the things that has not been mentioned in the debate here in the special orders, either by the gentleman from Indiana [Mr. BURTON], the two gentlemen from Texas, Mr. DELAY and Mr. ARMEY), or the gentleman from Georgia [Mr. GINGRICH] is the question of the deficit.

Mr. Speaker, as my colleagues know, under the President's proposal there are tax cuts provided that reduce revenues to the U.S. Government. There are no proposals within that proposal that I know of that replace those revenues. But now I seem to understand how the gentlemen that are supporting the President's proposal would lead us to believe, that because of all these tax cuts we are going to have all these jobs, and because we have all these jobs, we are going to have the additional revenues that will equalize it.

Mr. Speaker, while I sat in the chair and thought about this, I just wondered why the President did not propose to cut taxes even further. Maybe we should cut it down to where nobody hardly pays any taxes because then we will have all this money out there, and we would be producing all these multitudes of jobs, millions and millions of jobs within a week or two, and we would have all this revenue coming in.

My colleagues, that is smoke and mirrors. That is not reality. That is trickle-down economics. What the Democratic proposal does, and all one has to do is read it and they will see it, is, yes, we propose tax cuts. We propose tax cuts for the middle income.

□ 1820

But we also propose that we lose revenues as a result of that. We recognize that, and therefore we propose that we replace that revenue with other revenue and revenue from the wealthy, from those that have income over $200,000, from those millionaires who would get a 10-percent surtax.

They are the same ones that got the big tax breaks in 1981 and continued on through 1986. They are the ones that have not had their total tax increased as the middle class has in the same time period. While their taxes have been reduced, as the gentleman from Georgia [Mr. GINGRICH] pointed out, from 70 to 28 percent, from 70 to 28 percent, our middle-income people, because of increases in the Social Security tax, and even though their income tax may have been reduced a little bit, but with the Social Security tax going up, have actually had an increase.

So the wealthy have had the large, over a 50-percent tax cut in this timeframe, while those in the middle income, who we wish to give some tax relief to, have got a tax increase in that same period.

So we say yes, we are willing to follow the President and stimulate the economy with some tax cuts, but on the other hand, we are not willing to increase deficits to do it. We say that if we are going to reduce revenues through tax cuts, then in order to keep the deficits, and they are already too high, in order to keep them from escalating further, that we must replace that revenue, and we do not use smoke and mirrors.

Smoke and mirrors have been around the Congress and the administration for a long period of time. The first time in my memory that they were used effectively was when the former director of the Office of Management and Budget was a former Member of this body back in 1981 and then in 1982. It was with smoke and mirrors that we did the 1981 budget and the 1981 tax bill. It was through that period of smoke and mirrors that we have got us to where we are today. Today we do not have budget deficits of less than $60 billion.

I can well remember in the years before 1981, while I was here and there was a different person in the White House, we had budget deficits of $28 billion, $56 billion. We thought they were too high. I even voted against some of the budgets because that was too high a deficit.

As soon as we started the 1981 timeframe, we did not see ever again, and we have never seen again, budget deficits of less than $75 billion or even less than $100 billion. Now we are up over $400 billion, and what this administration is asking us to do again is to reduce revenues, reduce revenues again, increase the deficits in order to give the wealthy big tax breaks.

If we analyze the President's proposal, there is very little in there for those of income under $50,000. But there is a great deal in there for those over $200,000 and more. Those of over $200,000 or more are going to get tax breaks of thousands of dollars a year. They will get tax breaks as much or more than the middle income will earn in a year, actually earn, not pay taxes but earn in a year.

So to the middle income they say, "We will give you a small amount, but you are really going to get your breaks when the wealthy, the trickle-down theory, when the wealthy go out and give you a new job in this country with the factories they are going to build in Mexico and Taiwan and China."

Because that is what this administration has permitted the industrialists and others of this country to do. That investment has not come into this country. We do not see those manufacturing jobs being built by the industrialists, by the investors in this country.

If I really thought that many of these people that have all this wealth would invest it in this country and would create manufacturing jobs in this country, then I would be more inclined to think the way, perhaps, that the people on the other side of the aisle do. But that is not what I have been seeing lately. I see more jobs going to Mexico than are coming to Missouri. I see a lot more jobs going to Korea and Japan and other countries than I do coming to Illinois or Indiana or anyplace else.

By the way, just during the Presidents Day break I had a field hearing out in Indiana, the central part of it. While I was there I was reading the Kokomo Tribune paper, Kokomo, IN, and I was reading where General Motors, and General Motors has been a good company for the United States in the past but I question how much now, because I was reading about the Delco operation that they had there. General Motors was moving almost all of the assembly operation, guess where: Mexico, Mexico. Now we are going to give them more money to do that with?

Are the investors really going to be using their money to play more on the stock market? The stock market is looking real good for a lot of people these days. Is that where they are going to put their money? That does not create jobs.

Maybe somebody on the other side of the aisle could educate me how, if we give somebody another $50,000 instead of giving it to the Government for taxes for our programs, and we increase the deficit and we borrow the money from the Japanese or Germans or somebody else to pay for those bonds, but that person out there now has over millions of dollars already, he is going to take that $50,000 and he is going to come to Hannibal, MO, and build a plant and put my people to work? I do not think so. I really do not think that is what he plans to do with that money.

You say, "Well, if you take this money away from him with the surtax, if you take that away from him, he will not be able to build those plants and the factories and have those businesses again," perhaps not, but if he has enough income of $1 million he must have pretty many investments, or if he is like some of our athletes that make over $1 or $2 million, he is still

going to have quite a bit left over. He is sure going to have a lot more left over than most of the people in my district make in a year. He is going to have left over a lot more than a lot of people make in a lifetime to invest.

I do not think that is going to stop him from investing. It might slow him down a little bit in buying or thinking of buying that newer yacht. Instead of having the one that costs a half a million dollars, he will start thinking about buying one that costs three-quarters of a million dollars, and instead of going $500,000 he will go to $750,000. It might stop him from doing that. That is really a pity. I feel sorry for him.

Or it might be that instead of having for himself and his wife a 15-room mansion, he has to live in a 10-room mansion; a 10-bedroom mansion, not a 10 room. I do not know of many mansions with 10 rooms.

□ 1830

It might make him slow down with those types of things. I do not think it really is hurting him as far as the necessities of life.

People poke fun at a $200 tax cut or a $400-a-year tax cut. It is not a great deal, I will admit, and it is not going to really help a lot of people a whole lot. But, folks, there are a lot of people in my district right now that I think would even stand in line if somebody would walk up to them tomorrow and say, "If you stand in line here for all day, I will give you $400, but you only get it a dollar and a half a day." I have got a lot of people that would take them up on that.

We do not even have to tell them to stand in line. They do not have to do anything. All it means is when they get their paycheck, they are going to get a little bit more money.

What is wrong with that? That means maybe they can pay their bills a little easier. It might mean they can maybe even take their kids to the movie. You know, they may not have that big yacht and that big mansion to worry about. They may not have to worry about whether they are going to spend the summer in the Caribbean and the winter somewhere else and part of the fall in France. They may not have to worry about whether they are going to have that money because the got a 10-percent surtax.

With that little bit of money they may be able to take their kids to the movie. They may be able to stop afterward and get an ice cream cone, because some of them right now cannot do that.

So it is not a lot of money. I do not think anybody here is going to stand here tomorrow or the next day and tell you that it is a whole lot of money and that it is going to enable anybody to go out and buy a new car. You cannot buy a new car for $400, everybody knows that.

Nobody is kidding anybody. You cannot tell me that there are not people out there that can use it, too.

So the Democratic tax bill may not be the best in the world, but it is sure a lot better than what the President proposes. At least we do not increase the deficit. At least we do not say well, $400 billion is not a bad deficit; let us put another $50 billion on a year. You know, what is $50 billion when you are up to $400 billion? Who cares.

I care. I think most of the Democrats care. We do not go on increasing the deficits. I say to you fellow Members of the House, that I want you to realistically look not just listen to what has been said here earlier this evening, but look at the proposals realistically. You tell me where you find in the President's proposal the methodology to increase the revenues to pay for the loss of revenues that he has in his proposal. I want to see those in black and white. I do not care to see it through smoke and mirrors. I do not want to see it with all those assumptions.

I can remember, as I said earlier, when this all started when the former Member of this House was OMB Director and we had that 1981 budget. Boy, did it have smoke and mirrors in it. It had assumptions that were written invalid from the get-go, as we say back home.

It had assumptions that, boy, with this type of budget, our GNP was going to be great. Interest rates were going to go down. We were going to have a real rapid GNP growth. We were not going to have unemployment. Everybody was going to be working. There was going to be no inflation. No, we were not going to have any inflation.

Not too many economists really believed that type of philosophy, that you can have a heated-up economy, a rapid growth in the economy, and still hold down interest rates and hold down inflation, and at the same time you have got 3- or 4-percent unemployment.

Come on, people, it does not work that way. If you put those other things in there, you are going to have higher interest rates, because you are going to have greater demand on the economy. Especially now, when most of the interest rates are low right now. But when this economy gets going and you get a demand for the money, I will guarantee you the interest rates are going to go up, especially with $400 billion a year deficits. That soaks up a whole bunch of money.

So, folks, I just want to say that I think everybody should look very well and not just listen to the oratory and descriptions of legislation, but look at the legislation itself. Just see what it says. Review it as what it is.

Mr. Speaker, at this time I would like to yield to the gentleman from Iowa [Mr. NAGLE].

Mr. NAGLE. Mr. Speaker, I would like to follow on the comments of the gentleman from Missouri [Mr. VOLKMER] and amplify, if I might, on my comment this morning.

While the gentleman from Missouri is still here, does the gentleman know what the President's submitted budget deficit is for this year?

Mr. VOLKMER. The best I can figure it, it is around $380 billion. But that is with their assumptions. If you discount some of their assumptions it is going to be well over $400 billion.

Mr. NAGLE. Am I correct, and I do want to come back to that, but am I correct that does not include the S&L bailout?

Mr. VOLKMER. That is correct.

Mr. NAGLE. And it does not include the Social Security trust fund.

Mr. VOLKMER. That is correct.

Mr. NAGLE. I had a figure when you added those two in of $500 billion. Is that correct?

Mr. VOLKMER. Yes.

Mr. NAGLE. What assumption is the administration making that you find particularly disquieting and difficult?

Mr. VOLKMER. The biggest one I find is in the GNP. I see us moving very slowly. I think now even most economists are saying that we are almost to a standstill. We are not going to see that growth in that GNP.

Mr. NAGLE. What was the GNP growth projections?

Mr. VOLKMER. I think it was up somewhere close to a 2.2-percent rate, which is slow anyway. But I do not see that movement at all in the economy. I do not think anyone does.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4210, TO PROVIDE INCENTIVES FOR INCREASED ECONOMIC GROWTH AND TO PROVIDE TAX RELIEF FOR FAMILIES

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 102–435) on the resolution (H. Res. 374) providing for the consideration of the bill (H.R. 4210) to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth and to provide tax relief for families, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3844, HAITIAN REFUGEE PROTECTION ACT

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 102–436) on the resolution (H. Res. 375) providing for the consideration of the bill (H.R. 3844) to assure the protection of Haitians in the United States or in United States custody pending the resumption of democratic rule in Haiti, which was referred to the House Calendar and ordered to be printed.

HOUR OF MEETING ON TOMORROW

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 noon tomorrow.

The SPEAKER pro tempore (Mr. COSTELLO). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

HOUR OF MEETING ON THURSDAY, FEBRUARY 27, 1992

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, February 26, 1992, it adjourn to meet at 10 a.m. on Thursday, February 27, 1992.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ENGEL (at the request of Mr. GEPHARDT) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DOOLITTLE) to revise and extend their remarks and include extraneous material:)

Mr. BILIRAKIS, for 60 minutes, on February 27.

Mr. BEREUTER, for 5 minutes, today.

Mr. DELAY, for 60 minutes, on March 3.

Mr. SANTORUM, for 60 minutes, on March 4.

(The following Members (at the request of Mr. LIPINSKI) to revise and extend their remarks and include extraneous material:)

Mr. JONTZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. CLEMENT, for 60 minutes each day, on March 16 and 17.

Mr. OWENS of New York, for 60 minutes each day, on March 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 30, and 31.

(The following Member (at the request of Mr. BURTON of Indiana) to revise and extend her remarks and include extraneous material:)

Ms. WATERS, for 60 minutes each day, on February 26 and 27.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOOLITTLE) and to include extraneous matter:)

Mr. RHODES.

Mr. SOLOMON.

Mr. CAMP in two instances.

Mr. BEREUTER.

Mr. BAKER.

Mr. MICHEL.

Mr. LEWIS of California.

Mr. MILLER of Ohio in three instances.

Ms. ROS-LEHTINEN in five instances.

Mr. CUNNINGHAM.

(The following Members (at the request of Mr. LIPINSKI) and to include extraneous matter:)

Mr. BONIOR in two instances.

Mr. ROE.

Mr. HOYER.

Mr. TRAFICANT in two instances.

Mr. PICKLE in three instances.

Mr. CARDIN.

Mr. SKAGGS.

Mr. PANETTA.

Mr. DOWNEY.

Mr. LANTOS.

Mr. CLAY.

Mr. GUARINI.

Mr. LEVIN of Michigan.

Mr. HARRIS.

Mr. LIPINSKI.

Mr. MURTHA.

Mr. ERDREICH in two instances.

Mr. RICHARDSON.

Mr. TRAXLER.

Mr. MCNULTY.

Mr. ROYBAL.

Mr. SMITH of Florida.

Mr. BILBRAY.

Mr. SANDERS.

Mr. STARK.

ENROLLED BILLS SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 355. An act to provide emergency drought relief to the reclamation States, and for other purposes;

H.R. 476. An act to designate certain rivers in the State of Michigan as components of the National Wild and Scenic Rivers System, and for other purposes; and

H.R. 543. An act to establish the Manzanar National Historic Site in the State of California, and for other purposes.

ADJOURNMENT

Mr. DERRICK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 39 minutes p.m.) under its previous order, the House adjourned until Wednesday, February 26, 1992, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2865. A letter from the Secretary of Housing and Urban Development, transmitting a report on HUD research and development activities during fiscal year 1991, pursuant to Public Law 101-625, section 951(b) (104 Stat. 4417); to the Committee on Banking, Finance and Urban Affairs.

2866. A letter from the Secretary of Education, transmitting a notice of Final Priorities—Office of Indian Education: Planning, Pilot, and Demonstration Projects for Indian Children; and Educational Personnel Development, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2867. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a copy of the Energy Information Administration's Annual Energy Outlook for 1992, pursuant to 15 U.S.C. 790d(a); to the Committee on Energy and Commerce.

2868. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title XIX of the Social Security Act to add requirements concerning health insurance of children by absent parents; to the Committee on Energy and Commerce.

2869. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Korea (Transmittal No. 8-92), pursuant to 22 U.S.C. 2796a(a); to the Committee on Foreign Affairs.

2870. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Australia (Transmittal No. 07-92), pursuant to 22 U.S.C. 2796a(a); to the Committee on Foreign Affairs.

2871. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment sold commercially to Greece (Transmittal No. DTC-5-92), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

2872. A communication from the President of the United States, transmitting the bimonthly report on progress toward a negotiated solution of the Cyprus problem, including any relevant reports from the Secretary General of the United Nations covering the second half of October and all of November and December 1991, pursuant to 22 U.S.C. 2373(c); to the Committee on Foreign Affairs.

2873. A letter from the Secretary, Department of Commerce, transmitting the Export Administration's annual report for fiscal year 1991, pursuant to 50 U.S.C. app. 2413; to the Committee on Foreign Affairs.

2874. A communication from the President of the United States, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112(b); to the Committee on Foreign Affairs.

2875. A letter from the Secretary of Labor, transmitting a report of actions taken to increase competition for contracts during fiscal year 1991, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

2876. A letter from the Chairman, U.S. Securities and Exchange Commission, transmitting a report of actions taken to increase competition for contracts during fiscal year 1991, pursuant to 41 U.S.C. 419; to the Committee on Government Operations.

2877. A letter from the Clerk, U.S. House of Representatives, transmitting the quarterly report of receipts and expenditures of appropriations and other funds for the period Oc-

tober 1, 1991, through December 31, 1991, pursuant to 2 U.S.C. 104a (H. Doc. No. 102-194); to the Committee on House Administration and ordered to be printed.

2878. A letter from the U.S. Information Agency, transmitting a report on the official request from the Republic of El Salvador for emergency import restrictions on significant pre-Hispanic archaeological material, pursuant to 10 U.S.C. 2602(g)(1); to the Committee on Ways and Means.

2879. A letter from the Secretary of Labor, transmitting the quarterly report on the expenditure and need for worker adjustment assistant training funds under the Trade Act of 1974 for period ending September 30, 1991, pursuant to 19 U.S.C. 2296(a)(2); to the Committee on Ways and Means.

2880. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to specify the purposes and duration of emergency assistance under part A of title IV; to the Committee on Ways and Means.

2881. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled, "Child Support Enforcement Amendments of 1992"; to the Committee on Ways and Means.

2882. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled, "AFDC Savings Set-Aside Amendments of 1992"; to the Committee on Ways and Means.

2883. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled, "Social Security Act Cross Program Recovery Amendments of 1992"; to the Committee on Ways and Means.

2884. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on various issues of the Safety Research Program of the Nuclear Regulatory Commission, pursuant to 42 U.S.C. 2039; jointly to the Committees on Energy and Commerce and Interior and Insular Affairs.

2885. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled, "Medicare Budget Amendments of 1992"; jointly to the Committees on Energy and Commerce and Ways and Means.

2886. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled, "Medicare Premium Equity Amendments of 1992; jointly to the Committees on Ways and Means and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. House Resolution 374. Resolution providing for the consideration of the bill H.R. 4210, a bill to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth and to provide tax relief for families (Rept. 102-435). Referred to the House Calendar.

Mr. WHEAT: Committee on Rules. House Resolution 375. Resolution providing for the consideration of the bill H.R. 3844, a bill to assure the protection of Haitians in the United States or in United States custody pending the resumption of democratic rule in Haiti (Rept. 102-436). Referred to the House Calendar.

Mr. BROOKS: Committee on the Judiciary. H.R. 3844. A bill to assure the protection of Haitians in the United States or in United States custody pending the resumption of democratic rule in Haiti; with an amendment (Rept. 102-437). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NUSSLE (for himself, Mr. DANNEMEYER, Mr. GOSS, Mr. CUNNINGHAM, Mr. ALLEN, and Mr. COX of California):

H.R. 4294. A bill to make applicable to the Congress certain laws relating to the terms and conditions of employment, the health and safety of employees, and the rights and responsibilities of employers and employees; and to repeal and prohibit certain privileges and gratuities for Members of the U.S. House of Representatives and for other purposes; jointly, to the Committees on House Administration, Ways and Means, Education and Labor, the Judiciary, Government Operations, and Post Office and Civil Service.

By Mr. NUSSLE (for himself, Mr. DANNEMEYER, Mr. GOSS, Mr. CAMP, Mr. ZELIFF, Mr. EWING, Mr. ALLEN, Mr. LIGHTFOOT, and Mr. COX of California):

H.R. 4295. A bill to provide that pay for Members of Congress shall be reduced whenever total expenditures of the Federal Government exceed total receipts in any fiscal year, and for other purposes; jointly, to the Committees on House Administration and Rules.

By Mr. NUSSLE (for himself, Mr. DANNEMEYER, and Mr. COX of California):

H.R. 4296. A bill to eliminate the franking privileges for the House of Representatives, to establish a spending allowance for postage for official mail of the House of Representatives and to limit the amount and type of mail sent by Members of the House of Representatives; jointly, to the Committees on House Administration and Post Office and Civil Service.

By Mr. NUSSLE (for himself, Mr. DANNEMEYER, Mr. CUNNINGHAM, Mr. ZELIFF, Mr. EWING, and Mr. COX of California):

H.R. 4297. A bill to provide for the adjournment of Congress by September 30 of each year; to the Committee on House Administration.

By Mr. AUCOIN (for himself, Mr. MILLER of California, Mr. DEFAZIO, Mr. HOAGLAND, Mr. HOCHBRUECKNER, and Mr. LEVINE of California):

H.R. 4298. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on cyanide used in mining and mineral activities and to use the revenues from such tax for environmental cleanup and other purposes; jointly, to the Committees on Ways and Means and Interior and Insular Affairs.

By Mr. BRUCE (for himself and Mr. JACOBS):

H.R. 4299. A bill to amend the Internal Revenue Code of 1986 in order to provide an incentive for business to invest in pollution abatement property and related assets; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mr. GONZALEZ, Mr. CONYERS, Mr. WAXMAN, Mr. KILDEE, Ms. OAKAR, Mr. SCHUMER, Mr. MFUME, Ms. SLAUGHTER, Mr. AUCOIN, Mrs. BOXER, Mr. BRUCE, Mr. CLAY, Mr. COSTELLO, Mr. COYNE, Mr. DE LUGO, Mr. DOWNEY, Mr. EVANS, Mr. FROST, Mr. FUSTER, Mr. GUARINI, Mr. HALL of Ohio, Mrs. KENNELLY, Mr. KOSTMAYER, Mr. LANTOS, Mr. LEHMAN of California, Mr. LEVINE of California, Mr. MARTINEZ, Mr. MAZZOLI, Mr. MCNULTY, Mr. MILLER of California, Mr. MOODY, Mrs. MORELLA, Mr. OWENS of New York, Mr. OWENS of Utah, Ms. PELOSI, Mr. RAHALL, Mr. RICHARDSON, Mr. SABO, Mr. SERRANO, Mr. WILLIAMS, and Mr. WYDEN):

H.R. 4300. A bill to amend the Stewart B. McKinney Homeless Assistance Act to extend programs providing urgently needed assistance for the homeless, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Energy and Commerce, Education and Labor, and Veterans' Affairs.

By Mr. DE LUGO:

H.R. 4301. A bill to provide airport and airway improvements for the U.S. Virgin Islands; to the Committee on Public Works and Transportation.

By Mr. GUARINI:

H.R. 4302. A bill to amend the Internal Revenue Code of 1986 to modify the treatment of certain higher education loans from qualified employer plans; to the Committee on Ways and Means.

By Mr. IRELAND:

H.R. 4303. A bill to amend title 10, United States Code, to reinstate the requirement that a competitive prototype program strategy be used in the development of a major weapons system; to the Committee on Armed Services.

By Mr. KANJORSKI:

H.R. 4304. A bill to amend the Internal Revenue Code of 1986 to enhance tax equity and fairness by imposing an alternative minimum tax on corporations importing products into the United States at artificially inflated prices; to the Committee on Ways and Means.

By Mr. LOWERY of California:

H.R. 4305. A bill to amend the Fair Labor Standards Act of 1938 to permit State and local agencies to adopt flexible and compressed work schedules; to the Committee on Education and Labor.

By Mr. MACHTLEY (for himself, Mr. KOPETSKI, Mr. PETERSON of Florida, and Mr. WISE):

H.R. 4306. A bill to amend title XVIII of the Social Security Act to exempt mental health services furnished to an individual who is a resident of a nursing facility from the limitation on the amount of incurred expenses for mental health services that may be taken into account in determining the amount of payment for such services under part B of the Medicare Program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. MOODY:

H.R. 4307. A bill to amend the Internal Revenue Code of 1986 to apply the special valuation rules to grantor retained interest involving residential property other than a principal residence; to the Committee on Ways and Means.

By Mr. PENNY:

H.R. 4308. A bill to grant employees family and medical leave under certain circumstances and for other purposes; jointly, to the Committees on Education and Labor, Post Office and Civil Service, and House Administration.

By Mr. RHODES:

H.R. 4309. A bill to amend the Internal Revenue Code of 1986 to provide protection for taxpayers, and for other purposes; to the Committee on Ways and Means.

By Mr. HERTEL:

H.R. 4310. A bill to reauthorize and improve the national marine sanctuaries program, and to establish the Coastal Sanctuary Foundation; to the Committee on Merchant Marine and Fisheries.

By Mr. RICHARDSON (for himself and Mr. JOHNSON of South Dakota):

H.R. 4311. A bill to amend title XIX of the Social Security Act to provide for mandatory coverage of services furnished by nurse practitioners and clinical nurse practitioners under State Medicaid plans; to the Committee on Energy and Commerce.

By Mr. SERRANO (for himself, Mr. ORTIZ, Mr. MARTINEZ, Ms. ROS-LEHTINEN, Mr. ROYBAL, Mr. DE LA GARZA, Mr. DE LUGO, Mr. RICHARDSON, Mr. TORRES, Mr. BUSTAMANTE, Mr. FUSTER, Mr. PASTOR, Mr. MATSUI, Mr. CAMPBELL of Colorado, Mrs. MINK, and Mr. MINETA):

H.R. 4312. A bill to amend the Voting Rights Act of 1965 with respect to bilingual election requirements; to the Committee on the Judiciary.

By Mr. WYDEN (for himself, Mr. MARKEY, and Mr. DINGELL):

H.R. 4313. A bill to amend the Securities Exchange Act of 1934 to impose additional fraud detection and disclosure obligations on auditors of public companies; to the Committee on Energy and Commerce.

By Mr. NUSSLE (for himself, Mr. DANNEMEYER, Mr. GOSS, Mr. ZELIFF, Mr. EWING, and Mr. COX of California):

H.J. Res. 418. Joint resolution proposing an amendment to the Constitution of the United States limiting the number of consecutive terms a person may serve as a Representative or Senator, which shall be known as the Citizen Representative Reform Act New Blood Provision; to the Committee on the Judiciary.

By Mr. PAXON:

H.J. Res. 419. Joint resolution proposing an amendment to the Constitution of the United States providing for the recall of Senators and Representatives; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 420. Joint resolution designating February 14, 1993, through February 20, 1993, as "National Engineers Week"; to the Committee on Post Office and Civil Service.

By Mr. ROYBAL:

H.J. Res. 421. Joint resolution designating April 22, 1992 as "Earth Day"; to the Committee on Post Office and Civil Service.

By Mr. SCHEUER (for himself, Mr. ASPIN, Mr. WAXMAN, Mr. AUCOIN, Mr. MRAZEK, Mr. OWENS of Utah, and Mr. FEIGHAN):

H.J. Res. 422. Joint resolution designating May 1992 as "Neurofibromatosis Awareness Month"; to the Committee on Post Office and Civil Service.

By Mr. ROSTENKOWSKI:

H. Res. 373. Resolution returning to the Senate the bill S. 884; considered and agreed to.

By Mr. HEFLEY:

H. Res. 376. Resolution amending the rules of the House of Representatives to limit the availability of appropriations for office salaries and expenses of the House of Representatives to 1 year and to require excess amounts appropriated for that purpose to be used for open-market purchase of outstanding interest-bearing obligations of the Government; to the Committee on Rules.

By Mr. WELDON:

H. Res. 377. Resolution requiring that travel awards that accrue by reason of official travel of a Member, officer, or employee of the House of Representatives be used only with respect to official travel; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials where presented and referred as follows:

326. By the SPEAKER: Memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the Steamtown National Historic Site; to the Committee on Interior and Insular Affairs.

327. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the Rural Health Care Initiative proposed by the Department of Veterans Affairs; to the Committee on Veterans' Affairs.

328. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the enactment of health care legislation; jointly, to the Committees on Energy and Commerce and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 23: Mr. WALSH, Mr. GILMAN, Mr. PAXON, Ms. ROS-LEHTINEN, Mr. DICKINSON, Mr. HANCOCK, Mr. FORD of Tennessee, Mr. JAMES, Mr. SISISKY, Mr. ESPY, Mr. SPENCE, Mr. BROOMFIELD, Mr. KYL, and Mr. FIELDS.

H.R. 53: Mr. KOPETSKI, Mr. JEFFERSON, Mr. WYDEN, Mr. WISE, Mr. GEREN of Texas, and Mr. NAGLE.

H.R. 110: Ms. DELAURO.

H.R. 187: Mr. SAWYER and Mr. NCNULTY

H.R. 394: Mr. SLATTERY and Mr. JAMES.

H.R. 406: Mr. BAKER.

H.R. 431: Ms. MOLINARI, Mr. HOPKINS, Mr. JEFFERSON, Mr. ROE, Mr. HATCHER, Mr. WISE, Mr. CARPER, Mr. PANETTA, and Mr. BEREUTER.

H.R. 481: Ms. SNOWE.

H.R. 565: Mr. BLAZ and Ms. NORTON.

H.R. 576: Mr. HALL of Ohio, Mr. RICHARDSON, Mr. WYDEN, Mr. LENT, Mr. CLINGER, Mr. BLILEY, Mr. FALEOMAVAEGA, Mr. KASICH, Mr. DORGAN of North Dakota, Mr. BOEHLERT, and Mr. BONIOR.

H.R. 643: Mr. BOEHNER.

H.R. 722: Mr. CONDIT and Mr. GILMAN.

H.R. 723: Mr. CONDIT and Mr. GILMAN.

H.R. 880: Mr. STAGGERS.

H.R. 951: Mr. LEVIN of Michigan.

H.R. 1007: Mr. RAMSTAD.

H.R. 1049: Mr. FEIGHAN, Mr. LIVINGSTON, Mr. LAGOMARSINO, Mr. ROTH, Mr. MARTINEZ, and Mr. MORAN.

H.R. 1067: Mr. WASHINGTON.

H.R. 1147: Mr. TOWNS and Mr. ORTON.

H.R. 1259: Mr. MAVROULES.

H.R. 1330: Mr. BUSTAMANTE.

H.R. 1422: Mr. MCCLOSKEY, Mr. TORRES, Ms. SLAUGHTER, Mr. PAXON, and Mr. ANDREWS of New Jersey.

H.R. 1473: Mrs. MEYERS of Kansas.

H.R. 1481: Mr. SUNDQUIST.

H.R. 1502: Mr. GREEN of New York, Mr. BLACKWELL, Mr. RUSSO, and Mr. SISISKY.

H.R. 1516: Mr. HUTTO, Mr. LIVINGSTON, and Mr. PETRI.

H.R. 1536: Mr. JEFFERSON, Mr. SARPALIUS, Mr. MINETA, Mr. HUGHES, and Mr. DORGAN of North Dakota.

H.R. 1566: Mr. FROST, Mr. RICHARDSON, and Mr. JONES of North Carolina.

H.R. 1628: Mr. GEJDENSON, Mr. GAYDOS, Mr. PERKINS, Mr. STOKES, Mr. BLACKWELL, Mrs. LLOYD, Mr. SANTORUM, Mr. LAUGHLIN, Mr. PANETTA, Mr. MCDADE, Ms. PELOSI, and Mr. SPENCE.

H.R. 1703: Mr. FASCELL.

H.R. 1704: Mr. SHAYS.

H.R. 1733: Mr. ECKART, Mr. STOKES, Mr. WALSH, Mr. WOLPE, and Mr. HOAGLAND.

H.R. 1870: Mr. YATES, Mr. STOKES, Mr. BUSTAMANTE, and Mr. DYMALLY.

H.R. 2070: Mr. GORDON, Mrs. MINK, Mr. HEFNER, Mr. MCMILLEN of Maryland, Mr. CALLAHAN, Mr. WHITTEN, Mr. BRYANT, Mrs. UNSOELD, Mr. WALSH, Mr. MCEWEN, and Mr. PRICE.

H.R. 2083: Mr. WOLPE.

H.R. 2108: Mr. GEJDENSON.

H.R. 2202: Mr. MARTINEZ.

H.R. 2214: Mrs. MEYERS of Kansas and Mr. RICHARDSON.

H.R. 2248: Mr. LEWIS of Florida, Mrs. UNSOELD, and Mr. JOHNSON of Texas.

H.R. 2259: Mr. RUSSO, Mr. SAVAGE, and Mrs. COLLINS of Illinois.

H.R. 2304: Ms. WATERS.

H.R. 2492: Mr. ANDREWS of New Jersey and Mr. KOSTMAYER.

H.R. 2567: Mr. BROWN.

H.R. 2591: Mr. TOWNS, Ms. NORTON, Mr. HOCHBRUECKNER, Mr. TRAFICANT, Mr. SMITH of Florida, Mr. FROST, Mr. FOGLIETTA, Mrs. LOWEY of New York, and Mr. DE LUGO.

H.R. 2598: Mr. MCGRATH.

H.R. 2632: Mr. HAYES of Louisiana.

H.R. 2668: Ms. OAKAR, Mr. SAWYER, Mr. OWENS of New York, Mrs. MORELLA, and Mr. MCCLOSKEY.

H.R. 2669: Ms. OAKAR, Mr. SAWYER, Mr. OWENS of New York, Mrs. MORELLA, and Mr. MCCLOSKEY.

H.R. 2726: Mr. TOWNS.

H.R. 2768: Mr. JENKINS.

H.R. 2774: Mr. EDWARDS of California, Mr. RANGEL, and Mr. PASTOR.

H.R. 2890: Mrs. MORELLA, Mr. ATKINS, Mr. STUDDS, Mr. STARK, Mr. OBERSTAR, Ms. SNOWE, and Mr. DORNAN of California.

H.R. 2966: Mr. CLAY and Mr. WILLIAMS.

H.R. 3089: Mr. DARDEN, Mr. HORTON, Mr. LAFALCE, Mr. ANTHONY, Mr. HATCHER, Mr. WALSH, Mr. JEFFERSON, Mr. BLILEY, Mr. EVANS, Mr. LANCASTER, and Mr. ESPY.

H.R. 3164: Mr. EDWARDS of Oklahoma, Mr. MCCLOSKEY, Mr. FROST, Mrs. UNSOELD, Mr. ROSE, Mr. CONDIT, Mr. ATKINS, Mr. RIGGS, Mr. NEAL of Massachusetts, and Mr. SENSENBRENNER.

H.R. 3277: Mr. RAMSTAD, Mr. WILLIAMS, Mr. FRANK of Massachusetts, Ms. PELOSI, Ms. NORTON, Mr. SAVAGE, Mr. MARKEY, Mr. MAVROULES, and Mr. MRAZEK.

H.R. 3285: Mr. DELLUMS and Mr. MCDERMOTT.

H.R. 3395: Mr. RANGEL, Mr. OXLEY, Mr. WALSH, and Mr. HEFLEY.

H.R. 3486: Mr. LEVINE of California.

H.R. 3553: Mr. BLACKWELL and Mr. DOOLEY.

H.R. 3571: Mr. CAMPBELL of Colorado, Mr. CHAPMAN, Mr. DEFAZIO, Mr. HORTON, Mr. HUGHES, Mr. JONES of North Carolina, Mr. NEAL of North Carolina, Mr. PENNY, and Mr. STEARNS.

H.R. 3578: Mr. SANDERS and Mr. RINALDO.

H.R. 3654: Mr. ANTHONY, Mr. BARTON of Texas, Mr. BILIRAKIS, Mr. BLACKWELL, Mr. BREWSTER, Mr. CALLAHAN, Mr. CAMP, Mr. CARDIN, Mr. CONDIT, Mr. CONYERS, Mr. COYNE, Mr. DORNAN of California, Mr. ENG-

LISH, Mr. EWING, Mr. FOGLIETTA, Mr. GRANDY, Mr. HERTEL, Mr. HUCKABY, Mr. KANJORSKI, Mr. KOSTMAYER, Mr. KLUG, Mr. LENT, Mr. LEVIN of Michigan, Mr. MCCOLLUM, Mr. MCNULTY, Mr. MATSUI, Mr. MILLER of California, Mr. MONTGOMERY, Mr. MURTHA, Mr. PACKARD, Mrs. PATTERSON, Mr. PRICE, Mr. PURSELL, Mr. SKELTON, Mr. STUMP, Mr. SUNDQUIST, Mr. SYNAR, Mr. TAUZIN, Mr. TRAXLER, Mr. VENTO, Mr. LAFALCE, Mr. PENNY, and Mr. SABO.

H.R. 3689: Ms. PELOSI and Ms. NORTON.

H.R. 3702: Mr. ANTHONY.

H.R. 3718: Mr. COSTELLO, Mr. DURBIN, and Mr. ROYBAL.

H.R. 3748: Mr. VENTO.

H.R. 3809: Mr. STARK, Mr. AUCOIN, and Mr. JACOBS.

H.R. 3832: Mr. DE LUGO.

H.R. 3838: Mr. FIELDS, Mr. ATKINS, and Mr. FOGLIETTA.

H.R. 3841: Mr. HARRIS, Ms. SNOWE, Mr. DERRICK, Mr. MCCRERY, Mr. PARKER, and Mr. RAY.

H.R. 3844: Mr. PALLONE.

H.R. 3949: Mr. KOPETSKI, Mr. FRANK of Massachusetts, Mr. CONYERS, and Mr. STAGGERS.

H.R. 3978: Mr. HALL of Texas, Mr. GUARINI, and Mr. BONIOR.

H.R. 4002: Mr. FEIGHAN, Mrs. BOXER, Mr. PALLONE, Mr. LANTOS, Mr. SOLARZ, Mr. CONDIT, Mr. PAXON, Mr. MCNULTY, Mr. VENTO, Mr. BERMAN, Mr. KOSTMAYER, and Mr. YATES.

H.R. 4013: Mr. COOPER, Mr. FEIGHAN, and Mr. VISCLOSKY.

H.R. 4023: Mr. STARK, Mr. HOCHBRUECKNER, Ms. MOLINARI, Mr. HUCKABY, and Mr. SANGMEISTER.

H.R. 4025: Mr. TRAXLER and Mr. ZELIFF.

H.R. 4051: Mr. FROST, Mr. HOUGHTON, and Mr. ERDREICH.

H.R. 4073: Mr. KENNEDY, Ms. WATERS, Mr. TORRES, Mr. NEAL of Massachusetts, and Mr. LAFALCE.

H.R. 4083: Mr. FOGLIETTA, Mr. TRAFICANT, Mr. KLECZKA, Mr. EMERSON, Mr. FEIGHAN, Mrs. COLLINS of Illinois, Mr. MCNULTY, Mr. VOLKMER, Mr. YATRON, Mr. TORRES, Mr. NOWAK, Mr. PASTOR, and Mr. LEHMAN of Florida.

H.R. 4086: Mr. HALL of Ohio.

H.R. 4100: Mr. HOCHBRUECKNER, Mr. WILLIAMS, Mr. WILSON, Mr. EDWARDS of Texas, Mr. JACOBS, Mr. BRYANT, Mr. NAGLE, Mr. RAHALL, Mr. YATRON, Mr. BORSKI, and Mr. KANJORSKI.

H.R. 4121: Mr. ZELIFF.

H.R. 4122: Mr. PERKINS, Mrs. MINK, Mr. MARTINEZ, Mr. WASHINGTON, Mr. FLAKE, Mr. SERRANO, Mr. RANGEL, Mr. OLVER, and Mr. EVANS.

H.R. 4158: Mrs. BOXER.

H.R. 4166: Mr. HATCHER and Mr. SOLOMON.

H.R. 4169: Mr. ATKINS, Mr. NATCHER, and Mr. COSTELLO.

H.R. 4178: Mr. MILLER of California and Mr. DELLUMS.

H.R. 4183: Mr. ANTHONY.

H.R. 4190: Mr. RAHALL, Mr. ALLARD, Mr. KOSTMAYER, Mr. ENGLISH, Mr. LAGOMARSINO, and Mr. BRUCE.

H.R. 4194: Mr. EWING and Mr. MCDADE.

H.R. 4196: Mr. BEVILL, Mr. SKEEN, Mr. GINGRICH, Mr. JOHNSON of South Dakota, Mr. BREWSTER, Mr. WILSON, Mr. HATCHER, Mr. HOLLOWAY, Mr. KLECZKA, Mr. BILIRAKIS, Mr. GOSS, Mr. RAY, Mr. GEKAS, Mr. ERDREICH, Mr. CRAMER, Ms. SNOWE, Mr. HANCOCK, Mr. SAXTON, and Mr. DORGAN of North Dakota.

H.R. 4206: Mr. LAGOMARSINO, Mr. NEAL of Massachusetts, Mr. SHAYS, Mrs. UNSOELD, Mrs. BOXER, Mrs. MINK, and Mr. HUGHES.

H.R. 4220: Mr. MCCLOSKEY and Mr. ECKART.

H.R. 4224: Mr. BALLENGER, Mr. PORTER, Mr. KLUG, Mr. DORNAN of California, and Mr. ZELIFF.

H.R. 4229: Mr. FRANK of Massachusetts.

H.R. 4243: Mr. SYNAR, Ms. SLAUGHTER, and Mr. LAFALCE.

H.R. 4271: Mr. LOWERY of California and Mr. SANGMEISTER.

H.R. 4277: Mr. TOWNS, Mr. TORRES, and Ms. HORN.

H.J. Res. 27: Mr. GILLMOR.

H.J. Res. 351: Mr. KOSTMAYER, Mr. LEHMAN of Florida, Mr. HUGHES, Mrs. PATTERSON, Ms. PELOSI, Mr. HOCHBRUECKNER, Mr. BEILENSON, Mr. MORAN, Mr. MRAZEK, Mr. LAFALCE, Mrs. BOXER, and Mr. WAXMAN.

H.J. Res. 402: Mr. ALLEN, Mr. EMERSON, Mr. TRAFICANT, Mr. MURPHY, and Mr. PICKETT.

H.J. Res. 407: Mr. TRAXLER, Mr. MAVROULES, Mr. MCMILLAN of North Carolina, Mr. DARDEN, Mr. MCGRATH, Mr. SARPALIUS, Mr. BOUCHER, Mr. HUGHES, Mr. WALSH, Mr. GONZALEZ, and Mr. ANDERSON.

H.J. Res. 411: Mr. WALSH, Ms. NORTON, Mrs. ROUKEMA, Mr. LAGOMARSINO, Mrs. LOWEY of New York, and Mr. MATSUI.

H.J. Res. 414: Mr. VANDER JAGT, Mr. HORTON, Mr. OWENS of Utah, Mr. SCHUMER, Mr. ACKERMAN, Mr. RITTER, Mr. LEHMAN of Florida, Mr. GILLMOR, Mr. SHAYS, Mr. SOLARZ, Mr. DE LUGO, Mr. DORNAN of California, Mr. FASCELL, Mr. ERDREICH, Mr. GORDON, Mr. PAXON, Mr. SOLOMON, Mr. TOWNS, Mr. KOSTMAYER, and Mr. MURPHY.

H. Con. Res. 192: Mr. CHANDLER, Mr. ATKINS, Mr. LANTOS, Mr. JOHNSTON of Florida, Mr. FASCELL, Mr. IRELAND, Mr. SCHEUER, Mr. HUGHES, Mr. ECKART, Mr. YATRON, Mr. LAFALCE, Mr. COYNE, Mr. FEIGHAN, Mr. TRAFICANT, and Mr. JENKINS.

H. Con. Res. 239: Ms. ROS-LEHTINEN and Mr. HOYER.

H. Con. Res. 263: Mrs. MORELLA, Mr. CARPER, and Mrs. SCHROEDER.

H. Con. Res. 264: Mr. ROHRABACHER, Mr. LAFALCE, and Mr. HUGHES.

H. Con. Res. 266: Mr. GILMAN, Mr. KOPETSKI, Mr. ANDREWS of Maine, Mr. RANGEL, Mr. LEVINE of California, Mr. MCHUGH, Mr. JONES of Georgia, Mr. MCDERMOTT, Mr. SANDERS, and Mr. PASTOR.

H. Con. Res. 272: Mr. MCMILLEN of Maryland, Mr. ACKERMAN, Mr. LEWIS of Florida, Mr. ROYBAL, Mr. LEVINE of California, and Mr. MANTON.

H. Con. Res. 274: Mr. POSHARD, Mr. JONES of North Carolina, Mr. TAYLOR of North Carolina, Mr. GOSS, and Mr. TOWNS.

H. Con. Res. 277: Mr. WALSH, Mr. BROOKS, Mr. STENHOLM, Mr. BRYANT, Mr. COMBEST, Mr. GEKAS, Mr. LAUGHLIN, and Mr. ORTIZ.

H. Res. 271: Mr. SANDERS and Mr. MFUME.

H. Res. 322: Mr. JEFFERSON, Mr. TORRES, Mr. GLICKMAN, Mr. GALLEGLY, Mr. MCCLOSKEY, Mr. MILLER of Washington, and Mr. MURPHY.

H. Res. 332: Mr. SHAYS and Mr. EWING.

H. Res. 359: Mr. LEVINE of California.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Res. 194: Mr. CHAPMAN and Mrs. LLOYD.

EXTENSIONS OF REMARKS

THE PEACE PROCESS IN EL SALVADOR

HON. MICHAEL R. McNULTY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. McNULTY. Mr. Speaker, one of my constituents, Sister Jane Brooks, CSJ, was kind enough to send me a very important article entitled, "The Peace Process in El Salvador (A Hermeneutic of Suspicion)," by the Reverend Daniel Santiago, which appeared in the publication America on January 11, 1992. I would like to insert this article in the CONGRESSIONAL RECORD.

THE PEACE PROCESS IN EL SALVADOR (A HERMENEUTIC OF SUSPICION)

(By Rev. Daniel Santiago, a Catholic priest working in El Salvador)

On Feb. 11, 1990, the Salvadoran Air Force bombed Corral de Piedra, a small community of returned refugees in the Province of Chalatenago. The attack proceeded thus: At about 8:30 in the morning three Huey helicopters commenced strafing Corral de Piedra with machine-gun fire. They then let loose a barrage of rockets against the village and its environs. Later two A-37 Dragonfly airplanes dropped eight bombs on Corral de Piedra. The attack lasted one hour.

Three houses received direct hits. The corrugated metal roofs and adobe walls offered minimal protection against flying shrapnel. Four children and one adult died immediately. Seventeen others required hospitalization for wounds sustained in the attack. The most horrible sight greeting the survivors was the lacerated and crushed body of two-year-old Blanca Guardado enveloped in the arms of her dead father, Jose.

The survivors who were ambulatory organized an evacuation of the wounded to the city of Chalatenango. During this evacuation the Air Force returned with two C-47 Dakotas and again strafed the village.

Corral de Piedra is not an extraordinary case. The list of massacres and attacks against defenseless civilians is a long one. As the Government of El Salvador and the Salvadoran resistance, the F.M.L.N. (Farabundo Marti National Liberation Front), intensify their negotiations for a cease-fire it is important to recall these victims and the reason they died: Mogotes, 31 killed; Guazapa, 34 killed; Armenia, 23 killed; Mozote, 800 killed; San Antonio Abad, 35 killed; San Jose de Las Flores, 57 killed; Sumpul River, 600 killed; Los Cerros de San Pedro, 300 killed.

The special, U.S.-trained Atlacatl Battalion has its own list of massacres: Tenango and Guadalupe, 150 killed; Tenancingo, 50 killed; Copapayo, 118 killed; Las Piletas, Gualsinga River, 34 killed. At times the Atlacatl has joined forces with the Belloso Battalion—San Carlos Lempa, 25 killed; Los Llanitos, 68 killed. The Atlacatl also participated in Operation Phoenix on Guazapa volcano where 245 civilians, mostly women and children, were killed. On Nov. 16, 1989, soldiers of the Atlacatl Battalion entered the Jesuit University of Central America and brutally killed six priests, a housekeeper and her daughter.

Salvadorans long for assurances that these massacres will end. They know it is not enough to sign a document saying "the Armed Forces and the F.M.L.N. will respect human rights." Such assurances have been offered in the past. Called, variously, "messages," "symbols," "indications" and "signs of peace," they have been ineffectual. Massacres are not the cause of El Salvador's problems, they are a consequence of larger injustices. The dialogue for peace must address the underlying causes of the conflict as well as their consequences.

Some claim that the Armed Forces of El Salvador kill only for the pleasure of killing, because they are evil. This is an expression of the "Black Legend," the most ubiquitous interpretation for Latin American history heard in the United States. It goes like this: Killing is a Salvadoran cultural trait. Salvadorans are a naturally violent people. They are hot-headed, hot-blooded and lacking any appreciation for democracy, human rights and peaceful mediation of differences.

On the contrary, military actions in El Salvador, like that at Corral de Piedra, are acts of terrorism. They are planned and executed in order to maintain the Salvadoran system of agricultural production by terrorizing the population and guaranteeing a ready and cheap supply of labor. The proof of this contention is, quite literally, evident across the Salvadoran landscape.

From early November until late January, in early mornings and late afternoons, Salvadoran highways are choked with lines of peasants—men, women and children—trekking to the plantations to pick coffee and cotton and to cut sugar cane.

Each coffee worker carries a basket and tumpline. These are not happy peasants, like the Juan Valdez of commercial fame. The children are malnourished and exhausted. The adults appear haggard. Coffee picking is tiresome work with little economic reward.

During these months, bales of cotton line the sides of the coastal highways. One can see lean-tos set among the cotton fields, temporary homes for the seasonal workers toiling under the sun.

Sugar cane is cut by hand. Sugar cane also cuts, lacerating the hands and arms of the men and women who wield machetes. Children haul the cane to waiting trucks. Exhausted after a few hours work, they cannot pause to rest except at designated periods. The flow of profit cannot be disrupted.

The coastal highways are very dangerous during harvest time. Trucks brimming with sugar cane race from field to crusher and from crusher to refinery. Profit rules in El Salvador. There is no concern for the safety of the workers. These trucks are piled so high they often fall over, killing people on the road. All spew toxic fumes. This is harvest time in El Salvador.

The three main export crops—cotton, sugar and coffee—must be harvested in November, December and January. All are labor intensive and require very little labor during the rest of the year. A lack of available labor during these months would mean losing the crop and thus El Salvador's second-largest source of foreign capital after the United States' contribution to the war effort. If the majority of people were gainfully employed in a stable economy, there would be no workers for the harvest. The Salvadoran export economy, therefore, depends as much on seasonal unemployment and underemployment (from February until October) as on available labor from November until January.

The wages from the harvest are low and are used to purchase clothing or shoes for the children and possibly a few Christmas presents. The peasants are paid piecemeal and by the end of the harvest many workers spend more on the costs incurred to pick coffee than they earn. Why would they continue to work? For the coffee pickers, gleaning rights belong to those who stay for the whole harvest. Also, some plantations refuse to rehire peasants who work only during the more profitable early part of the season.

The export economy of El Salvador is weakened by competition from crops cultivated for local consumption. The staples of the Salvadoran diet are corn and beans. Corn is planted, usually on leased land, in early May. The corn ripens in August and some is harvested. The majority of the corn cobs, however, are snapped while on the stalk, allowed to dry in the field and picked throughout October, November and December. Thus El Salvador's three main export crops—its source of foreign capital—and its two, important domestic crops—the dietary staple of the poor—are all harvested in the same season. The corn and bean harvests are more important to the peasant than the coffee, cotton and sugar harvests. The motivation to pick coffee is undermined, not only by low wages, but by the relative lack of importance of the crop in the life of the poor.

Salvadoran peasants have long realized how easy it would be to demand higher wages if they were organized. If workers had the right to organize and to strike, the agricultural economy would favor workers over producers. Coffee beans, for example, ripen at different times throughout the harvest, and the export-quality beans must be picked before they fall to the ground. A two-week strike would cost the landowners early. If there are no pickers, there is no harvest. If there is no harvest, there is no foreign exchange for the government and oligarchy.

Until El Salvador diversifies its economy and restructures the relationship of the workers to the landowners, allowing greater participation from all levels of society in decision making, it will be torn by civil and class war.

THE HISTORY OF THE SYSTEM

How did El Salvador's economy develop in such a precarious fashion? Soon after the conquest, the central region of El Salvador was organized in colonial plantations that grew trade crops of balsam, cacao and indigo. But partly as a consequence of isolation, large-scale development was delayed. The Spanish permitted the Indians to maintain much of their traditional system of commercial lands. Nuclear families kept gardens close to home for fresh fruits and vegetables. Large, extended families used fields for com-

mon grazing, cultivation of staples and some crops for sale. The extended families adopted a saint as protector and used the saint's feast day as an annual celebration and opportunity to review communal leadership.

Central America became independent from Spain in 1821. A loose Central American Union floundered until 1839, at which time El Salvador and the other countries of Central America became separate. During these years the landed ologarchy initiated efforts to dissolve the Indian communal lands and in 1833 suppressed an uprising under Anastasio Aquino.

In mid-century, the Government secured most of its operating revenue from export taxes on indigo. A decline in demand for indigo led the oligarchal families to propose full-scale privatizing of the Indians' communal lands, so as to increase export production. This "bouregeois revolution" culminated in the Constitution of 1886 [discussed in America, 9/24/91]. Large tracts of once communal land, used for internal production, were turned over to cash crops—indigo, cotton, sugar and coffee. The Indians were required to lease lands from the new landowners. The Indians' only source of cash was to work as seasonal laborers on the newly enlarged plantations. The oligarchy explained this as bringing El Salvador into the modern world. The poor and Indians saw it as land theft, reducing the majority of Salvadorans to serfdom and installing a feudal economy over Salvadoran society. The Indians again rebelled but were crushed.

Peasant subservience to the landowner was assured through the local militias. Terror kept the workers from organizing. Landowners lent workers to each other as if bartering in slaves. This system functioned until 1932, when the rural Indian population in the western part of El Salvador and workers in the capital rose against the landowners. The military crushed this uprising, killing 30,000 Indians. The Great Killing, as it is called, transformed the regional militias into a national institution and gave the military a key role in Salvadoran social life, which it still plays today.

In the late 1970's the working classes of El Salvador again organized to demand higher wages and land reform. The landowners and military responded with the same brutal efficiency. In 1980 the United States, under the Reagan Administration, replaced the Salvadoran oligarchy as the chief patron of the Salvadoran Armed Forces. With this exception, little has changed in El Salvador since the "liberal reforms" of the late 19th century that dissolved the communal lands.

A RATIONALE FOR WAR

Which brings us back to Corral de Piedra. Why did the Salvadoran Air Force strike this small settlement with such ferocity on Feb. 11, 1990? Why kill Jesuit priests, Archbishop Oscar Romero, American nuns, tens of thousands of civilians?

Corral de Piedra is an agricultural cooperative. A review of massacres and invasions over the past 12 years shows that cooperativists have been prime targets for attacks by the Salvadoran Armed Forces. A cooperative is a self-sufficient, agro-economic model of development. Corral de Piedra is not a direct economic threat to the oligarchy. It subverts the economy, however, in that it is a model for economic self-sufficient cooperative, even one that is very poor, does not provide labor for the annual harvest.

This helps account for the massacre of the Jesuits. Many in the Christian base communities, cooperatives and unions saw the Jesuits' deaths as an attack on economic and social-self sufficiency among the poor. The Jesuits still work openly and alongside the poor to undermine class dependency and institutionalized poverty. In this they are subversive of the economic status quo.

Oscar Romero was an economic subversive. He advocated programs like land reform that would have given the poor economic stability. A stable, economic base for El Salvador is contradictory to the interests of the landowners.

Archbishop Rivera Damas is subversive in this way. Under his leadership the Social Secretariat of the Archdiocese has started a credit union program for small communities. Communities are given a small amount of capital to allow them to create a middle-interest account. They are allowed to keep this capital if the community invests. People who are saving money do not have to borrow at 20 percent interest to buy seed and fertilizer. If poor communities do not need the seasonal work in order to support the cost of planting their staple corps, the export corps would not be harvested.

Ironically, even capitalism is subversive to El Salvador's feudal economy. The oligarchy and military do not want to see an expanded middle class in El Salvador. Competition would force prices down and reduce the oligarchy's profit margin.

Until the conditions of dependency and institutionalized poverty change, the peace process and dialogue between the F.M.L.N. and the Government of El Salvador mean little. On the other hand, when cooperativists, like those from the Good Shepherd Agricultural Cooperative in Aguilares, can report that they are raising chickens and selling eggs on the open market without fear of reprisal from the large egg-producers, we will know that peace is coming to El Salvador.

When unions, like Fenastras, can organize and negotiate wages without their members being beheaded and their offices blown up, we will know that peace is coming to El Salvador.

News of a peace accord is a sign of hope. But El Salvador is a land of crushed hopes and there is ample cause for suspicion. As the Government and the F.M.L.N. were negotiating in New York, Mirtala Lopez, a courageous Salvadoran who works with the Christian Committee for Displaced People of El Salvador, received five successive death threats from the Anti-Communist Society of El Salvador. These threats were accompanied by a candle dripped in blood and a five colon donation for a coffin. Shortly after, Mirtala came to the United States to speak about her experience. Despite the danger to her life she decided to return to El Salvador. Bishop Thomas Gumbleton of Detroit, Patrick McManamon, S.J., of the Detroit Province of the Society of Jesus, Alice Fairchild, O.P., a Dominican from New York, and two congressional aides—Hector Lucena from the office of Thomas Foglieta (D., Ohio) and Karen Masterson from the office of Tony Hall (D., Ohio)—volunteered to accompany Mirtala to El Salvador. All were denied visas by the Salvadoran Minister of the Exterior. Mirtala Lopez has good reason to be dubious whether justice is really coming to El Salvador.

The Armed Forces could easily manipulate the F.M.L.N. into an armed confrontation. The political space that has appeared in recent years in El Salvador is not the result of altruism on the part of the oligarchy and military. It grew, to a large extent, because of the sustained military effectiveness of the F.M.L.N. For the F.M.L.N. to agree now to a cease-fire and enter the political struggle is a serious risk. A cease-fire would surely make the front pages of the international newspapers. When the F.M.L.N. endorses candidates for elected office in El Salvador, this too will make news, although the back pages. But what would be the news-value of the following succession of events; if the Minister of the Interior deports the international church-workers and human rights advocates; if the government reneges on its agreed-upon reform of the Armed Forces; if the Anti-Communist Society acts on its promise to kill Mirtala Lopez; if selected leftist candidates meets with accidents?

El Salvador has already ceased to be news. Renewed outbreaks of killing would receive very little attention in the United States, if any. Yet the F.M.L.N. would respond to such attacks. Caches of arms buried in abandoned wells and grenades hidden in volcanic ravines would be retrieved. Some efforts to organize would take place, and a general call for an insurrection would be made. And there would be a great killing of the poor, the Christian base communities, unions, and grass-roots, human rights groups.

A massacre of the poor could take place without help from the United States, for the Armed Forces of El Salvador have not always relied on U.S. patronage. The State Department may even object to the killing, but it certainly would not intervene to protect the poor. The important question is, how would the North American people respond?

TRIBUTE TO RICHARD "FOXY" MARSHALL

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to recognize Richard Foxy Marshall for his outstanding achievements as head football coach of Portsmouth High School.

Since his arrival at Portsmouth High School in 1985, Foxy Marshall has won three State titles and has never had a losing season. With those State titles, Foxy Marshall has become the first coach in Rhode Island interscholastic football history to win championships in Rhode Island's three football divisions: B, C, and the newly formed championship division, which contains the top football schools in Rhode Island.

An enthusiastic coach, Foxy, is a role model to the players he coaches. After suffering a heart attack, Foxy returned to the game with the same vigor and enthusiasm he has always displayed.

Foxy Marshall came to Portsmouth in 1985, after coaching football at Warren High School and at Roger Williams College in Bristol. Foxy was a police officer for the town of Bristol for 23 years before retiring as a captain in 1989.

I sincerely congratulate Richard "Foxy" Marshall of all his recent achievements. You have proved to be a role model both on and off the field to the young men you coach. I wish him success in all his future endeavors.

NISHA HITCHMAN SELECTED AS 1992 McDONALD'S BLACK HISTORY MAKER OF TOMORROW

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, Ms. Nisha Hitchman of Miami Norland Senior High School was selected as 1 of the 10 1992 McDonald's Black History Makers of Tomorrow. The McDonald's Black History Makers of Tomorrow program is a salute to educational excellence, high moral character, and student leadership shown among America's high school juniors. The students are recognized both for present accomplishments and for their expected positive impact on our Nation. The energetic idealism of the 10 national winners and 5 semifinalists represent grand hope for our Nation's future. The program is sponsored by McDonald's for the purpose of highlighting talented minority youth and that of providing positive role models.

Ms. Hitchman's résumé is replete with academic honors and student involvement. She currently attends Miami Norland Senior High School where she is active in the school newspaper, the Calculus Math Team, Mu Alpha Theta, Junior Committee, Inter-Club Council, National Honor Society, softball, English Honor Society, Top Teen of America, and Campus Life. Ms. Hitchman plans to serve as a page in the Florida State Legislature this spring.

The winners were selected based on submission of an application, school transcripts, letter of recommendation, and a 500 word essay titled "How I Plan to Make an Impact on Black History." McDonald's received more than 1,000 essays from high school students nationwide. Nisha and the other nine winners recently traveled to Washington, DC, from February 19 to 22 to attend the McDonald's Leadership Conference and had the honor of participating in a live taping of Black Entertainment Television's [BET] Teen Summit on February 22.

In her noteworthy essay, Ms. Hitchman wrote:

> I plan to make an impact on black history by living free and giving others the courage to be free. . . . The path I have taken to be mentally free is that of realizing my uniqueness, yearning for quality education, being determined, and having the intent of teaching others how to be totally free.

I wish her much success in her effort to use the dynamic force of liberty in those around her, and challenge her peers to strive for excellence as well.

I commend Ms. Hitchman on receiving this impressive national award. She has already accomplished many impressive things and I am confident her future will bring great things as well. I also thank Ms. Barbara W. Gothard, the president of the Gothard Group, a public relations firm in Miami, for getting the story of Ms. Hitchman's accomplishment out to the south Florida community.

FORMER CONGRESSMAN JOSEPH FISHER, GENTLEMAN, LEGISLATOR

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. PICKLE. Mr. Speaker, last week we lost one of our finest colleagues, Congressman Joseph Fisher of Virginia. Those of us who have served with him recognize Joe Fisher as one of the most honorable and talented Members who ever served.

Always polite and gentlemanly, yet always full of insight and integrity, Joe Fisher was a public servant in the best sense of the word. The Washington Post captured the essence of this splendid gentleman and his service, and I ask that it be reprinted in the CONGRESSIONAL RECORD as follows:

JOSEPH L. FISHER

Joseph L. Fisher was not a feature writer's dream. The most vivid adjectives applied to him in the papers were "mild-mannered," "soft-spoken" and, in later years, "gray" and "grandfatherly." But as even the journalists who thus caricatured him knew, there was a lot more to Joe Fisher than that. He commanded enormous respect—in county government, state office and Congress—because he combined a first-rate intellect with a strong commitment to principle. He didn't have to be loud to be listened to, and although he had a knack for compromise and conciliation, he could also—in things that counted—be very determined.

In 1968, for example, he and two other members of the Arlington County Board secured passage of Virginia's first open housing ordinance, despite a Republican walkout and some strenuous opposition from the county prosecutor. Six years later, he took on Rep. Joel Broyhill, an institution in Northern Virginia's 10th District who had rolled over one strong challenger after another. What most considered to be an impossible quest became even more impossible when Mr. Fisher threw his back out in the middle of the campaign and had to seek votes for a time in great pain and in a wheelchair. Even his friends were urging him to pull out, but instead Mr. Fisher pulled off a stunning upset, ending Mr. Broyhill's congressional career after 11 terms.

Mr. Fisher, who died Wednesday at the age of 78, was one of the postwar generation of government leaders who saw this metropolitan area whole and worked to knit its cities, towns and counties together through various forms of regional cooperation. A respected economist and a World War II veteran, he gained election to the Arlington board in 1964, and while there also served as chairman of the metropolitan transit agency and the Council of Governments. After three terms in Congress, he wound up his public career in Gov. Charles S. Robb's cabinet as secretary of human services. It was there that state Sen. Edward E. Wiley—no great admirer of Northern Virginia—appraised Mr. Fisher's performance in terms that could be applied to just about all his works. "Joe's a fine gentleman," he said, "doing a superb job."

TRIBUTE TO CORTLAND BANKS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to the Cortland Banks in my 17th Congressional District of Ohio which is celebrating its 100th anniversary this year.

Mr. Speaker, in these troubled times of bank failures and lending crises, it gives me great pride to honor an independent local bank that has grown prudently and safely for the past 100 years. Over its lifetime, Cortland Banks have survived no less than seven national recessions and the Great Depression. During the periods of economic boom, the Cortland Banks resisted the temptation to outgrow its original purpose to serve its Mahoning Valley depositors. Founded by William H. Wartman, the Cortland Banks have added nine branches to its original in Cortland, OH. Cortland Banks now has offices in Brookfield, Vienna, Bristolville, Windham, Hiram, Williamsfield, Manuta, and Hubbard.

Mr. Speaker, it is with great pleasure that I rise today and pay tribute to the Cortland Banks on its centennial.

RESCUING THE U.S. SAVINGS BOND PROGRAM

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MURPHY. Mr. Speaker, today I rise to demand the U.S. Treasury reverse a recently implemented policy regarding U.S. savings bonds. No longer is it possible to walk into a bank, and simply purchase a bond. We are now required to fill out an application and submit it to the bank before receiving the actual savings bond in the mail. Implemented in the name of cost savings, this streamlining policy will, I predict, do serious harm to a popular Government savings program.

Throughout the years of this program's existence, purchasing a U.S. savings bond has been the ideal gift. Over the years I myself have purchased bonds for numerous children, nieces and nephews, and now grandchildren. Speaking from past experience, I believe that giving a child a U.S. savings bond, conveys to them a certain sense of maturity and responsibility. As bondholders they could share the same pride that adults had in their Nation and the value of hard work. Americans have always held the belief that patience and perseverance pays off in the end. Watching a bond grow to maturity taught young people this valuable and vital lesson.

Now, unable to purchase a savings bond upon demand, I am concerned that people will simply be deterred from buying them. Call me old fashioned, but people do not trust what they cannot see, and do not have faith in what they cannot hold. Now it will be simpler to write a check as a gift. They are easy to cash and even easier to spend. One more tradition to help American children learn the values of

thrift, patience, and perseverance, sacrificed at the expense of Government efficiency policies.

I can only hope that the Treasury will reverse this decision. Americans are now desperately looking to Washington for leadership. Telling them one more time that even simple requests, like buying a U.S. savings bond, will require filing an application and dealing with Washington's monstrous bureaucracy is the wrong message to send to our citizens. Let's throw the average citizen, already drowning in a hostile sea of Government rules and regulations, a lifeline. Let us demand that the Treasury reverse this policy.

CONGRESSMAN KILDEE SALUTES GARNETT NELSON JACKSON

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. KILDEE. Mr. Speaker, I rise today to ask you and my fellow Members of Congress to join me in saluting a great American, Garnett Nelson Jackson. She has dedicated her life to what I consider to be the most noble of occupations—teaching. Garnett Jackson's accomplishments have been a great source of pride to me, both as her Congressman and as her colleague, being a former teacher myself.

Ms. Jackson was born in New Orleans, LA. The second child of three girls, Garnett is the product of a private and Catholic school education. Garnett Jackson earned a bachelor of arts degree in education from Dillard University in New Orleans. Formerly employed with the U.S. Postal Service, Ms. Jackson is currently a kindergarten teacher at Civic Park and Coolidge Elementary Schools in Flint. She has one child, Damon Jackson, a graduating senior from Flint Central High School.

Garnett Nelson Jackson's outstanding ability to educate others transcends the title of "teacher." her achievements in the field of education have received national recognition. She is a recipient of the National Association for the Advancement of Colored People [NAACP] Harambee Medal. This award is given to African-Americans who inform and enlighten the community. Ms. Jackson also received the 1991 Dorothy A. Evans Educator of the Year Award from the NAACP-Flint branch.

A noted author, Garnett Jackson has published several books under the series title, "African Like Me." The book series targets African-American children ages 4 through 8 and is designed to promote positive self-awareness through the study of important historical figures. The titles include, "I Am An African-American Child," "The Little African King, King Tut," "Benjamin Banneker and His Wooden Clock," "Frederick Douglass, Freedom Fighter," and "Phyllis Wheatley, Poetess." Additionally, Garnett Jackson has a column that appears weekly in the local daily newspaper, the Flint Journal, and writes for a local African-American newspaper, the Flint Editorial.

Garnett credits her many accomplishments to her mother, Carrie Sherman. Ms. Sherman not only instilled in her children a respect for truth and honesty, she also taught them to always stand up for their beliefs and to be true to themselves. To Ms. Sherman, words were not enough. She knew that for her children to internalize these values, she must set the example. Carrie Sherman blazed a path for her three daughters, including Garnett, by becoming a successful businesswoman owner of a grocery store, barber shop, and ice cream shop. With such an outstanding foundation to build upon, it was inevitable that Garnett Jackson would become the outstanding citizen we know today.

Mr. Speaker, it is my belief that the role of government is to promote, protect, defend, and enhance human dignity. If our Government is to fulfill this role, it certainly needs the support of educators such as Garnett Nelson Jackson whose life has been dedicated to a series of struggles to promote and enhance human dignity. She exemplifies all that is good about being an American and I am proud to have the opportunity to represent her.

TRIBUTE TO LARRY BERMAN

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to congratulate Larry Berman on being named the "Young Citizen of the Year," an award by the Woonsocket Jaycees.

During the past 4 years I have spent in public life, I have become well acquainted with a wide variety of people who interact with my office on a daily basis. I am consistently impressed with the level of commitment and effort demonstrated by so many of them.

However, I must agree with the Woonsocket Jaycees that there are some people among us whose dedication and hard work stand out from the crowd.

You are clearly one of those special persons, Larry.

As Assistant managing editor of the Woonsocket Call, your commitment to delivering the truth to your readers day in and day out stands second to none.

The highest standard of fairness and accuracy have been the hallmarks of your management of the Call's news content.

In addition to your commitment to the paper, you have somehow found the time to give back to your community in numerous other endeavors.

Your work with the budding young journalists in the local schools, commitment to commerce development in the city, and assistance in planning and fundraising for annual events are extraordinary examples of your commitment and dedication to improving the quality of life for the Greater Woonsocket area.

I share with the entire Woonsocket community in extending congratulations to you on this most worthy award. I wish you continued success in all your future endeavors.

TRIBUTE TO SAINT XAVIER UNIVERSITY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. LIPINSKI. Mr. Speaker, on May 1, 1992, Saint Xavier College of Chicago will become Saint Xavier University. I rise today to recognize the students and faculty of this academic institution and to congratulate the entire Saint Xavier community on this special occasion.

Saint Xavier College was founded in 1846 by the Sisters of Mercy and chartered by the State of Illinois with the power to grant degrees in 1847. Since that time, it has grown to offer a diverse curriculum including 30 undergraduate majors and 19 graduate programs in the areas of arts and sciences, business, education and nursing.

The change in name is an accurate representation of the Saint Xavier of today. Saint Xavier is a private Catholic university with a tradition of academic excellence. Its outstanding faculty is committed to teaching, scholarship and service to the community. Saint Xavier has developed into both an urban and international university serving the diverse educational needs of over 3,700 students from Chicago's southwest side as well as centers in Orland Park, IL, Paris, and Milan.

As Saint Xavier College becomes Saint Xavier University, I urge my colleagues to join me in saluting this fine academic institution. Its history and accomplishments should serve as a model for colleges and universities throughout the Nation. I join the Saint Xavier community in looking to the future and all the accomplishments it will bring.

CONGRATULATIONS LITHUANIA

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. BONIOR. Mr. Speaker, I am proud to support House Concurrent Resolution 239. The people of Lithuania deserve to have a resolution congratulating them for their successful and peaceful revolution.

Recently, we celebrated the 74th anniversary of Lithuania's declaration of independence on February 16, 1918. For 22 years, Lithuania enjoyed independence until Hitler and Stalin agreed to the treacherous Molotov-Ribbentrop Pact. From then on, the people of Lithuania endured over a half century of repression under Communist dictatorship.

Over the past few years, Sajudis led a nonviolent movement for democracy. These efforts bore fruit on March 11, 1990 when the newly elected parliament declared the restoration of Lithuania's independence.

However, the trials of the Lithuanian people continued. In January last year, Soviet troops launched a bloody assault against Vilnius. By the thousands, Lithuanians bravely defied the Soviet tanks. The actions of the Lithuanian people were a crucial turning point in the defeat of communism. Freedom loving people

around the world continue to draw inspiration from these events.

I am proud that the United States never recognized the illegal Soviet annexation of Lithuania and the Baltic States. Our patient and principled stand helped lead to the demise of communism. Over the past few years, we have witnessed the triumph of freedom in Eastern Europe. We can all rejoice that Lithuania and the Baltic States were finally able to restore their independence.

I would like to express solidarity with the Lithuanian people who have sacrificed so much for the cause of freedom.

ELECTION YEAR SOLUTIONS, LONG-TERM PROBLEMS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. ANDERSON. Mr. Speaker, our country is mired in the longest recession since the Great Depression. Nearly 9 million Americans are unemployed. Housing starts are at their lowest level since 1945. Business failures are at an all time high, causing job insecurity even among those who are employed. People are looking toward Washington for solutions to their economic problems. Unfortunately, they find a Government whose actions are constrained by a nearly $400 billion budget deficit. Meanwhile, the economy inches toward recovery, even as we are faced with long-term, structural problems that prevent the resurgence of America as the world's premier economic power.

Most economists agree that the economy will fully recover from the recession by mid-1992. The Congressional Budget Office [CBO] estimates economic growth of 5.2 percent over the next 2 years without Government intervention. But since this is an election year, Democrats and Republicans have offered plans to fix the economy with a fiscal stimulus. The Republican plan centers on a capital gains tax cut. The Democrat's alternative is a tax cut for the middle class. These proposals threaten to embroil the Democrat-controlled Congress in a bidding war with the President to determine who is the party of least responsibility. Neither plan will provide a short-term stimulus to the economy. Both are inadequate to meet the economic demands of the 21st century.

To the extent that additional tax revenues or spending cuts can be found, they should not be squandered on a politically expedient tax cut. They should be used to reduce the deficit and meet pressing domestic problems that inhibit economic growth. These deep-seated problems, including a lack of spending on education, investment, and infrastructure, will linger long after the recession is over unless we act with an eye toward the future.

Congress should also focus on measures to increase our national savings rate. Economists have all pointed to our dismally low savings as the greatest impediment to our economic growth, with our high Federal budget deficit a contributing concern that drags down long-term investment. Consumers have renewed their commitment to saving and reduced spending to pay off the historically high levels of debt accumulated in the 1980's. While increased saving has caused short-term pain in the form of dampened consumption, it is essential to long-term growth. Enacting tax cuts ignores this long-term prescription for recovery by focusing on short-term consumption.

Tax cuts will be ineffective in the short term because they have little effect on consumer spending. A tax cut of $400 for a family is too little; an extra dollar a day will not stimulate a family to spend more money. Now they are also too late. Last month Americans spent more money and increased home purchases. Consumer spending rose without the benefit of a tax cut because of reduced personal debt levels. Even if the tax cuts were timely, polls show that consumers would use additional revenue to further reduce their personal debt level. While reducing debt and increasing savings should be encouraged, giving families tax cuts to accomplish these goals would increase public debt, thereby canceling the benefits of increased personal savings.

The President's capital gains tax cut will, like middle-class tax cuts, exacerbate the budget deficit without providing fiscal stimulus to the economy. While its exact budgetary implications are disputed, the Joint Committee on Taxation estimates that the President's proposal will lose $15.4 billion over the next 6 years. To compound its negative fiscal impact, the benefits of a capital gains tax cut will disproportionately flow to wealthy Americans, those who need a handout from the Government the least after receiving most of the income gains of the 1980's. Those who have incomes over $200,000, will receive an average tax cut of $19,000. At the same time, those in middle-income tax brackets will receive, on average, only $200. A capital gains tax cut at this juncture provides little relief to middle-income Americans who have been hard hit by the recession. I have supported a capital gains tax cut in the past, because I believe the Tax Code should stress investment, but the President's proposal neither addresses the short-term needs of most Americans nor the specter of our unbridled deficit.

Increasing budget deficits will add to the long-term economic problems of our country. There is direct causal relationship between how much the Federal Government goes into debt and the interest rate we pay on our outstanding debt. Financial markets are sure to panic if the Government breaks the fiscal restraints of the budget. This will drive up interest rates. Higher interest rates dampen home sales, vital investment in plants and equipment, and decrease exports by artificially strengthening the dollar. This will cost the average American far more than he or she will gain through a politically popular tax cut. Lower interest rates will allow Americans to reduce their mortgage payments, care payments, and payments on their student loans. This will give the middle class money in the long run without increasing our budget deficit.

Congress is elected by the people to represent their best interests, both short and long term. Yet during the time I have represented my constituents, debt levels have soared. We cannot let election year pressures obscure our view of the future. Even without tax cuts, budget estimates for the next 10 years project deficits bottoming out at $156 billion in 1996, but rising to $303 billion in 2001. We simply cannot run annual budget deficits in the hundreds of billions of dollars. There is a saying in the Navy that the commander is responsible for what happens during his watch. My last act as a Member of Congress will not be to exacerbate the deficit problem and threaten this Nation's long-term prosperity. We have passed too many bills onto our children. Short-term fixes, while effective in campaigns, do not address systemic and fundamental problems that only add to our long-run economic and budget problems. We must separate election year politics from sound policy in crafting economic policy.

I am in the enviable position where, unlike that of my colleagues, the winds of political expediency blow less strong. Immune from these pressures, I am absolutely free to pursue the responsible, if not politically popular, course of action. Growth, with fiscal responsibility, will guide my actions during the 102d Congress.

OLGA MIYAR, HONORED PRINCIPAL

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize Olga Miyar, who has been honored by the Dade County Public School System as being one of its best administrators. She was one of seven candidates to be chosen to compete for an award.

As principal of Auburndale Elementary, Ms. Miyar strongly believes that recognition motivates her young students to learn and encourages parental involvement. She was recently featured in the Miami Herald for her extraordinary dedication and commitment to education. The article "Auburndale Principal 'Never Wants to Leave'" by Jon O'Neill reveals why she is so admired and loved by students and colleagues. The article follows:

Olga Miyar knows all about the three Rs. But the Auburndale Elementary principal has added two more of her own: Recognize and Reward.

Miyar believes this concept not only motivates kids to learn, but keeps parents involved with the school as well.

"It works for everyone, even me," she said. "I enjoy being recognized, too."

And so she is. Miyar, 47, is the region IV nominee for the 1991-92 Principal of the Year.

"She really runs a terrific school," said Region IV Superintendent Carol Cortes. "There are so many facets to it and she manages to blend them all together. Auburndale is the kind of school people are always trying to transfer into."

Parent involvement is one reason the school is successful. Auburndale, at 3255 SW Sixth St., has 1,054 students and consistently ranks among the highest in average attendance and school volunteers.

"It's like a family here," said second-grade teacher Marlene Rodriguez. "The kids really look up to her, and she used her own experience to help me get started. She's accessible

and helpful to everyone. I don't know how she has the energy to do what she does."

Miyar says she makes a point of communicating with teachers, parents and students to make them feel they are a part of the school.

"I want to empower people," Miyar said. "My mission is help our students achieve."

To Miyar, that means all students, including the 150 kids who attend the exceptional Education Center there, recognized as one of Dade's best.

She also helped bring Auburndale into the age of technology. The school has a new computer lab, uses video discs for music lessons and is getting computers in each classroom.

Miyar has also added personal touches to her work. She loves pink, and the color is everywhere. Her office is painted "School Board pink," and festooned with pink ribbons. The school mascot is a pink panther.

"Pink is a very soothing color," she said. "It gives off a special glow."

Miyar was born in Cuba and came to Miami in 1961. She has a bachelor's degree in education and a master's in administration and supervision from the University of Miami.

In 1968, she started teaching at Coral Way Elementary, three blocks from where she lived. In 1970, she went to Douglass Elementary. Since then, she has taught or held administrative posts at six other schools. She came to Auburndale five years ago.

Miyar makes no bones about her goal;

"I want to be a legend in this community. I don't even want to leave Auburndale."

Mr. Speaker, I commend Olga Miyar for her outstanding achievements as teacher and administrator. Her devotion to education is an inspiration to all teachers and principals in Dade County and around the Nation.

IN HONOR OF DR. JOSEPH MASTROMONACO, SR., BAYONNE UNICO'S MAN OF THE YEAR

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. GUARINI. Mr. Speaker, I ask you and my distinguished colleagues to join me in saluting Dr. Joseph Mastromonaco, Sr., who has been named "Man of the Year" by the Bayonne chapter of Unico National.

Dr. Mastromonaco will be honored as "Man of the Year" during a gala dinner this Saturday evening at the Ukrainian National Home in Bayonne, which is my congressional district.

Matthew Guerra, president of the Bayonne chapter of Unico, recently announced the selection of Dr. Mastromonaco as "Man of the Year," noting his accomplishments in the medical field and his more than 50 years of service to the community of Bayonne.

Dr. Mastromonaco was born and bred in Bayonne, taking his education at St. Mary's School and then at Bayonne High School. He attended Gettysburg College and then did graduate work at New York University. Following this, Dr. Mastromonaco journeyed abroad, receiving his M.D. from the University of Rome, Italy and the University of Bologna, Italy in 1935.

Despite the time he spent away from his home studying and preparing for his career, Dr. Mastromonaco always planned to return to his home in Hudson County, NJ. Following his graduation in Italy, he took a rotating internship at the Jersey City Medical Center, where he stayed for 2 years.

In 1938, Dr. Mastromonaco returned to his home in Bayonne as a doctor at Bayonne Hospital. This marked the beginning of an illustrious 48-year career at the hospital.

While practicing at Bayonne Hospital, Dr. Mastromonaco also undertook numerous positions in the public sector. From 1938 until 1946 he was the city physician for Bayonne. During World War II, he was a civilian medical officer for the U.S. Army's Manhattan project. From 1946 until 1948, Dr. Mastromonaco was the medical inspector for the Bayonne Board of Education.

Following this period of service, the doctor took a leave from the public sector. In 1959, he was named a fellow of the International College of Surgeons, and in 1960 was named a fellow of the American Society of Abdominal Surgeons.

In 1962, Dr. Mastromonaco returned to serve the city of Bayonne as the director of health and welfare. He served in this post for 17 years, and from 1976 until 1979 was also health officer.

During his tenure as director, the department established community health programs such as the Free Screening Clinic for Cancer, Heart Disease and Hypertension; the Pre-Natal and Child Health Care Clinic at the Bayonne Hospital; the Drug and Alcohol Abuse Program; the Bayonne Mental Health Center; the Senior Citizens Nutrition Program; the Bayonne Community Day Nursery and many other programs.

Dr. Mastromonaco also became the first director of the department to be licensed as a health officer by the State of New Jersey.

Upon his retirement in 1979, then-Mayor Dennis Collins honored him by declaring June 20, "Dr. Joseph Mastromonaco Day."

In 1985, Dr. Mastromonaco received the Golden Merit Award from the Medical Society of New Jersey for his completion of 50 years as a practicing physician.

In addition to the aforementioned activities, Dr. Mastromonaco is also a member of the Hudson County Medical Society, the Medical Society of New Jersey, the American Medical Association, the Royal Arcanium, and is a past president of the Bayonne chapter of Unico National.

Mr. Speaker and my distinguished colleagues, Dr. Mastromonaco is a man truly deserving of our praise and thanks for his dedication to improving the quality of life for the residents of Bayonne. I know this august body will want to join me, Dr. Mastromonaco's wife Elinor, his four sons, Vito, Joseph Jr., Edward, and Thomas, along with his 13 grandchildren in congratulating him on being named "Man of the Year" and thanking him for a job well done.

ALLISON WINS DAYTONA 500

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. ERDREICH. Mr. Speaker, I rise today to congratulate two of Alabama's most distinguished citizens. On Sunday, February 16, Davey Allison of Hueytown, won the 34th annual Daytona 500. Just 4 years ago, Davey's father, Bobby, became the 30th winner in the annual NASCAR event. With Davey's win Sunday, the Allisons became only the second father and son team to win at Daytona.

Bobby and Davey are two outstanding representatives of Alabama and both are proud to be members of the "Alabama Gang."

In the Sixth District, and throughout Alabama, we are proud of the Allisons and the contributions they have made to our State. These two men are outstanding role models and are to be commended for their achievements in the auto racing world.

Mr. Speaker, I can safely say if Congress were able to move as fast as these two men, most of our problems would be small ones. Just so, like these two, we move in the right direction.

TRIBUTE TO ROGER C. MARKELL

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to recognize a fine individual from the community of Midland, MI.

Mr. Roger C. Markell was born in Holt, MI. After graduating from high school he served in the Army until 1946. Upon leaving the Army he returned to the Lansing area and worked in area dairies until deciding to attend Michigan State College in 1949.

He graduated from Michigan State in 1952 with a bachelor of science degree in recreation. While he was in college he worked for both the Lansing Recreation Department and the Lansing YMCA.

Roger joined the Midland Community Center in 1952 as the men's and boy's athletic director. He was named executive director of the center in 1978, after serving as assistant director and associate director of the center. He has remained director for the past 13 years.

During this time Mr. Markell has helped to build the center into a place where people go to relax, compete, make friends and have fun. He has seen the location of the building change, and the area more than double in size. It has been called a polished gem of the community, and he certainly is responsible for a large part of that gem.

Roger is married to Elizabeth June Harris, and they have seven children. He is involved with the community in many other ways, including the Midland Rotary Club, as former chairman of the Adult Education Advisory Council and as a senior warden at the St. John's Episcopal Church.

Roger Markell will be retiring on April 30, 1992. Mr. Speaker, I know that you will join

with me in commending this outstanding individual for the service he has provided to the community for the past 39 years. He will be sorely missed.

C.B. SMITH, SR., PHILANTHROPIST AND FRIEND

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. PICKLE. Mr. Speaker, at the beginning of World War II, the president of General Motors appointed young C.B. Smith to the War Production Board where he served with great distinction.

After the war, he became directly involved with General Motors and began an outstanding career as president of the Texas Automobile Leaders Association.

But his outstanding achievement may well be termed in the gifts he gave to his alma mater, the University of Texas. He was a devoted friend of Walter Prescott Webb, committed a good portion of his life to honoring the memory of this outstanding individual where he established a chair of Walter Prescott Webb. His gifts to the University of Texas will be remembered forever.

It was my privilege to count him as one of my early friends whose steadfast loyalty and support lasted all these years. He was a hard driving, successful businessman, but a benefactor of the arts and humanities whose contributions will last forever.

Mr. Speaker, I include a reprint of the life of this good man for the CONGRESSIONAL RECORD.

BUSINESSMAN, DONOR C.B. SMITH, 88, DIES

C.B. Smith Sr., business leader and philanthropist, died Tuesday. He was 88.

Born in West Texas in 1903, Smith came to Austin to attend the University of Texas as a junior after two years at Arlington Junior College, a branch of Texas A&M. At UT, Smith earned bachelor's and master's degrees in history and political science.

The medal-winning track and field athlete spent two years coaching at Houston Junior College (now the University of Houston) before beginning a long and profitable business career in the automotive industry.

In 1941, he was named by the president of General Motors to the War Production Board in Washington, D.C. His performance there won him the Distinguished Service Award.

He later served as president of the Texas Automobile Dealers' Association and was Dealer Advisory Council chairman.

Smith, was chairman of the Austin Chamber of Commerce and president of the Austin Area Economic Development Foundation. He was a co-founder of the Headliners Club, served on the vestry of Episcopal Church of the Good Shepherd, and served on the boards of Brackenridge Hospital, St. Stephen's School, St. Andrews's School and MBank.

Smith. a lifelong friend of Walter Prescott Webb, donated the Walter Prescott Webb papers to the Texas State Archives and sponsored the Walter Prescott Webb Lecture Series at the University of Texas at Arlington.

At UT-Austin, Smith contributed to both academic and athletic programs. As cofounder to UT's Track and Field Club, he sponsored the writing and publishing of the first in-depth history of track and field in America, and he funded a similar publication on UT baseball. He was co-founder and first president of the Longhorn Hall of Honor.

Smith founded Texas Books for Texas Libraries, was a founder of the Chancellor's Council and chaired and participated in numerous other organizations benefiting the university.

To commemorate Webb, Smith established the Walter Prescott Webb Chair in History and Ideas at UT, which now is endowed at $1 million.

Smith is survived by his son, D.B. Smith, Jr., of Friday Harbor, Wash.; two daughters, Doris Smith Jones of Flower Mound and Johanna Louetta Smith of Austin; and seven grandchildren and 13 great-grandchildren.

Services will be Saturday at 2 p.m. at the Episcopal Church of the Good Shepherd, 2206 Exposition Blvd., with burial at Austin Memorial Park. Weed-Corley Funeral Home is handling arrangements.

TRIBUTE TO THE INTEGRITY OF ERIC APPLE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. TRAFICANT. Mr. Speaker, today I rise to honor Eric Apple, a very commendable young person from my 17th District of Ohio. The hard work and dedication Eric has put into researching American history, especially U.S. Presidents, has brought him to the attention of First Lady Barbara Bush.

Indeed, it was a surprise when Eric's parents, Les and Bonnie Apple, received a phone call last month from a member of Barbara Bush's staff, who personally invited Eric's family to meet with the First Lady in Washington. The invitation came as a reply to a photograph Eric sent to Mrs. Bush of a display devoted to her efforts that he created for the Girard Free Library.

Eric, who is a graduate of Liberty High School, admires Barbara Bush for her caring, motherly demeanor and her extensive work with literacy and disabled students. His parents and grandmother, Sally Chudakoff, have also been staunch admirers of the First Lady.

I rise today, Mr. Speaker, to commend Eric Apple on this well-deserved recognition by the White House. May he continue to be rewarded for all of his future intellectual pursuits.

TRIBUTE TO SUSAN HAGER'S ELECTION AS THE 1992 PRESIDENT OF NATIONAL SMALL BUSINESS UNITED

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. IRELAND. Mr. Speaker, I want to take this opportunity today to congratulate Susan Hager, cofounder and president of Hager Sharp Inc., on being elected the 1992 president of National Small Business United. I also want to commend outgoing NSBU president, George Abbott of Omaha, NE, for his fine work on behalf of small businesses nationwide during the past year.

I am especially pleased to see Susan taking the helm of NSBU because of my experience in dealing with her, as well as with John Paul Galles and all of the very capable staff of National Small Business United. Susan's skills and experience in running a successful business here in Washington, DC, coupled with her dedication to the cause of small business, make her the perfect spokesperson for NSBU's strong advocacy role in important small business issues.

In addition to having served for many years on the NSBU board of trustees, Susan Hager is a founding member and past national president of the National Association of Women Business Owners. She has served as chair of the Treasury Department's Small Business Advisory Council, and is a former member of the Small Business Administration's National Advisory Council.

A veteran defender of small business issues and concerns, Susan was a delegate to the White House Conference on Small Business in both 1980 and 1986. Through her public relations firm, Susan also played a big role in assuring that the Small Business Administration, targeted for elimination in 1986, today maintains its critical role as the voice of small business within the executive branch.

At a time when such watershed issues as health care availability, access to credit, growth and job creation all hinge on small business' ability to generate the economic steam that will power our Nation into the 21st century, it is a great pleasure for me to know that Susan Hager will be speaking out this year on behalf of NSBU's 60,000 small business owners and its network of regional small business organizations.

CONGRESSMAN KILDEE HONORS LLOYD BURLEY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. KILDEE. Mr. Speaker, I rise today to urge my colleagues in the House of Representatives to join me in paying tribute to Lloyd Burley who has served for 25 years as a dedicated public servant of the people of Marathon Township. Lloyd is retiring from the Marathon Township Board due to his lengthy battle with cancer. His peers and those he served so well will surely feel the loss of this truly inspiring individual.

In addition to his accomplishments as a community leader, Lloyd has also distinguished himself in agricultural pursuits. In 1977, he was honored for his outstanding farming achievements by being named Lapeer County's Dairyman of the Year. He is past president of the Lapeer County DHIA, former chairman of the Marathon Township Agricultural Stabilization and Conservation Service Community Committee, and has served on the soil conservation district board, the Farm Bureau's Dairy and Livestock Board, and with the 4-H Program.

Lloyd is one of those fine people you meet in life who is honest, unselfish, fair, and en-

dowed with common sense. A testament to these qualities is the manner in which Lloyd has distinguished himself in every task he has undertaken. Everyone who has been touched by this extraordinary individual knows the loss the Marathon Township Board will soon experience. While he will be missed, those familiar with Lloyd know that he will continue to inspire, enhance, and contribute to all the lives he touches.

Mr. Speaker, it is indeed an honor and a pleasure for me to rise before the House of Representatives to pay tribute to Lloyd Burley. He has served tirelessly for his community for over two decades. I urge my colleagues to join me in commending Lloyd on the occasion of his retirement. His selflessness has touched the lives of countless people and continues to serve as a beacon of bright hope for our entire community.

A SPECIAL TRIBUTE TO THE HEBREW ACADEMY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. STOKES. Mr. Speaker, I am pleased to rise today in recognition of the 49th anniversary of the Hebrew Academy of Cleveland. In honor of this momentous occasion, a celebration banquet will be held on Sunday, March 1, 1992, at the Sheraton City Centre in Cleveland. At that time, Hebrew Academy president Louis Feig and others will highlight the achievements of this great organization. I am proud to pay tribute to the Hebrew Academy and I would like to share with my colleagues some historical information on the academy.

It was during the turmoil of World War II in 1943 that Telsche Yeshiva and leaders of the Jewish Community Federation banned together to open the Hebrew Academy, the first Jewish day school to operate in the Cleveland area. The founders of the academy recognized the need for a center designed to nurture the development of leaders in the Jewish community.

Over the years, the academy has helped children become teachers, rabbis, doctors, lawyers, and leaders. The facility is fully chartered by the Ohio Department of Education and serves children between the ages of 3 and 18. Currently, Rabbi N.W. Dessler serves as educational director for the academy.

Through the financial support of the Jewish Community Federation, more than 4,000 young men and women have been able to graduate from the academy. These individuals have, through their day school experiences, developed into pillars of society and positive role models. In addition, many have been able to journey to Israel and share their knowledge and skills. Their achievements are a strong reflection of the success of the Hebrew Academy.

During the 1991 school year alone, the academy is serving more than 750 students. Just recently, President Feig and his staff extended their arms to more than 120 Soviet children who recently arrived in the Cleveland area. The willingness to reach out to those in need beyond our borders is further evidence of the academy's unselfish commitment and its continued following of Telsche Yeshiva's teachings.

Mr. Speaker, the Hebrew Academy is recognized for the phrase "A people survives so long as it transmits its heritage from one generation to the next." The day school teaches its students about the Jewish religion, reminds them of their past, and prepares them for the future.

The academy has much to celebrate as we glance back over the years. I invite my colleagues to join me today in this special salute to the Hebrew Academy.

THE 74TH ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. BONIOR. Mr. Speaker, I'd like to join millions of freedom loving people around the world in celebrating the 74th anniversary of Estonian independence. On February 24, 1918, Estonia proclaimed independence which it enjoyed until Hitler and Stalin agreed to the treacherous Molotov-Ribbentrop Pact. Soviet troops soon occupied and forcibly annexed Estonia. From 1940 on, Estonia suffered terribly under Soviet imposed Communist rule.

I am proud that the United States never recognized the Soviet annexation of Estonia and the Baltic States. Our patient and principled stand helped lead to the demise of communism and freedom for the Baltic States.

Over the past few years, we have witnessed the triumph of freedom in Eastern Europe. We can all rejoice that Estonia and the Baltic States were finally able to restore their independence following the failed August coup.

Today, Estonia faces tremendous challenges to complete the transition to a free and independent state. The ratification of a new constitution promises to usher in further democratic changes. In addition, the upcoming elections for the national assembly promise to help stabilize the internal political situation.

I'd like to express solidarity with the Estonian people who have sacrificed so much for the cause of freedom.

THE TRIBUTE TO YOUNG AMERICA PROGRAM

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. PORTER. Mr. Speaker, I want to take this opportunity to draw the attention of the Members of this body to an important program that is an excellent example of the type of innovative cooperation between the business and education communities that is necessary to our Nation's future strength.

Mr. Speaker, the future of America rests with our young people. To succeed, America's youth must be provided with the tools to make a difference, and our most valuable tool is education.

Our cities and towns, as well as the Federal Government, have long been responsible for providing education and training for our children. As we look to the future, however, the business sector can and must provide additional educational opportunities. That is why I am so impressed by one such successful business-education partnership—the Tribute to Young America Program, sponsored by Discover Card Services, Inc., which is located in my congressional district.

The Tribute to Young America Program offers America's youth a variety of programs that provide both the resources and the skills necessary to allow high school students to continue their education. The cornerstone of this effort is the Tribute Award Scholarship Program for high school juniors. Developed in conjunction with the American Association of School Administrators, the Tribute Awards recognize students' academic achievement, leadership qualities, dedication to the community, and unique endeavors and experiences. The scholarships total $750,000 with individual awards of up to $22,500.

State Tribute Award winners will be announced in mid-April of this year, with the national winners being honored at a ceremony here in Washington, DC, on June 17. I urge all Members to recognize and pay tribute to the nearly 5,000 students vying for Tribute Award scholarships. All of these young people should be commended for their ambition and will to succeed. I look forward to the opportunity to honor the national winners in June, and send our Nation's future leaders forward to a successful and rewarding educational experience beyond high school.

Mr. Speaker, the Tribute to Young America Program exemplifies the commitment by corporate America to our educational system and our children, setting a fine example for how business and education can work together for the common good of America's youth. I ask my colleagues to join me in honoring this program, and the scholars it helps produce.

SHARON McGEE, DADE SUPER TEACHER

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, every school district has those teachers who stand out. Ms. Sharon McGee is clearly one of these exceptional educators. She presently devotes herself to the Emerson Elementary School in Miami where she teaches gifted children who need special help. The Miami Herald recently recognized her as one Dade County's super teachers in an article by staff writer, Jon O'Neill. That article follows:

In Sharon McGee's class at Emerson Elementary nothing is taken for granted.

McGee, 42, teaches gifted students who need special help. Some students have behavior problems and others have attention disorders. Although the class is small—only 10 kids—it can be trying.

But the rewards are great, said McGee, a teacher for 13 years: "These are the neatest

kids. When you see them starting to open and make progress, when they start realizing they can be successful, it's the greatest feeling."

The special gifted classes at Emerson, 8001 SW 36th St., are the only ones in Dade and include 20 kids who come from as far away as Perrine and Hialeah. McGee designed the program, which started three years ago, and teaches students in first through fourth grades.

"She's wonderful," principal Carol DeLaurier said. "She gives 150 percent all the time and if you need her for something, she's there."

McGee uses "anything that works" to reach her special group of kids. All are intelligent, but most have problems with their confidence and self-esteem.

"I've had students who wouldn't even put their names on a paper," McGee said. "So my first goal is to show them they can be successful. You have to prove that to them and then build on it."

McGee uses a point system to reward her students for turning in quality work. She also uses a lot of literature and creative writing, something she calls "bibliotherapy." The classes publish a weekly newsletter.

Recently in a school science fair, kids from the special gifted classes took two first-place awards and one second place.

"Once I've had them for a while, I start demanding more from them," McGee said. "And when they feel good about themselves, they give me more."

The kids know that McGee pushes them. But they enjoy being with her.

"She makes us work constantly," said Kenny Armes, 8, a third-grader. "But she's a great teacher. It's fun to learn with her."

Fourth-grader Ernie Menendez, 9, said he gets tired of all the work sometimes, but he appreciates what McGee is doing and he knows it will pay off.

"She always takes time to explain things to us," Ernie said. "And I know I have to do this to earn my points, and to get a good education."

Born in Boston, McGee came to Miami when she was 5. She graduated from Carol City High, got a degree in elementary education from Florida International University, then followed it up with a master's in learning disabilities. McGee is now pursuing a doctorate in exceptional education.

McGee says she always wanted to be a teacher, but fought it for a while.

"I was active in the feminist movement and I didn't want a traditional female job," she said. "But I was cutting off my nose to spite my face. I decided I wanted to try and make a difference."

After three years as a legal secretary, McGee started teaching in Key West in 1979. Since then, she has taught at Dearborn, Gulliver, Opa-locka and Royal Green elementaries. She came to Emerson three years ago.

"I love this place," McGee said. "I believe in this program and I believe these kids can be successful."

Mr. Speaker, I commend Ms. McGee for her passionate commitment to teaching children who require special attention. It is apparent that her patience and perseverance make a difference in the lives of the children she teaches. I commend the leadership of Principal Dr. Carol Delaurier and Assistant Principal Mrs. Olga Miyar who help make Emerson Elementary School a place where teachers like Ms. McGee and her gifted students can thrive.

GREEN THUMB PROGRAM IS A WELCOME RELIEF

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MURPHY. Mr. Speaker, recently I met with representatives of Pennsylvania Green Thumb Program. This valuable program operates as one of the primary national contractors for the Senior Community Employment Program, which is funded by the U.S. Department of Labor. During the last year this program provided 945 part-time jobs for senior citizens throughout the Commonwealth of Pennsylvania, 129 within my own congressional district.

These days, as the rhetoric of political campaigns swirl throughout the airwaves, we hear many promises made to our older citizens. Unfortunately, as a longtime observer of politics, I know that many of these promises will be forgotten after election day. For this reason, the Green Thumb Program is such a welcome relief. Their promises and commitments made to older Americans have remained strong and sound since the inception of the program. The history of Green Thumb is one of unswerving dedication to putting older Americans to work.

America will surely make a grave error when or if it stops relying on its senior citizens. They have built and battled throughout their long lives for many important achievements which too many younger people now take for granted. We should be grateful as a nation for their sacrifice. They are one of our great repositories of knowledge, and their insight on local and world events should always be regarded as an important resource.

People are not meant to be cast aside when they reach a certain age. In other cultures, seniors are revered as teachers. They are objects of respect and admiration. The Green Thumb Program operates on this premise here at home, and its good sense is commendable. I know when I go back to Pennsylvania, I frequently receive informed advice and enlightening comments from my older constituents. I have come to greatly respect their views.

As America strives to reshape its role and vision in a rapidly changing world, I believe some of our older citizens may hold the keys to success. I know when you put a senior citizen to work, they bring a calm sense of experience to the job. Their knowledge inspires their fellow workers, and I am sure that everyone's work improves. I hope that the future will hold continued success for the Green Thumb Program, and I look forward to the day when every senior citizen is respected and revered in the workplace.

TRIBUTE TO DOUGLAS McFARLANE

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. CAMP. Mr. Speaker, it is with great pleasure that I rise today to recognize an outstanding individual from the community of Mt. Pleasant, MI, who has been named Citizen of the Year by the Mt. Pleasant Area Chamber of Commerce.

Mr. Douglas McFarlane is a native and life long resident of Mt. Pleasant. The youngest in a family of four, Doug graduated from Mt. Pleasant High School. He received his teaching certificate, masters, and specialist degrees from Central Michigan University [CMU]. While attending college, he was a member of the student senate.

Doug McFarlane served his country in the U.S. Army with distinction and has been committed to the Mt. Pleasant community for two decades in many different ways. Doug has worked diligently in a number of leadership roles with the Mt. Pleasant Area Chamber of Commerce and the Isabella County United Way. he has served the city of Mt. Pleasant in many capacities. From 1981 to 1983 and from 1987 until now he has served on the Mt. Pleasant City Commission. In 1982 and 1989, he was vice-mayor and in 1983 and 1990 he was elected mayor.

Doug has also been greatly involved with his alma mater, Central Michigan University. He has served on the board of directors of the First Nighters, the Presidents Club, and as a chairman of the Community Campaign. He is currently a member of the alumni board and is active in planning activities for the CMU centennial.

Doug is married to Penny McFarlane. They have two children—Janna and Garren.

Mr. Speaker, Doug McFarlane is truly a remarkable and giving leader. I know you will join with me in commending and congratulating Doug on receiving the 1992 Mt. Pleasant Area Chamber of Commerce Citizen of the Year Award in recognition of his long time commitment and dedication to the people of his community.

A CONGRESSIONAL SALUTE TO CAPT. JOSEPH C. DE LADURANTEY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. ANDERSON. Mr. Speaker, on Thursday, February 27, 1992, the Los Angeles Police Department will be honoring the retirement of Capt. Joseph De Ladurantey. It is with great pride and pleasure that I rise today to pay tribute to a dedicated citizen who has served the Los Angeles Police Department and community with distinction.

Joe's long and illustrious career began 27 years ago. By February 1979, he had become commanding officer of the Wilshire Patrol division and by March 1989, Joe was captain of police for the Los Angeles Police Department. There are many highlights associated with Captain De Ladurantey's career. He developed a Community Coordinating Council to resolve community problems in a city owned housing complex. He was the founder of the Westside Major Crime Violators Task Force, which is a multijurisdictional unit formed for the purpose of compiling information from many areas so as to launch a coordinated at-

tack against crime in the greater Los Angeles area. Joe developed a Korean language and cultural awareness course for police officers in cooperation with the Los Angeles Unified School District. He also developed a Community Orientation Program, in conjunction with the National Conference of Christians and Jews, for officers newly assigned to the Los Angeles area. He was involved in the implementation of the human resources development committee and a board member of the peer counseling coordinating committee. Joe established an extremely successful community based citizen patrol in the Beverly/Fairfax district as a supplement to the Neighborhood Watch Program. In addition, Captain De Ladurantey has been a robbery-homicide watch commander, whose responsibilities included citywide coordination of all rape investigations, homicide sex crimes, and audit responsibility for all homicide investigations. He served as the assistant program director for a federally funded multimillion dollar computerized emergency command control communications system involving computer aided dispatching and the 911 emergency assistance network.

In conjunction with his daily responsibilities, Captain De Ladurantey, with coauthor Daniel Sullivan, has published "Homicide Investigation Standards" and "Criminal Investigation Standards." With coauthor Robert Wadman, he has published Public Productivity Review, "Overcoming Limitations to Police Productivity Measurement: The Omaha Experience." Furthermore, his articles have appeared in the Police Chief and the Journal of Police Science and Administration. Joe has also developed concept papers for the President's National Advisory Commission on Criminal Justice Standards and Goals Task Force.

Captain De Ladurantey's professional affiliations include the International Association of Chiefs of Police, the California Police Chiefs Association, the Southern California Association of Public Administrators, and the Los Angeles County Peace Officers Association. He is also associated with the California Association of Criminal Justice Educators, the University of Southern California Trojan Alumni Association, and the Command Officers Association.

Joe's involvement with his community is not limited to the scope of his employment. He is a board member of the Romona Gardens Coordinating Council. He serves on the board of directors for Camp Fire, the Los Angeles Area Council, Gabrielino District. He is a board member on the San Pedro Reclamation Committee, Gang Alternatives Program, and the Blind Children's Center of Los Angles. Joe is a board member and program chairperson for the Boys & Girls Club of Wilmington and the president of the Boys & Girls Club of Harbor City. He is president and general manager of the Los Angeles Police Department Centurions and president of the East Los Angeles College Quarterback Club.

Now a new challenge will be met. In December 1991, Joseph De Ladurantey became chief of police in Torrance, CA. No one doubts that he will succeed. On this most deserving occasion my wife, Lee, joins me in extending our thanks to Capt. Joseph C. De Ladurantey for his numerous contributions to the greater Los Angeles community. The Los Angeles Police Department is losing an extremely valuable commanding officer and personality. We wish, Joe, his wife, Terri, and their daughters, Theresa, Jennifer, Christina, and Monica, all the best in the years to come.

TRIBUTE TO CHANEY HIGH SCHOOL CLASS OF 1942 ON THEIR 50TH CLASS REUNION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. TRAFICANT. Mr. Speaker, I rise today, Mr. Speaker, to pay tribute to the Chaney High School class of 1942 from my 17th District of Ohio on their 50th class reunion which will be celebrated on October 3, 1992.

When the members of this class left the protected nest of high school, they found themselves in the middle of World War II. Upon graduation many enlisted or were drafted into the Armed Forces and encountered the harsh reality of war. One graduate from this class, Marine Edward H. Weekly, is now buried in Arlington National Cemetery.

All the graduates used their experiences at Chaney High School to enhance their lives by becoming doctors, nurses, lawyers, teachers, principals, college professors, business professionals, and homemakers.

Again, Mr. Speaker, I rise to congratulate the Chaney High School class of 1942 on their 50th class reunion. They remain excellent examples to citizens who also wish to lead fulfilling lives by remaining loyal to a sense of civic responsibility.

KNESSETH ISRAEL CONGREGATION CELEBRATES CENTENNIAL

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. ERDREICH. Mr. Speaker, I would like to congratulate and recognize more than a century's worth of outstanding service to a community. On February 23, 1992, the Knesseth Israel Congregation, of Birmingham, AL, celebrated its 100th anniversary.

This congregation has been a center of Jewish life in Birmingham through the years and remains so today. Its allegiance to traditional Jewish beliefs and practices have ensured its survival and has preserved a 3,500-year-old history of tradition.

One of the many highlights of Knesseth Israel was the presence of the late Philip Birnbaum. Mr. Birnbaum came to Birmingham as a young man from Poland to teach and study. After his years in Birmingham, Mr. Birnbaum went on to author numerous books on Jewish thought. Many of his students, young men training for their bar mitzvahs, remain touched by his teaching and mourned at his passing 3 years ago.

Mr. Speaker, many of the members of this congregation are key business and civic leaders in the Birmingham community. Rarely does a congregation of 500 bring this kind of leadership together. The Knesseth Israel Congregation is to be commended for its outstanding guidance and the service it has provided to Birmingham throughout the years.

BRADDOCK HIGH STUDENTS COMPILE INTERNATIONAL COOKBOOK

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, the members of the G. Holmes Braddock High School Future Homemakers of America group are compiling a cookbook of international recipes. When the books are completed, the group plans to sell them and send the proceeds to UNICEF to fight childhood hunger worldwide. The Miami Herald recently brought attention to this exciting project in an article by staff writer, Jon O'Neill. That article follows:

For a group of students at G. Holmes Braddock High School, the way to cultural understanding passes through the stomach.

That is why some members of the school's Future Homemakers of America are assembling a multicultural cookbook, featuring recipes submitted by students, staff and parents. So far, they have contributions for delicacies from Trinidad, Cuba, China, Spain, Russia and Canada.

"We got a lot of things, but we need even more," said Susan Yaskin, a teacher and sponsor of the club.

Once printed and bound, the book will be sold and the proceeds donated to UNICEF, a worldwide organization dedicated to feeding hungry children.

"We're trying to bring a positive focus to the differences between us," Yaskin said. "It's just another way of bringing people together."

The cookbook is one of 10 projects the homemakers' club is involved in under the theme Join Hands for World Peace. Two others involve making quilts for Jackson Memorial Hospital and producing a series of skits on prejudice that the students will present at area elementary schools.

The cookbook, however, may be the most time-consuming, with most of the kids putting in hours after school.

Yaskin and some of the students are also looking for a sponsor to help defray the cost of producing the book cover.

They want to use the same logo featured on the T-shirts that club members wear. The design has kids from all over holding hands around a globe with a peace sign inside it.

Adys Bustillo, 17, came up with the design, and Jessi Alvarado, 17, drew it.

"We wanted something with kids because they are the future," Adys said. "I was sitting around one day when it came to me."

The idea for the book came up one day when Yaskin was talking about UNICEF. The kids didn't know what it was, so they made some calls to find out. The cookbook grew from there.

Forms asking for recipes were distributed throughout Braddock, at 3601 SW 147th Ave. The results have surprised some of the kids.

"There are some weird foods out there," Adys said. "Like peanut butter soup."

"We know we're not going to change people by giving them recipes," said Lisette

Lopez, 18, another student working on the project. "But this is one way people can learn to appreciate other cultures."

Lopez and Susan Vega, 17, are also working on the skits for elementary school students.

"There are so many different kinds of people here," Susan said. "With the play, we want to show little kids that prejudice is wrong."

Jessi said he thinks the cookbook and the plays are excellent ideas.

"We have to start right now," he said. "People fight because of differences, but we are all just human beings."

The project has also been a lesson for the students.

"By coming up with ideas for the skits, I've learned a lot about racism," Lissette said. "Sometimes, I can't believe things like that are still happening today."

I commend Susan Yaskin, a teacher and advisor of the Future Homemakers of America group, for uniting Braddock students around this project. I also want to recognize Principal Louise Harms for her leadership in making Braddock High a place where innovative projects are nurtured, such as an international cookbook to fight world hunger. I wish them much success with this endeavor.

THE 10TH ANNIVERSARY OF THE ILLINOIS VIETNAM VETERANS LEADERSHIP PROGRAM

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the Illinois Vietnam Veterans Leadership Program [IVVLP] and the many Vietnam veterans it has served.

The IVVLP was founded 10 years ago as a comprehensive veterans employment service. Since it creation, the organization has assisted hundreds of veterans in Chicago and throughout Illinois to find gainful employment. The IVVLP's contributions are visible throughout the community.

Through the IVVLP's work, the Chicago Vietnam Memorial Fountain in Herald Square was constructed and dedicated by business leaders and officials of the City of Chicago. In addition, the Vietnam Veterans Act was passed by the Illinois State legislature to fund seven community-based statewide veterans organizations which have placed over 27,000 veterans.

The IVVLP is also concerned with education. Through the development and publication of "A Look Inside the War," the IVVLP seeks to present junior high and high school students with a broader view of the Vietnam conflict than that of a textbook. This supplemental reading guide conveys the experiences of those who fought in Vietnam to school children throughout Illinois.

Finally, the IVVLP has developed a pro bono legal service for veterans which has contributed over $125,000 of free legal services. In doing so, the IVVLP has assisted those in need with cases ranging from child custody to home foreclosures.

I believe the Illinois Vietnam Veterans Leadership Program is a model for groups throughout the Nation to emulate. Mr. Speaker, I urge my colleagues to join me in commending the IVVLP on its 10th anniversary and to join me in recognizing its work in veterans' employment services, education, and public service. I look forward to celebrating many more anniversaries of this fine organization in the years to come.

TRIBUTE TO RABBI ALVAN KAUNFER

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MACHTLEY. Mr. Speaker, I rise today to honor a leader in the Jewish community of Rhode Island. Rabbi Alvan Kaunfer is the founder of the Alpern Schechter Day School, a Jewish religious day school located in Providence. Rabbi Kaunfer served as director of the school since its inception in 1978 until 1991.

The Alpern Schechter Day School was founded by parents who wanted to combine high quality secular education with Jewish religious education. The school began with a single kindergarten class. Year by year the school added a grade until reaching nine full grades, kindergarten through eighth grade.

In the early years of the school, Rabbi Kaunfer served as the school director, while also serving the Temple Emanu-El as assistant rabbi. He is presently the pulpit rabbi at Emanu-El.

Rabbi Kaunfer has served the community of Providence well. He is both liked and respected. We honor Rabbi Kaunfer for his the Providence community, especially for the children of Alpern Schechter Day School. I wish him continued success in all his future endeavors.

LOAN GUARANTEES FOR ISRAEL

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. SCHUMER. Mr. Speaker, I was shocked to open this morning's papers and see the irony to today's news: The President won't support loan guarantees for Israel, but he did support them for Iraq.

The Los Angeles Times has reported that in 1984 and 1987, then-Vice President Bush was instrumental in securing $700 million in loan guarantees for Iraq from the Export-Import Bank. In 1989, President Bush ordered an expansion of political and economic ties to Iraq, calling it a key friendly state. The Agriculture Department subsequently approved $1 billion in loan guarantees, and the White House blocked a Commerce Department hold on technology exports to Iraq.

This is how the White House deals with a dangerous dictator seeking loans to build his military capability. But when our longstanding ally, Israel, comes to the United States for loan guarantees to settle Jewish refugees from Russia, the administration gives Israel the cold shoulder. We see Secretary Baker coming before the Congress and cleverly manipulating the facts, pretending that the loan guarantee package would cost American taxpayers $10 billion, when it is Israel that will repay those loans. It seems that the administration is no longer concerned about the humanitarian imperatives that once guided American foreign policy when we worked to free Soviet Jews.

I am dismayed that the guiding light of morality has been extinguished in our foreign policy. The Bush administration's foreign policy is based on cold political calculations, or as we have seen too many times, most exceptionally in Iraq's case, on political miscalculations.

MODIFYING THE TREATMENT OF CERTAIN HIGHER EDUCATION LOANS FROM QUALIFIED EMPLOYERS

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. GUARINI. Mr. Speaker, today I am introducing legislation which will make it easier for working Americans to pay the high cost of college tuition. Over the past decade, tuition costs have risen dramatically and higher education is now out of reach for many Americans. As tuition costs have escalated, direct student assistance has been reduced. Americans are caught in a squeeze, and we need to do something about it.

The legislation that I am introducing today will encourage Americans to save for education, and, more importantly, allow them to use their savings at a time when it is needed the most.

The average American family has three major expenses to plan for—home purchase, education for their children, and retirement. Since the 1970's, family incomes have remained virtually stagnant. One recent study has found that less than 18 percent of a family's income is left for clothing, recreation, and savings. Under these circumstances, it is very difficult, if not impossible, for most families to save enough money for all these purposes.

Under current law, an individual can receive a long-term loan from their employer-provided plan for a home purchase. However, an individual can borrow from a qualified employer retirement savings plan to pay for college tuition without incurring substantial penalties only beginning at age 59½. Moreover, such loans must be repaid to the plan at high interest rates within a relatively short period, just 5 years.

By the time most Americans qualify to borrow from their plans, their children are past college age. And even if they still have a need to borrow for tuition, the repayment terms are so strict that the costs can be prohibitive.

My legislation makes several key changes to permit working Americans to gain access to their savings in order to pay for higher education of their children. First, an individual may withdraw funds from an employer plan at any age without incurring a penalty if the proceeds

will be used to pay tuition and fees for higher education. Second, the 5-year repayment period is expanded to 15 years. This will make repayment to the plan more affordable. Finally, the employee will no longer have to repay the plan at high market rates of interest, but need only pay a reasonable rate of interest, which is defined to be not less than ½ of the prime rate.

If individuals know that they can use funds in employer plans for higher education when it is needed, they will be encouraged to save more, thus increasing the ultimate amount that is available for retirement purposes. Consolidating savings for the primary purpose of retirement income while making funds available for other purposes along the way cannot help but encourage additional savings. Also, because these loans will be repaid, this policy also will not reduce the amount that will be available for retirement purposes. With more money available for education, the Government will be better able to target its resources to those Americans most in need.

This legislation benefits all income levels who participate in employer-sponsored plans, recognizes the difficulty many families face in trying to save for several major lifetime expenses, and at the same time encourages long-term savings through convenient methods such as the payroll deduction. It can make an important contribution to the effort to enable Americans to save for college expenses.

THE FINANCIAL FRAUD DETECTION AND DISCLOSURE ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. WYDEN. Mr. Speaker, today, in an effort to bring accountants back to the first line of defense against cooked books and other ripoffs in publicly traded companies, I am introducing the Financial Fraud Detection and Disclosure Act. Telecommunications and Finance Subcommittee Chairman EDWARD MARKEY, and Energy and Commerce Chairman JOHN DINGELL are joining me as original cosponsors.

This legislation will require auditors to look more actively for fraud and to report to regulators any fraud that is not promptly corrected by management. When this bill becomes law, auditors and executives will be put on notice that companies may pay for auditors but they do not own them. And investors and taxpayers will be more comfortable that the financial statements they rely upon to depict a company's financial condition will reflect reality, not funhouse mirrors.

During the 1980's, many economists and policymakers decried the financial greed and excess that turned American industry into the plaything of high-flying financiers. As the decade ended, it became obvious that outright fraud was as responsible as short-sighted mismanagement for the various financial disasters that robbed taxpayers and investors of hundreds of billions of dollars.

It is hard to legislate against greed. But taxpayers and investors have a right to expect that corporate management to whom they entrust their savings will not steal from them. And they have a right to expect that the guards they rely upon to alert them to outright fraud—the public accountants who audit corporate financial statements—will be at their posts and ready to blow the whistle on larcenous executives.

The savings and loan industry was the most serious financial meltdown of the 1980's and the most damning commentary on auditor performance. According to the Resolution Trust Corporation, 40 percent of the savings and loan failures were attributed to fraud, but time after time auditors either did not know what was going on or did not tell anybody. Rogue elephants were stampeding through the auditors' offices, but they saw nothing.

For example, 28 of 30 savings and loans that went bankrupt in California in 1985 and 1986 received clean audits just before they went under. A General Accounting Office report on 11 failed thrifts found that accountants had certified a net worth of $44 million but at the time they failed they were $1.5 billion in the hole. Vernon Savings & Loan received a clean audit even though 90 percent of its loans were later found to be bad. And auditing breakdowns at Charles Keating's Lincoln Savings & Loan so outraged Judge Stanley Sporkin that he singled out the accountants in a blistering opinion in which he asked, "Where were these professionals when these clearly improper transactions were being consummated? Why didn't any of them speak up or disassociate themselves from the transactions?"

Where were the accountants and why didn't they speak up? Those are the two key questions behind many audit failures that my legislation seeks to correct.

Accountants often don't see anything because the auditing standards they write do not require them to look sufficiently hard for fraud. My legislation would change that by requiring auditors to perform specific new procedures, using methods prescribed by the Securities and Exchange Commission, to help identify material illegal acts and related party transactions, and to evaluate whether there is substantial doubt about a company's ability to continue as a going concern.

In the past, auditors who have detected fraud have often not spoken up because they believed they had a privileged relationship with their client that came before their responsibility to the public. However, the Supreme Court, in the 1984 case United States versus Arthur Young, dismantled that misguided notion, ruling that "by certifying the public reports that collectively depict a corporation's financial status, the independent auditor assumes a public responsibility transcending any employment relationship with the client."

In other words, auditors are supposed to inform the public when they see companies committing fraud. Unfortunately, 8 years later, the auditing profession still has not caught up with the Supreme Court. It is still possible for an auditor to know about fraud and fulfill his professional responsibilities without actually coming right out and telling regulators or the public about it.

My legislation would correct that problem as well, by requiring auditors who detect fraud to report it to top management and, if management does not correct the fraud promptly, to report it to regulators. This legislation merely codifies the public responsibility principle articulated in the 1984 Supreme Court ruling, which the accounting profession, moving with geologic speed, has not yet complied with satisfactorily.

Mr. Speaker, this legislation will not impose new regulatory burdens on public companies, which is why the Financial Executives Institute, an organization of top corporate financial officers, recently informed me that it has no objections to the bill. But it will significantly help protect investors and taxpayers, which is why the SEC, the State securities regulators, and the GAO have all historically supported this legislation.

The corporate financial officers and the regulators understand that the capitalist system depends upon the efficient flow of funds from investors to companies. They know that investors depend upon financial statements to make judgments about where to invest, and that if those statements are not reliable, the resulting uncertainty will raise the cost of capital for all companies. Honest, well-run companies benefit from tough, independent scrutiny of their books; dishonest companies would prefer to cover up their shortcomings.

The Financial Fraud Detection and Disclosure Act will change the psychology in the corporate suites of would-be dishonest companies. It will put managers on notice that if they commit fraud, it is more likely to be discovered by auditors, and if the auditors do detect fraud, they cannot be coerced into silence. Restoring the historical independence of the accounting profession and toughening up their procedures will put well-armed auditors back where they belong, on the front lines protecting the public against financial fraud.

I thank Chairman MARKEY and Chairman DINGELL for joining me as original cosponsors and urge my colleagues to support the bill.

GLORIA RODRIGUEZ, DADE SUPER TEACHER

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, every school district has those teachers who stand out. Ms. Gloria Rodriguez is clearly one of these exceptional educators. She presently devotes herself to the G. Holmes Braddock High School where she teaches typing, business management, and office skills. The Miami Herald recently recognized her as one of Dade County's super teachers in an article by staff writer, Jon O'Neill. That article follows:

Gloria Rodriguez tries to teach her students things that many adults don't know—like basic skills to survive in the job market jungle.

Rodriguez, 39, teaches typing, business management and office skills at G. Holmes Braddock High School. She also runs the business work experience program, which has 28 students employed in offices around Dade.

"My goal is to get them prepared," Rodriguez said. "I want them to be true pro-

fessionals in every way. I want to influence their lives."

Her students say she does just that.

"She's not like a normal teacher," said Mercy Nunez, 16. "She's more like a friend. I can always talk to her after class when I have a problem. She's really great. Plus, I want to be an accountant, so this class is helping me a lot."

Bernadette Caldwell, 17, said Rodriguez is giving her an edge in the competition for jobs.

"She makes us understand things," Caldwell said. "She's not boring because she really gets involved with us and makes it fun."

Monday, Rodriguez led the class through a review for a mid-term exam. The subject was the "Do's and Don'ts of Job Interviews."

"I'm trying to show them what employers look for," Rodriguez said. "We try to produce kids who will have happy lives and who won't be a burden to society."

For Rodriguez, it's a mission. She likes to quote Cuban patriot Jose Marti.

"Youth is the hope of the world," she says. "I believe that."

Rodriguez also supervises part of the work experience program, which places students in offices. Once each nine weeks, she visits the kids and interviews each employer. For her work in the classroom and out, Rodriguez was nominated as Teacher of the Year in the business education department.

"She really is exemplary," said Louise Harms, principal of the school at 3601 SW 147th Ave. "She's one of the reasons our business department is number one."

Although business and job-hunting skills are fairly serious subjects, Rodriguez tries to keep the class light. Recently, she made Mercy teach a class while she became a student.

"She was like the worst student," Mercy said. "She kept interrupting me while I was trying to teach."

"I want them to emjoy coming to class," Rodriguez said.

Like most good teachers, Rodriguez has never wanted to do anything else. Born in Havana, Cuba, she came to Miami in 1961. After graduating from Hialeah High School, she attended Miami-Dade Community College. When she finished, she became a secretary because "in 1970, there were no teaching jobs available," she said.

After working for five years, she got a bachelor's degree in vocational education from Florida International University and is now working on her master's at Barry University.

She started teaching in 1986 at Robert E. Lee Junior High. She spent three years at Southridge High and came to Braddock when it opened in 1990.

"I'm so glad to be doing this," she said. "I'll never quit."

Mr. Speaker, I commend Ms. Rodriguez for her commitment to preparing high school students for the real world. I am sure that the many students involved with the business work experience program she administers are being well prepared. I commend the leadership of principal Louise Harms for making Braddock High a place where students can get a head start on life with hands-on experience.

H.R. 355

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. LEHMAN of California. Mr. Speaker, I am pleased to rise in support of the passage of H.R. 355, the Reclamation States Emergency Drought Relief Act of 1991. California is now suffering from a sixth year of drought, and no part of the State has been left untouched. Agriculturally based communities, urban areas, fish and wildlife, and the environment have experienced unprecedented losses. Estimated at well over $1 billion for 1991, the financial losses during 1992 could make last year's estimate seem minuscule.

It is my hope that the Reclamation States Emergency Drought Relief Act of 1991 will relieve some of the existing stresses on California, by providing much needed emergency loans to water users for drought mitigation measures, funds to drill for supplementary water resources, flexibility to use federally constructed facilities to store and convey water within valleys and from one part of the State to another, and various measures to reduce impacts on the environment. When I introduced the bill in 1991, California was entering its fifth drought year and times then were bad. Since then, things have only gotten worse. Nearly 5,000 farms in the Central Valley have just been told that they will get no Federal water deliveries in 1992 with which to water their crops. Already struggling from an onerous 1991, these farmers and their communities have stretched dwindling resources to the limit. The limits are manifest in the form of high unemployment, bankruptcies, and tight credit. These people are most in need of relief and, while the measures embodied in this bill are modest, they will help.

It is with a heavy heart that I look to the sky and hope that more precipitation will fall in the mountains in the northern and eastern parts of California because I know that anything short of more real rain and snow will provide only Band-Aid solutions to existing problems. Citizens in the part of the State that I represent are hurting, as they are in other parts of the State, and they are clamoring for help. I hope that in the coming months the Federal Government will do all it can within existing authority to provide these individuals with additional assistance, whatever form that assistance may take and, if further legislation is warranted, that Congress address it as emergency legislation. This bill is a good start and I am glad I am here today to witness its passage. I ask that, for the people of California and other Western States suffering from drought, the President sign this bill as expeditiously as possible.

TRIBUTE TO MR. MARVIN DEWITT

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. UPTON. Mr. Speaker, I rise today to pay tribute to Mr. Marvin DeWitt, of Zeeland, MI. Marvin DeWitt is a highly regarded Michigan industrial leader, known not only for his extraordinary business sense and success, but also for using his talents and resources to enrich the lives of others.

At the helm of Bil-Mar Foods, the multimillion-dollar poultry company that he cofounded with his brother, Marvin DeWitt introduced people around the globe to Michigan's outstanding poultry products. In the process, he provided employment and a better quality of life for thousands of west Michigan workers.

Though the products of the company that Marvin DeWitt founded are enjoyed worldwide, Marvin did not stop with promoting and selling his products on a global scale. He also promoted self-reliance among the world's poorer farmers. Mr. DeWitt initiated a program in Nigeria to share his company's expertise in raising poultry, and sponsored a water project that allowed villagers to put these new techniques into practice.

Rest assured that Mr. DeWitt's concern for the less fortunate of other nations did not preclude him from helping people in his own community. He gave his personal attention to the residents of Ottawa County by serving on the Ottawa County Board of Supervisors and the Ottawa County Road Commission. In addition, he gave to us his leadership and wisdom by serving on the Zeeland School Board, and as a trustee at his alma mater, Northwestern College, in Iowa.

The latest display of goodwill and foresight by this custodian of west Michigan is Mr. DeWitt's extraordinary gift to Grand Valley State University. Mr. DeWitt made possible the magnificent new Cook-DeWitt Center at the university. For many, many years to come, this splendid concert hall will allow fine art students to perfect their talents, and provide a venue in which the community can appreciate them.

Every community should be as lucky as we are in Ottawa County to have a person like Marvin DeWitt. I am proud to pay tribute to Marvin here today, and bring to the attention of my colleagues in Congress his great energy, ingenuity, and accomplishments.

NATIONAL ENGINEERS WEEK

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. ROE. Mr. Speaker, today I am introducing a resolution designating February 14, 1993 through February 20, 1993 as National Engineers Week as a tribute to the 1.5 million men and women in the engineering profession who have been in the forefront of the building of our Nation.

Engineers play an absolutely vital role in every community in this Nation. On a daily basis, engineers turn ideas and concepts into the reality that is the bricks, concrete and structures—the roads, bridges, buildings, parks, athletic facilities and many others—that are America.

The successful work and enterprises of engineers is absolutely vital and fundamental to maintaining our Nation's ability to remain tech-

nologically competitive in the global economy and to improving the quality of life of every American.

National Engineers Week is more than a celebration of the varied and outstanding achievements of the engineering community. It is also a drive to prepare our Nation for the future.

During National Engineers Week, which was first celebrated by the engineering community in 1951, engineers throughout the Nation participate in a multitude of activities to increase public awareness of the profession's many contributions. Through expositions, demonstrations, exhibits, fairs, and especially, visits to schools and classrooms, the engineering community devotes the full week to making the youth of America aware of the value, excitement and importance of an engineering career.

The engineering community has been celebrating National Engineers Week for more than 40 years. The week's activities are supported by more than 50 engineering societies, numerous major corporations and by many government agencies.

It is long past time for Congress to pay tribute to the Nation's 1.5 million engineers, to join in the celebration of their achievements and to provide support for the educational efforts that will produce a better America for the future.

I urge my colleagues to join with me in paying tribute to the Nation's engineering community by supporting the designation of National Engineers Week.

AVIATOR VERNON MEGEE—FROM PRIVATE TO FOUR STAR GENERAL—DIES AT 91

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. PICKLE. Mr. Speaker, when the history of the development of warfare of the 20th century is written by those historians who come after us, that chapter devoted to the evolution of aeronautical warfare must address the development of the importance of close air support of ground troops for the success of any military operation.

One man is credited with directing the fulfillment of that concept. Recently, that man, Vernon E. Megee, was buried in Arlington Cemetery among his fellow patriots.

The product of a mid-America one-room schoolhouse, Vernon enlisted in the Marine Corps in 1919 to earn enough money to finish his education at Oklahoma A&M. Forty years later, he retired with four stars, the only man in the Marine Corps to go from private to four-star general.

My friendship with Vernon Megee began during his retirement years in Austin from 1960 to 1989. General Megee was the ranking military officer in the area and participated in many official events, as well as being an active member of the Downtown Rotary and the Austin Country Club.

I was privileged to know this outstanding American and am proud to offer his obituary for all to read:

General Vernon E. Megee, USMC (Retired), died January 14, 1992, in Albuquerque, New Mexico, at the age of 91. General Megee, as the Colonel in command of the Landing Force Air Support Control Unit One at Iwo Jima, told his pilots to "Go in and scrape your bellies on the beach" in support of the ground troops. At the battle for Okinawa, both Marine and Army units utilized close air support under Colonel Megee's command to help "dig the enemy out of caves" as the ground units advanced. For his outstanding performances at Iwo Jima and Okinawa, General Megee was awarded the Legion of Merit with Combat "V" and the Bronze Star with Combat "V".

In 1956, General Megee became the first Marine Aviator to hold the post of Assistant Commandant/Chief of Staff of the U.S. Marine Corps. Previously, in 1950, General Megee served as the Director of Intelligence for the Joint Chiefs of Staff. He then took command of the First Marine Air Wing in Korea. His last assignment was as Commanding General, Fleet Marine Force, Pacific, where two-thirds of the combat forces of the Marine Corps were under his command. He retired from the Corps in 1959, having risen from private to four stars after more than forty years of service.

General Megee also saw foreign service in Haiti, Nicaragua, China and Peru. His other decorations included the Navy-Marine Corps medal (Nicaragua), the Cruz de Aviacion (Peru), the Military Order Taikuk with Silver Star (Korea) and the Distinguished Service Medal.

A native of Oklahoma, General Megee received a Bachelor of Science degree from Oklahoma State University and a Masters of Arts from the University of Texas.

After retirement from active duty, much of General Megee's time was spent in volunteer service to the Marine Military Academy in Harlingen, Texas, where he served as the first Superintendent and as President of the Board of Trustees. On November 11, 1988, General Megee was elevated to the position of Emeritus Chairman of the Board, the first trustee of the school to be so honored.

General Megee is survived by his daughter and son-in-law, LaVerne M. and Alfred T. Broad of Albuquerque, NM, a granddaughter, Kathleen L. Broad, also of Albuquerque, and a grandson, Tyson Megee Broad of Portland, Oregon. Two sisters, Opal Jones of Fresno, California and Walsa Meier of Broken Arrow, Oklahoma also survive General Megee. His wife, Nell, preceded him in death in July, 1989.

A SPECIAL SALUTE TO GEORGE FRASER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. STOKES. Mr. Speaker, the Black Professionals Association charitable foundation will host its twelfth annual scholarship and awards gala on Saturday, February 29, 1992. The gala will be held at the Stouffer Tower City Plaza Hotel in Cleveland.

The Black Professionals Association [BPA] is composed of more than 100 black professionals throughout the Cleveland area. Over the years, BPA has chosen February, which is officially celebrated as Black History Month, to recognize African-Americans who are positive role models and have achieved significant success in their chosen fields. Last year, I had the honor of being selected as the 1991 black professional of the year by this distinguished organization.

Today, I am proud to rise to salute the 1992 black professional of the year, George C. Fraser. I would like to share with my colleagues and the Nation some of the achievements of this year's award recipient.

Mr. Speaker, George Fraser is an outstanding businessman who is the founder and president of SuccessSource, Inc. Prior to the inception of SuccessSource, Mr. Fraser was employed by the Ford Motor Co. in its Minority Dealer Development Program. In addition, he was employed by United Way Services of Cleveland and Procter & Gamble in Cleveland and Cincinnati, OH.

It was during this time, Mr. Fraser recognized the need for an informational resource which would encompass the enormous breadth and diversity of African-American excellence. His idea led to the development of the innovative SuccessGuide, a comprehensive directory of African-American businesses, professionals and organizations.

The SuccessGuide has proven to be a valuable asset to the African-American community. More importantly, by tapping into this arena, George Fraser has succeeded in overcoming the corporate barriers which in the past impacted African-Americans' ability to start and build businesses.

As president of this highly successful venture, Mr. Fraser was able to make the transition from employee to employer in only 5 years. This is a testament to this individual's persistence, his entrepreneurial skills and his determination to succeed.

Mr. Speaker, not only is George Fraser a successful businessman, but he is also a community leader. He gives his time and advice to benefit community organizations. Mr. Fraser is an active board member of the Greater Cleveland Growth Association, John Carroll University and the Cleveland NAACP. The Black Professionals Association is just one of the many organizations to recognize Mr. Fraser's exceptional talents. Recently, he was selected as the role model of the year by the Teen Father Program; national volunteer of the year by the United Negro College Fund [UNCF]; and Cleveland business advocate of the year by the city of Cleveland.

Mr. Speaker, I am pleased to congratulate George Fraser for his achievements. He is well deserving of the honor accorded him as the 1992 black professional of the year. I join the community and his many friends and colleagues in saluting him on this momentous occasion, and I wish him much continued success.

TAX FAIRNESS IN THE 1980'S

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. PORTER. Mr. Speaker, as debate within the Congress returns to the issue of tax fairness, I commend to my colleagues the follow-

ing article which appeared in the Wall Street Journal on January 28, 1992. I think the author makes a convincing argument against the claim that the rich were the only ones who improved their standing during the 1980's.

[From the Wall Street Journal, Jan. 28, 1992]

THE "FORTUNE FIFTH" FALLACY

(By Richard B. McKenzie)

According to numerous pundits, the shift in the income distribution during the 1980s was seismic, with the rich getting richer and the rest, poorer. And Harvard University Prof. Robert Reich, among a chorus of academics, professes that only the "most fortunate fifth" of Americans—those with "princely incomes" (or households with more than $55,205 in annual earnings in 1990)—improved their economic station during the past two decades. He argues that justice and economy demand that the growing hardship of the lower four-fifths of income earners be relieved with whooping tax increases on the rich.

Myriad versions of these claims have often been fortified with citations of official data on real median family income and on shares of income going to each of the five quintiles of households. Real median family income, adjusted for inflation using the standard consumer price index (CPI), and set relative to the 1970 level, did trend downward from 1970 to the late 1980s.

A DEFECTIVE MEASURE

Fortunately, the reality of the changing income distribution is far more complicated than the modern prophets of gloom would have us believe. As rarely conceded, the real median family income began to rebound after 1982. Moreover, this measure of the real median is defective in three key ways: (1) the method for computing the CPI was changed in 1983, the effect of which was to obscure the growth in real incomes; (2) the average family size fell by 17% between 1970 and 1986; and (3) fringe benefits and other wage supplements, which are not counted as family income, expanded from 12% of total wages and salaries in 1970 to 20% in 1986.

Researchers at the Congressional Budget Office have determined that when the real median income is recomputed with a consistent consumer price index (the so-called CPI-X) and adjusted for the economies associated with smaller families, the real median family income trends upward, rising by 20% between 1970 and 1986. When real median income is further adjusted to account, in a rough way, for the growth in nonwage income, the rise during this period may be more than 28%.

While such revised data seriously undercut the critics' empirical props, they have a ready-made comeback: The median rose only because the rising economic tide "lifted the yachts, but neither the tugboats nor the rowboats."

Critics do have some of the facts on the changing income distribution right. The share of total income going to the quintile of households with the lowest incomes did fall from 4.1% in 1970 to 3.9% in 1990 (after reaching 4.2% in 1980), and the share of income received by the middle three quintiles fell from 52.7% in 1970 to 49.5% in 1990. At the same time, the quintile of households with the highest incomes rose relatively rapidly during the 1970s and 1980s, with their share of income rising from 43.3% in 1970 to 46.6% in 1990.

The data do offer the surface appearance of a "most fortunate fifth." But appearances are deceiving. Census Bureau data reveal that the real mean incomes (adjusted only for inflation by the CPI-X) of every quintile of households trended upward during the 1970s and 1980s. These data alone indicate that it is grossly misleading to suggest that changes in the income distribution were "seismic" or that the poor as a group got poorer, or that only the "most fortunate fifth" gained over the past decade or two.

Critics of the changing income distribution delight in comparing current real household income of quintiles with the 1970s peak achieved in 1973, prior to the first oil-supply shock that helped throttle income growth for the rest of the decade. They stress that the real income of the lowest two quintiles fell between 1973 and the late 1980s, rarely noting the flaw in the price index or the need to make other adjustments for decreasing household size and increasing nonwage benefits. In addition, the relatively strong growth in real household income in the middle and late 1980s is never mentioned, mainly because such an acknowledgement undercuts the simplistic claim that the downward trend was all Ronald Reagan's fault.

The average incomes of the lowest two quintiles of households rose a modest 4.7% and 4%, respectively, between 1973 and 1989 (just before the current recession) using the CPI-X as the deflator. And that's without even making other adjustments. However, between 1983 and 1989 the average income of the lowest quintile rose 11.1%, while the average income of the second quintile rose 10.1%. The average income of the middle quintile expanded by 10.7% and the fourth quintile by 11.65 in the 1983-89 period.

Granted, the average real income of the top quintile rose by much more, 18.8%, but it is naive to assume that the top quintile is an exclusive club. It in fact comprises changing collections of households with changing collections of household members operating on continually changing conditions. A student in the early 1980s, for example, had jumped several quintiles by the end of the decade simply by taking his first job or by marrying someone with an income. The very limited research done on the subject suggests that a sizable share—surely a third and possibly half—of the households in the top quintile at the end of the 1980s were in a lower quintile in earlier years.

Moreover, the nature of the quintiles of households ensures that the top quintile often grows more rapidly than the lower ones. People in the top quintile who increase their productivity and hours of work, marry (or stay married), and decide to have a nonworking family member go to work (and 83% of the households in the top quintile have two or more income earners, far higher than the lower quintiles) automatically raise their quintile's mean household income. These people cannot move to a higher category.

People in any of the lower quintiles who do the same can easily move up one or more quintiles, increasing their own welfare but, in the process, reducing the mean income of their former quintile.

TRICKLING IN ALL DIRECTIONS

Overall, the critics have been right in stressing that the rich have gotten richer, but they are way off base to suggest that the rich were always rich during the 1980s, or that they have become richer at the expense of the rest of the population, or that their riches were ill-gotten or undeserved. It is far more accurate to say that in the 1980s many rich and not-so-rich Americans got richer faster than other Americans. Some Americans in all quintiles fell behind. Both ends of the income distribution were contributing to the economic improvement of the other. Income growth was trickling in all directions, not just down or up the income distribution.

Clearly, the country has experienced a host of economic problems over the past two decades, of which decreasing real wages for some groups is one of the more important. While the available data do not permit an exact determination of how many Americans lost economic ground during the past two decades, it is clear that critics have grossly exaggerated the economic hardship visited on the vast majority of Americans. Furthermore, the critics don't seem to realize that many of the observed changes in real wages have been instructive. They have caused many people to learn from their experience and to take corrective action—without directives from Washington.

(Mr. McKenzie is a professor of management at the University of California, Irvine. His study, "The Fortunate-Fifth Fallacy," is soon to be released by the Center for the Study of American Business at Washington University in St. Louis.)

WITHIN 3 YEARS, AMERICA WILL BE SPENDING MORE ON HEALTH CARE THAN IT SPENDS ON ALL FOOD AND BEVERAGES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. STARK. Mr. Speaker, page 313 of the 1992 Economic Report of the President contains a table which dramatically shows how the outrageous inflation in health care costs has become the pacman of the American economy, gobbling up a larger and larger share of the GNP and eliminating our ability to spend our resources in other areas.

Looking at the table, it becomes clear that without serious cost containment and budgeting—which the President's proposals don't provide—Americans will soon be spending more on health care than they spend on all the food and beverages consumed at home and in restaurants.

The table on page 313, which uses 1987 value dollars, shows that in 1959 we spent $301.9 billion on all foods and beverages and $95 billion on medical care.

At the end of 1991—using 1987 dollars—foods, and beverages consumed $513.5 billion of the Nation's personal consumption and medical care $446.5. Over 30 years, health has moved from being one third the size of food to nearly equaling it. The trend line is such that medical care is likely to exceed food at 2:14 p.m., April 19, 1995, give or take a few months.

I may joke about being able to predict the minute when health will exceed food as a cost to consumers, but it is no joke that it is about to happen. I'll bet anyone who wants to, a bottle of aspirin and a box of band-aids that I am within a month of predicting the date—unless we can pass national cost containment proposals between now and 1995.

If we had achieved great advances in public health over this period, one might say it was money well spent. The problem is, we haven't seen much improvement and lag other nations

in many key health indicators. Other economics have not seen our type of health inflation taking over large parts of their economies, and as a result those foreign nations have become more competitive and productive in trade, are able to devote more resources to education, social infrastructure and other important services.

It is time, Mr. Speaker, for some really tough cost containment.

STATEMENT OF WYDEN/BABBITT ARTICLE ON NAFTA

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. SKAGGS. Mr. Speaker, I'm not sure how many of my colleagues have had the chance to read the excellent article in the Los Angeles Times on the North American Free Trade Agreement which was written by our colleague from Oregon, Congressman RON WYDEN, and the former Governor of Arizona, Bruce Babbitt, who is president of the League of Conservation Voters.

Congressman WYDEN and Governor Babbitt make a compelling case that any free trade agreement must include specific provisions to protect the environment. I commend their article to you.

Mr. Speaker, at this point I'd like to include a copy of the commentary in the RECORD.

[From the Los Angeles Times, Feb. 11, 1992]

PERSPECTIVE ON FREE TRADE—WHO'S AFRAID OF MEXICAN TRADE?

(By Bruce Babbitt and Ron Wyden)

The outline of a North American free-trade agreement that could be consummated this year is at hand. Negotiators from the United States, Mexico and Canada are about to exchange their first drafts. But growing support for protectionism may spook the President from pushing the agreement in an election year.

It need not be such a gamble. It's still possible to write an agreement that would promote job growth and improve the environment more satisfactorily than the quick fixes proposed so far in Washington.

Exports have driven our economic growth in recent years, and without stronger links to the global economy, we will find it difficult to compete with regional trading blocs in Asia and Europe—regardless of tax cuts or Japanese trade concessions.

A successful North American free-trade agreement would immediately expand U.S. access to Mexico, a rapidly growing market. The unilateral reforms that Mexico has undertaken since joining the General Agreement on Tariffs and Trade in 1986 have triggered an investment boom and energized Mexican entrepreneurs. They now have the money to buy American heavy equipment, such as trucks, tractors and earth movers, high-technology products, environmental cleanup services and products, finished paper products and agricultural products, including wheat, fruit, nuts and potatoes.

In addition, a free-trade agreement would enable all North American companies to develop the kind of regional links that help make German and Japanese competitors so formidable. The old model of huge, integrated, monolithic companies launching exports from a single national base no longer reflects reality. Most production now comes from what Harvard Prof. Robert Reich calls a "web" of trade and investment flows, in which products and services are created out of flexible, ever-shifting combinations of joint ventures, target-specific alliances and specialized service providers.

European and Asian companies have already spun such webs in their regions. North American companies should have similar opportunities.

But to be successful, a North American free-trade "web" must include explicit provisions to protect the environment and public health. Without such rules, free-trade pressures would induce companies to cut short-term costs by skirting laws intended to protect health and the environment. And without such protections, long-term economic growth could not be sustained, because business can't operate with a work force suffering the effects of air and water pollution.

This question of negotiating environmental protections has polarized political debate on the free-trade agreement. From the outset, the Bush Administration has seemed to favor an approach that pushes Mexico hard for concessions on intellectual property and investment rules, but backs off when it comes to clean water, clean air and safe food.

There has been serious opposition in some quarters to almost any treaty that would expose the U.S. economy to additional competition, even though refusing free trade with Mexico would sacrifice economic growth and leave major existing environmental problems to fester untreated.

The key votes in Congress, however, seem to be held by a group that falls in neither camp. These pro-trade Democrats and pro-environment Republicans suggest another path: Negotiate a job-creating trade agreement but include the cleanup of pollution along the U.S.-Mexico border and require that new investment in Mexico pay up front for basic environmental protection infrastructure.

This swing group of policy-makers wants an environmental protection program built around strong rules, adequate resources and tough enforcement.

Serious environmental protection would require rules to ensure high standards on both sides of the border, with the costs based on the "polluter pays" principle.

Serious environmental protection would provide for a binational bond program to raise the $5 billion to $9 billion needed to clean up existing pollution along the border and a small levy on new investment to be set aside for future environmental protection.

Serious environmental protection would include a mandatory enforcement program, based on a binational enforcement agency that would be supported by a provision to allow citizens of either country access to the other's legal systems.

The current thinking of the Administration, unfortunately, is that free trade and environmental protection are not related and should not be linked. It has asked for less money to protect the border environment than Mexico plans to spend, even though the U.S. economy is 25 times larger than Mexico's. It maintains that free trade will provide resources for environmental protection, but will not say when such resources might be available nor commit to actually spending them on the environment.

In fact, the Administration's central position is that it will be enough to rely on voluntary agreements with Mexico and voluntary compliance by the very businesses that created the environmental problems in the first place. It has said only that it will conduct additional regulatory enforcement "as appropriate"—whatever that means.

A North American free-trade agreement built around the principles we advocate would bring this country more jobs and a cleaner environment. Unlike the short-term tax breaks and subsidy programs being bandied about Washington, it would help generate prosperity—even after the election.

CONTINUED NEED FOR COMPETITIVE PROTOTYPING

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. IRELAND. Mr. Speaker, I rise to introduce legislation to reinstate the requirement for competitive prototypes in major acquisition programs of the Department of Defense [DOD]. The requirement for competitive prototyping was contained in a law—10 U.S.C. 2365—that expired on September 30, 1991.

Mr. Speaker, competition is the American way. If properly conducted, competition yields products with superior quality at lower prices. The benefits of competition have been proven over and over again in our society. Competition is the foundation of American economic behavior. In a nutshell, that is the reason I am proposing this legislation.

Under the proposed legislation, DOD would be required to use a competitive prototype program strategy in the development of major weapons systems and their subsystems. The Secretary of Defense, however, would have the authority to waive the requirement in special circumstances specified in the legislation—provided the Secretary makes written notification to Congress, explaining why such a strategy is not practicable.

Mr. Speaker, I would like to place a copy of my bill and the underlying legislation that would be reinstated—10 U.S.C. 2365—in the RECORD.

DOD has used competitive prototyping to great advantage in the past. The F–16 fighter program is a prime example. That program produced two excellent machines—the Air Force F–16 and the Navy F/A–18, both of which did a yeoman's work in the recent air war against Iraq.

Unfortunately, DOD has not always used competitive prototyping—with predictable results. The A–12 provides ample proof of what happens when the military ignores the clearcut advantages of competition.

As many of you will remember, Secretary of Defense Cheney had to terminate the Navy's A–12 stealth bomber on January 7, 1991. He terminated the program for default, because of unacceptable slippage in the program's schedule, massive cost overruns, and widespread management deficiencies. The contractor is now suing the Federal Government. Before it's all over, billions of dollars will have been spent, and we will have absolutely nothing to show for it.

The termination of the A–12 program was a devastating blow to naval aviation. The Navy

needs a replacement for the aging A–6 bomber, there is no question about that.

But what does the Navy do in the wake of the A–12 disaster?

The Navy launches the AX program—successor to the A–12—with a paper competition planned for the concept exploration and definition phase. This phase is now underway, and will be followed by the selection of only one contractor for the crucial demonstration and validation [DemVal] phase scheduled to begin next year. There would be no competitive prototypes. This is another recipe for disaster.

The Navy has rejected the idea of competitive prototypes for the AX. Competitive prototyping is too expensive, in the Navy's view. The Navy wants to establish a comfortable team relationship with a favored contractor, and then give that company plenty of money and time to do the job.

Since when is competition too expensive? Admittedly, competition probably costs more up front, but over the life of the program, competition will save big bucks.

Now, who is it in the Navy who rejects competition? Capt. Jeffrey Cook is the AX program manager. He is the genius behind the AX acquisition strategy. Well, Captain Cook was the chief engineer on the A–12 program, and engineering is where the A–12 came unglued. And his boss, Navy Acquisition Executive Cann seems enthralled with Captain Cook's genius. He describes the AX plan as "a classical approach to a new start."

Mr. Speaker, recent experience tells me that the Navy's acquisition strategy for major aviation programs needs closer scrutiny. Mr. Cann and Captain Cook were part of the management structure that led us down the road to the A–12 disaster. Should we now follow their lead on the AX? Should those two be entrusted with the future of naval aviation? Or should we rely on the time-honored benefits of competition to solve the problem at hand?

I am not alone in questioning the wisdom of the AX acquisition strategy. Others have questioned it as well.

The Defense Acquisition Board [DAB] met to review the AX program plan on June 28, 1991. On July 3, 1991, Under Secretary of Defense for Acquisition Yockey authorized the Navy to proceed with the initial concept exploration and definition phase but directed the Navy to develop a revised acquisition strategy. At the time, the Navy's plan did not comply with DOD regulation 5000.2, part 5, section D, and 10 U.S.C. 2365. Both mandate competitive prototyping.

Under Secretary Yockey subsequently indicated that a final decision on whether to proceed with AX into DemVal with one or two contractors has been deferred until the Milestone I DAB review, which is scheduled to take place during the second quarter of fiscal year 1993.

Mr. Speaker, the Navy's apparent determination to head right back down the A–12 road to disaster with the AX tells me that the law requiring competitive prototyping must be reinstated.

Competitive prototyping makes eminently good sense. It also happens to be fully consistent with the DOD's new acquisition strategy that places heavier emphasis on R&D and stresses prototypes over production. Secretary Cheney described the new acquisition strategy during testimony before the House Armed Services Committee on February 6, 1992. He said: "More work will be done with prototypes to demonstrate capabilities, to prove out concepts, and technologies." That's exactly what is needed. That is exactly what my legislation would do.

I urge all my colleagues to support this bill.

H.R. 4303

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REINSTATEMENT OF REQUIREMENT FOR USE OF COMPETITIVE PROTOTYPE PROGRAM STRATEGY IN DEVELOPMENT OF MAJOR WEAPONS SYSTEM.

(a) IN GENERAL.—Subsection (e) of section 2365 of title 10, United States Code, is repealed.

(b) EFFECTIVE DATE.—Section 2365 of title 10, United States Code, as amended by subsection (a), shall apply to major weapons systems that enter the advanced development stage after the date of the enactment of this Act.

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§2365. Competitive prototype strategy requirement; major defense acquisition programs

(a) COMPETITIVE PROTOTYPE STRATEGY REQUIREMENT.—Except as provided in subsection (c), the Secretary of Defense shall require the use of a competitive prototype program strategy in the development of a major weapons system (or a subsystem of such system).

(b) QUALIFYING STRATEGIES.—An acquisition strategy qualifies as a competitive prototype strategy if it—

(1) requires that contracts be entered into with not less than two contractors, using the same combat performance requirements, for the competitive design and manufacture of a prototype system or subsystem for developmental test and evaluation;

(2) requires that all systems or subsystems developed under contracts described in paragraph (1) be tested in a comparative side-by-side test that is designed to—

(A) reproduce combat conditions to the extent practicable; and

(B) determine which system or subsystem is most effective under such condition; and

(3) requires that each contractor that develops a prototype system or subsystem, before the testing described in subparagraph (B) is begun, submit—

(A) cost estimates for full-scale engineering development and the basis for such estimates; and

(B) production estimates, whenever practicable.

(c) EXCEPTION.—Subsection (a) shall not apply to the development of a major weapons system (or subsystem of such system) after—

(1) the Secretary submits to Congress—

(A) written notification that use of a competitive prototype program strategy is not practicable with respect to such system or subsystem; and

(B) a report that fully explains why use of such a strategy is not practicable, including cost estimates (and the bases for such estimates) comparing the total program cost of the competitive prototype strategy with the total program cost of the alternative acquisition strategy; and

(2) 30 days elapse after the Secretary submits the notification and report required by paragraph (1).

(d) DEFINITIONS.—In this section:

(1) The term "major weapons system" means a major weapons system that is acquired under a program that is a major defense acquisition program.

(2) The term "major defense acquisition program" means a Department of Defense acquisition program that—

(A) is not a highly sensitive classified program (as determined by the Secretary of Defense); and

(B) that is estimated by the Secretary of Defense to require an eventual total expenditure for research, development, test, and evaluation of more than $200,000,000 (based on fiscal year 1980 constant dollars).

(3) The term "subsystem of such system" means a collection of components (such as the propulsion system, avionics, or weapon controls) for which the prime contractors, major subcontractors or government entities have responsibility for system integration.

(e) TERMINATION.—This section shall cease to be effective on September 30, 1991.

RUSSIANS NEED OUR CAPITALIST EXPERTISE AND OUR MONEY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. DINGELL. Mr. Speaker, I would like to commend to the attention of my colleagues the thought provoking article written by Mr. Robert A. Hefner III, which appeared in the Dallas Morning News on Sunday, January 5, 1992.

While this Chamber must continue to focus very carefully upon our Nation's economic concerns, I believe that Mr. Hefner raises an important security concern. We must not miss this historic opportunity to take full advantage of America's investment in the cold war. This is our moment—our chance to help transform the new republics of the former Soviet Union into political and economic allies, so that our Nation might never again have to divert so much of our precious domestic resources toward preparation for war.

[From the Dallas Morning News, Jan. 5, 1992]

RUSSIANS NEED OUR CAPITALIST EXPERTISE AND OUR MONEY

(By Robert Hefner)

Almost singlehandedly over the last half-decade, Mikhail Gorbachev has pried open a historically unprecedented window of opportunity for global peace in the 21st century. No one can predict how long this window of opportunity may remain open. Indeed, many of Boris Yeltsin's reformers fear that the long cold Russian winter may slam it shut.

Thus President Bush may hold in his hands history's single most opportune moment to achieve a level of peace never before known by humankind. Yet, at this critical time, the Bush administration's ability to act seems to be frozen in confusion, "changing of the guard," internal controversy and presidential campaign positioning.

President Bush must act immediately and boldly during this time when Mr. Yeltsin and his cabinet have the momentum of widespread grass-roots public support to put in place all the systems of a free-enterprise democracy, fulfilling the ideals America has fought for throughout most of the 20th century. Boris Yeltsin has clearly indicated his willingness to cooperate, and, without doubt,

the United States could lead the G-7 countries in an effort to fully support him and his new commonwealth.

Mr. Yeltsin is now the most influential person in the former Soviet Union. He has widespread political support from a vast cross section of the Russian people—old and young, rural and urban, new and old guard. And, even more important, Mr. Yeltsin has in his cabinet some of Russia's best and brightest people, including a group of young economists headed by Yegor Gaydar and Peter Aven, who passionately believe in democracy, human rights, private property and a market economy (as did another group of young men in Philadelphia in 1776).

Mr. Gaydar is Russia's deputy premier for economics in the Russian Council of Ministers, responsible for the economic transition; Mr. Aven is the new first deputy minister of foreign affairs. They have spent the past 10 years (often at great personal risk) studying Western markets, private property and banking. They want a floating hard currency by June.

That is precisely where U.S. policy must be targeted. Nothing could jumpstart Russia's economy as fast as an exchangeable currency that has the full confidence of the world financial market. U.S. aid should not fund projects or be doled out to help a crumbling bureaucracy.

U.S. aid should be in the form of guarantees or credits to the new central bank of Russia (and those of its new commonwealth countries), specifically organized to establish full market confidence in the new Russian currency. A totally convertible currency pegged to the U.S. dollar would immediately open spigots to an enormous inflow of private foreign capital as well as begin settling the chaotic political waters.

But this U.S. aid package must be given only in return for guarantees of market reform, private property, free elections, human rights and a bilateral agreement for the destruction of strategic nuclear weapons. Mr. Yeltsin and his cabinet want exactly what America wants, and the Bush administration must act immediately to seize this opportunity. The long Russian winter has started, and no one can predict next year's circumstances.

Additionally, the U.S. should openly and publicly support the goals of the Gaydar group with positive official statements and recognition. The popular momentum at this moment supports change. Our foreign policy must focus on the need to help facilitate these reforms of free elections, private property, free markets and convertible currency so that when the backlash comes (and indeed it will, I fear sooner rather than later), these essential systems will be in place, and, as history has taught us, they will withstand assault.

The United States has spent most of this century fighting two world wars and the Cold War for these ideals at great cost in both human life and money. The Cold War alone has cost about $8 trillion (twice our current national debt), and we must not now lose sight of what we have fought so hard for and fail to act decisively while the opportunity is here. This time we must finish the job and "go all the way to Baghdad." Even with our huge deficits, we must not lose our resolve to finish the job.

The founding of a handful of new freemarket democracies with enormous opportunity to become important trading partners and allies in the Marshall tradition is surely worth another $75 billion or even $150 billion of credits to the new Russian and other commonwealth central banks.

Under the conditions set forth above, this could certainly be funded out of our defense budget. Without such bold action now to support these reforms and reformers, the window of opportunity will slam shut, and the former Soviet empire will drop into chaos, civil war and totalitarian states at a long-term cost to America many times more than these proposed peace guarantees. On the other hand, with such action, these new democracies will become global neighbors and provide an American-oriented growth market, which over the long term will pay us many economic dividends.

RECOGNITION OF THE CONSTITUTIONAL RIGHTS OF ETHNIC ALBANIANS IN MACEDONIA IS ESSENTIAL

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. LANTOS. Mr. Speaker, as we have witnessed the establishment of independent republics in the territory that was formerly Yugoslavia, there are rising concerns about the protection of the civil and human rights of all ethnic nationalities and in particular the rights of ethnic Albanians.

The latest area of grave concern, Mr. Speaker, is with ethnic Albanians in the Republic of Macedonia. In a recent referendum, the people of Macedonia voted that their Republic should become independent. The Republic of Macedonia, however, includes a significant Albanian population. The last census of Yugoslavia, which was taken a decade ago, indicates that 20 to 25 percent of Macedonia's population are Albanian. That number is well above that ratio today, and it may well exceed 40 percent of the population.

Unfortunately, the newly proclaimed Constitution of the Republic of Macedonia, which recently went into effect, does not provide guarantees of minority rights for the Albanians and other ethnic minorities in Macedonia. There are disturbing patterns emerging, Mr. Speaker, that raise questions about how this Albanian population is being treated. There are two instances that I would like to bring to the attention of my colleagues.

The first involves collusion between government officials in the Republic of Macedonia and the Republic of Serbia. As you know, the Serbian Government has consistently followed a policy of suppressing the Albanian majority in the autonomous Province of Kosova. Just a few days ago, two leaders of the Albanian community in Macedonia were invited to the United States to meet with members of the Congress and others in our country to present their case. In order to fly to the United States, they had to receive appropriate visas from our closest U.S. Embassy, which is in Belgrade, capitol of the Republic of Serbia. When they arrived in Serbia, they were arrested by Serbian police and prevented from getting to the American Embassy to receive their travel documents. The following day when they attempted to board the flight to the United States, they were forcefully removed from the plane.

Mr. Speaker, this collusion between the Government of Macedonia and Serbia is a serious violation of human rights. These Albanian leaders were denied the right of free movement and travel, freedom of speech to present their case, and they were subject to police harassment and intimidation. I urge my colleagues to join me in condemning this action by Serbian police officials and the collusion of officials of the Macedonian Republic.

The second instance of concern relates to the educational opportunities provided for Albanians in Macedonia. In the Macedonian capital of Skopje last year there were some 8,000 students who completed the eighth grade. Of those students, 3,800 were Macedonians and 3,200 were Albanians. For the 3,800 Macedonians, there were some 30 schools with instruction in the Macedonian language where they could continue their education. For the 3,200 Albanians, there was 1 school with 3 classes with instruction in the Albanian language—a total of 120 places for 3,200 students!

It was incidents like these two that I have described, Mr. Speaker, that led Albanians in Macedonia to organize and conduct a referendum of ethnic Albanians in Macedonia on January 11–12 of this year. The question on the ballot was whether Albanians should be given political-territorial autonomy within the Macedonian Republic. The vote was overwhelming in favor.

The Assembly for Political-Territorial Autonomy of Ethnic Albanians in Macedonia wrote to the Council of Ministers of the European Community raising the issue of the treatment of Albanians in Macedonia and requesting recognition and acceptance of their justified claim for political and territorial autonomy.

Mr. Speaker, I ask that this letter be placed in the RECORD and I urge my colleagues to read it. It raises serious questions that must be considered before the status of the Republic of Macedonia can be recognized.

THE ASSEMBLY FOR POLITICAL-TERRITORIAL AUTONOMY OF ETHNIC ALBANIANS IN MACEDONIA,

Gostivar, Macedonia, February 12, 1992.

THE COUNCIL OF MINISTERS OF THE EUROPEAN COMMUNITY.

DEAR SIRS: The Assembly for Political-territorial Autonomy of Ethnic Albanians in Macedonia highly appreciates the efforts made by the Commission of Arbitration for the solution to the crisis in the area of the former Yugoslavia, particularly their engagement for the protection of human rights through the right for self-determination. We read with a special interest the part of the Commission's report that deals with Macedonia's recognition by the EC and its member states. We have noticed, with regret, in this report, that the Commission has not taken into consideration the indisputable natural, historical and current facts of life and activity of about 40% of the total population of Macedonia—the ethnic Albanians, who declared themselves for the political-territorial autonomy of the territory inhabited by them in the Referendum held on Jan. 11 and 12, 1992.

What follows is only a short list of indisputable facts that were underestimated or ignored in the Commission's report:

(1) ethnic Albanians in Macedonia live on their lands as an autochthonous people;

(2) ethnic Albanians in Macedonia comprise a compact entity in the territory where they live;

(3) ethnic Albanians are a national entity distinguished by their own customs, characteristics, language;

(4) ethnic Albanians constitute the majority of the population of the region inhabited by them;

(5) the sovereign and nation-building status of ethnic Albanians guaranteed by article 1 of the 1974 Constitution of the Socialist Republic of Macedonia is degraded in the current Constitution to national minority states;

(6) there is no mechanism such as consensus for instance, for the protection of human and collective rights of ethnic Albanians and other nationalities;

(7) the collective and individual human rights and freedom of Macedonians are not limited according to the current Constitution whereas for non-Macedonians there are many limitations.

All these facts also were underestimated and ignored in the current Constitution adopted on Nov. 17, 1991.

On the occasion we express our convictions that ethnic Alabanians in Macedonia are not against the independence of Macedonia and her recognition by the EC and its member states, on condition that their political-territorial autonomy is recognized as a step towards finding the right and just solution to the Alabanian question, in accordance with Final Helsinki Act of 1975 and the Paris Chart for a new Europe in 1990, which documents recognize the right for self-determination to all peoples.

In the Referendum for Political-Territorial Autonomy of Ethnic Alabanians in Macedonia held in Jan. 11 and 12, 1992 in 17 municipalities (out of 34 in total in Hacadonia) took part 360,928 voters out of 383,539 voters in total out of which 99.90% voted FOR the Political-Territorial Autonomy of the Ethnic Albanians in Macedonia.

On the basis of the above-mentioned facts we would like to let you know that without the solution to the ethnic Albanian question in Macedonia, that is, without the federalization of Macedonia, this region will remain unstable and volatile and will continuously threaten peace both in the area of the former Yugoslavia and the Balkans in general. Therefore we ask you to reconsider the statements in the report on Yugoslavia by the Commission of Arbitration concerning the international recognition of Macedenia.

Before making the decision on the recognition of Macedonia, the EC should take into consideration the following facts: that ethnic Albanians did not vote for the current Constitution of Macedonia; that the population census in Macedonia is partially carried out and consequently the national structure of Macedonia is not known; and that ethnic Albanians declared themselves for political-territorial autonomy.

For these reasons the EC, before making the decision for the recognition of Macedonia, should made efforts for the realization of a new total population census of Macedonia, under the supervision of the international institutions, because Macedoniane are not a majority population in Macedonia in comparison with all the others who live in it: The EC should engage in making changes in the current Constitution, and respect the political will of the ethnic Albanian people in Macedonia.

RILEY TELLS STORY TO ILLUSTRATE LIKELY RTC ABUSE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. CLAY. Mr. Speaker, one of the most serious financial debacles in the history of our Nation—the collapse of our savings and loans industry—continues to plague the integrity of our national economic agenda. Reports of inefficiencies on the part of the Resolution Trust Corporation, which Congress established to address the savings and loan crisis cannot be ignored. I would like to take this opportunity to share a press report from the Arkansas Democrat-Gazette which details some of the difficulties which one businessman encountered in his efforts to negotiate with the Resolution Trust Corporation.

[From the Arkansas Democrat-Gazette, Jan. 27, 1992]

RILEY TELLS STORY TO ILLUSTRATE LIKELY RTC ABUSE

A Little Rock businessman, Pat M. Riley, tells a personal story about how the Resolution Trust Corp. may be mishandling assets of failed savings and loans.

The RTC is the federal agency charged with selling off the assets of failed savings and loans to recover as much money as possible.

Many business executives and financial industry officials have complained about the way the RTC is operating. Responding to their complaints, Rep. Beryl Anthony, Jr., D-Ark., said Friday he will convene hearings in Arkansas in March to discuss problems with the RTC.

There may be others like Riley who come forward.

He owed $500,000 on a $6 million loan from the failed Savers Federal Savings and Loan of Little Rock. Last July Riley, offering to pay it off for $350,000, proposed a discount for the early payoff. The RTC refused his offer.

The RTC offered to sell the loan to him for $490,500, but he refused.

The RTC finally sold the loan for $385,000 to a Virginia-based partnership, which included one of the RTC's top national independent contractors, officials said.

BRW Real Estate Operating Co. Ltd. of Alexandria, Va., paid $80.5 million for a bundle of Savers loans, including Riley's.

The price for the package of loans was 77 percent of its total appraised value, officials said.

In 1983, Riley took out the loan from Savers Federal Savings & Loan to build Woodland Heights Apartments, a Little Rock retirement center.

The RTC took over Savers Federal, changed the name to Savers Savings Association in 1989 and began selling off the institution's assets.

Among the assets for sale was Riley's loan, which carried a 13 percent interest rate and a payoff amount of $500,000.

While banks and other major investors have bought real estate and loans from the RTC for big discounts, the offer to Riley to buy his loan for $490,500 was only a 0.019 percent discount.

The RTC then listed his loan for sale for $474,000 but nobody bought it.

Last fall, Riley's loan was then included in a package of real estate and mortgages from the Savers portfolio. And in December, BRW Real Estate bought it in the Savers loan package.

RTC spokeswoman Jane Jankowski said the mortgages in the bulk sale were "bad" and non-performing loans.

But Riley has always been current in repaying the loan and Savers never had a problem with the loan, according to Riley's records and Savers officials who asked not to be identified.

"I've performed. I've never missed a payment. I haven't been rewarded for that though," Riley said.

"When I sought to negotiate with the RTC, they said they just had no mechanism to deal with anybody that was performing," Riley said.

"They had policies and procedures to make payoffs at discounted rates to those whose loans were in trouble. Those of us who were performing were simply left to make a full payment," he said.

He said RTC officials also told him they needed to put some "good" loans into the bulk offerings to sell off the asset packages.

RTC officials said his wasn't the only good loan being sold off at a discount to large investors.

"I borrowed the money and I fully expected to pay it in full," Riley said. "Nonetheless, when they are trying to give it to out-of-state people at 30 percent discounts, it seems only appropriate they offer me some reasonable discount to pay for it myself.

"To put this in proper perspective, it is not only myself who is paying in full but it is the United States taxpayer including you and I who are being penalized. Had the RTC simply held it, they would have received their money in full," he said.

BRW is a partnership of the J.E. Robert Co., the Blackstone Group and Goldman Sachs.

J.E. Robert Co. is a Virginia-based management firm that was the RTC's second largest independent contractor. J.E. Robert performs appraisal, accounting and management work for the federal government.

The company has earned more than $80 million for its work, according to American Banker, a banking industry newspaper.

J.E. Robert also manages more than $10 billion in assets for the RTC but was not involved in the Savers portfolio it bought, officials said.

J.E. Robert has teamed up with the New York-based Blackstone Group to buy up RTC property across the Southwest.

FINANCIAL FRAUD DETECTION AND DISCLOSURE ACT OF 1992

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MARKEY. Mr. Speaker, I am pleased to join with my colleague from Oregon, Mr. WYDEN, and Chairman DINGELL of the full Energy and Commerce Committee in introducing today the Financial Fraud Detection and Disclosure Act of 1992. This legislation seeks to place additional responsibility on independent public accountants who certify the financial health of public institutions and make those accountants more accountable to those they serve—the investing public.

This legislation is the natural product of the subcommittee's commitment to clean up after the financial excesses of the 1980's. The pub-

lic was consistently overlooked in that decade of greed, but it is the public that is now being forced to foot the bill for the consequences of the corporate misdeeds that helped shape the decade. Just last year, the public was asked to assume the costs of an additional $25 billion for the S&L bailout, as well as a $70 billion line of credit for the bank insurance fund. Mr. Speaker, the taxpayer has had enough. In keeping with our successful passage of the Insider Trading and Securities Fraud Enforcement Act of 1988; the Market Reform Act, and the International Securities Enforcement Cooperation Act of 1990, this legislation focuses on the need for greater preventive measures to curtail the deceptive actions of financial criminals before the consequences of such actions are played out at taxpayers expense.

Congress, in the years following the Great Depression, mandated that public companies have their financial statements scrutinized by independent auditors. While congressional intent was to provide for an independent and objective review of a company's finances, the mechanism to ensure such objectivity was imperfect; Congress did not provide any official guidelines outlining how companies should conduct their audits. This resulted, first, in companies hiring their own private watchdog, and, second, in auditors that feared biting the hand that fed them. The legislation being introduced today will seek to rectify this apparent conflict-of-interest by mandating specific guidelines and regulations to be followed by all independent auditors.

This legislation should not be viewed as Congress pointing its disapproving finger at independent accountants. Indeed accountants, too, can fall victim to the elaborate financial schemes of fraudulent corporate managers. However, there currently is no general requirement that the audit be designed to provide reasonable assurance of detecting fraud—a shortcoming which may have contributed to the issuance of clean bills of health for some financially wrecked institutions by several large accounting firms. One must wonder how 28 of the 30 S&L's that failed in California in 1985 and 1986 could have received clean audits a year before they went under, and how one of the big six accounting firms, Price Waterhouse, could have been so successfully duped by BCCI. Accordingly, this legislation will mandate specific requirements to ensure that public auditors conduct a thorough, independent audit and look for material misstatements during the course of an audit.

The legislation we are introducing today is the culmination of more than 20 hearings on the accounting profession conducted since 1984 by the Oversight and Investigations Subcommittee chaired by Chairman DINGELL. It also contains key provisions from a House-passed amendment to the 1990 Comprehensive Crime Control Act, as well as language adopted by the House, but later dropped from title IV of H.R. 6, the Financial Institutions Safety and Consumer Choice Act of 1991, in which auditors are required to expand their search for fraudulent activities of clients and directly report any such findings, under appropriate circumstances, to the SEC.

These new rules will provide regulators with an early warning bell to prevent the problems of the 1980's from overflowing into the 1990's. This legislation, however, is just one step in many that must be undertaken so that we can begin to alter the way in which our financial system is monitored and monetary interests of the investing public are protected. I look forward to moving this legislation swiftly through the Subcommittee on Telecommunications and Finance and urge its support by the House.

BILL ROBERTS: U.S. ATTORNEY AND JUSTICE DEPARTMENT CHAIRMAN OF THE ATTORNEY GENERAL'S ADVISORY COMMITTEE OF U.S. ATTORNEYS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MICHEL. Mr. Speaker, I would like to bring to the attention of our colleagues the great job Bill Roberts is doing in his newly appointed position as chairman of the Justice Department Advisory Committee of U.S. Attorneys while still working as a U.S. attorney.

Mr. Roberts splits his time between home and his duties in Washington. He is the U.S. attorney of Springfield, IL and the chairman of the Attorney General's Advisory Committee of U.S. Attorneys. Mr. Roberts speaks on behalf of 93 U.S. attorneys nationwide in meetings with Attorney General William Barr, and his voice is heard on subjects ranging from budgets to gang busts.

At this point I wish to insert in the RECORD an article by Bob Estill, "Roberts Finds Time to Split Town for Washington Duties," which further details of Mr. Roberts' plans, accomplishments, and devotion.

ROBERTS FINDS TIME TO SPLIT TOWN FOR WASHINGTON DUTIES

(By Bob Estill)

WASHINGTON.—U.S. Attorney Bill Roberts of Springfield lives what he calls a "schizophrenic existence."

But it's his time, not his personality, that's split.

Since the top federal prosecutor in the Central Illinois district became chairman of the attorney general's Advisory Committee of U.S. Attorneys in January, he has divided his time between Springfield and Washington, D.C.

In Washington, he is the voice of the 93 U.S. attorneys nationwide in daily meetings with Attorney General William Barr. He counsels the head of the Justice Department on subjects from budgets to busts of gangs, drug dealers and other armed felons.

"I'm the U.S. attorney for a couple of days, and I'm on the staff of the attorney general for a couple of days," Roberts said. "Trying to keep in sync with both worlds is something with which I've not completely come to terms yet. But I'm getting there."

The Springfield Republican was appointed to the 15-member committee in 1989 by Barr's predecessor, Dick Thornburgh, and elected by the panel members last year to serve a one-year term as chairman.

"It's a determinate sentence," Roberts said with a laugh.

The first Illinois prosecutor to serve as committee chairman, the 49-year-old Roodhouse native is among seven Prairie State prosecutors who have served on the panel. Predecessors include former Gov. James Thompson, appointed when the committee was created in 1973, and Sam Skinner, now White House chief of staff.

This year, Roberts expects to average three to four days a week in his fifth floor office in Washington, just a few doors down from Barr's suit. The proximity is more than geographic. Roberts is part of a coterie of eight to 10 top managers who meet with Barr every morning.

"What I bring * * * is a perspective beyond the (Washington) Beltway, which I believe Attorney General Barr finds valuable," Roberts said. "Somebody on his staff remarked to me that 'you are the only one in the room who can really tell us if it will play in Peoria.'"

Roberts, formerly Sangamon County state's attorney, serves as a bridge between two worlds in the Justice Department.

He said he understands the perspective of officials here who feel the Justice Department "must speak with one voice."

But he also recognizes that the 93 U.S. attorneys, all presidential appointees, have "far more trial experience and certainly more experience in their particular locations than somebody in Washington."

As an experienced prosecutor, Roberts also is aware of how the job has expanded since the 1970s, when "bank robberies were the big cases." Now, Roberts said, prosecutors are reaching out to local communities in cooperative efforts to rid the streets of drug dealers and armed criminals.

One new project the advisory panel helped shape is "Weed and Seed," which Roberts calls a "marriage of law enforcement and social services." It is being tested in Trenton N.J., Philadelphia, Kansas City, Mo., and Omaha, Neb.

"Weeding" begins when the Justice Department, working in concert with local law enforcement, elected officials and community groups, targets areas for crackdowns by federal, state and local law enforcement agencies.

"It's a whole community effort * * * to take out the bad guys, the crack dealer on the corner, the dope house in the middle of the block, that are festering and infecting the neighborhood," Roberts said.

"Seeds" then will be planted for neighborhood improvement, Roberts said, in a myriad of ways from sprucing up the appearance with street cleaning or refurbishing of parks and playgrounds to providing assistance on home loans and organizing neighborhood watch programs.

The advisory panel strongly recommended, and the attorney general agreed, that the experiment be taken "one step at a time" instead of having every community in the country competing for a limited pool of funds, Robert said. This year, 16 cities, including Chicago, vie for a share of $10 million for the program.

"Triggerlock," aimed at armed and violent criminals, is another program that "rose up from the field," evolving from a summit meeting last year of prosecutors, police chiefs, sheriffs and other law enforcement officials, Roberts said.

Under "Triggerlock," federal prosecutors work with state and local officials to prosecute armed criminals under federal laws that may be tougher than state or local laws. For example, a drug dealer caught with a gun in his possession would be tried not only on the drug charge, but for a federal weapons felony carrying a mandatory sentence of five years in prison or up to life imprisonment for repeat offenders, Roberts said.

The advisory panel also works closely with Barr on the less glamorous aspects of Justice Department duties, including the budgets for the U.S. attorneys.

"We're in their pitching for our share of the pie,'" Roberts said of his fellow prosecutors. "When they have economic resources to distribute, we've done pretty well."

Roberts said his wife, Carole, has been a good soldier about his career taking him away from home so often.

"I'm comfortable doing what I'm doing," Roberts said. "And in summary, I look forward to the time when I can live in one community again."

CELEBRATING THE FOUNDING OF ROTARY INTERNATIONAL

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. SOLOMON. Mr. Speaker, Rotary celebrated its founding on February 23. On February 28, Rajendra K. Saboo, president of Rotary International, will lead other Rotarians in commemorating that event at U.N. headquarters.

I'm paying tribute to all that is good about Rotary it is my privilege to place in today's RECORD Mr. Saboo's inspiring message, and I would urge all Members to read it.

[From the Rotarian, Feb. 1992]

WHO HAS SEEN THE FACE OF PEACE?

(By Rajendra K. Saboo)

I remember my four-year-old grandson saying to his sister, "Let us now make peace, and play." To children, peace is so simple, sincere, and pure.

Yet when the world's great leaders invoke the rhetoric of peace, they explain its complexities. To them, peace is something difficult to achieve.

How do we explain this difference?

Like the child, peace also "grew up," developing a multi-faceted personality, presenting a different face to different people from different angles. It cannot be seen in a single glance, or captured in a single word or phrase.

No wonder that peace is represented by a dove—a bird in the wild. The dove is elusive. If you try to chase it, the bird flies quickly away until it disappears into the sky. But place a few grains of seed corn in your open hand, and the dove will come to you of its own accord.

Peace, too, will come to you . . . if with sincerity, you hold out the seeds that nourish it and help it to grow. Offer up the seeds of goodness and service then peace will descend upon you.

I know a Rotarian whose greatest moment in Rotary came when, after 10 days of serving in an eye-operation camp, he was adjusting new spectacles on the eyes of a 65-year old patient, one of the many who had undergone surgery. Suddenly, the patient's voice came loud and clear, "I can see, I can now see after 25 years." He was dancing with excitement. As happiness blossomed within the patient, peace flowered within the Rotarian who had served.

Such service must be the first step to peace, because peace grows within the heart. Peace thrives with service and understanding, according dignity to our fellow men. Peace is nourished by truth and principles, and it is strengthened when we overcome our differences to work together, finding common ground for a noble cause. How true are the words of Ralph Waldo Emerson: "Nothing can bring you peace but yourself."

Like you, I love myself, my family, my city, my country, but I will have to progressively look beyond them to find the true face of peace. Let each Rotarian be a crusader for peace, seeking it in his or her own way, but always through service, the basis for any worthy enterprise.

Peace begins with you—by reaching out to your neighbor, by opening your heart, by bridging the differences between people and communities.

For a world at peace is not a dream, nor a wishful fantasy. Working this year in tandem with the United Nations and its agencies, I have seen the flowering of peace in our joint initiatives for the health and welfare of others. Now, to culminate this week spent commemorating the birth of Rotary on 23 February—today known as World Understanding and Peace Day—I will again return to UN headquarters. And there, along with other Rotarians on 28 February, we will celebrate our partnership and our dream. Within your own clubs as well, find time to celebrate our special relationship and our special quest for peace.

In closing, I leave you with a reflection from Mahatma Gandhi, spoken shortly after his quest for India's independence took him to Britain.

"I am not conscious of a single experience throughout my three-month stay in England and Europe that made me feel that East and West is West. On the contrary, I am convinced more than ever that human nature is the same, no matter under what clime it flourishes, and that if you approached people with trust and affection, you would have tenfold trust and thousandfold affection returned to you."

The Mahatma realized that service is not merely the essence, but the likeness of peace. This is a vision we can share, based on trust and affection.

"Look Beyond Yourself" to see the true face of peace.

INFORMATION SERVICES

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. SMITH of Florida. Mr. Speaker, in recent months, a number of articles have been published seeking to frame the debate regarding the entry of the regional telephone companies into the information services business.

I hope that my colleagues will find interesting the attached comments by Mr. Allen Neuharth. I also believe that Congress must not inhabit the ability of all Americans to enjoy the added options offered by potential information services providers.

[From the Adweek, Oct. 28, 1991]

ALLEN NEUHARTH

Now head of the Freedom Forum. Allen Neuharth fought the newspaper wars for years as chief of Gannett Co.

Q. In light of recent court rulings, are newspapers justified in trying to bar the regional Bell phone companies from information services fields?

A: Not in my view. Newspaper publishers are simply seeking special protection, which under our free-market system no single individual should have. If newspaper publishers accept the Baby Bells as conveyors of information and figure out how to be co-entrepreneurs with them, they'd be much better off.

Q: Will Baby Bells' information services cut into newspaper profits?

A: I don't think so, because the basic commodity of a newspaper is that it's printed with ink on paper that people can hold, and that will still be the way a very, very large segment of the population will want to get their news.

Q: so why are newspaper publishers making such a ruckus?

A: Publishers like to scream bloody murder. They are traditionalists who don't want their turf invaded. They did it with radio and did it with cable. They still don't recognize that the First Amendment applies to broadcasting, too. It's no more likely that the Baby Bells will have a monopoly on information services than newspapers will have a monopoly over news.

BIOGRAPHY OF CHIEF JOSEPH BRANT

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, through Public Law 102–188 (S.J. Res. 217, H.J. Res. 342), Congress and the President designated 1992 as the Year of the American Indian. This law pays tribute to the people who first inhabited the land now known as the continental United States. Although only symbolic, this gesture is important because it shows there is sympathy in the eyes of a majority of both Houses of the Congress for those Indian issues which we as a Congress have been struggling with for over 200 years. In support of the Year of the American Indian, and as part of my on-going series this year, I am providing for the consideration of my colleagues a short biography of Joseph Brant, a warrior chief of the Mohawk Tribe. This biography was taken from a U.S. Department of the Interior publication entitled "Famous Indians, A Collection of Short Biographies."

JOSEPH BRANT (MOHAWK)

During the American Revolution and the years just preceding it, the most powerful Indian friend British settlers had was Joseph Brant (born "Thayendanegea"), a warrior chief of the Mohawk tribe. His lifetime devotion to the English cause started in 1755 when, only 13 years old, he fought under Sir William Johnson in the Battle of Lake George.

Johnson, who became British superintendent of Iroquois tribes in what is now upstate New York, was to play a most significant part in the young Indian's life. He had made friends with the Mohawks, learned their language, and married Molly Brant, young Joseph's sister. Sir William took Brant under his wing, had him educated at a mission school (which later became famous as Dartmouth College), and made him his assistant. In addition to these duties, Brant, who had joined the Anglican Church, worked at revising the Mohawk prayer book and translated parts of the Bible into the Mohawk language.

By 1775 Brant had become a prominent leader, not only of his own tribe, but of the

five others which made up the powerful Iroquois League of Indian Nations. As the Revolution began, he accompanied Guy Johnson, Sir William's nephew, on a trip to England, acting as Johnson's secretary. The Mohawk chief was presented at court, had tea with Boswell, and sat to have his portrait painted by the celebrated and fashionable English artists, Romney.

Brant returned to America completely dedicated to the British side in the Revolution. Although the Iroquois League had declared itself neutral, Brant determined to bring it over to the English. British success in driving Washington out of New York in 1776, and the influence of his sister Molly (now widow of Sir William), helped him persuade the Senecas, Cayugas, and Onondagas to join his Mohawks. Members of the two other League tribes, Oneidas and Tuscaroras, chose the American side or were neutral.

Commissioned as a British officer, Brant led strong bands of combined Tories and Iroquois warriors in border raids and battles up and down the Mohawk Valley, acquiring a reputation for both savage ferocity and fighting skill. He surrendered only in the fall of 1781, when Washington sent General Sullivan and his men into the field, overwhelming English and Indian forces at the Battle of Johnstown, and ending war along the Mohawk.

In 1783, the Revolution at an end, Brant, still commissioned by the British and retained on half pay, was rewarded with a grant of English land along the Grand River in Ontario, where he settled with his Mohawk followers. Other Indians from the Six Nations joined them, and the area became known as the Six Nations Reserve. Brant ruled it in peace until his death in 1807, when his youngest son, John, became chief of the Mohawk tribe.

He is buried near a small church which he had built on the Grand River near Brantford, Ontario. A marker reads: "This tomb is erected to the memory of Thayendanegea, or Captain Joseph Brant, principal chief and warrior of the Six Nations Indians, by his fellow subjects, admirers of his fidelity and attachment to the British Crown."

GLOOM OF SOME AMERICANS SEEMS ROOTED IN UNREALITY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. BEREUTER. Mr. Speaker, this week the House is scheduled to debate tax policy and economic incentive legislation. Before the tax bill is taken up on the House floor, this Member urges his colleagues to consider the following editorial from the February 24, 1992, edition of the Omaha World-Herald.

[From Omaha World-Herald, Feb. 24, 1992]

GLOOM OF SOME AMERICANS SEEMS ROOTED IN UNREALITY

Some people are hard to figure out. They endure the tough times with pluck and courge. Then, when the pressure is off, they go to pieces.

They came through the Cold War in good shape. They handled the Arab oil embargo of the 1970s. The big recession of the early 1980s didn't faze them. But now the Soviet Union has collapsed. The Cold War is over. The United States is experiencing a recession that is relatively mild by recent standards. And some people look ahead and see only darkness.

Such people came to mind in connection with a recent survey by Money magazine. The survey examined Americans' attitudes about the economy. The results suggested a level of gloom that, considering the circumstances, was surprising.

One of every five survey participants said the country is entering a depression. More than half said they were sure the inflation rate and the unemployment rate would rise this year.

When people say such things, it is an indication that they have lost faith in the economy. An editor of the magazine said the survey indicated that "there's something deeply disturbing going on out there."

Admittedly, a recession brings pain to those who can't find the right job, or any job. They deserve the sympathy and understanding of their fellow Americans. But the general lack of confidence indicated in the survey was something different. It suggests a crisis in spirit that is largely unwarranted by the outlook. A number of private and government economists predict an upturn by the middle of the year.

Personal income registered a healthy increase in December. Exports set a record in 1991. Stock prices have remained near record levels. Housing prices and financing costs have been unusually affordable.

Alan Greenspan, the chairman of the Federal Reserve System, has said that the outlook is so favorable that a government effort to jumpstart the economy could do more harm than good.

As to inflation, the people who predicted an increase might be right. But only because inflation has been so low that economists believe it will inevitably trend upward. Consumer prices rose about 3.1 percent last year. Economists are predicting an inflation rate of about 3.5 percent this year.

However, the increase in prices last month was so small that if it continued all year, the total inflation for 1992 would be less than 1 percent. Certainly any fear of runaway inflation can't logically have been rooted in recent experience. More likely it is rooted in the evening network news, where the message is often that the American economy is sick and getting sicker.

Or it's rooted in the rhetoric of Democratic politicians, where the message is that most families have been slipping financially since Jimmy Carter—or was it Lyndon Johnson?—left the White House.

Such thinking is dangerous when it spreads to the general public. It leads to pessimism, fear and loss of spirit. None of which America needs to be burdened with as it enters what should be one of its most exciting periods.

IN HONOR OF NEIL YESU

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. NEAL of Massachusetts. Mr. Speaker, a little over 30 years ago, President Kennedy stated: "Our progress as a Nation can be no swifter than our progress in education." It is obvious that Mr. Neil Yesu followed these words in all that he did for Springfield Central High School as its first principal and in general, what he has done to improve the level of education in western Massachusetts.

Mr. Yesu graduated from American International College in Springfield in 1960 with a bachelor of arts in humanities. He knew he wanted to teach, so from 1960 to 1961 he worked at Branford High School in Branford, CT, as an English teacher as well as a baseball coach and student government adviser. By becoming involved in these extracurricular activities, especially in his first year at a new job, it showed that Mr. Yesu was not going to be just a teacher to his students. He would instead, be the kind of person who the students could come to when they needed help, for he cared not only about what they learned, but also what they were involved in to make them well-rounded people.

He went to Westfield State College where he received his masters in education in 1964. During his stay at Westfield State, Mr. Yesu took on the position of an English and speech teacher at Van Sickle Junior High School in Springfield, MA. This would be the first of five different positions he would hold in the Springfield public school system. He stayed at Van Sickle until 1967 when he became an English teacher, as well as the cross-country coach, at Classical High School. On top of that, he found time to teach English at Western New England College. He kept both of these jobs until 1972, when he was offered the position of assistant principal of Classical High School. This appointment showed that now, the parents, administration, and faculty, as well as the students, knew what an asset Mr. Yesu was to the education of the students. In 1979, his contributions were even more appreciated when he was appointed to the position of principal. He stayed at Classical until the school was closed in 1984 because a new school, Springfield Central High School, was built to replace Classical and Springfield Technical High School.

For some time it was questionable who was going to take on the responsibility of being the new principal with a student body from two such diverse schools. After a nationwide search, the board decided they had looked too far. The man they needed was right under their nose. In the fall of 1984, Mr. Yesu became the first principal of Springfield Central High School.

"I had the responsibility to meld two established schools with divergent goals, philosophies, student bodies, and staffs into a new entity. This opportunity for making history, establishing traditions, and reshaping the perspective of a secondary education was successfully accomplished." When Mr. Yesu said this, some listerners might have felt he was patting his own back a bit too much, but when you compare the position of Central High School with other urban schools, he was by far being very modest. Eighty to eighty-five percent of the students at Central go on to a 2- or 4-year college and the dropout rate average has been only 3 percent. Compare that to 72 percent of the students nationally that go on to college and 27.4 percent of the students nationwide who drop out of urban high schools and you can see just how much Mr. Yesu contributed to the students, staff, and administration.

Having been a teacher myself, I know how hard it is to motivate students. Mr. Yesu's belief that everyone can achieve high personal

goals was passed on to his students, faculty, and staff. The standards in education Mr. Yesu has set and the commitment he has shown should make the Springfield community proud. I speak for all of Springfield when I say I hope your years of retirement are as fulfilling as your 32 years in education.

EARTH DAY 1992 RESOLUTION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. ROYBAL. Mr. Speaker, I am introducing an Earth Day 1992 resolution today. I invite all Members of the House to join as cosponsors.

Since 1970, Earth day has become a time for Americans to show their concern for the environment and their dedication to the future of the Earth. It has become a rallying point for a variety of individuals, groups, businesses, organizations and communities who share an abiding interest in bringing environmental concerns to the forefront of national debate. A celebration of past achievements, this day also represents a renewal of the commitment to continue the struggle for a cleaner, safer and better world for our children and their children's children.

Earth Day 1992 offers an excellent chance to increase the awareness of all citizens to the many threats to our fragile ecosystems and educate them on the many ways to help heal our troubled planet. Efforts on the part of involved individuals, activists, grade school, high school and college students and faculties, businesses, organizations and local communities will serve to encourage easy, day-to-day changes aimed at conserving our precious resources and preventing further degradation of nature. Concern is not enough to change harmful habits and practices. It must be supported by personal actions and a commitment by society to create a world where people understand and respect the essential relationship between themselves and nature.

Environmental problems including climate change, ozone depletion, loss of forests, wetlands and wildlife habitats, acid rain, air and water pollution, hazardous and solid waste disposal require strong action on the part of Congress as well as support from the executive and judicial branches of the Government. Responsible, reasonable and balanced measures such as the elimination of the manufacture and use of chlorofluorocarbons, increased recycling, improved energy efficiency and the promotion of conservation incentives. A lasting commitment to sustainable development will help prevent the reckless depletion of irreplaceable resources.

I encourage all Americans to join together in a nationwide demonstration of concern for the environment and the future of our planet. From school children to senior citizens, we must all act on behalf of the environment for meaningful change.

THE NATIONAL MARINE SANCTUARIES REAUTHORIZATION AND IMPROVEMENT ACT OF 1992

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. HERTEL. Mr. Speaker, in this 20th anniversary enactment of the National Marine Protection, Research, and Sanctuaries Act of 1972, we are called upon to reauthorize title III of the act, which authorizes the Secretary of Commerce to designate national marine sanctuaries. The primary mission of the National Marine Sanctuary Program is to preserve and restore areas of ocean, coastal, and Great Lakes waters for their unique qualities.

As we take on this task, we just look at what history has taught us through the current site selection, evaluation, and designation process. In the 1970's, the first two designations were made for the U.S.S. Monitor National Marine Sanctuary and Key Largo National Marine Sanctuary. Four more national marine sanctuaries varying in location, scope, and size were designated by 1981. For the greater part of the 1980's, like many other Federal environmental programs, the National Marine Sanctuary Program received a low priority. So meager was the administration's support at that time that the purpose and policies of the act were threatened because such limited resources were made available to carry them out.

With fervent congressional interest, the National Marine Sanctuaries Program has exhibited a revival in the late 1980's and early 1990's. While the Florida Keys National Marine Sanctuary and the Flower Garden Banks National Marine Sanctuary have both received final designation through a long and tedious consideration process, even involving congressional intervention, several other areas are under active candidacy for designation.

At this point, we are called upon to reexamine and rebuild on the purposes and policies of title III of the National Marine Protection, Research, and Sanctuaries Act. As we begin to reauthorize and improve the act, we must be cautious in our approach, yet adamant about our mission. We must not seek to achieve far-reaching goals, beyond the scope of the act, with controversial overtones that could inhibit our chances of enacting sound legislative improvements this year.

We must ensure that fragile and diverse ocean, coastal, and Great Lakes resources in threatened areas receive the benefit of a sold program for selection, evaluation, and designation as a national marine sanctuary. We must emphasize that it is the role of the National Oceanic and Atmospheric Administration to promote continuing sound conservation, preservation, and management practices in sanctuary areas and that these objectives serve as the cornerstones of the National Marine Sanctuary Program.

The 1990's offer challenge and opportunity. This is a time for examining our progress in the first 20 years of the National Marine Sanctuary Program, for reaffirming our goals and objectives, and for expanding on our experience. For example, there is much to be learned from long-term research, monitoring, and education in sanctuary areas, yet as management plans are currently implemented, few incorporate the full range of benefits that could accrue if these were made a part of overall resource protection plans.

Another area that deserves attention relates to the use of money recovered in damage actions. If civil penalties, forfeiture proceeds, and damages for violations of prohibited activities were collected in one account to be made available for restoring sanctuary resources and dedicated to program goals, there would be an accomplishment. Given adequate enforcement tools, the National Ocean and Atmospheric Administration could effectively manage the sustainable use of sanctuary resources.

Along with questions about the adequacy of the purposes and policies of the act in protecting marine and coastal areas for future generations arise notions about the geographic distribution of sanctuaries, their appropriate size, and the overall number that should be designated. While much of the current designation process has been frustrated with delay, those sanctuaries that have made it through the approval process demonstrate that the program is a noble one. Streamlining the process means requiring and demanding greater cooperation between Federal and State agencies, private and public organizations, as well as giving the National Oceanic and Atmospheric Administration the support it needs to do its job. To acknowledge that the National Marine Sanctuary Program has been underfunded does nothing to solve its problems if we are unwilling to make a major and realistic commitment to increase program funding. Without such an increase, management of existing sanctuaries would be ineffective at best, and new site selections could be virtually halted.

Improved program implementation is not something that I believe the Congress should try to micromanage for the National Oceanic and Atmospheric Administration. However, I do believe that by stipulating careful purposes and policies, and with adequate funding, the agency should be able to proceed with designations of a variety of meritorious sanctuaries proposed and do a good job of managing them. The National Oceanic and Atmospheric Administration must make and enforce some strict determinations about what activities are consistent with resource conservation and enhancement.

As the National Marine Sanctuary Program grows and develops, there are guides, such as the National Park Service, to aid us in recognizing its potential. Again, it is the commitment of financial resources that determines the program's effectiveness. Granting authority to the National Oceanic and Atmospheric Administration to receive and solicit donations, to acquire property and facilities, such as visitor's centers and docks, will contribute to its well-being. In addition, a foundation could make it possible for the program to expand outreach, educational, and other related projects yet unaccomplished.

Mr. Speaker, while I have discussed only a few of the issues that require examination during the next few months, I am offering for introduction a bill called the National Marine

Sanctuaries Reauthorization and Improvement Act of 1992. This bill represents a balance of the comments and suggestions of witnesses who testified on November 7, 1991, at a joint hearing I chaired of the Subcommittee on Oceanography, Great Lakes and the Outer Continental Shelf, with Chairman GERRY STUDDS of the Subcommittee on Fisheries and Wildlife Conservation and the Environment.

By introducing this bill today, I am seeking to provide a vehicle for our reauthorization that takes present improvements in the current National Marine Sanctuary Program. Over the past few months, I have sought and received the benefit of the insight of a variety of interested parties who work with the National Marine Sanctuary Program, and it is through their suggestions that this legislation is possible. Again on March 11, 1992, the Subcommittee on Oceanography, Great Lakes and the Outer Continental Shelf will conduct a joint hearing with the Subcommittee on Fisheries and Wildlife Conservation and the Environment on reauthorization of title III of the National Marine Protection, Research, and Sanctuaries Act. At that time, I hope more progress on this reauthorization legislation can be accomplished.

Before closing, I would like to thank some who provided me with extraordinary assistance in preparing this legislation: members of the Marine Sanctuaries review panel, especially Jack Sobel of the Center for Marine Conservation, John Humke of the Nature Conservancy, and Frank Potter of the International Network for Environmental Policy; Andy Palmer, Dawn Martin, and Fred Felleman of the American Oceans Campaign; David Slade of the Coastal States Organization; Gary Magnuson of the Center for Marine Conservation; Steve Hughes of the Congressional Research Service; G. Carleton Ray and M.G. McCormick-Ray of the University of Virginia; William DuBose of the National Ocean Industries Association; Lee Weddig of the National Fisheries Institute; and those at the National Oceanic and Atmospheric Administration who have worked hard to develop and manage this program in the first 20 years.

Special acknowledgment should be given to Hank Savage of the Office of Legislative Counsel for his thoughtfulness and competent counsel, to Mike Quigley for his scientific expertise and insight, and to Rita Diehl for her excellent legal analysis.

At this point, Mr. Speaker, I would like to offer for introduction the National Marine Sanctuaries Reauthorization and Improvement Act of 1992, followed by a brief summary of its provisions.

SUMMARY OF H.R. 4310, THE NATIONAL MARINE SANCTUARIES ACT

TITLE I—REAUTHORIZATION AND IMPROVEMENT OF THE NATIONAL MARINE SANCTUARIES PROGRAM

Section and description

101. Title.—"National Marine Sanctuaries Reauthorization and Improvement Act of 1992."

102. Findings, Purposes, and Policies.—Includes "cultural" qualities and "international significance" among findings for recognition of a marine sanctuary. Adds to the purposes and policies of the program maintaining the natural variety of living resources and ensuring that sites are representative of all biogeographic regions. Identifies marine environment areas of special national significance due to their natural resource, human-use, and cultural resource values and provides authority for coordinated management of these areas, long-term monitoring and research, and interagency cooperation.

103. Definitions.—Amends definition of "damages" to include long-term monitoring of injured marine resources within a national marine sanctuary. Amends "response costs" definition to include enforcement, legal, and other costs as authorized by the Secretary.

104. Sanctuary Designation Standards.—Emphasizes finding that state and federal authorities should be supplemented to ensure coordinated conservation and management. Includes natural diversity and functional diversity among the area's natural resource and ecological qualities. Requires consultation with other federal agencies in drafting a resource assessment section of the environmental impact statement regarding past, present or proposed discharge or disposal of materials within the boundaries of or affecting an area designated a marine sanctuary.

105. Procedures for Designation and Implementation.—Allows "documents" and summaries of designation to be submitted to Congress, in lieu of a prospectus. Requires federal agency comments regarding a proposed designation to the Secretary of Commerce within 45 days of notice, unless the Secretary for "good cause" grants an extension. Requires consultation with fishery management authorities in drafting regulations. Amends determinations of access and valid rights by allowing the Secretary to certify that leases, permits, licenses or rights acquired after the designation are consistent with the purposes and policies of the Act. Requires an annual report to Congress summarizing various itemized features of program administration.

106. International Cooperation.—Promotes international consultation and cooperation.

107. Prohibited Activities.—Makes it unlawful to destroy, cause the loss of, or injurie any santuary resource; or to refuse enforcement and inspection authorized by the Act.

108. Civil Penalties.—Creates "in rem" liability, the penalty constitutes maritime lien on vessel in violation. Establishes a fund for civil penalties and forfeiture proceeds, including interest.

109. Research, Monitoring and Education.—Establishes programs of research, monitoring, and education in accord with the purposes and policies of the National Marine Sanctuaries Act, including coordination with other government and private entities and the National Estuarine Research Reserve System.

110. Cooperative Agreements and Donations.—Allows for cooperative agreements with public and private persons and organizations. Gives the Secretary authority to solicit donations for program use and to acquire such land, facilities, and other property as may be necessary and appropriate to carry out the purposes and policies of the Act.

111. Destruction or Loss of, or Injury to, Sanctuary Resources.—Clarifies defenses where destruction, loss of, or injury to, sanctuary resources was authorized by a valid license or permit. Includes interest on amounts recoverable and provides calculation of interest. Permits the Secretary to authorize response actions, and eliminates the cap on the use of recovered amounts to finance future response costs and damage assessments.

112. Authorization of Appropriations.—For General Administration, $500,000 for fiscal year 1993; $5,200,000 for fiscal year 1994; $5,410,000 for fiscal year 1995; $5,620,000 for fiscal year 1996; $5,850,000 for fiscal year 1997; and $6,084,000 for fiscal year 1998. For Management of Sanctuaries, $20,000,000 for fiscal year 1993; $20,040,000 for fiscal year 1994; $20,840,000 for fiscal year 1995; $21,670,000 for fiscal year 1996; $22,540,000 for fiscal year 1997; and $23,442,000 for fiscal year 1998. For Site Review and Analysis, $3,000,000 for fiscal year 1993; $3,120,000 for fiscal year 1994; $3,240,000 for fiscal year 1995; $3,370,000 for fiscal year 1996; $3,510,000 for fiscal year 1997, and $3,650,000 for fiscal year 1998.

113. Advisory Councils.—Gives the Secretary authority to establish Advisory Councils comprised of groups or persons interested in the protection of sanctuary resources and multiple use management of marine sanctuaries.

114. Management of Cultural and Historic Resources Located in National Marine Sanctuaries.—Authorizes protection of resources of cultural or historical significance, located in a national marine sanctuary. This includes abandoned shipwrecks, the title to which is asserted by the federal government for shipwrecks outside of state waters.

115. Short Title.—Renames Title III of the National Marine Protection, Research and Sanctuaries Act of 1972, the "National Marine Sanctuaries Act."

TITLE II—COASTAL AND OCEAN SANCTUARY FOUNDATION

201. Title.—"Coastal and Ocean Sanctuary Foundation."

202. Definitions.—Board of Directors, Secretary of Commerce, Under Secretary of Commerce for Oceans and Atmosphere, Foundation.

203. Establishment of Foundation.—Charitable, non-profit organization.

204. Functions of Foundation.—Raise funds for support of foundation including conservation, research, restoration, education, and management activities. Funds may be matched by not more than 50 percent through a grant.

205. Board of Directors.—Ten Members with related background, rotating appointments. No compensated federal employees may serve on foundation.

206. Rights and Duties of Foundation.—Standard formation powers, seal, and perpetuation.

207. Administrative Services and Support.—Office space and personnel.

208. Audits and Reports.—Audit of accounts similar to private corporation. Annual report to Congress.

209. Relief with Respect to Certain Acts and Failures of Foundation.—U.S. Attorney General may petition for equitable relief upon failure to perform duties.

210. Release of U.S. from Liability.—United States is not liable for acts of foundation. Full faith and credit shall not extend to the foundation.

211. Authorization of Appropriations.—Not more than $1,000,000 shall be available for each of the fiscal years 1993, 1994, 1995, 1996, 1997, and 1998.

212. Use of Interest on Funds.—Interest on foundation funds may be used for projects and programs approved by the Board.

QUESTIONS OF NATIONAL CHARACTER

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. TRAXLER. Mr. Speaker, I rise today to bring to the attention of my colleagues a recent column written by Mr. Haynes Johnson of the Washington Post. Mr. Johnson, an especially insightful and perceptive columnist for many years, has departed on a 1-year sabbatical to do a book on American values—personal, political, and economic. I believe his February 7 column accurately depicts the current plight of the American economy and American society itself. I hope my colleagues will take the time to read "Questions of National Character" carefully and take its warnings to heart.

QUESTIONS OF NATIONAL CHARACTER

(By Haynes Johnson)

The Japanese, of all people, should know better. It's not only bad form to insult good allies and partners. It's also stupid to attack them when they are down and feeling most vulnerable.

Yet that's what Japanese leaders have done twice in the last two weeks, repeating a cycle in which high-ranking officials there have publicly disparaged America and Americans.

The latest insults began when Yoshio Sakurauchi, speaker of the lower house of the parliament, castigated American workers as "lazy" and illiterate. Prime Minister Kiichi Miyazawa further inflamed American passions by charging that America "may lack a work ethic" and suggesting that some Americans have forgotten how "to live by the sweat of their brow." He also blamed part of U.S. economic woes on the numbers of college graduates who flocked to Wall Street during the 1980s rather than choosing careers "producing things of value."

Six years ago, then-Prime Minister Yasuhiro Nakasone boasted that Japan was far ahead of the United States as a well-educated and "intelligent society." He attributed part of America's problems to its racial, ethnic makeup, saying: "In America, there are quite a few black people, Puerto Ricans and Mexicans."

His implicit slur was expressed more explicitly four years later by then-Justice Minister Seiroku Kajiyama, who compared prostitutes in Japan to black Americans who move into white neighborhoods and "ruin the atmosphere."

In the best of times, such comments would infuriate Americans and heighten anti-Japanese feelings. In today's troubled America, they strike with special force amid growing fears about this nation's economic future and long-term prospects.

The Japanese are not alone in expressing a belief that America is in decline. Many Europeans, among others, make the same points, albeit more diplomatically: Poor old America, used to be great, can't get its act together, sad to see how it's slipping.

Americans need no gibes from U.S. competitors to remind them of their internal problems. Here at home, evidence accumulates that increasing numbers share such pessimistic views. Not only is consumer confidence at an all-time low. Confidence in the political and economic system also is being seriously shaken. Americans know theirs is a system under stress, in the midst of fundamental testing. They also know that problems will linger long after this recession ends. Not since the Great Depression has an economic slump cut so wide a swath, affecting everyone from top executives to the shrinking middle class to declining blue-collar workers and rising numbers of those in poverty.

For the rest of this decade, national life will be dominated by cities and states bankrupt, critical public services slashed, health-care clinics closing, hospitals in distress, benefits cut or eliminated, violent crime increasing, infrastructure crumbling, basic manufacturing and corporate white-collar jobs permanently lost. These problems and increasing evidence of public cynicism about all institutions and leaders make it likely that divisions among winners and losers will increase, exacerbating tension among races, regions, ethnic groups and economic classes.

These conditions raise questions about whether something fundamental has gone wrong and, if so, what are the causes and possible solutions. Have American values changed? Has the belief in America's uniqueness, in its representation of something far greater than its many disparate parts, changed? Does common national purpose exist, and where are the leaders who will articulate it? If such leaders emerge, will people follow them? Is there no more American Dream?

In a way, the Japanese taunts could prove helpful if they stir Americans to the kind of concerted action that Japanese treachery sparked 50 years and two months ago today. Concern about precisely that response led Japan's greatest admiral, Isoroku Yamamoto, to tell exultant officers after the successful attack on Pearl Harbor: "I fear we have only awakened a sleeping giant, and his reaction will be terrible."

But America's problems are not with outside forces. In 1992, it faces a test from within—of its economic and political will. Does it still have the national character to respond and to win?

LET GOD BLESS AMERICA AGAIN

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. LEWIS of California. Mr. Speaker, I would like to raise to your attention today a poem written by a young 70-year-old lady, Mary Ann Watson Alexander, of Redlands, CA. Ms. Alexander asked that her poem about the challenges America faces be shared with others in Congress.

LET GOD BLESS AMERICA AGAIN

(By Mary Ann Watson Alexander Class of 1940—BHS)

From America the home of the free and the brave
To wickedness and violence we've become a slave.
All this, and more, on the TV we view.
I'll tell you what we ought to do;
Put a hold on exploration of outer space,
And concentrate on helping the human race.
An ongoing plan is to put people on Mars for 4 years.
Such waste of money, at this time drives me to tears.
Our world is going down the drain;
It really is a rotten shame.
If we were to analyze our government's budget
And mention a few things, they'd probably fudge it.
We'd find there is millions for testing such things
As pickles and bee's wax and likely humming bird wings.
Why not revamp the budget and come up with a plan
That could use those monies to help our fellow man?
We have people in New York City living in sewers by masses,
And people in Los Angeles living under Freeway overpasses.
Our parks have been taken over by out-of-workers,
While being criticized by wealthy smirkers.
The Communists threatened, way back when,
The destruction of America was their plan.
They would work on our youth
By distorting the truth,
By destroying the home, the church and the school;
Working from the inside out is their rule.
We've closed our eyes and our minds to intelligent men
Who have tried to tell us the Communists are not our friends.
If we continue to trust them and fall into their trap,
Eventually our country will fall into their lap.
Things will never go back to what they used to be,
The Land of the brave and the home of the free,
When man worked from sun to sun
And a woman's work was never done.
Now we have unions who regulate hours
And women libbers who demonstrate their powers.
The parents, of necessity, are out of the home,
While children are left on the streets to roam.
In place of love and hugs and kisses
They have their own latch key and empty dishes.
Why go home when there's no one there,
No one to listen, no one to care?
Our country is in such a sad state
That mothers must work to put food on the plate;
While government officials give themselves raises,
And expect us ordinary people to give them praises.
They need more money for entertaining
As well as two or three home maintaining.
They know nothing of sacrificing for themselves
While welfare and aid for the elderly are put on the shelf.
We are generous with our money all over they world
As into oblivion our beloved country's being hurled.
Our only hope is for all to pray
"God bless America in the good old way."
I hope they'll wake up before it's too late.
Our youth have turned to pot, speed and alcohol;
When spaced out, they think they're having a ball,
But a day or so later when they come to,
They find there is really not much they can do;
So they repeat the self-destructive action,
Indulging in sex, freely, is a faction.
Our beautiful girls have turned to the street
Hoping there will be love in someone they meet.

They become prostitutes, to be raped and degraded
By men who hate women because they were hated.
Prophylactics are being handed out at random,
More or less saying, "sex is OK if you use a condom."
They don't tell that these things can break,
But when you get AIDS, it's forever too late.
What's wrong with just saying NO?
Sex is only a part of real love, don't you know.
Look back at the history of the Roman empire;
To conquer their world they did aspire.
Their gross sin and wickedness caused them to fall.
History may repeat itself if on God we don't call.
Wake up America for God's sake;
Wake up before it's irreversibly too late.
I'm, not a religious fanatic, but when I size up our nation,
My simple intelligence says God's our only salvation.
His Word is what our country was founded upon.
The home and safety and high morals are already gone.
We've allowed atheists and communists freedom of speech.
What have they done to accomplish world peace?
Not a cotton pickin' thing—of peace there's a dearth.
There's heartache and poverty all over this earth.
Don't fool yourself, communism is not dead.
In many countries it still raises it's ugly head.
Right south of the border, it's plain to see,
Communism is as live as it can be.
So much is happening in the world as a whole,
Which only goes to prove God is still in control.
So decide now what will be our fate.
Turn to God and say, "Thou art great."
Let Him help us while there is still time
To purge America from sin and crime.
The land we love, the home of the free
Is about to be destroyed by "One World" economy.
My heart aches for my fellow man.
Washington, don't let us fall in the communist's plan.
God have mercy on your soul
If you don't turn to Him and get us out of this hole.
God Bless America is a prayer.
Join me in it if you really care.
God bless America—land that I love;
Stand beside her and guide her through the night with a light from above,
From the mountains, to the prairie, to the oceans white with foam,
God bless America, my home sweet home. (I repeat)
God bless America, my home sweet home!!!

KNIGHT OF THE GAEL HONORS JOAN AND LARRY TUNTLAND

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. BILBRAY. Mr. Speaker, I rise today and ask my colleagues to join me in honoring two outstanding citizens of southern Nevada, Joan and Larry Tuntland. On the evening of March 18, 1992, these two individuals will be honored for their outstanding contribution to the community by Bishop Gorman High School in Las Vegas, NV, on the occasion of the 10th annual "Knight of the Gael."

Although Larry Tuntland's responsibilities have recently carried him to northern Nevada, his long association with southern Nevada and statewide business and civic associations has left an indelible mark on the city of Las Vegas. Throughout his rise to area president of First Interstate Bank in northern Nevada, Larry has also found time to become a member of the board of trustees for the Economic Development Authority of western Nevada; a trustee for the University of Nevada, Reno Foundation; a member of the board of directors of the Nevada Area Council of Boy Scouts; and chairman of the Nevada Community Redevelopment Corp.

His civic involvements have led him to become president of the Boulder Dam Area Council of Boy Scouts and a member of the advisory board for the Boys and Girls Clubs of Las Vegas. He has also served as a member of the president's council for UNLV.

While spending most of her time raising the two Tuntland children, Dan, 21, and Ray, 26, Joan Tuntland has also enjoyed her involvement with Little Flower and Saint Anne's schools along with Bishop Gorman and Bishop Manogu schools. In addition she has become an integral part of her husband's civic involvements.

Joan and Larry Tuntland are an example of the community and family spirit that is essential in today's fast-paced world. While managing professional and family success, they have managed to become integral parts of the Las Vegas community. I am indeed honored to salute their achievements today and ask my fellow Members to join me in congratulating Joan and Larry Tuntland.

MAKING CONGRESS MORE FAMILY FRIENDLY

HON. LAMAR S. SMITH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. SMITH of Texas. Mr. Speaker, last week, Congresswoman PAT SCHROEDER and I circulated a questionnaire to determine how the congressional schedule could be made more family friendly.

The survey asks members how they would like to change the schedule to better accommodate their families.

The purpose of the survey is not to increase congressional recess time, but to shift priorities on behalf of families.

The current schedule discriminates against members with school-aged children because not enough consideration is given to having congressional recesses coincide with school vacations.

American families benefit by the presence of representatives in Congress who have young children.

These members face many of the same challenges and decisions as other parents across the Nation.

And American families are better served by having individuals in Congress who share their concerns and perspectives.

The deadline for the survey is this Friday, February 28.

Please help make Congress more family friendly by completing the survey and returning it to my office.

TRIBUTE TO RAY J. MADDEN

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. VISCLOSKY. Mr. Speaker, I rise today, February 25, 1992 on what would be the 100th birthday of the late Ray J. Madden who passed away at 95 years of age on September 28, 1987, in Washington, DC. I offer my remarks as a special tribute to a dedicated public servant who served the people of northwest Indiana for 34 years in the U.S. Congress, from January 1943 to January 1977—longer than any other Member of Congress from Indiana.

Ray Madden was an extraordinary individual whose life was marked with great achievements and contributions to the Nation and the district he served. During his 95 years, Chairman Madden worked hard to positively influence the lives of others. This is reflected by his 60 years of public service ranging from his position as municipal judge in Omaha, NE, to city comptroller of Gary, IN. In addition, Mr. Madden served his country during World War I as an enlisted Navy serviceman. In Congress, he rose to become chairman of the powerful House Committee on Rules.

Chairman Madden came to Congress in 1942 with the objective that he would bring assistance to working Americans. A friend of organized labor and a proponent for equality, his first goal when he arrived in Washington was to see that postal employees were given appropriate raises, citing the lack of a compensation increase for 21 years. He was ultimately successful.

Another area of interest was his commitment to the immigrant community. Chairman Madden worked hard to see that standards were provided to ease the transition the area's relatively new immigrant population. In a 1981 interview sponsored by the former Members of Congress Association, oral history project, Chairman Madden stated that his commitment in Congress was to those he represented, "the working people and ethnics," and his service reflected his desire to help them.

At the national level, Chairman Madden took an active interest in supporting legislation on a wide variety of topics. He supported the establishment of the School Lunch Program, authorization of Federal funding for cancer research, assistance for displaced persons, legislation to extend the Reciprocal Trade Act and a variety of bills to protect the rights of workers. Known as a liberal Democrat, Madden utilized his seat on the prestigious House Rules Committee to see that the Truman administration's Fair Deal legislation was moved through committee for full consideration by the House. In a U.S. News and World Report article, Ray

Madden was cited as one of the three committee members on whom the administration could depend.

In 1951, Chairman Madden received national attention for his work in investigating the Katyn forest massacre. The subject surrounded the killing of some 15,000 Polish army officers and intellectuals during the winter of 1939–40 just after Poland had been divided between the German and Russian occupying forces. In 1943, the Germans disclosed the massacre blaming the Russians. Madden introduced a bill in 1951 which created a special committee to oversee an investigation. The measure passed and Madden was named chairman of the special group. He embarked on a trip to Europe where he held meetings and heard testimony from some 400 persons. Based on this factfinding mission, Madden and his committee determined that the time of the massacre was not later than 1940 when Soviet forces occupied the territory. He recommended that this report be forwarded to the United Nations General Assembly for possible action by the International Court of Justice. As the leader of this investigation, Congressman Madden received accolades for his hard work and efforts to see that the investigation was carried out promptly. He was also recognized in 1952 as having performed a very real service to the Nation in this regard.

As the record reflects, Chairman Madden's contributions were numerous and his energy and enthusiasm to participate in developing national policy was unending.

Still, he found time to travel frequently to and from northwest Indiana where he participated in meetings and local events. "There were many rubber chicken dinners," Madden stated in a 1981 interview, which reflected the level of participation he had on the local level. He was concerned about health-care services for the thousands of veterans in the First District and testified before the House Veterans' Affairs Committee on the need for a health care facility in northwest Indiana, specifically Lake County which had the highest concentration of veterans. The environment was also a concern and in 1943, Madden introduced a bill to control pollution discharged into Lake Michigan.

As a political leader in the area, Madden worked to see that local Federal projects were secured for his district. In the early 1970's Mr. Madden worked to incorporate infrastructure improvement projects for northwest Indiana. In 1973, Chairman Madden was responsible for the development of the Urban High Density Program, which designed road transportation improvement projects for areas with high-density traffic patterns. The result created the Cline Avenue project in East Chicago, IN, which initially provided greater access to the area steelmills, the communities of East Chicago and Gary. Equally important, this project created an array of jobs. In addition, Madden worked to see that the city of Hammond received Federal funds to initiate a rail relocation program which was targeted to resolve the problem of traffic in the downtown corridor and was a positive economic spur for the area. His efforts on behalf of the people and area are well remembered.

Ray Madden was a public leader of our time who lived through the Great Depression and his experience was reflected in his commitment to see that such an economic dislocation would never be repeated in our Nation.

On numerous occasions, Madden spoke to students about the need to plan for the future. He wanted to plant the seeds of his vision and he reminded students that "there is today a very serious effort to engage the people of our country in future thinking." This was an ongoing theme during his visits to educational institutions and he reiterated his view in 1982 when he said it was "important for people to realize sooner or later that the average citizen must pay more attention to the Federal Government and those who represent the public's interest."

In addition to his contributions to the people he served, Mr. Madden was a figure I personally respected and admired. I can remember my first trip to Washington, DC, with my father at the age of 13. We made a visit to the chairman's office and had our pictures taken on the Capitol steps. He took me to my first committee hearing and joined my father and me for dinner later that day. This is a special memory I will carry with me forever and I imagine there are thousands of others in northwest Indiana who have similar memories.

At the chairman's funeral he was eulogized as a man who was truly a great leader and a man of his time. During the course of his professional and public life, he dedicated himself to helping people. His heart was so big that he was always there to aid someone and who very seldom thought of himself. His style in public life was marked by his dedication to service. Even after his retirement in 1977, Mr. Madden continued to be active in civic affairs. When I arrived in the Congress in 1985, he was kind enough to share his advice and insights with me.

Ray Madden was a great person, great for his public deeds; greater for his kind heart, and greatest for his attributes as a gentleman and a true representative of the people.

His contributions and efforts will not be forgotten. His legacy will be felt in northwest Indiana and the entire Nation for generations to come. Ray Madden's commitment to public service is one that few, if any, have ever matched.

Chairman Madden, I, on behalf of the people of northwest Indiana and the United States, remember you fondly on what would be your 100th birthday. We owe you our deepest gratitude for successfully dedicating your life's work toward leaving the world a better place.

INTRODUCTION OF LEGISLATION PROVIDING MEDICAID COVERAGE

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. RICHARDSON. Mr. Speaker, I am pleased to introduce legislation today providing Medicaid coverage for all certified nurse practitioners and clinical nurse specialists for services they are legally authorized to perform, whether or not they are supervised by a physician.

As the need to provide medical care to the Nation's medically underserved populations has increased, the need to facilitate access to quality, cost effective primary care provided by nurses in advanced practice has increased. The advanced clinical training of nurse practitioners allows them to provide many of the primary care services usually performed by a physician. In fact, between 75 and 80 percent of adult primary care services and up to 90 percent of pediatric primary care services can be provided by nurse practitioners. Over 400 studies, including one by the Office of Technology Assessment concluded that nurses in advanced practice provide high quality care in a cost effective manner in both rural and inner city settings.

Unfortunately, while advanced practice nurses are willing and able to provide services in medically underserved settings, not all nurse practitioners and clinical nurse specialists are being reimbursed for their services in these areas. For example, Medicaid patients are able to access the care of pediatric and family nurse practitioners but not adult and women's health nurse practitioners in the same Medicaid setting. My legislation would enable all nurses in advance practice, regardless of specialty to be accessed by Medicaid recipients.

Nurse practitioners and clinical nurse specialists are specially prepared to provide care to the indigent. Their educational programs emphasize the provision of care to patients who have limited resources, financial and otherwise. In a national survey conducted by the American Academy of Nurse Practitioners, over 60 percent of the patients seen by these providers had family incomes of less than $16,000 per year.

Twenty eight States, CHAMPUS and the Federal Employees Health Benefits Program already recognize the important role of nurses in advanced practice by requiring direct reimbursement for them. The latter two entities have done so for over a decade. CHAMPUS, FEHB, and States providing direct reimbursement have likely learned that better utilization of advanced practice nurse can save money. Studies have found that nurse practitioners serving in outpatient medical clinics can reduce hospital stays for their patients by 50 percent. One study found that for 58 tasks, the average bill was $8.13 when performed by a nurse practitioner and over $16 when performed by a physician.

I am hopeful this legislation will help to eliminate disparities in access to care for rural and inner city Medicaid populations by providing direct reimbursement to nurse practitioners and clinical nurse specialists who have proven their ability to deliver quality care in a cost effective manner.

HONORING JAMES BERTOLINO

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. MURTHA. Mr. Speaker, I'd like to take a moment to honor an individual whose contributions to the workers of the Johnstown, PA

area are unmatched. Jim Bertolino, who is retiring as president of Teamsters Local No. 110, has been a tireless advocate for the many Teamsters, and in fact for all workers, in our area.

Jim's involvement in labor issues goes back to the late 1950's. One of his earliest efforts at organizing a group of employees resulted in him losing his job. But Jim was undaunted, and continued to fight for the rights of the local workers. From 1977 to 1992, he served as president of local No. 110, which eventually represented Teamsters in 19 counties of Pennsylvania.

But for all the important work that Jim has done on behalf of the workers of our area over the past 30 years, perhaps the thing we'll remember him the most for has been his endless work for charitable causes, especially during the disastrous 1977 flood in Johnstown. Jim's efforts in serving with the civil defense, helping to set up the flood disaster office in the Teamsters hall, and hauling food and supplies for flood victims will never be forgotten by the many grateful recipients of the aid Jim was so instrumental in organizing.

On behalf of many members of our community, I'd like to extend all our best wishes to Jim Bertolino on the occasion of his retirement. He's been a tremendous asset to every working man and woman in our area, and his day-to-day efforts for them, and for all the people in western Pennsylvania, will be remembered by them with pride.

TRIBUTE TO THE DAILY CALIFORNIAN ON ITS 100TH BIRTHDAY

HON. RANDY "DUKE" CUNNINGHAM,

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. CUNNINGHAM. Mr. Speaker, the newspaper of record for east San Diego County, the Daily Californian, celebrates its 100th birthday this coming February 29th.

Under the ownership of E.N. Sullivan, the Daily Californian's ancestor, the El Cajon Valley News, was first published on March 12, 1892. In those days, San Diego County was wild, untamed country. And because El Cajon itself was home to only 600 residents—hardly enough to support even a small newspaper—the El Cajon Valley News concentrated more on news from communities like Las Pensaquitas and Encinitas, the latter a rugged day-long horseback ride away. For only $1, residents of San Diego County could subscribe to a year's worth of the El Cajon Valley News.

The first front page of the El Cajon Valley News provides a valuable glimpse of life on the Southern California frontier. It featured a lengthy essay on diet and a full page of "Easy Lessons in Spanish."

In 1912, the Sullivan family transferred ownership of the El Cajon Valley News to C.O. Preston, who owned the paper until 1936. Thereafter the weekly paper was owned and published by Henry C. Reed and his son Carlyle until 1953, by Sy Cassidy from 1953–64, and by the Baker family from 1964–74.

On January 21, 1974, the former El Cajon Valley News was renamed the El Cajon Californian. Upon its sale to Landmark Communications, Inc., of Norfolk, VA, the paper took its present name, the Daily Californian, and moved its El Cajon offices from 613 West Main Street to a new building at 1000 Pioneer Way.

From its humble beginnings as a country paper, the Daily Californian now employes over 200 people and is published 6 days a week. Its circulation of 23,000 now serves readers in La Mesa, Spring Valley, Alpine, Lakeside, Santee, and other parts of east San Diego County, in addition to the city of El Cajon.

Let the permanent RECORD of the Congress of the United States show that the Daily Californian has served its community and its readers with distinction for100 years. May it continue to chronicle east San Diego County's next century with excellence.

EARNEST McKEEVER: RESPONSIBLE TEXAN EVERY ELECTION

HON. JIM CHAPMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. CHAPMAN. Mr. Speaker, while Greeks in ancient Athens are generally held as the founders of democracy, the United States of America is viewed by the world as the symbol of democratic values in the modern era. Yet, our citizens hold the dubious distinction of having one of the worst records of participation in the democratic process of government. This is apparent when one considers the abbysmally low turnout of our voters at the polls. Happily, there are certain exceptions to this unfortunate situation.

It is my distinct honor and privilege to call attention to a gentleman who, in his 83 years, has been a model that we should all strive to emulate. Mr. Earnest Richard McKeever of Sulphur Springs, TX, has never missed voting in an election. For more than half a century, he has been an involved and responsible citizen, filling his role in our representative form of government. Further, it most certainly is noteworthy from my side of the aisle that in all those years, he has voted singularly for Democratic candidates.

Mr. McKeever has stood up and has been counted. He has been a part of the process and has helped make our system work. I would suggest that if more Americans took their responsibilities of citizenship as seriously, we would all find ourselves better off. Such attitudes of involvement carry far beyond the polling place into all facets of our daily lives.

I therefore commend Earnest Richard McKeever for his unique and thoroughly outstanding record of involvement in our democratic process. I look forward to his continuing this important commitment into the next century and beyond.

SUPPORT FOR H.R. 4192, THE TRUTH IN BUDGETING ACT

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. LEVIN of Michigan. Mr. Speaker, I am pleased to be an original cosponsor of House Resolution 4192, the Truth in Budgeting Act. This legislation, which was developed with the able assistance of the National Committee to Preserve Social Security and Medicare, will make clear that Social Security is self-sustaining and in fact is running a sizable surplus which is being used to mask deficit spending in the general operating budget of the United States.

Three times the Congress has passed laws to take Social Security out of the budget. Nevertheless, it continues to be counted in the budget totals, thereby using Social Security surpluses to hide other Federal spending. By aggregating trust fund surpluses with general fund deficits, the Federal budget hides almost one-third of Government deficit spending.

The way that the Federal budget is structured provides incentives to cut programs financed through trust funds, even though programs currently generate more revenue than they pay out in benefits. I believe the Federal budget should be restructured so policymakers can identify the extent to which programs contribute to the budget deficit or, as in the case of Social Security and other trust funds that have surpluses, actually finance the deficit.

The truth in budgeting proposal would redefine spending so that revenues to trust funds are netted against spending from trust funds. Currently, revenues, such as interest, are netted elsewhere against spending, and tax revenue is pooled in the overall revenue totals.

Placing dedicated revenue, such as the Social Security payroll taxes, directly into the appropriate trust fund will carry out the intent of the Congress that certain revenue sources should finance specific activities.

The truth in budgeting proposal also requires that the interest payments to the trust funds should be subtracted from trust fund spending, instead of being subtracted from total interest spending. Currently, the interest paid to the trust funds is hidden so that interest spending by the Federal Government in the budget totals is only the interest paid to the public. It is time to quit hiding the amount of interest the Government must pay to finance the public debt.

Adoption of the Truth in Budgeting Act will make clear the true size of the Federal deficit. We must end the charade and gimmickry that characterizes Federal budgeting.

IN HONOR OF JUSTICE NAT A. AGLIANO—THE RETIREMENT OF A DEDICATED PUBLIC SERVANT

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. PANETTA. Mr. Speaker, I rise today to pay tribute to Nat Anthony Agliano, the presid-

ing justice of the California Court of Appeals for the Sixth Appellate District, on his February, 1992 retirement. Nat has been an outstanding resident and public servant in California for over 45 years and I am honored to have the chance to recognize his exceptional contributions.

Nat received a bachelor of science in business administration from the University of California, Berkeley in 1954, and then went on to obtain a law degree from Hastings College of Law in 1959. From the beginning, Nat applied his training and exceptional talent to improving a multitude of aspects in the legal field. It is obvious that Nat's service to the legal system of California is truly unprecedented. He began his career as the deputy attorney general for the criminal division in Sacramento in 1960. After 3 years, Nat moved into private practice as a partner in the law firm of Panelli & Agliano in Salinas, CA. In August 1971, Nat was appointed as a judge on the Salinas Municipal Court and 8 months later, he was appointed to the Salinas Superior Court. In 1984, Nat became an associate justice on the California Court of Appeal, and, for the past 6 years, Nat has served as the presiding justice of the California Court of Appeal.

Throughout his career, Nat has extended himself in the legal field outside of his official role. He was a member of the State Judicial Council Sentencing Practices Advisory Committee for formulation of sentencing rules under the Determinate Sentencing Law of 1977. He was both the chairman and a member of the California Judges Association, Criminal Law and Procedure Committee, and a seminar panel member for the Criminal Law Institute of California. Nat was also a member of the judges association and Commission for Judicial Education and Research, a seminar leader for the family law institute, and a committee member to review probation analysis studies performed by California Adult and Youth Correctional Agency. In addition, Nat served in the U.S. Army from 1954 to 1956.

Nat Anthony Agliano has provided leadership above and beyond the call of duty. Throughout his career, he has demonstrated exemplary personal and professional dedication at home, in his work, and in his community. Nat currently resides in Salinas with his wife, Lillian, and is the father of four children.

Nat has selflessly devoted the majority of his life to the study and betterment of the legal field. Mr. Speaker, I ask my colleagues to join me now in recognition of Nat's lifetime of public service. it is with great pride and respect that I rise to salute the lifelong accomplishments and selfless dedication of Nat Anthony Agliano.

TRIBUTE TO LOUISIANA NATIONAL GUARD ON THE 1 YEAR ANNIVERSARY OF THE LIBERATION OF KUWAIT

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. BAKER. Mr. Speaker, I rise today, on the 1-year anniversary of the liberation of Kuwait, to again thank the Louisiana National Guard for their courageous service to our country. It is with a deep sense of gratitude that I remember the Louisiana National Guard's tremendous efforts during the gulf war.

On August 2, 1990, Iraq invaded Kuwait, prompting President Bush to deploy United States Armed Forces to defend and free the region from Iraqi aggression and terror. After 40 days of air combat and 4 days of ground assault, the allied forces liberated Kuwait on February 26, 1991. Of the more than 527,000 U.S. troops sent to the gulf region, over 75,000 were National Guard members.

These brave soldiers, many of whom are my constituents, were suddenly uprooted from their jobs, friends and families to answer their Nation's call. Thousands of National Guard soldiers across this country dropped out of college, deferred marriages and missed the births of their children. Despite the prospect of months away from home and the dangers of battle, these men and women fulfilled their duty proudly and without complaint.

The National Guard played an extremely important role throughout Desert Shield and Desert Storm. In the first major wartime use of an All Volunteer Force, the U.S. military found itself depending to an unprecedented degree on the support of the National Guard. I believe these citizen soldiers met the test in the manner of true professionals. Louisiana Guard members performed outstanding service in security, transportation, fuel handling, and medical service. Their support was an integral and vital part of the U.S. victory and success in the gulf.

I want to thank the Louisiana National Guard for their service to this country. We shall not forget their sacrifices nor their bravery.

FREDD STATE TECHNICAL COLLEGE TRIO DAY FESTIVAL

HON. CLAUDE HARRIS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. HARRIS. Mr. Speaker, I would like to express my support in declaring February 28, 1992, as "Fredd State Technical College TRIO Festival."

In September 1991, Fredd State Technical College, in Tuscaloosa, AL, received its first Federal funding under title IV, thereby establishing its programs as TRIO programs. For over 20 years, TRIO programs have worked toward preparing disadvantaged and first generation students for college and assisting them once enrolled.

National TRIO Day has been celebrated by administrators, counselors, faculty, and students involved in educational opportunity programs for the last 4 years. This day was established as a way to focus the Nation's attention on the needs of disadvantaged young people and adults who are working toward bettering their lives, and toward the investments that must be made if they are to be able to continue their efforts.

Fredd State Technical College's programs deserve similar attention. These programs reach out to disadvantaged, low income and handicapped students, aiding them in their educational endeavors. The funds invested in these programs will produce large rewards as TRIO program participants succeed in their goals and enhance their opportunities for becoming productive citizens.

Celebrating February 28, 1992, as Fredd State Technical College TRIO Day Festival expresses our Nation's support for this college's worthy programs and their dedication to assisting others.

TRIBUTE TO THE LATE MOST REVEREND JOSEPH McSHEA, D.D., RETIRED BISHOP OF ALLENTOWN, PA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. RITTER. Mr. Speaker, I rise today to pay tribute to the Most Reverend Joseph McShea, retired bishop of Allentown, who passed away on November 28, 1991. Bishop McShea was a compassionate pastor, a brilliant scholar, and one of the most influential members of the Catholic Church in America. Most especially, he was a great friend—not just to the members of the diocese he founded in Alllentown, but to all of us who call the Lehigh Valley home.

Bishop McShea was born on February 22, 1907, in Lattimer, PA, and was one of seven children of Roger and Jeanette McShea. The family moved to Philadelphia when Joseph was 11 years old, and later settled in St. Francis de Sales Parish, where he attended West Philadelphia Catholic High School for Boys, and St. Charles Borromeo Seminary. In 1926, Joseph was selected to complete his seminary course at the Pontifical Roman Seminary and the Lateran University in Rome. While in Rome, he earned doctorate degrees in Philosophy and Theology and was ordained a priest on December 6, 1931.

Bishop McShea's scholarship and abilities were recognized by the church hierarchy almost immediately. After serving as a professor at St. Charles back in Philadelphia, he returned to Rome in 1935 to serve in the Sacred Congregation for the Oriental Church. In 1938, he was recalled to the United States to serve as secretary to the papal delegate in Washington—a post he held for more than 13 years.

He returned to St. Francis de Sales in Philadelphia as pastor in February 1952, and was consecrated a bishop in March of that year by Archbishop Amleto Cicognani, then the papal delegate to the United States and later the Vatican's cardinal secretary of state. For the next 9 years, Bishop McShea served as titular bishop of the city of Mina in Algeria, auxiliary bishop of Philadelphia, and pastor of St. Francis de Sales. He also participated in the extensive studies which resulted in the creation of the Diocese of Allentown.

On January 28, 1961, Pope John XXIII created the Diocese of Allentown and named Bishop McShea as its first bishop, saying he was one "especially suited for the task" of building the new diocese. Bishop McShea was

formally installed on April 11, 1961. Later that year, the pope named Bishop McShea a member of the Pontifical Commission for Religious for the preparatory sessions of the Second Vatican Council. As 1 of only 18 Americans elected to the commission charged with facilitating the council's work, he presented the Commission for Religious' document to the council in full session.

At the same time, Bishop McShea was overseeing an ambitious education expansion and building program, which tapped into the energy and generosity of the new diocese. More than 300 buildings were built, added onto, or renovated throughout the diocese during his time as bishop, as his $7.5 million fund-raising goal was exceeded by more than $4 million. Among the projects completed in this time of expansion were three new Catholic high schools, two high school renovations, and Allentown College of St. Francis de Sales, which celebrated its 25th anniversary in 1990. The president of Allentown College and my good friend, Father Dan Gambet, told me that Bishop McShea often referred to the college as the jewel in the crown of his achievements.

But the Allentown Diocese's commitment was not merely in bricks and mortar. According to a report in the Allentown Morning Call, the diocese accounted for 20 percent of the ordinations in Pennsylvania from 1961 to 1975, despite having just 7 percent of the State's Catholic population at the time.

And two national relief efforts were originated in the diocese under Bishop McShea's guidance: National Shut-In Day, an October observance aimed at encouraging visitation of those unable to leave their homes, and Operation Rice Bowl, an ecumenical program designed to raise both money and awareness for the fight against hunger in our country and around the world. Through these programs, Bishop McShea's compassion and commitment are helping others well beyond the five counties in the Diocese of Allentown.

Bishop McShea submitted his resignation as head of the Diocese of Allentown on his 75th birthday, February 22, 1982, but continued to serve as an adviser and friend to the Diocesan leadership and parishes, as well as to the community at large. He once told his priests, "Coming to Allentown was like going to heaven without the inconvenience of dying."

On December 4, 1991, I joined community leaders from the Lehigh Valley and national Catholic leaders such as Anthony Cardinal Bevilacqua, Archbishop of Philadelphia, John Cardinal Krol, retired Archbishop of Philadelphia, and the Most Reverend Thomas J. Welsh, the current Bishop of Allentown, at funeral ceremonies for Bishop McShea. We were privileged to hear a brilliant, warm, humorous, and moving message about him delivered by Bishop David B. Thompson, whose remarks celebrated the achievements and captured the essence of this remarkable man. It was indeed a fitting farewell to a good friend and faithful servant of the Church.

Mr. Speaker, Joseph McShea's life as an example of the power of a strong faith in God and a loving concern for our fellow man. While we mourn his passing, we take comfort in the knowledge that his faith and love will continue to enrich his diocese and his community for many years to come.

TRIBUTE TO JACQUELINE M. SPELL

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. CARDIN. Mr. Speaker, today I rise to pay tribute to Jacqueline M. Spell, who retired as chief clerk of the Maryland House of Delegates on December 31, 1991. A reception in her honor will be given on February 27, 1992.

Mrs. Spell was the first woman to serve as chief clerk in the State of Maryland and was appointed by Speaker John Hanson Briscoe on January 10, 1979. She joined the office of Chief Clerk James P. Mause in January 1968 and 1 year later became assistant chief clerk. She became acting chief clerk for the 1972 legislative session when Mr. Mause was paralyzed in an automobile accident after the 1971 session.

Mrs. Spell operated the clerk's office as a true professional, with utmost integrity and great respect for the House of Delegates. Through her public service, legislators were better equipped to respond to the needs of their constituents.

Mrs. Spell served under four speakers: Thomas Hunter Lowe and John Hanson Briscoe, who went on to become judges; R. Clayton Mitchell, Jr., who continues as speaker today, and myself.

Prior to her entry into State service, Mrs. Spell bred, broke, and trained thoroughbred race horses, and in 1976 was appointed a member of the State board of inspection of horse riding stables.

The Maryland General Assembly will miss her greatly. She is a woman who is loved and respected. Mr. Speaker, I hope you and my colleagues join me in praising Mrs. Jacqueline M. Spell, a woman who has served the Maryland Legislature for nearly 25 years with great distinction.

THE CANCER REGISTRIES AMENDMENT ACT OF 1992

HON. BERNIE SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. SANDERS. Mr. Speaker, I am delighted and honored to have just received a letter of endorsement from the Congressional Caucus for Women's Issues for my bill, the Cancer Registries Amendments Act of 1992, H.R. 4206. Together with the American Cancer Society's endorsement and the cosponsorship by 69 Members of the House of Representatives, the caucus' support demonstrates the urgent need for this important legislation in the fight against cancer.

One in three Americans today will be afflicted with cancer and one in five will die of that terrible disease. In terms of breast cancer, 180,000 women this year will be diagnosed with this disease, and it is estimated that 46,000 American women will die of breast cancer this year. Very few families in our country do not suffer the loss of one or another member as a result of cancer.

The American Cancer Society publication "Cancer Facts and Figures—1992" opens with, "Incidence—since there is no nationwide cancer registry, there is no way of knowing exactly how many new cases of cancer are diagnosed this year. The American Cancer Society estimates cancer incidence for the upcoming year using the best available data sources at the time."

We need more than estimates, especially when there is a current epidemic in breast cancer. Estimates tell us that the number of women getting breast cancer has increased 57 percent over the past 40 years. The numbers afflicted with the disease have grown 3 percent a year since 1980. In certain parts of the country, breast cancer mortality rates are much higher than in other areas. For example, the New England States, including my State of Vermont, the Mid-Atlantic States, including Maryland, and the District of Columbia appear to have the highest rates in the country. Why is that?

Clearly, if we are going to be effective in fighting cancer in general, and breast cancer specifically, we need more information—we need better than estimates. Our researchers need information that they do not have today. Amazingly, half the States in America today lack statewide registries that collect data on incidence, stage, treatment and follow-up information regarding cancer.

We need to know the age of people who are coming down with cancer. We need to know exactly where they live. We need to know the kind of work they do. We need to know their racial and ethnic backgrounds. We need to know the effectiveness of the treatments they receive. We need to know the relationship between early detection and the success of treatment. In other words, we need as much information as we can gather, so that we can put together all the data, and the clues, and the trends, and better understand the cause of this disease and how to control it.

The Cancer Registries Amendments Act of 1992 will provide $30 million a year to the States to establish or upgrade their cancer registries systems. For those 10 States, including Vermont, who today have no cancer registry, planning grants will be provided. Furthermore, as part of this whole process, this legislation will provide funding for a comprehensive study as to why certain regions of our country lead the Nation in breast cancer mortalities.

I would like to conclude by thanking my friend and colleague, Senator LEAHY, who has introduced the Cancer Registries Amendment Act in the Senate, and for his development of another piece of legislation that I introduced in the House. The second bill declares breast cancer a public health emergency, and in so doing will certainly accelerate investigation into the cause, treatment, and prevention of breast cancer.

Mr. Speaker, I wish to enter into the RECORD a summary of the cancer registry bill and the letters of endorsement from both the American Cancer Society and the Congressional Caucus for Women's Issues.

THE CANCER REGISTRIES AMENDMENT ACT OF 1992

(Congressman Bernard Sanders and Senator Patrick Leahy)

(Amends the Public Health Service Act to provide for the creation of cancer registries in every State. The registries will collect demographic data for each incidence of cancer, providing a nationwide data base to allow researchers to track cancer rates and focus on prevention. The bill also calls for a study of the elevated breast cancer mortality rates in the Northeastern and Mid-Atlantic States.)

Grants to States—HHS Secretary makes grants to States for the purpose of operating registries of individuals with cancer in order to collect, for each form of cancer, data on:

a. demographic information about each case of cancer,

b. administrative information, including date of diagnosis and source of information,

c. pathological data characterizing the cancer, including the cancer site, stage of disease (Staging Guide), incidence, type of treatment, and

d. other elements the Secretary deems appropriate.

Matching Funds—a three to one match (25 percent contribution from the States). A certain percent of this money is alloted for quality control and administration. Current State cancer control prevention service dollars can count as State match.

Planning Grants—the Secretary also can make grants to States for the purpose of planning for enabling registry legislation and compliance with eligibility for registry grants.

Utility of Data—the Secretary shall issue guidelines for the collection and presentation of data for the registry, and require procedures to ensure the completeness and accuracy of reporting by the registries.

Population-based Data—the Secretary shall require that, to the extent practicable, data collected for the registry be collected on all cases of cancer occurring in populations defined by the Secretary.

Consideration of Relevant State Laws—grants will only be made if the law of the State involved facilitates the collection of data for the registry, and if the law of the State will maintain the confidentiality of information contained in the registry. Those States that do not meet eligibility requirement can apply for planning grants.

Study of Elevated Breast Cancer Mortality Rates in the Northeast and Mid-Atlantic Regions—the Secretary shall make grants available to relevant States to facilitate the collection of data to conduct a study of the elevated age-adjusted breast cancer mortality rates in: Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont, and the District of Columbia.

Authorization of Appropriations—$30 million per year.

CONGRESSIONAL CAUCUS FOR WOMEN'S ISSUES, CONGRESS OF THE UNITED STATES, WASHINGTON, DC, FEBRUARY 19, 1992.

Hon. BERNARD SANDERS,
Cannon House Office Building, Washington, DC.

DEAR BERNIE: The Executive Committee of the Congressional Caucus for Women's Issues met today and unanimously endorsed H.R. 4206, the Cancer Registries Amendment Act and H.Res 359, which declares breast cancer a public health emergency. Both of these bills address one of the major women's health issues today: the rising incidence of breast cancer.

We are pleased that you have introduced this important legislation and we look forward to working with you for its passage.

Sincerely,

PATRICIA SCHROEDER,
Co-Chair.
OLYMPIA SNOWE,
Co-Chair.

AMERICAN CANCER SOCIETY,
Washington, DC, February 4, 1992.

Hon. BERNARD SANDERS,
Cannon House Office Building, U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN SANDERS: For more than 40 years, the American Cancer Society has been actively engaged in supporting the development of complete, population-based cancer incidence registries in the United States. They are valuable to our research efforts as well as assuring high quality care for the cancer patient. Although much progress has been made in many parts of the country in developing such registries, case incidence reporting is still incomplete. Much work remains to achieve acceptable standards for data uniformity and accuracy for the country as a whole. In the absence of full incidence reporting, we continue to rely largely on mortality statistics for information regarding trends in cancer occurrence.

The Cancer Registries Amendment Act of 1992 represents a significant step towards fulfilling this important cancer control goal. Through the support of State health departments and affiliated organizations in the process of developing cancer incidence registries, this legislation will provide strong encouragement for population-based cancer case reporting and move us closer to the important goal of a complete national cancer registry system. Importantly, the proposed legislation addresses the necessity for patient confidentiality without compromising the integrity of the system.

This initiative would also require a study to determine the factors contributing to elevated breast cancer mortality rates in certain States. Breast cancer is the most common form of cancer in the United States and the second leading cause of cancer death, and yet we do not know what causes this disease. The proposed study could be potentially useful in identifying factors that require further research.

The American Cancer Society commends you for your leadership in this area. By strengthening such cancer data resources throughout the United States, it will be increasingly possible to carry out productive investigations regarding the origins of particular cancers and the causes underlying their current trends and patterns in our population. The Society looks forward to working with you and your staff on this legislation. Please contact Kerrie Wilson at (202) 546-4011 if we can be of any assistance.

Sincerely,

WALTER LAWRENCE, Jr., M.D.,
President.

THE FAIRPLAY FOR TAXPAYERS ACT OF 1992

HON. JOHN J. RHODES III

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 25, 1992

Mr. RHODES. Mr. Speaker, today I rise with great pleasure to introduce important new legislation designed to further the goals of fairness and evenhandedness between taxpayers and the Internal Revenue Service [IRS]. Mr. Speaker, the Fairplay for Taxpayers Act of 1992, which I am introducing today, will change for the better several sections of the Internal Revenue Code that give unfair advantages to the IRS when dealing with individual taxpayers.

As Members of Congress, each of us regularly receive letters from our constituents which, in some form or another, call to our attention some difficulty they have encountered in their dealings with the IRS. Indeed, many of these situations are legitimate instances of taxpayers trying their best to comply with the complex maze of laws that govern their payment of taxes. Too often, taxpayers have acted legally and in good faith to diligently pay their taxes in full and on time, but have later stumbled across IRS rules that seemed designed to penalize them despite their best efforts. At every turn, there are rules and laws that do not serve the best interests of the taxpayer. Rather, IRS regulations serve the organizational and bureaucratic interests of the IRS as much, if not more, than those who actually pay the taxes that keep our Nation going.

The IRS is a massive agency, with lawyers, accountants and innumerable staffers. While the IRS certainly needs its staff to collect the tax money that runs our Government, the size of the bureaucracy, with seemingly vast and unlimited resources, also intimidates the individual taxpayer. In fact, many taxpayers are likely to avoid challenging IRS rulings, accepting rulings they disagree with instead, because of the fear of the risks of doing otherwise. To some, the high cost, both in terms of time and money, of confronting one of the most notorious of Federal bureaucracies whose pockets are immense is discouraging to say the least. Hopes of actually winning a challenge to what appears to be an invincible wall of tax policy entrepreneurs must surely appear slim to those who might otherwise believe they have a legitimate claim.

Others are probably concerned with the potential ramifications of challenges, that is, the possibility of retribution by an angry IRS in the form of future audits, unusually intense scrutiny of every detail of one's future filings, and who knows what else.

To be sure, by no means do I intend to malign the IRS by saying they do actually engage in these practices. I am sure officials with the IRS would not agree that these types of practices are at all common within the Agency. However, these practices have at one time or another occurred, and such stories act to reinforce a fear of the IRS.

For these reasons, Mr. Speaker, I am introducing the Fairplay for Taxpayers Act of 1992. This bill has already been sponsored by Senators STEVE SYMMS (R–ID) and ALFONSE D'AMATO (R–NY) in the other Chamber. These Senators are not unlike Members of the House of Representatives—they too receive letters of distress from constituents of their States relating to their dealings with the IRS.

This legislation will make several important changes to the Internal Revenue Service Code.

For one thing, it will extend an evidentiary privilege to communications between a lawyer,

accountant or an enrolled agent with respect to the preparation of a tax return for a client. Currently, the IRS can seize and inspect documents relating to the preparation of a taxpayer's returns. The Freedom for Taxpayers Act will prohibit this by making such communications privileged, much as are those between an attorney and client, for example.

This bill will also equalize the rates of interest paid by the Government to the taxpayer on taxpayer overpayments and those which are paid by the taxpayer to the Government on underpayments. Currently, the Government pays a taxpayer 2 percent interest on tax overpayments. However, when a taxpayer underpays his or her taxes and must make up the difference, the interest paid is 3 percent. This may not seem like an awful lot, but it is one example of why the IRS is viewed by many as simply unfair to the taxpayer. There is simply no reason why the Government should get a higher interest rate on underpayments than the taxpayer gets on overpayments.

Mr. Speaker, the Taxpayer Fairness Act gives taxpayers 45 days, rather than the current 10, to pay taxes and penalties before liability for interest payments begin. It requires that administrative changes in tax regulations be applied prospectively rather than retrospectively, unless otherwise mandated by Congress.

The bill would also allow taxpayers to recoup a portion or all costs and expenses to the extent he or she prevails in a tax dispute. Currently, a taxpayer must prove the IRS was not just wrong in its judgment relating to the taxpayer's claim, but that it also was not "substantially justified" in reaching its conclusion in order to recover costs incurred in an administrative or court proceeding with the IRS. Without this provision, even if the taxpayer is proven correct in a proceeding, the cost of the case might be prohibitive. More than just unfair, it is also of concern because the potential of high costs might cause those taxpayers with legitimate claims simply not to file.

My bill would replace the "substantially justified" test by allowing taxpayers to recover the same percentage of costs incurred as the percentage by which he prevails in the controversy. For example, if the IRS determines that a taxpayer owes $1,000 but it is subsequently determined that the actual debt is $500, the taxpayer would be entitled to 50 percent of the costs incurred challenging the IRS claim.

Finally, the Fairness for Taxpayer Act would revise several IRS employee conduct practices. The bill would improve the ability of the IRS to monitor and to discourage misconduct by Service employees, improve oversight by the Congress of employee misconduct in the IRS and provide education and training for employees regarding their conduct.

Specifically, the bill requires IRS employees to report to the IRS Inspection Service all instances of misconduct. The IRS Commissioner will be required to report quarterly to the Inspector General of the Department of the Treasury concerning such instances. On an annual basis, the inspector general will submit to the Congress a detailed summary of the quarterly reports submitted during the prior year by the IRS Commissioner.

Furthermore, Mr. Speaker, the IRS Commissioner will be required to carry out an education and training program for all Service employees regarding appropriate and ethical conduct of governmental duties and responsibilities, including explanation of applicable standards of conduct.

Mr. Speaker, I think this last section regarding IRS employees should not be construed as representing the belief by Members of Congress that employees of the IRS are anything short of professional. In fact, I believe that these requirements and reports will serve to highlight to the American people the difficult job IRS employees have to do and the extent to which they are dedicated to improving service to the U.S. taxpayers.

I do not believe that these measures alone will magically solve every problem associated with IRS—U.S. taxpayer relations. Members of both the House of Representatives and the other body will continue to receive phone calls and letters asking for assistance.

Rather, I think this bill represents a solid step in the right direction, a step that needs to be taken in order to restore the faith the U.S. taxpayer should have in the IRS.

I hope all my colleagues who have, at some time, heard from their constituents regarding problems with the IRS will join me in cosponsoring this important measure. At least then we can do more than just tell our constituents we care—we can show them specific measures we intend to take to make their dealings with the IRS less costly, more fair and better suited to overcoming the burdensome complexity of U.S. tax laws.

I insert the text of this bill along with a section-by-section analysis in the RECORD immediately after my comments:

H.R. 4309

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF THE 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Fairplay for Taxpayers Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. COMMUNICATIONS BETWEEN TAXPAYER AND TAX RETURN PREPARER.

(a) IN GENERAL.—Rule 501 of the Federal Rules of Evidence is amended by—

(1) inserting "(a)" before "Except";

(2) inserting after "Except as" the following: "provided in subsection (b) and as"; and

(3) adding at the end thereof the following:

"(b) The communications between a lawyer, an accountant, or an enrolled agent with respect to the preparation of a tax return for a client and the client shall be privileged in the courts of the United States."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to communications after the date of the enactment of this Act.

SEC. 3. RATE OF INTEREST TO BE SAME FOR UNDERPAYMENTS AND OVERPAYMENTS OF TAX.

(a) IN GENERAL.—Subparagraph (B) of section 6621(a)(1)(B) (defining overpayment rate) is amended by striking "2 percentage points" and inserting "3 percentage points".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies for purposes of determining interest allocable to periods after December 31, 1991.

SEC. 4. FAIR ACCRUAL OF INTEREST.

(a) IN GENERAL.—Paragraphs (2)(A) and (3) of section 6601(e) (relating to rules for computing interest) are each amended by striking "10 days" and inserting "45 days".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any notice and demand given after December 31, 1991.

SEC. 5. RELIEF FROM RETROACTIVE APPLICATION OF TREASURY DEPARTMENT REGULATIONS AND RULINGS.

(a) IN GENERAL.—Subsection (b) of section 7805 (relating to rules and regulations) is amended to read as follows:

"(b) RETROACTIVITY OF RULES AND REGULATIONS.—

"(1) IN GENERAL.—Any final, temporary, or proposed regulation or ruling issued by the Secretary shall apply prospectively from the date of publication of such regulation or ruling in the Federal Register.

"(2) CONGRESSIONAL AUTHORIZATION.—The prospective-only treatment of paragraph (1) may be superseded by a specific legislative grant from Congress authorizing the Secretary to prescribe the effective date with respect to a statutory provision."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any regulation published after the date of the enactment of this Act.

SEC. 6. AWARDING OF COSTS AND CERTAIN FEES IN TAX CASES.

(a) REPEAL OF SUBSTANTIAL JUSTIFICATION TEST.—

(1) IN GENERAL.—Section 7430(c)(4)(A) (defining prevailing party) is amended by

(A) replacing "substantially prevailed" with "prevailed to some extent" in clauses (ii) and (iii);

(B) striking clause (i) and by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(2) CONFORMING AMENDMENT.—Section 7430(c) is amended by striking paragraph (7).

(b) PRO RATA ALLOCATION OF COSTS.—Section 7430(c)(4) is amended by adding at the end thereof the following new subparagraph:

"(C) PRO RATA ALLOCATION.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A)(i), a party shall be treated as the prevailing party at least with respect to the applicable percentage of reasonable litigation and administrative costs.

"(ii) APPLICABLE PERCENTAGE.—For purposes of clause (i), the applicable percentage is the percentage determined by dividing—

"(I) the amount of any tax, interest, penalties, or additions to tax the Service initially claimed the taxpayer was required to pay with respect to the issues in the proceeding less the amount the taxpayer is required to pay, by

"(II) the amount the Internal Revenue Service initially claimed the taxpayer was so required to pay."

(c) REVISING TEST FOR RECOVERY OF REASONABLE ADMINISTRATIVE COSTS.—Section 7430(c)(2) (relating to reasonable, administrative costs) is amended by striking the last paragraph of the subsection and replacing it with: "Such term shall only include costs incurred during, or in preparation for, (i) the initial audit, or (ii) an appeals conference, or at any time thereafter."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any proceeding commenced after December 31, 1991.

SEC. 7. CIVIL DAMAGES FOR CERTAIN ACTIONS OF INTERNAL REVENUE SERVICE.

(a) SECTION TO APPLY TO CARELESS ACTIONS.—Section 7433(a) is amended by inserting "carelessly," after "recklessly".

(b) DAMAGES AVAILABLE WITH RESPECT TO DETERMINATION OF TAX.—

(1) IN GENERAL.—Section 7433(a) is amended by inserting "determination or" before "collection".

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 7433 is amended by inserting "DETERMINATION OR" before "COLLECTION".

(B) The item relating to section 7433 in the table of sections for subchapter B of chapter 76 is amended by inserting "determination or" before "collection".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions taken by employees of the Internal Revenue Service after December 31, 1991.

SEC. 8. INTERNAL REVENUE SERVICE EMPLOYEE CONDUCT REPORTING.

(a) FINDINGS.—The Congress hereby finds that—

(1) the Internal Revenue Service has many fine and upstanding employees who carry out their duties appropriately and admirably;

(2) ethics and integrity in government are of vital concern to the Congress and to the public;

(3) ethics and integrity are especially important with respect to the Service because its broad powers to enforce the tax laws gives its employees exceptional authority over the liberty of taxpayers;

(4) the IRS Code of Conduct manual is unclear with respect to the types of unethical behavior that must be reported;

(5) Service employees need a clear statement of the types of behavior needed to maintain a high level of integrity and ethical behavior within the Service;

(6) the system of voluntary compliance with the tax laws will only function so long as taxpayers believe they receive fair and even-handed treatment by these laws and by the Service charged with its administration;

(7) there is a great need for public awareness of and protection against even isolated cases of misconduct;

(8) despite the high quality of Service employees, some cases of employee misconduct have occurred and the problem of misconduct within the Service, especially with regard to abuses in investigations of taxpayers, has been the subject of a report by the Commissioner's Review Panel on IRS Integrity Controls;

(9) the Commissioner's Review Panel found that "little demonstrable progress is evident" with regard to ethics initiatives within the Service;

(10) there is, therefore, a great need to improve the oversight of the conduct of Service employees;

(11) the Congress has insufficient information to perform its oversight role of the Internal Revenue Service on behalf of the public; and

(12) the Inspector General of the Department of the Treasury is directly involved in investigations of certain employee actions, placing him in an oversight capacity with responsibility to Congress.

(b) PURPOSE.—It is the purpose of this subsection to improve the ability of the Service to monitor and to discourage misconduct by Service employees, to improve oversight by the Congress of employee misconduct in the Service, and to provide education and training for employees regarding their conduct.

(c) IRS EMPLOYEE REPORTING OF MISCONDUCT.—The Service shall require employees to report to the Inspection Service all instances of misconduct as defined under subsection (h)(1).

(d) SUBMISSION OF QUARTERLY REPORTS.—The Commissioner shall report quarterly to the Inspector General concerning cases reported to the Inspection Service of misconduct by Service employees. Such quarterly reports shall include detailed and specific information such as, but not limited to,

(1) the region and branch of an employee alleged to have acted inappropriately;

(2) the precise nature of alleged misconduct reported;

(3) the extent to which alleged misconduct was investigated;

(4) any determinations or dispositions of such investigated cases; and

(5) measures taken by the Service to prevent such abuses from occurring in the future.

(e) PREPARATION AND SUBMISSION OF ANNUAL SUMMARIES—

(1) The Inspector General shall submit to the Congress an annual summary of the quarterly reports submitted during the prior year by the Commissioner as required under subsection (d), or reported directly to the Office of Inspector General. This summary report shall be submitted by March 1 of each year to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

(2) Each summary report shall contain the type of information required to be submitted by the Commissioner to the Inspector General pursuant to subsection (d). In addition to such information, the Inspector General shall include in the summary other information available to him which is relevant and appropriate to such a summary report.

(3) Summary reports required to be submitted pursuant to this subsection shall also include, but not be limited to—

(A) summaries of reports and complaints alleging acts of misconduct as defined in this Act;

(B) statistical summaries of the number of complaints and reports alleging acts of misconduct, of investigations of such complaints and reports, and of the dispositions of such investigations;

(C) analyses and descriptions of the types of acts of misconduct reported and the region and branch of the individual who is alleged to have acted inappropriately;

(D) analyses and explanations of decisions not to investigate alleged misconduct as well as descriptions of corrective actions taken by the Service with regard to employees who are found to have acted inappropriately; and

(E) analyses by the Inspector General regarding trends concerning integrity and ethics among IRS employees.

(4) The summaries prepared by the Inspector General shall be public documents and shall be made available in the IRS public reading room to all members of the public.

(f) PRIVACY.—Nothing in this section shall be construed to permit the publication of the names or similar identifying information of any taxpayer or of any employee of the Service. The annual summary described in subsection (e) will be drafted in such a way as to protect the privacy of taxpayers and employees of the Service while satisfying the full intent of this section. Publication of the annual summary pursuant to this section is deemed not to be contrary to the legitimate privacy interests of taxpayers and Service employees.

(g) EDUCATION AND TRAINING.—The Commissioner shall carry out an education and training program for all Service employees regarding appropriate and ethical conduct of governmental duties and responsibilities, including explanation of applicable standards of conduct.

(h) DEFINITIONS.—For purposes of this subsection—

(1) the term "misconduct" shall include, in addition to matters which may be criminal in nature, misfeasance such as harassment of taxpayers, harassment of fellow employees, conflict of interest, preferential treatment, improper associations, computer misuse, or other instances of serious misfeasance.

(2) the terms "Service" or "IRS" refer to the Internal Revenue Service to the Department of the Treasury.

(3) the term "Commissioner" means the Commissioner of the Internal Revenue Service.

(4) the term "Inspector General" means the Inspector General of the Department of the Treasury and the term "Office of the Inspector General" means the Office of the Inspector General of the Department of the Treasury.

(5) the term "employee" includes any officer or employee of the Service.

(6) the term "Inspection Service" means the Inspector General Inspection Service of the Internal Revenue Service of the Department of the Treasury.

(i) AMENDMENTS OF THE INTERNAL REVENUE CODE.—Section 6103(f) of the Code (relating to disclosure to Committees of Congress) is amended by adding the following new subsection at the end thereof:

"(5) SUMMARY REPORTS.—Pursuant to Section 8 of the Fairplay for Taxpayers Act of 1992, annual summary reports submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives shall include return information but shall not include the name or similar identifying information of any taxpayer or of any officer or employee of the Service. Such reports may be used and referred to by such Committees publicly or in open Committee session."

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for the Inspector General to carry out his duties under this Act.

SECTION-BY-SECTION ANALYSIS OF BILL

SECTION 1. SHORT TITLE: FAIRPLAY FOR TAXPAYERS ACT OF 1991

SECTION 2. ESTABLISHING A TAX PREPARER PRIVILEGE

Proposed Change: The bill extends an evidentiary privilege to attorneys, accountants, and enrolled agents engaged in tax matters. These tax preparers would benefit from the same client privilege as is currently enjoyed by attorneys doing non-tax work.

Current law:

The attorney-client privilege protects certain communications from disclosure, including letters, notes, and working papers. The privilege gives the client the opportunity for the full benefit of counsel which can only be gained if the client believes he may freely and openly discuss his case with his attorney.

The privilege does not protect communications which are part of a conspiracy to commit illegal acts. Nor can a person protect documents from disclosure by giving them to his attorney.

The attorney-client privilege does not extend to purely tax matters. If a communication is exclusively tax related, then it is not protected under the privilege.

There is no privilege for other tax preparers such as accountants and enrolled agents.

Reasons for Change:

The purpose of the attorney-client privilege is to encourage a free and open dialogue between the parties. Such open communication is essential for the client to receive the most accurate and useful information possible. This rationale extends with equal force to communications between taxpayer and tax preparer.

Whereas the IRS can demand these communications from the taxpayer or his attorney, the taxpayer has no right to demand the working papers of the IRS agent. This is one-side and blatantly unfair to the taxpayer.

More open and complete communication will also improve the quality of tax preparation, resulting in more accurate tax filings and easier administration of the tax laws by the IRS.

SECTION 3. EQUALIZATION OF INTEREST RATES

Proposed Change: The bill equalizes the interest rate charged by the government and that demanded by the government at 3 percentage points over the base rate.

Current Laws:

When the taxpayer owes the government back taxes or penalties, he incurs interest at the rate of 3 percentage points over a base interest rate which is related to the rate charged on Treasury bills. When the government owes the taxpayer money, it incurs interest at 2 percentage points over the base rate.

Reasons for Change:

It is unfair for the government to charge a higher interest rate than it is willing to pay. Unfairness such as this erodes public support for and compliance with the tax system.

SECTION 4. FAIR ACCRUAL OF INTEREST

Proposed Change: The bill would establish that if the taxpayer pays the full amount of taxes, interest, and penalties owed within 45 days from the date of notice and demand, then no interest liability accrues to the taxpayer.

Current Law:

Interest accrues on back taxes if the amount is not paid within 10 days from the date of notice and demand. However, if the government owes the taxpayer a refund, interest accrues if not paid within 30 days from the date of overpayment. Moreover, no interest is due if the government actually cuts a check within 45 days of the date of overpayment.

Reasons for Change:

The current system is unfair because it requires the taxpayer to make a payment much more rapidly than the government. Moreover, many taxpayers need time to organize their financial affairs in order to make payment. If the government needs a 45 day window, the taxpayer should be afforded at least as much time as the government.

SECTION 5. RELIEF FROM RETROACTIVE TAXATION

Proposed Change: All final, temporary, or proposed regulations and rulings would apply prospectively from the date of publication. This prospective-only treatment would apply in all cases unless the Congress specifically waives this requirement.

Current Law:

When the Congress changes the tax laws and the Treasury Department responds with new or revised regulations, those regulations apply retroactively to the date of enactment of the new law, even though the taxpayer may have been unaware of the change until the publication of the regulations, or may have been unable to comply with the new law pending the publication of the regulations.

Reasons for Changes:

Retroactive taxation is unfair and damaging to a system of voluntary compliance because taxpayers believe the system to be capricious.

SECTION 6. AWARDING OF COSTS AND FEES IN TAX CASES

Proposed Changes:

(1) The bill replaces the "substantially justified" test for determining whether the taxpayer may recover costs and fees incurred as part of an administrative or court proceeding. Under the bill, if the taxpayer prevails to some extent in the controversy, then he may recover the same percentage of costs incurred as the percentage by which he prevails in the controversy.

Thus, for example, if the IRS initially claims $1,000 in back taxes and if the taxpayer is finally determined to owe $600, then the taxpayer has prevailed with respect to $400, or 40% of the claimed amount. Under the bill, if the taxpayer incurred $200 in costs, then the taxpayer could recover 40% of $200, or $80 in costs.

(2) The bill also changes the point in the process at which administrative costs incurred may be recoverable to the earlier of the initial audit or the date of the appeals conference.

Current Law:

(1) To recover costs incurred in an administrative or court proceeding with the IRS, the taxpayer must first show the IRS position was incorrect and then the taxpayer must show the position taken by the IRS was not "substantially justified", which may involve taking the IRS to court a second time.

(2) The costs which may be recovered are well-defined in the Code, and are divided between those which are incurred as part of litigation and those which are incurred as part of administrative action.

The Code specifies that only those administrative costs which are incurred after the earlier of (i) the date of receipt by the taxpayer of the Appeals Office decision, or (ii) the date of notice of deficiency.

Reasons for Change:

(1) The "not substantially justified" test is, in practice, a very high standard to meet. In a great many cases, therefore, the taxpayer is unable to recover even when the position taken by the Service was proven to be incorrect. The taxpayer is subject to additional tax whether he is right or wrong because even if the taxpayer prevails in the underlying case, the cost of establishing a defense is, in effect, another tax.

(2) Much of the costs incurred by the taxpayer in an administrative action are incurred long before a notice of deficiency or Appeals Office decision is received. Therefore, most of the costs incurred by the taxpayer may be ineligible for recovery. The purpose of the recovery statute is to hold the taxpayer harmless to the extent he prevails with respect to a contested amount. The current test for when a taxpayer may recover administrative costs prevents this result.

SECTION 7. CIVIL DAMAGES FOR CERTAIN ACTIONS OF INTERNAL REVENUE SERVICE

Proposed Change: The bill expands the rights of taxpayers to sue the United States for civil damages when the IRS causes the taxpayer to suffer financial harm. First, the bill would allow the taxpayer to sue if an IRS agent was careless. Second, the bill would allow the taxpayer to sue if the mistake by the IRS occurred in the determination of tax liability as well as the collection of the tax.

Current Law:

Under current law, taxpayers are allowed to sue the Untied States in District Court for civil damages but only if an IRS employee recklessly disregards procedures or law in connection with the collection of tax.

Reasons for Change:

In order to recover damages, the taxpayer must show the behavior of the Service was in reckless disregard of law or procedure. This is a very high standard to meet. The standard proposed in the bill is that of carelessness, which is a much lower standard than recklessness. This lower threshold is appropriate because a taxpayer who suffers financial harm because the IRS has erred does not care whether the agent was reckless or merely careless. In either case, the taxpayer should be made whole.

All cases can be thought of as proceeding from the determination stage, where the amount of tax, penalties, and interest is determined, to the collection stage, where the IRS attempts to collect the amount of tax established in the determination stage.

The tools available to the Service for collecting tax lend themselves to great financial harm if misused. But a taxpayer can suffer, as well, if IRS personnel are careless about determining tax liability because the result may be the taxpayer must spend years and thousands of dollars trying to straighten the matter out. This is time and money taken from the taxpayer's other economic activities.

SECTION 8. INTERNAL REVENUE SERVICE EMPLOYEE CONDUCT REPORTING

Proposed Changes:

1) The bill expands the definition in the IRS Rules of Conduct manual with respect to the conduct which must be reported by employees to the IRS Inspection Service. Employees would hereafter be required to report misfeasance such as harassment of taxpayers, harassment of fellow employees, conflict of interest, preferential treatment, improper associations, and computer misuse.

2) The bill requires the Commissioner of the IRS to submit detailed quarterly reports to the Inspector General of the Treasury Department concerning cases reported to the Inspection Service. These quarterly reports will include the region and branch of the employee alleged to have acted inappropriately, the precise nature of the alleged misconduct, the extent to which the misconduct was investigated, any determinations or dispositions of such investigated cases, and measures taken by the Service to prevent such abuses from occurring in the future.

3) The bill requires the Inspector General of the Department of the Treasury to submit to the Congress an annual summary of the quarterly reports submitted during the prior year by the Commissioner of the IRS. This report shall be submitted to the Finance Committee and the Committee on Ways and Means no later than March 1 of each year.

These annual reports shall include summaries of the reports received by the Commissioner as well as statistical summaries of the number of complaints and reports alleging acts of misconduct, of the investigations of such complaints and reports, and of the dispositions of such investigations, as well as analyses by the Inspector General regarding trends in integrity and ethics among IRS employees.

These reports will be written in such a way as to ensure the privacy of taxpayers and employees and officers of the IRS. No identifying information will be included in either the quarterly or the annual reports.

4) The Commissioner is instructed to carry out an education and training program for

all Service officers and employees regarding appropriate and ethical conduct of governmental duties and responsibilities, including explanation of applicable standards of conduct.

Current Law:

The current IRS Rules of Conduct manual states that employees are only required to report to the IRS Inspection Service misconduct by other employees that is criminal in nature or otherwise unethical. However, the distinction between what types of unethical behavior must and what need not be reported is unstated. For example, this listing does not include harassment of taxpayers or other employees.

A Review Panel on IRS Integrity Controls, appointed by the Commissioner of the Internal Revenue Service, found that "little demonstrable progress is evident" with regard to ethics initiatives within the Service.

Reasons for Change:

For their own protection employees at the IRS need a clear statement of correct ethical behavior. The current manual fails to provide that statement by ignoring many aspects of employee behavior which must be considered to be unethical.

The Commissioner of the IRS has limited abilities from his national office to monitor the progress of the various regions and branches in the Service in their attempt to improve the standards of integrity and ethics of Service employees. To assist the Commissioner in this important task, the bill requires him or her to report on a regular basis the progress being made at the local levels.

As has been shown in other agencies, public and congressional oversight are effective guarantors of the rights of individuals against government bureaucracies. The only way to make such oversight possible is to make sufficient information available. Therefore, the bill requires the Inspector General to submit an annual report summarizing the quarterly reports received from the Commissioner to assure the public of steady progress, or to alert the public if problems are developing with regard to IRS integrity controls, and to apprise the Congress of developments within the IRS regarding ethical behavior.

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