

SENATE—Tuesday, May 12, 1992

(Legislative day of Thursday, March 26, 1992)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada.

PRAYER

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

Let us pray:

*Owe no man any thing, but to love one another; for he that loveth another hath fulfilled the law. * * * love is the fulfilling of the law.—Romans 13:8, 10.*

God of our fathers, Lord of history, Ruler of the nations, if ever the world needed love, it needs it now. Our Nation, whether races or cities or political parties or churches or business, industry, education, or the professions, we are starved for love. Children are starved for love. Husbands and wives are starved for love. Desperately all of us need the forgiving, restoring, healing power of love.

Help us to understand, our Father, that love begins with a decision, not a feeling. We are commanded to love, even our enemies. The response to that is obedience, and obedience is volitional more than emotional. God of love, teach us to love one another. Give us the grace to decide to do so, that our Nation, in all its parts, may be infiltrated and healed by love.

This prayer concludes with a quote by Teilhard de Chardin: "Someday, after conquering the winds, the waves, the tides and gravity, men and women will harness the awesome power of love for the Creator; then, for the second time in history, mankind will have discovered fire."

To the glory of God and the health of our society. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 12, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

DISAPPROVAL OF S. 3—THE CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1992

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the President's veto message on S. 3, Congressional Campaign Spending Limit and Election Reform Act of 1992, which the clerk will read, and it will be spread in full upon the Journal.

The legislative clerk read as follows:

To the Senate of the United States:

I am returning herewith without my approval S. 3, the "Congressional Campaign Spending Limit and Election Reform Act of 1992." The current campaign finance system is seriously flawed. For 3 years I have called on the Congress to overhaul our campaign finance system in order to reduce the influence of special interests, to restore the influence of individuals and political parties, and to reduce the unfair advantages of incumbency. S. 3 would not accomplish any of these objectives. In addition to perpetuating the corrupting influence of special interests and the imbalance between challengers and incumbents, S. 3 would limit political speech protected by the First Amendment and inevitably lead to a raid on the Treasury to pay for the Act's elaborate scheme of public subsidies.

In 1989, I proposed comprehensive campaign finance reform legislation to reduce the influence of special interests and the powers of incumbency. My proposal would abolish political action committees (PACs) subsidized by corporations, unions, and trade associations. It would protect statutorily the political rights of American workers, implementing the Supreme Court's decision in *Communications Workers v. Beck*. It would curtail leadership PACs. It would virtually prohibit the practice of bundling. It would require the full disclosure of all soft money expenditures by political parties and by corporations and unions. It would restrict the taxpayer-financed franking privileges enjoyed by incumbents. It would prevent incumbents from amassing campaign war chests from excess campaign funds from previous elections.

These are all significant reforms, and I am encouraged that S. 3 includes a few of them, albeit with some differences. If the Congress is serious about enacting campaign finance reform, it should pass legislation along

the lines I proposed in 1989, and I will sign it immediately. However, I cannot accept legislation, like S. 3, that contains spending limits or public subsidies, or fails to eliminate special interest PACs.

Further, as I have previously stated, I am opposed to different rules for the House and Senate on matters of ethics and election reform. In several key respects, S. 3 contains separate rules for House and Senate candidates, with no apparent justification other than political expediency.

S. 3 no longer contains the provision that the Senate passed last year abolishing all PACs. Although that provision was overbroad in banning issue-oriented PACs unconnected to special interests, S. 3 would not eliminate any PACs. Instead, the Act provides only a reduced limit on individual PAC contributions to Senate candidates and no change in the status quo in the House. Moreover, the limit on aggregate PAC contributions to House candidates to one-third of the spending limit, \$200,000, is not likely to diminish the heavy reliance of Members on PAC contributions. The average amount a Member of Congress raised from PACs in the last election cycle was \$209,000.

The spending limits for both House and Senate candidates will most likely hurt challengers more than incumbents, especially because S. 3 does little to reduce the advantage of incumbency. Inexplicably, there is no parallel House provision to the sensible Senate provision restricting the use of the frank in an election year. In the last election cycle, the amount incumbent House Members spent on franked mail was three times the total amount spent by all House challengers. The system of public benefits, designed to induce candidates to agree to abide by the spending limits, is unlikely in many cases to overcome the inherent favors of incumbency.

S. 3 contains several unconstitutional provisions, although none more serious than the aggregate spending limits. In *Buckley versus Valeo*, the Supreme Court ruled that to be constitutional, spending limits must be voluntary. There is nothing "voluntary" about the spending limits in this Act. The penalties in S. 3 for candidates who choose not to abide by the spending limits or to accept Treasury funds are punitive—unlike the Presidential campaign system—as well as costly to the taxpayer. For example, if a nonparticipating House candidate spends just one dollar over 80 percent

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

of the spending limit, the participating candidate may spend without limit and receive unlimited Federal matching funds. The subsidies provided for in S. 3 could amount to well over 100 million dollars every election cycle, yet the Act is silent on how these generous Government subsidies would be financed. It seems inevitable that they would be paid for by the American taxpayer. I understand why Members of Congress would be reluctant to ask taxpayers directly to subsidize their reelection campaigns, but given the significant costs of S. 3, its failure to address the funding question is irresponsible.

Our Nation needs campaign finance laws that place the interests of individual citizens and political parties above special interests, and that provide a level playing field between challengers and incumbents. What we do not need is a taxpayer-financed incumbent protection plan. For these reasons, I am vetoing S. 3.

GEORGE BUSH.

THE WHITE HOUSE, May 9, 1992.

ORDER OF PROCEDURE

Mr. WOFFORD. Mr. President, I ask unanimous consent to be recognized for a period not to exceed 30 minutes.

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

BEYOND THE RIOTS AND THE RHETORIC: YOUNG PEOPLE ARE THE CHALLENGE AND THE SOLUTION

Mr. WOFFORD. Mr. President, a week ago Sunday, from dawn until dusk, I was in the streets of south-central Los Angeles. I saw the burned-out stores, smelled the smoke, and talked with the people. With pastors and parishioners, with high school students, with young black professionals, with police and National Guardsmen, with volunteers cleaning the streets.

Today for a few minutes I want to be this body's firsthand reporter, to describe the scene. Then I will give some reflections on how we got to this point in our country. And finally, I will propose a different way of viewing this crisis and issue a challenge to leadership at all levels of society, including this body. A challenge to act to make the thousand points of light the reality of the years to come, not the thousand fires of Los Angeles.

Like all Americans who turned on their TV's a weekend ago, in Los Angeles I saw the worst and the best of our country:

The fear and anger in the faces of Korean-Americans standing guard in front of stores already stripped of even light fixtures; African-American families in their Sunday best going into churches without electricity; Hispanic-

Americans in line for groceries in the only store open in their neighborhood; white couples in Hollywood and out Wilshire Boulevard in semishock that this time the fires were set on their side of the freeway; weary and worried National Guardsmen no older than the rioters they were sent to control.

I saw miles of Los Angeles that had the look of Third World cities I have seen smoldering under police or army rule—or how I imagine a capital city would look in the middle of a coup.

Old graffiti was being painted out at one corner while new graffiti was being sprayed on at another, with Los Angeles Police Department SWAT team members looking across their guns at the most frequent slogan on the walls: "Kill the LAPD."

An unconcerned young man moved away as we neared the graffiti he had just tagged on the last wall of a burned-out block. It was only his nickname to show he had been there.

"He's a gang leader," said my guide, Tracy Robinson, a specialist on the gangs that he said had enlisted 90,000 young people—and caused hundreds of gang-related deaths the previous year.

Tracy Robinson, my Virgil-for-the-day on this tour of hell and purgatory in Los Angeles, told how he, an administrator in the city attorney's office, had often been stopped and hassled by police, even sometimes when he was in an official city car—suspected of stealing the car because he was black. Tracy and his organization of young black professionals with whom I talked were among the best I met in that city named for "the angels."

They were arguing about the long-term needs of their community, but also ready to work alongside men and women of all colors and cultural backgrounds who were clearing the debris in small teams all that long Sunday.

With shovels and brooms thousands of volunteer citizens had responded to the call of Edward James Olmos to join him at 6 a.m. at First and Broadway. The star of "Stand and Deliver," "American Me," and "Miami Vice" had driven to TV station after station, issuing an appeal to join in cleaning up the mess caused by the fire and then cleaning up the mess that caused the fire. "I'm just using my medium," he told me as we walked along Broadway early Sunday morning.

That is enough, for now, to set the scene. Except this: I had seen it before. Twenty-seven years ago, I walked the streets of Watts after the terrible riots of 1965 engulfed that section of south-central Los Angeles.

Then, as now, I went to see for myself and to understand first hand. I saw the same burned-out shells, smelled the same smoke, heard the same stories from owners of looted stores. Then, and now again, the refrain from the sixties' song "When will we ever learn?" rang in my head.

I remember the testimony of my wise and good friend Kenneth Clark to the 1968 Kerner Commission on Civil Disorder. On rereading the report of the Commission on the 1919 riot in Chicago, Clark told the Commission that it was—

As if I were reading the report of the investigating committee on the Harlem riot of 1935, the report of the investigating committee on the Harlem riot of 1943, the report of the McCone Commission on the Watts riot.

Ken Clark said it was as if—

The same moving picture were being reshowed over and over again, the same analysis, the same recommendations, and the same inaction.

And I remembered a prophetic witness who predicted that 25 years from then we would be reading the report of another Commission.

It is certainly not another Commission that we need today. Nor is the analysis I will present the same. But this time, we must agree on action—on bipartisan action, on Presidential and congressional action, on Federal, State and local action, on public and private action. I believe the crisis has grown to such proportions that we may at last be moved to that action. And I'm glad that the President and congressional leaders are meeting today to begin the job.

We face a crisis of our cities, to be sure. Also one of race and of law and order. But most importantly, I believe it is a crisis of our young people. Let me speak briefly about each.

In California, just before driving to Los Angeles, I heard Mayor Raymond Flynn of Boston present the agenda for action of the U.S. Conference of Mayors, and I discussed with him how we might help in the Senate. He will be here this week, along with Mayor Ed Rendell of Philadelphia, with whom Senator SPECTER and I met yesterday.

There is an urban crisis, caused in part by the sharp cutbacks of Federal and State funds going to our major cities, by the loss of manufacturing industries and the jobs they provide, and by the disintegration of the urban tax base. I have long supported the idea of urban enterprise zones to help counteract these trends, and I will work with my colleagues on both sides of the aisle to enable such enterprise zones to be created in all our major cities.

And I favor action to replace public housing units with home ownership. I hope Jack Kemp and the Presidential program he talks about will produce the flood of credit and capital to the inner city he predicts. I will believe it when I see it.

In Los Angeles last week, when a surgeon was telling me on the steps of the Second Baptist Church that throwing money at the problem was not as important as getting a new vision—a new way of viewing the problem—the Reverend William Epps turned on him and said, "If the S&L's need hundreds of

billions of dollars, and the Russians need billions, we sure do need money—for our cities and our people here at home." They are both right.

So let us indeed turn to the needs of the cities, and let us listen to the mayors, and above all let us hope the President meets with the mayors and leaders of business who will need to invest most of the flood of capital and credit required. With the cold war over and the adversary against which we have poured trillions of dollars over 40 years gone, who dare say that there cannot be major savings in military spending, some of which can be invested in meeting the needs of our cities?

Some steps, such as the prompt provision of emergency Small Business Administration loans to rebuild the looted or burned-out businesses and some SBA loans to businesses in other cities that have been ravaged by the recession can have an early impact. But most urban economic development programs are long-term investments and will take a long time to yield their full dividends.

Today I want to point most of all and most hopefully to the need for action—and to the possibilities for effective action—to deal with the crisis of the young. Here, too, Federal, State and local governments and the private sector will need to make major investments in the education and training of our human capital.

But first of all it is not more money that is most needed, but a new approach, a new analysis, and a new plan of action.

By focusing today on the young, I do not mean to discount the factor of racial discrimination, dramatized by the beating of Rodney King and the verdict of the Simi Valley jury. Or the need for the enforcement of law and order, to protect the rights of Rodney King and the citizens of Koreatown alike. Our new definition of national security in the post-cold war must begin with security for the American people in their own streets.

After going to Howard Law School in 1950 in order to become a part of the civil rights movement and working in that field, off and on, most of the years since then, I have some understanding of the depth of racial prejudice, the difficulty of overcoming it, and the disappointments along the way.

But after a half-century of struggle and a decade of nonviolent direct action, we did overcome the walls of legally enforced segregation and the barriers to black Americans voting in one-third of our country. That is part of our history, too—a success story of democratic action, albeit belated—but a success that cannot be taken away.

The right to vote and the end of segregation laws were the primary goals Martin Luther King set out to reach. He got to that mountaintop but found the Promised Land still far away, over

other peaks of a whole range of mountains yet to be crossed. When he was killed, Martin Luther King was just trying to move up the next steep slope—the mountain of poverty in our cities, the mountain of class mixed with race, the mountain we have not climbed.

In one of my last conversations with Martin Luther King, he raised the possibility of persuading the people of one of the Nation's worst slums to openly, deliberately, peacefully walk out of that slum and, at a publicly stated time, set it afire. To set a blaze that would sear the conscience of the country. And to go to jail for doing this and stay in jail until the country acted.

I doubt he would have gone that far, but he was wrestling with the terrible challenge of urban poverty and the inner city. He had met his worst defeat in the streets of Chicago. But he was going on, to Memphis and the Poor People's March. Who knows how far we would have come in this last quarter of a century if Martin Luther King, Robert Kennedy, and John Kennedy had not been killed? But I do believe we would have done better.

And I know that if we do not do better in the years at hand, the Commission report 5 or 10 years from now will tell of whole metropolitan areas in which the affluent minority is walled in behind armed guards, leaving the majority of their fellow citizens.

In any case, the fire has come this time, and the one thing we know is that Martin Luther King's message, when fires were set violently in his day, was not "Burn, baby, burn." But "Learn, baby, learn."

What did I learn in Los Angeles? First of all, that this is not just a crisis of cities, or of race. It is first and foremost a crisis of our young people.

In his Paradise Baptist Church, Pastor A.D. Iverson sat in his dark study without electricity, with two candles flickering on the table, pressing the point that not all the rioters were black or Hispanic, but all were young.

We are losing our young, he said, to alienation, hopelessness, frustration, and anger, to the epidemic of crack cocaine, to the gangs that replace family, church, or any other institution that instills the values of responsible citizenship and productive workmanship.

"This was a wake-up call," Reverend Iverson said. "Pray God we don't press the snooze button." The lack of good education, the lack of challenging work or good jobs for which they are ready, the lack of constructive alternatives and opportunities for the young was the crux of the problem, the pastor said.

That point was hammered home over and over again all day. It was made in a different way by some 30 high school students from all over the area who met with me in the late afternoon for a long anguished session, packed in a

small living room. They were volunteers in student community service programs based in Los Angeles high schools, sponsored by the Constitutional Rights Foundation. They worked in teams. They took action on some of the problems of their community. They learned responsibility by taking it; citizenship by doing it. Their purpose was to serve, not to be served.

The cause of the alienation among their peers, the students told me, was the sense that the young had no way to participate in society, no way to do something important, no alternative form of action than the excitement and camaraderie of the street gangs.

Those high school students, and many of the older people with whom I talked, pointed to the whole process of coming of age in America today. With vivid evidence, they spoke of the need for early childhood education for all, beginning with prenatal care, good day care and Head Start. They liked the idea of using summers, to get challenging experience either in intensive Upward Bound learning, or in Outward Bound in the wilderness, or in effective apprenticeship work, or in well-organized, demanding community service corps.

They said they would enlist for a year or more of full-time community or national service after high school, together with other young people from all backgrounds, if well organized projects were available and if their living expenses could be paid.

Some wanted an educational bonus for such service, to help them go through college. Others argued that there should be no special benefits—just a living allowance and a chance to do something to change and improve their communities: to tutor younger kids, to care for senior citizens, to fight graffiti, to reclaim neighborhoods from drug dealers, to be supplementary community police, to repair parks, to rehabilitate homes for the poor.

In any case, they wanted to stop being viewed as the enemy or as a danger and begin to be viewed as a resource—as talent ready, earlier than people might think, to make a difference. They urged that organized service projects begin very young, in elementary schools.

The clue to what to do, the path to which I want to point today, was best put to me a few years ago by a young high school dropout, this time in Philadelphia. He had gone from a street gang into the Philadelphia Youth Service Corps. I do not remember whether he was homebuilding with the Habitat project or on the team renovating a Revolutionary War fort on the banks of the Delaware River.

But when I asked him why he had enlisted in the corps, he first said it was a better gang than the one he left behind: It did some good, it had different kinds of people in it, it was leading

somewhere up and off the streets, and it would not end in being killed. I pressed him further and he said something like this:

Look, all my life people have been coming to do good against me, I got tired of people trying to help me all the time. This Corps asked me to do the helping. I'm doing something now, I'm making a difference, I'm in action.

Where does this lead? It leads past the fruitless bickering about the sixties and jumps back to the thirties for some light on what worked in the Great Depression and where we went wrong. What worked was the Civilian Conservation Corps [CCC] that enlisted more than a million young unemployed Americans in residential, army-run camps in or on the edge of our parks and forests.

The corpsmembers of the CCC were challenged to achieve big goals. Their success in later years proved that the qualities of productive workers and good citizens are much the same: initiative, responsibility, and teamwork.

What worked with FDR was work—not the dole, not welfare, but work, both in the CCC and in the Works Progress Administration. The young men of the CCC transformed our parks and forests and then graduated into the National Service of World War II. More importantly, they transformed themselves. Just as the GI bill after that war was one of the best investments America ever made, so was the Civilian Conservation Corps.

After World War II, the CCC was forgotten, until the war on poverty was being planned by Sargent Shriver in the sixties. The proposed residential Job Corps had some of the elements of the CCC, and it has proved worthwhile. But it did not have the central idea of service and it has reached only a fraction of the young who need that kind of intensive education and job training outside the distractions of their urban slums.

When I was helping Sargent Shriver plan the war on poverty we envisioned a million strong volunteers in service to America—the Peace Corps comes home. But VISTA never passed the 10,000 volunteers mark.

When the war in Vietnam consumed the attention and resources of the country, the idea of asking all young American to serve for a year as volunteers, for the rebuilding and education of America was trampled under by the fight over the draft and a war that divided our Nation against itself. But the idea of large-scale, voluntary national service has been turned up again by the harsh logic of events that came to a climax in Los Angeles.

On another occasion, I will present in detail the way I would propose that we proceed. For today, let me salute the Congress for enacting the National and Community Service Act of 1990. That creative law, supported by Republicans

as well as Democrats, has laid the foundation for the rebirth of the CCC and of other forms of effective youth service corps.

Such corps, in which the corpsmembers serve, earn, and learn are an important part of the answer to the crisis of the young. More than 60 such corps are in operation today around the country. Pennsylvania is proud to lead the way with the largest number of youth corps of all kinds. Every city, every community can develop one or more.

There have been enough pilot programs to prove that this approach works in the 1990's as the CCC worked in the 1930's. The time has come for the pilots to ignite the whole furnace. That is where we must help.

The Commission on National and Community Service should, with our support and the President's support, convene the appropriate leaders of business, labor, education, and government, and especially youth leaders themselves, to agree upon a strategy for the development of a nationwide, decentralized system of voluntary community service.

Before coming together, they should do some homework. They should read Arthur Ashe's proposal in last Sunday's Washington Post, "Can a New 'Army' Save our Cities? With Discipline and Training, Our Alienated Young Could Find New Lives."

They should read William Buckley's book, "Gratitude: Reflections on the Debt We Owe Our Country," and the articles and reviews which I ask unanimous consent to be printed in the RECORD at the end of my remarks, including the findings and recommendations of the Commission on the Study of National Service, which Jacqueline Grennan Wexler and I co-chaired in the late 1970's.

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

(See exhibit 1.)

Mr. WOFFORD. Mr. President, this is one idea that transcends politics, that goes beyond left or right, that draws on the liberal agenda and the conservative agenda at the same time. It is an idea that brings Arthur Ashe and SAM NUNN, Bill Buckley and Bill Clinton, Marian Wright Edelman and Father Hesburgh, BARBARA MIKULSKI, and General Schwarzkopf together on the same platform.

Work not welfare is now self-evident truth and we know we can begin applying this principle to the young. We understand that personal responsibility and self-esteem cannot simply be taught, they have to be earned.

It is a scandal that we know this but sit by while another generation of inner-city young people drop out of school, or graduate from school into the streets, joblessness, drugs, and the dependency systems of welfare or pris-

on. And it is a scandal that a society with children who need care, roads that need repair, bridges that need building is allowing and sometimes paying able men and women to sit idle. It is a scandal, too, that we do not challenge the college-bound to move beyond a self-centered life of civic indifference.

Is this a liberal or conservative idea? It does not matter. We agree on it, so let us act together. In cities across our country 10-year-olds point loaded guns at each other's heads. It is time for Congress and the White House to stop pointing fingers at each others policies. It is time to sit together around a table and hammer out solutions that do work, instead of wasting time and money on those that do not.

It is time to recognize that saving a generation of young people goes beyond ideology, and end the artificial debate over whether programs are liberal or conservative, Democrat or Republican—another round of fixing blame instead of fixing problems.

In our hearts and in our minds we know why angry, jobless, hopeless young people burn, and loot their own communities. We do not need another commission, another study, another pilot program. We need action. Immediate and sustained action.

So let us begin. Let us begin at the place where we most agree. Let us commit ourselves to saving another generation of young people by engaging them in the hard work of building their own communities, starting with the rebuilding of Los Angeles by the young of Los Angeles. Let us challenge and enable and empower them to do so. For the young are not only the crux of the problem, they offer the best hope for progress in our cities and in our country.

Mr. President, I close with the warning Robert Kennedy gave, the day after Martin Luther King was killed. He warned us not—

To look at our brothers as aliens, men with whom we share a city, but not a community, men bound to us in common dwelling, but not in common effort.

Our lives on this planet are too short and the work to be done too great to let this spirit flourish any longer in our land. Of course we cannot vanquish it with a program, nor with a resolution. But we can perhaps remember—even if only for a time—that those who live with us are our brothers, that they seek—as we do—nothing but the chance to live out their lives in purpose and happiness, winning what satisfaction, and fulfillment they can.

Surely this bond of common faith, this bond of common goal, can begin to teach us something. Surely we can learn, at least, to look at those around us as fellow men and surely we can begin to work a little harder to bind up the wounds among us and to become in our own hearts, brothers and countrymen once again.

Mr. President, that is not a liberal or a conservative idea, a Democratic or a Republican idea, a Presidential or a congressional idea, but it is an idea whose time has come.

EXHIBIT 1

[From the Washington Post, May 10, 1992]

CAN A NEW "ARMY" SAVE OUR CITIES?

(By Arthur Ashe)

Once again, seething, residual anger has burst forth in an American city. And the riots that overtook Los Angeles 10 days ago were a reminder of what knowledgeable observers have been saying for a quarter-century: America will continue paying a high price in civil and ethnic unrest unless the nation commits itself to programs that help the urban poor lead productive and respectable lives.

Once again, a proven program is worth pondering: national service.

Somewhat akin to the military training that generations of American males received in the armed forces, a 1990s version would prepare thousands of unemployable and undereducated young adults for quality lives in our increasingly global and technology-driven economy. National service opportunities would be available to any who needed it and, make no mistake, the problems are now so structural, so intractable, that any solution will require massive federal intervention.

In his much-quoted book, "The Truly Disadvantaged," sociologist William Julius Wilson wrote that "only a major program of economic reform" will prevent the riot-prone urban underclass from being permanently locked out of American economic life. Today, we simply have no choice. The enemy within and among our separate ethnic selves is as daunting as any foreign foe.

Families rent apart by welfare dependency, job discrimination and intense feelings of alienation have produced minority teenagers with very little self-discipline and little faith that good grades and the American work ethic will pay off. A military-like environment for them with practical domestic objectives could produce startling results.

Military service has been the most successful career training program we've ever known, and American children born in the years since the all-volunteer Army was instituted make up a large proportion of this targeted group. But this opportunity may disappear forever if too many of our military bases are summarily closed and converted or sold to the private sector. The facilities, manpower, traditions, and capacity are already in place.

Don't dismantle it; rechannel it.

Discipline is a cornerstone of any responsible citizen's life. I was taught it by my father, who was a policeman. Many of the rioters have never had any at all. As an athlete and former Army officer, I know that discipline can be learned. More importantly, it must be learned or it doesn't take hold.

A precedent for this approach was the Civilian Conservation Corps that worked so well during the Great Depression. My father enlisted in the CCC as a young man with an elementary school education and he learned invaluable skills that served him well throughout his life. The key was that a job was waiting for him when he finished. The certainty of that first entry-level position is essential if severely alienated young minority men and women are to keep the faith.

We all know these are difficult times for the public sector, but here's a chance to add energetic and able manpower to America's workforce. They could be prepared for the world of work or college—an offer similar to that made to returning GIs after World War II. It would be a chance for 16- to 21-year-olds to live among other cultures, religions, races

and in different geographical areas. And these young people could be taught to rally around common goals and friendships that evolve out of pride in one's squad, platoon, company, battalion—or commander.

We saw such images during the Persian Gulf War and during the NCAA Final Four basketball games. In military life and competitive sports, this camaraderie doesn't just happen; it is taught and learned in an atmosphere of discipline and earned mutual respect for each other's capabilities.

Ethnic hatred, like that portrayed in Los Angeles, is also taught and learned.

A national service program would also help overcome two damaging perceptions held by America's disaffected youth: that society just doesn't care about minority youngsters and that one's personal best efforts will not be rewarded in our discriminatory job market. Harvard professor Robert Reich has opined that urban social ills are so pervasive that the upper 20 percent of Americans—that "fortunate fifth" as he calls them—have decided quietly to "secede" from the bottom four-fifths, and the lowest fifth in particular. We cannot countenance such estrangement on a permanent basis. And what better way to answer skeptics from any group than by certifying the technical skills of graduates from a national service training program?

Now, we must act decisively to forestall future urban unrest. Republicans must put aside their aversion to funding programs aimed at certain cultural groups. Democrats must forget labels and nomenclature and recognize that a geographically isolated subgroup of Americans—their children in particular—need systematic and substantive assistance for at least another 20 years.

The ethnic taproots of minority Americans are deeply buried in a soil of faith and fealty to traditional values. With its accent on discipline, teamwork, conflict resolution, personal responsibility and marketable skills development, national service can provide both the training and that vital first job that will reconnect these Americans to the rest of us. Let's do it now before the fire next time.

YOUTH AND THE NEEDS OF THE NATION
(Report of the Committee for the Study of
National Service, the Potomac Institute)

FOREWORD

This report examines two major national problems and outlines a program of service that would attack both at once.

One of these problems is the predicament of America's young people. Alarming numbers of them are unemployed—worse yet, unoccupied. Many, especially those from minority and impoverished backgrounds, reciprocate society's disregard for them with a like disregard for the claims of society. Even among those materially better off, many are either aimless or preoccupied with narrow self-interest.

The other problem is the host of needs in our society that go untended. These needs are of many sorts. They range from caring for the sick and elderly to repairing our abused physical environment. What they all have in common is that they are dealt with inadequately, if at all, by business or government.

How can the unused energies and talents of American youth best be directed to critical needs of the nation that are going begging? And how, in that process, can the idea of service gain new currency among all elements of our population? When Jacqueline Wexler and Harris Wofford asked the Potomac Institute to sponsor a study of these questions, to be directed by a committee of

interested and knowledgeable persons, the Institute readily agreed. The Ford Foundation provided basic support for the study and publication of its results. Additional assistance—including grants from the Carnegie Corporation of New York, the Eleanor Roosevelt Institute, the Field Foundation, the William and Flora Hewlett Foundation, the J. M. Kaplan Fund, the New World Foundation, and the Charles H. Revson Foundation—has made possible follow-up activities by the Committee and its Study Director, designed to promote widespread consideration and debate of the issues. The statements made and the views expressed in the report are solely the responsibility of the Committee and its Study Director. They invite the criticisms and suggestions of every reader.

The Report consists of two distinct, though closely related, parts. The first is a summary of the findings and recommendations on which the Committee, after vigorous discussion and debate, reached general agreement; it is supplemented by a description of the Committee and its work.

The second part of the report is a paper by Study Director Roger Landrum that presents background information relevant to the consideration of National Service, as well as his own thoughtful analysis of the central issues.

The aim of the report as a whole is not to put forward an immutable blueprint of a National Service program as conceived by the Committee. Rather, it is to lay out the main issues and the Committee's collective thinking about them in such a way as to help generate widespread, intelligent public discussion of alternative possibilities. To the extent that that aim is realized, the effort will have been a success.

HAROLD C. FLEMING,
President, The Potomac Institute.

FINDINGS AND RECOMMENDATIONS OF THE
COMMITTEE

Until the spirit of service is restored among American citizens, the most pressing human problems of our society will not be solved. The full participation of youth in National Service could be a powerful force in meeting the needs of the nation and in strengthening the spirit of service. Today, little is asked of young people except that they be consumers of goods and services. A vast industry serves youth with schooling, entertainment, and goods of all kinds, but there are limited opportunities for the young themselves to produce goods and serve others.

Anyone who pays taxes or deals with bureaucracy or has been disappointed with government programs can think of arguments against the idea of universal National Service for young people: it wouldn't work well, it would cost too much, it would create a new bureaucracy, and it would inhibit individual liberty.

The Committee has considered these arguments and weighed the difficulties against the gains that could result from enlisting the energy and talent of young people in effective service to society. We have concluded that the nation's social, economic, educational, environmental, and military needs, including the need of young people to serve and be productive, and the need of our society to regain a sense of service, together make a compelling case for moving toward universal service for American youth.

The Committee calls for the country to move toward universal service by stages and by incentives but without compulsion. One

early but not continuing member of the Committee—Stuart Symington—who has long favored universal military service, presented a strong argument for a mandatory National Service system. Only with a universal system, he thinks, would the gains be worth the cost; without compulsory military service he believes the armed forces will not be able to maintain the levels required for national security at a price the nation can afford. He was therefore unable to join in the Committee's recommendations, particularly number 11, calling for the development of a voluntary system while further consideration is given to the idea of making National Service mandatory.

A number of members of the Committee, including the co-chairmen, agree with Mr. Symington that mandatory service for all young people could make the maximum contribution to meeting the nation's military and non-military needs, and believe that it would be good for such service to become a regular and required part of growing up in America. But they do not think this will be politically feasible unless it becomes clear to the Congress and the country that the armed forces require the reinstitution of a draft—or until the large-scale voluntary service proposed in this report has proved itself and persuaded the American people to go all the way to universal service. Other Committee members oppose a mandatory system on grounds of administrative and political practicality, or constitutional and personal principle. Further points in this central argument about National Service are reported in the Committee's Findings and Recommendations below and in Roger Landrum's background study.

The following recommendations and the reasons that led to them including that one important disagreement) are offered as a contribution to the national study and debate that this far-reaching idea requires.

1. All young people should be challenged to serve full-time for one or more years in meeting the needs of the nation and the world community.

2. A system for National Service should be established to provide opportunities so that at least a year of such service after leaving secondary or higher education can become a common expectation of young people. Year-by-year the system should find, encourage, and develop a variety of new opportunities for civilian service—in the home community, in national parks, in other parts of the country, and overseas—so that before long participation in either civilian or military National Service will be as generally accepted as going to high school.

3. In moving toward universal service, the system should aim to enlist at each stage a representative cross-section of American young people, drawing into work together men and women from all regions, races, and backgrounds. Though difficult to carry out, this functional integration of Americans should be an essential operating principle of the system.

4. National Service should be organized so as to enable young people to help meet the real economic, social, and educational needs of the nation in the most economical and effective ways. It should expand only to the extent the service of young people is effectively helping to meet those needs. The administrative structure should emphasize decentralization and result in the smallest feasible government bureaucracy with the strongest possible ties to the private and voluntary sectors of American society, including business, labor, charitable, and religious organizations.

5. All the present government programs of full-time civilian service, such as VISTA, the Peace Corps, and the Young Adult Conservation Corps, should be included among the options in the new system of National Service. Another option could be individual or small-team arrangements with private or public agencies in local communities on the pattern demonstrated by the ACTION project in Seattle. Private programs, such as those approved by Selective Service for alternative service by conscientious objectors during conscription, should also be included if they can offer at least a year of full-time service. In addition, the system should develop—or assist in the development of—new programs that make effective use of young men and women in essential areas of community and national need.

6. Each of the programs to be included should plan and administer the work of the young men and women in National Service so as to achieve a substantially increased contribution to meeting one or more of the nation's needs. Those responsible for schools, day-care centers, tutoring programs, programs for the elderly, hospitals, community health centers, institutions for the retarded and for the mentally ill, prisons and juvenile detention centers, neighborhood associations, city, county, and national agencies for conservation, renovation, and energy-saving, and efforts to deal with disasters of nature—and other service agencies—should be asked:

What could you do better to meet your present goals if you had the full-time service of a substantial number of young people? What larger goals could you then set? Precisely how would you utilize the service of such young people? What training and supervision would be required?

The same invitation to the imagination should be put to business, labor, and religious groups who might be ready to organize and sponsor new programs of National Service.

7. National Service should *not* be seen as job-training or work programs for the unemployed but as a supplement to, or, for some young people, an alternative to such programs. Those in National Service should find the experience of serving under the supervision and discipline of private or government agencies a practical form of career exploration; in many cases the training and work of National Service could be viewed as internships and apprenticeships. Notwithstanding the differences of approach and purpose between National Service and the Comprehensive Employment and Training Act (including the Youth Employment and Demonstration Projects), there should be careful coordination. In some cases, young people in job-training programs might move thereafter into one or two years of National Service; in other cases, young people completing National Service might benefit by one of these training or job-placement programs.

8. The terms of National Service should reflect the fact that *service* is being rendered. Following the precedents of the Peace Corps and VISTA, the general rule during service should be a reasonable living allowance. Though these modest cash stipends would be important to young people seeking not to be dependent on their families, especially those who are poor, for more affluent youth the amount will seem like very little and part of the challenge will be learning to live on less. Citizens, in turn, would be gaining new services at low cost.

9. One of the incentives for participants should be appropriate post-service educational and employment benefits along the

lines of the G.I. Bill of Rights and the Peace Corps readjustment allowance, apportioned according to the length of service. Not all such benefits need to be provided by the government. In making hiring decisions, the private business sector as well as government at all levels should consider giving appropriate weight to an applicant's National Service. Colleges and universities should give such service weight in admissions decisions at both the undergraduate and graduate levels. In these ways, society could place value on the experience and reinforce the concept of service as an obligation of citizenship.

10. While engaged in National Service, the participants should be encouraged to continue their education. In addition to the learning-by-doing of apprenticeship, once the main form of American education, they might take a variety of available extension courses or attend night school, as further preparation for a career and for more general education. The staff of the National Service system should seek to initiate and assist a variety of educational activities among participants: English-speaking and Spanish-speaking young people could learn to tutor each other in oral language skills; college-trained participants could tutor high school dropouts in basic skills or subjects they lack; the central literature of the American tradition could be read and discussed.

11. The nation should seek effective ways to provide the opportunities for service from all its citizens, and should ask the young to participate at some point after age 16, but it is not necessary now to decide whether the nation should require such service. During the gradual development of a voluntary system, the idea of mandatory service can be carefully considered. If it should be determined that the needs of national defense call for the restoration of the military draft, at that point the case for mandatory universal service, including non-military options, would be very strong.

12. Military enlistment should be recognized as a form of National Service, and service should be re-emphasized as the central mission of the military. A growing expectation of service should improve the climate for all volunteering, and thus aid the armed forces in attracting young people without having to offer over-higher compensation and benefits.

13. To assist young people in choosing the best form of National Service, service councils should be established in each community, composed of citizens with experience in voluntary service, education, business, labor, and religious organizations. Members would be appointed nationally and serve without pay. The councils might well be located in underutilized facilities in local high schools. They would provide information and counseling on the various opportunities for service. The history of local boards in the Selective Service System and the experience of the new community Education and Work Councils should be reviewed in determining the procedures for selection and operation of local service councils.

14. After age 16 and before leaving high school, all young people should be urged to visit a local service council, and the councils should hold open meetings in schools. In addition to giving up-to-date information on National Service opportunities, the councils should be well-informed about job-training and public service jobs available through other federal programs, and about opportunities in the armed forces.

15. Establishing the National Service system as a public corporation, chartered and

funded by Congress but drawing its leadership largely from the private sector of American society, seems to us the most promising course. Innovative structures in both the private and public sectors should be examined, including the American Red Cross, the Corporation for Public Broadcasting, the Tennessee Valley Authority, the Atomic Energy Commission, the Peace Corps, and the administration of the educational benefits of the G.I. Bill of Rights. The National Service system should be empowered to set overall guidelines and criteria for funding and monitoring the various programs in which young people may serve; to initiate and administer some programs directly itself; and to establish a network of local service councils for information and counseling. Its charter must give it appropriate flexibility.

16. The system of full-time National Service for youth should be connected in all appropriate ways to the voluntary service of older citizens and of students who are in secondary schools or colleges so that the spirit of service, whether full-time or part-time, paid or unpaid, is strengthened throughout all parts of American life and among all ages.

Case for national service

The Background Study by Roger Landrum gives many of the facts and factors that caused the Committee to come to the above consensus. In summary, our reasons for these recommendations are as follows:

For the young who were called to serve in the armed forces during World War II, such service was a "rite of passage" from adolescence into adulthood. The Peace Corps and VISTA have also given a number of young people the chance to prove themselves in situations calling for hard work, imagination, and responsibility. But for most young people today the lack of any challenging experience away from home and outside the classroom that stretches and tests them in the service of their community or their country makes that passage very difficult. Indeed, the problem may even begin in the home, where children are no longer so often required to undertake regular chores and do necessary work in the house, in the yard, or on the farm.

Some period for action in the larger community, before commitment to a career, appears to be desirable for a substantial proportion of students leaving high school or college. They feel the need to explore careers and discover more about themselves in the world beyond the school room and away from their families. However, when it is mainly a period of frustration, with little opportunity to be productive, it may only prolong adolescence and promote lives of quiet—or noisy—desperation.

Our modern technological society places such low value on physical labor and has such persistently high rates of youth unemployment that the transition from school to work has become harder than ever. For those who can find no work, it is a transition to walking the streets and waiting for welfare payments. Unemployment at this critical turning point adds to the forces that produce antisocial citizens and, for all too many, alcoholism, drug addition, crime, and incarceration.

Other roads, not limited to the poor and to disadvantaged minorities, lead in the same direction. Too many sons and daughters of the suburbs are drifting without purpose, and their apathy or self-centeredness is seldom cured by schooling. If pride in the units in which people served was often a source of war-time morale, the lack of social organiza-

tions in which many young people can take part with pride is part of the problem today. Even if most young people escape the extreme breakdown feared, the present degree of alienation among youth of all backgrounds has passed the point of safety, for them or for society.

Race and Poverty

Compounding all this is the inescapable factor of race. Plans for school integration and affirmative action in industry, government, and other institutions to the contrary notwithstanding, racial separation and inequality of opportunity remain facts of national life. Deep-rooted prejudice is reinforced by the culture of poverty into which millions of people are born.

Efforts to improve educational and employment opportunities for disadvantaged minorities and for all the poor are continuing with new federal programs of job training and public service jobs. But the statistics suggest that as the proportion of minority youth in the total population increases, the problem of youth unemployment is also mounting and becoming more intractable. Part of the problem is structural in our economy: Are there enough jobs? A deeper part may be the matter of motivation: Is there the will? How many inner-city youth who are born into poverty and bred in an environment of defeat will respond to the programs designed to help them?

Federal, state, and local, public and private programs for job training and for new job opportunities for youth are necessary. But taken altogether, we do not think that these programs will be sufficient to break the vicious circle of poverty and discrimination among a substantial proportion of minority youth. And since by definition (and by statute, although not always in practice) these programs are targeted on the poor and the unemployed, or on minority youth, they do not break the pattern of segregation and do not pretend to deal with the larger problem we find to exist for practically all American youth: the need to be challenged to serve.

Most existing programs say, in effect, "Here is training or work designed to help you—the poor and the racially disadvantaged—to take you off the streets, to get you a job, to give you a better chance." This is very different from an approach that would say, "We need you and ask you—along with other young people—to serve your community and country in demanding and disciplined work on some of the important problems of our society." The immediate results—in terms of taking unemployed youth off the streets and putting them to work—may be much the same statistically, but we think the psychological impact and lasting results would not be. Having good done for you—or, as it must often feel, to you—is hardly the best way to self-reliance and self-confidence. It is worse if the jobs provided are temporary and seem to be make-work, without much significance. Moreover, some of the programs tend to segregate and thus further to stigmatize those who are already most alienated.

A system of full-time National Service would bring together black and white, rich and poor, young people from the North and South, East and West, city and suburb, small town and farm, those who do not go to college and those who do, and bring them together because their service is needed.

Integration in such a positive and functional setting, for a year or two between age 16 and 25, before the patterns of adult life are set, could have a profound effect on the rela-

tion of racial and other groups in this country. Doing hard tasks together, sharing frustrations and successes, being partners in a common adventure should help break down the barriers between people and lead to better understanding. Working and living together may not make people like each other, but without that experience the distance between them may never be bridged.

Fields of Service

The possible good results of National Service would depend on the quality of the experience while serving and the value of the actual service rendered. The work to be done must be really needed, and efficiently organized. We have no doubt that there is plenty of work that needs to be done on many fronts requiring human service, where with adequate training and supervision young people could make effective contributions. A recent study for the Department of Labor has identified and analyzed the need in more than 100 activities in public service, and estimated that 3 million full-time jobs are called for.

Roger Landrum's Background Study lists the breakdown of activities in considerable detail, and reports some other estimates of service needs. Despite these documented needs, the task of assessing the kinds of National Service most needed and best able to be rendered by young people has just begun.

In determining areas for National Service, the designers of the program will have to ask: What needs to be done about this particular problem that is not now being done, is not likely to be done with existing resources, and could be done successfully by young people working together for one or two years? That process of questioning various social institutions and systems of service should itself be valuable for the country, in setting priorities and promoting better public understanding of our national problems. The young people in National Service will be asking those questions about the work they do and the institutions they serve. They should come out of service with a questioning habit that will serve them and the country in good stead in the years to come.

Our concept of National Service would not be fulfilled simply by recruiting young people to fill public service jobs, letting them live at home, and paying them the minimum wage for a year or two. That would put them in direct competition with regular public service workers and make the experience primarily one of employment, not service. National Service should be different in quality, involving much more of a break from the accustomed worlds of home, school, and work, and making a more innovative contribution to the solution of some of our nation's major problems. In most cases it should involve working in teams and in programs with new goals that National Service participants would help define.

National Service should no doubt include existing programs such as the Peace Corps, VISTA, and the Young Adult Conservation Corps, and encourage those programs to expand substantially. However, the larger part of National Service must be designed anew if it is to involve a million or more young people. We have not undertaken to complete such a design, but our specific recommendations propose some guidelines. We would give priority to a few areas of most pressing need, where a new form of service could make an important difference. Our nation's inadequate systems of day-care for pre-school children and care for the infirm and aged are two obvious examples; so is the need for special tutoring of many low-achieving elementary and secondary students, both urban and

rural, and for renovation and reconstruction of many neighborhoods.

Service, Education, and Employment

To stress the value of service is not to discount the necessity of education and employment as key conditions for anyone's development and as ways of contributing to society. Indeed, we recognize the importance and interdependence of all three. Each relates to and has elements of the other, but the emphases are different. Of the three, modern American society has concentrated on education and employment and neglected service. We think it is time to right that balance.

At least 10 years of classroom education is required of all young people, and many of them go on to 12 or 16 or more years of formal education. If all goes well, they can then look forward to four or five decades of employment. But there are no such large-scale opportunities for full-time service, even for a year or two, except in the military. We think American youth would be better educated and better prepared as workers and citizens, if a million or more young people in each group coming of age enlisted for one or two years of full-time civilian National Service.

To recommend such full-time service is not to disparage the part-time service being given by millions of volunteers through civic, charitable, and religious groups. The introduction of National Service should strengthen the whole voluntary service sector. We would expect various voluntary service organizations, both at the national and the local level, to utilize and supervise groups of young people in National Service, and in subsequent years to enlist many of the participants for continuing part-time service.

Similarly, we do not intend to minimize the role of the military—the country's first example of National Service. At present, however, as Army, Navy, Air Force, and Marine recruiting brochures vividly display, the all-voluntary armed forces increasingly present themselves as sources of career training and long-term employment in competition with other employers. As the idea of service becomes more widely accepted among the young, the numbers who will choose to serve through the military should increase. Thus the move toward universal National Service should make military recruiting easier, and help restore the tradition of citizen-soldier now giving way to a mercenary system.

We do not suggest that National Service will cure all, or even a large part, of our nation's ills, but it should stimulate other institutions to do more than they are now doing, or do what they are doing better. Schools may be challenged, for instance, to prepare students for National Service by involving them in forms of community service as part of their education; in doing so they would also be making more connections between school and work.

The experience of National Service could alter attitudes toward work in our society by demonstrating, the satisfaction that comes from doing well any job that is needed and is valued. By infusing with purpose all the tasks undertaken, no matter how dirty or difficult, National Service should help break down the present hierarchy of values in which so much necessary work is considered degrading. Every program of National Service, under good supervision and leadership, should promote the pride and discipline of work needed throughout everyone's career. Work places, whether in business or in the professions, might find themselves

stirred by a new spirit of service that would make the work itself more purposeful, productive, and satisfying.

The quality of citizenship in this country could also be improved if all on a large part of the younger generation experienced National Service. The voting age has been lowered to 18, but little has been done to raise the standards for citizenship or better prepare young people to be active and informed citizens. In National Service the participants would get first-hand knowledge of some of society's needs and learn-by-doing the ways of taking action to meet them.

Self-Interest and the Common Good

There are obstacles on all sides. Perhaps age 17 or 18 is too late if the idea of service is not instilled long before then. Unless a National Service system does in some way include younger students in their early teens—perhaps part-time during school or in summer vacations—the response at a later age may be inadequate. It may be that the narrow sense of self-serving among many young people cannot be overcome until our society as a whole begins to rediscover the common good. The healthy skepticism and individualism self-government needs seems too often now, with the old and the middle-aged as well as the young, to cross the threshold into a cynicism and selfishness that can destroy a society. The reaction to Vietnam and Watergate may still be too heavy a weight for any National Service system to carry.

We hope, however, that the idea of National Service can be a point of entry—a means of breaking that vicious circle of cynicism and selfishness. We are not seeking a pure altruism that seldom exists in this world. The motives behind National Service, both for the people and the government supporting it and for the young who engage in it, will be mixed.

In the most realistic sense, National Service is enlightened self-interest. Volunteers often discover that they gain more than they give. In serving others, they serve themselves. In giving of themselves, they find themselves. We think that a society in which service is valued more highly and is more readily given will itself be healthier and stronger.

Persuasion or Compulsion?

We do not expect our words or anyone's words alone to achieve the fundamental change in national viewpoint required. When the well of words runs dry and rhetoric loses its power, as seems to be the case in our country today, work is a way to restore the spirit. If a system of National Service can be established, the work young people do in it may bring about that restoration, first in their lives and then in the lives of their fellow citizens. If they will try it, we think they and the nation will like it.

Persuading them and the nation to try it is another matter. We are divided on the question of whether or not the program should be compulsory. Some of us favor the adoption of mandatory National Service as soon as the public can be persuaded to support it, although no member of the Committee favors sending anyone to jail who refuses to serve. One purpose of National Service is to diminish the number who go to jail, not increase it. Sanctions such as withholding certain government benefits have been proposed (one member has jokingly but provocatively suggested a novel sanction: denying a driver's license to anyone who declines National Service).

Only by a mandatory system could we be sure that those who may need the experience

most will serve. Some of us think that by making it mandatory the nation could save a significant fraction of its young who may otherwise have little chance of a decent and productive life.

Others of us consider compulsion unacceptable, particularly for the younger generation who would be subject to it, and it may be that compulsory peace-time, non-military service would be held unconstitutional. In a 1977 Gallup Poll on National Service, 70 percent of those over 50 supported compulsory service for men, but about half of those between 18 and 24, who would be most directly affected, opposed it—and more than half of all those polled opposed compulsory service for women.

Those of us who think coercion would not work nevertheless want National Service in due course to include a majority of each generation and favor various incentives such as educational and training benefits and other forms of persuasion. Some of us would also condition a number of federal benefits, for example the present system of educational grants, on completion of a term of National Service. We all want National Service to become accepted as an obligation and opportunity the way most young people view continuing in high school beyond the age of compulsory attendance.

In his 1910 proposal for National Service, *The Moral Equivalent of War*, William James called for conscription but put his main emphasis on social pressure and the power of persuasion. With "time and education and suggestion enough," he believed that constructive service in peace-time could come to seem "no less imperative" than military service in war. Our specific recommendations leave open the question of compulsion as one of the subjects of the public debate we hope will now begin and as a matter for time and education to determine.

Another question argued is the extent to which National Service should involve living and working outside one's home community. We have agreed that this option should be available, but we differ some on how much it should be emphasized over service in one's own community. The educational value of the long journey, out of one's customary environment, has been demonstrated in many situations. The poverty of spirit in much of affluent America may best be recognized by experiencing the other forms of poverty in inner-city slums; those born in slums may most of all need to discover another America in the national parks or in small towns. Peace Corps Volunteers found that the outsider often has special insight and energy; sometimes it seems as if a volunteer is not without impact save in his own community. On the other hand, there is more continuity in one's work and future career if one stays at home, and certainly the immediate costs are less.

A further open question is the length of service. The Peace Corps requires two years; VISTA, one year. The Committee recommends at least one year but recognizes that where longer training is required or the work calls for a longer commitment, a two-year term would be appropriate.

Questions of Cost

The cost of National Service is a central question we could neither dodge nor fully answer. In this period of budget-cutting, will the people or the Congress or President think it can be afforded? With the pressure for tax cuts, can some new method of financing National Service be devised as an alternative to a substantial addition to the general federal budget? Could there be substan-

tial shifts in the allocation of federal expenditures for education, job training, unemployment compensation, welfare, and military recruiting to reduce the additional costs of National Service?

We can calculate the approximate costs, and point to some of the offsetting cost benefits.

At present price levels, the average total cost for a year of one person's full-time service in non-military programs would range from \$5,000 to \$11,000, depending upon the kind of program. An important variable would be the numbers who serve with local institutions in their home communities and who serve in other places, and the different living allowances that may be set. There is also the question of post-service educational and training benefits, along the lines of the G.I. Bill of Rights. Another key factor to be determined will be the costs of training, supervision, and administration and how those should be shared by the National Service system and local sponsoring groups. Including training, supervision, and administrative expenses, the average cost of a year of service by a VISTA Volunteer in 1979 is estimated at \$6,700; in the Young Adult Conservation Corps the average cost is \$10,500 (\$9,000 in the non-residential programs and \$11,000 in the residential camps).

Against these costs must be weighed the reductions possible in other expenses. If National Service becomes a more general expectation, the rising cost of recruiting and maintaining the all-volunteer armed forces can be checked and perhaps substantially reduced. With National Service the number of jobs needed to be provided for unemployed youth should be greatly reduced. To the extent that young people come out of National Service more productive and able and willing to work, who might otherwise have spent years unemployed and on welfare—or perhaps in prison—there would be important savings.

But who can count the dollars saved in terms of lives saved? And how do you estimate the cost of leaving great public needs unmet because funds are not available to hire people at standard wages? The cost of trying to meet those needs without National Service would be very high.

A true audit of National Service would therefore need to evaluate the progress made, at relatively low cost, in meeting important community and national needs. It would also need to estimate the cost to the country of not having such a system.

A nation has no greater potential resource than its youth, and National Service may prove to be a vitally necessary way to develop that potential. Since such service appears to us to be a critically missing dimension in the education and development of American young people for an adult life of productive work and good citizenship, we think that the sooner a system of National Service is established, the better for the nation.

ABOUT THE COMMITTEE

(By Jacqueline Grennan Wexler and Harris Wofford)

At the time our unofficial Committee, with one full-time professional director and one secretary, and the volunteer services of 13 members, was completing its study of the idea of National Service, we learned that President Carter has included in the 1979 budget for ACTION a request to Congress for \$3.8 million in research and development funds to study and prepare a plan for a national youth service. That sum dwarfs the

total of \$45,000 we received from the Ford Foundation for our year-long study, and we hope that the new research to be funded will multiply our contribution. The issues are indeed complex, the possibilities great, and much more study and debate is required. Our Committee has identified empirical questions that we would have liked to have had the time and resources to answer, such as the attitudes of young people toward different forms of National Service (including attitudes toward monetary and non-monetary incentives), and the vocational, educational, and developmental benefits derived from various types of service. Detailed analyses of costs, benefits, and possible trade-offs within the federal dollar are also needed.

That the President should ask for such an investment in the development of a plan for National Service is a sign that sparks struck by this idea during recent decades may at last find tinder that is ready. The large sum requested is also a warning sign: If government research and development begins, can government bureaucracy be far behind?

Earlier Efforts

In the Great Depression of the 1930s, the idea of youth service was advanced as an alternative to youth unemployment and the dole. The Civilian Conservation Corps came into being, with a Camp William James, but all the youth programs of the New Deal put together fell far short of universal National Service.

After World War II several private ventures were initiated, especially for service in developing nations, and bills began to be proposed in Congress for a federally-funded overseas youth service. Then John Kennedy, spurred by students at the University of Michigan, promised that if elected he would establish a Peace Corps. Sargent Shriver shaped the program, created one of the most unbureaucratic agencies in history, won the support of Republicans and Democrats, Conservatives and Liberals alike in the Senate and House, and hundreds of thousands of young people volunteered in its first years. However, the Peace Corps, even at its height of 15,000 Volunteers overseas, most of them college graduates, reached a very small fraction of the nearly 4 million young people turning 18 each year. Even adding the thousands who enlisted in the War on Poverty as Volunteers In Service To America (VISTA), and others in private programs, young people involved in full-time service were relatively few in number and not a very representative cross-section.

Drawing on this experience, in 1965 President Johnson proposed that the nation "search for new ways" through which "every young American will have the opportunity—and feel the obligation—to give at least a few years of his or her life to the service of others in the nation and in the world." In that same era of social invention and high hopes, the Secretary General of the United Nations also declared he was "looking forward to the time when the average youngster—and parent or employer—will consider one or two years of work for the cause of development, either in a faraway country or in a depressed area of his own community, as a normal part of one's education."²

¹ Lyndon B. Johnson, University of Kentucky, Feb. 22, 1965. In signing the 1966 Peace Corps Act, the President repeated his hope that the search would "develop a manpower service program for young people which could work at every level to transform our society," and lead to the day "when some form of voluntary service . . . is as common in America as going to school."

² U. Thant to the Economic and Social Council of the United Nations, Geneva, July 5, 1965. There was

By 1968 the war in Vietnam and the cumulative effect of the assassinations of John and Robert Kennedy and Martin Luther King, Jr., had cast a heavy cloud. Opposition to the war, resistance to military service, and cynicism about political leadership dimmed the prospect of getting the consent of young people for a program of universal service. In the aftermath of Watergate, the disclosures of corruption and abuse of power accentuated anti-government attitudes. The Seventies began with a spirit far removed from "Ask not what your country can do for you—ask what you can do for your country."

A New Opportunity

Nearly a decade later, with the war behind us, with new pressures from youth unemployment and the unmet needs in every community, the logic of events again seems to be pointing toward National Service. President Carter says that universal National Service with non-military options should be considered if a military draft again becomes necessary.³ After reviewing the costs and other problems of the all-volunteer military service, Senator Sam Nunn of Georgia, on the Armed Services Committee, called for the study of such a universal service system. A 1977 Gallup Poll reported that two persons in three would support a law requiring all young men to give a year of service either in the military forces or in non-military work here or abroad, such as in VISTA or the Peace Corps. George Gallup concluded that "few programs that President Jimmy Carter could introduce would have such broad public approval. . . ."

As two of those who had been involved in early discussions of plans for National Service in the mid-1960s while working together in the Peace Corps, we decided in the summer of 1977 to test the possibility that the time for serious consideration of the idea by the American people may be at hand.

We found that young people of various backgrounds with whom we talked were interested and, on balance, affirmative, despite great skepticism about everything governmental. The same response came from many others, of older ages, in both political parties, in business and labor, in academia and government, in public and private life. They, and we, had many questions. We decided to enlist some colleagues in a study that would seek to define the idea, explore the key issues, and produce proposals for public debate.

The Potomac Institute in Washington, D.C., agreed to sponsor and be host to the study. The Ford Foundation granted the Potomac Institute \$25,000, and when additional work proved necessary, a further grant of \$20,000 to support the effort. Roger Landrum agreed to be the full-time study director. As one of the first Peace Corps Volunteers who went to Nigeria, and later as founder of Teachers, Incorporated, a private organization that worked in inner-city schools, and director of Yale's teacher preparation program, he was known to us as a sharp critic and successful innovator. His skepticism to-

also the May 18, 1966, proposal by secretary of Defense Robert McNamara that we move toward universal service "by asking every young person in the United States to give one or two years of service to his country—whether in one of the military services, in the Peace Corps, or in some other volunteer developmental work at home or abroad" (address to the American Society of Newspaper Editors, Montreal, Canada, and reprinted in R. S. McNamara, *The Essence of Security*. New York: Harper & Row, 1968).

³ March 5, 1977, during a program on CBS radio in which persons asked the President questions on the telephone; restated in Memphis, December 1978.

ward bureaucracy and grandiose plans, and his experience in service programs at home and abroad, seemed a good combination.

The Committee, whose members are briefly described on pages 20-21, met 10 times as a group, and many more times in small subcommittees with others who could throw light on the subject. Altogether the Committee, its subcommittees, and the study director consulted with over 100 other persons, including various young people, officials of pertinent government agencies, and leaders of business, labor, education, and other parts of the independent sector of our society.

Existing government programs related to youth were reviewed—especially the Young Adult Conservation Corps, the Peace Corps and VISTA, ACTION's new community-based service programs, and the training and public jobs programs of the Comprehensive Employment and Training Act (CETA), including the Youth Employment Demonstration Projects Act (YEDPA). Demographic and socioeconomic projections into the 1980s for American youth were studied. We benefited from other studies that analyzed, diagnosed, and presented the needs of young people and the prospects for utilizing their talents through programs of training and service.

Various models for National Service were considered, ranging from a universal compulsory system to a modest escalation of full-time volunteer programs. We argued the propriety, efficacy, and constitutionality of suggested sanctions and incentives. We explored administrative structures and principles of restraint (such as the early Peace Corps rule that no one be employed in the agency longer than five years) to check the growth of a new federal bureaucracy and make the system more a part of the independent sectors of society than of the government.

An Idea for Public Debate

Above all the Committee argued. It heard and questioned those it consulted, it read and criticized the papers presented or prepared by Roger Landrum, including his lively minutes of the meetings, but most of all it carried on an argument. And most of all now it hopes through this report to extend the argument to the many individuals and groups—and the general public—that must be involved in shaping and debating such an idea. To promote that public debate, grants have been made by the Carnegie Corporation of New York, the Eleanor Roosevelt Institute, the Field Foundation, the William and Flora Hewlett Foundation, The J.M. Kaplan Fund, the New World Foundation and the Charles H. Revson Foundation.

During the Committee's study, two participants went to China (under other auspices). Like visitors to the People's Republic before them, they came back impressed and challenged by the extraordinary mobilization of the talent of young people possible under authoritarian, post-revolutionary conditions. They came back both more determined than before to try to devise a democratic equivalent and more aware of the difficulty.

We were all aware that service to one's community and country is practiced in one form or another almost everywhere, and that the challenge of the mobilization of human resources by an authoritarian regime is as old as the hills of Sparta, where the power of its universal youth service so impressed and worried visitors from ancient Athens. Yet service to others, and voluntary action without waiting for government leadership or command, has been a special American theme from the first days of colonial settlement. In the early 19th century de Toqueville saw it as the secret of American

success—just as the involuntary servitude of some Americans was the nation's great sin. Frontier life required that neighbors help each other build barns, fight fires, harvest crops, and care for the sick. Popular movements for the abolition of slavery, for women's suffrage, and for civil rights are later manifestations of the same spirit; the growth of the Boy Scouts and Girl Scouts, the Little Leagues and 4H Clubs, are other less political examples involving young people, as is all the free time given to the wide range of religious and civic organizations in our midst.

In most wars prior to Korea and Vietnam, a great part of the population was swept with the spirit of national service. But in peacetime in the 20th century, without the challenges of the physical frontier, that spirit has withered. Our Committee advances the idea in the hope that it could help end the present depression of the national spirit and tap once again, on a large scale, the best in the American tradition and the best in us as a people today.

Members of the Committee

Bernard E. Anderson is Associate Professor of Industry at the Wharton School, University of Pennsylvania, and Chairman of the National Council on Employment Policy. He has worked as an economist with the U.S. Bureau of Labor Statistics and taught at Swarthmore College. He has conducted numerous studies of labor market issues, and has written several books, including *Opportunities Industrialization Centers: A Decade of Community-based Manpower Services*.

Donald J. Eberly has been Executive Director of the National Service Secretariat since 1966 and Senior Policy Analyst at ACTION since 1971. He was a consultant to the 1966 National Advisory Commission on Selective Service and Vice-Principal of Molusi College in Nigeria, and is the author of numerous articles about National Services.⁴

Harold Fleming is President of The Potomac Institute. He has been Executive Director of the Southern Regional Council and assisted in organization of the U.S. Community Relations Service; he is active in the development of equal opportunity policies and programs within government and the private sector.

Edythe J. Gaines was until recently Superintendent of Schools in Hartford, Connecticut, where she initiated the Workplaces Program, integrating private and public sector support. As teacher, curriculum specialist, secondary school principal, and superintendent in the New York City public schools, she developed programs of economic empowerment for youth. She has served on the National Panel on S.A.T. Score Decline and the National Task Force on School Desegregation Strategies.

Father Theodore M. Hesburgh has been President of the University of Notre Dame since 1952. He is Chairman of the Board of The Rockefeller Foundation and Ambassador, U.S. Delegation to the 1979 U.N. Conference on Science and Technology for Development. He was Chairman of the U.S. Civil Rights Commission and a member of the President's Commission for an All-Volunteer Armed Forces, and is author of *The Human Imperative*.

Mildred Jeffrey is National Chair of the National Women's Political Caucus, a member of the Wayne State University Board of

⁴No government agencies were represented on the Committee; Mr. Eberly served in his capacity as long-time Executive Director of the independent National Service Secretariat.

Governors, and Coordinator of the Child Care Seminar of the Coalition of Labor Women. She is former Director of the Consumer Department of the United Automobile Workers.

Charles Killingsworth is University Professor of Economics at Michigan State University, a member of the National Council on Employment Policy, and a long-time arbitrator of labor-management disputes. He is author of *Jobs and Income for Negroes*.

Christian Kryder is a student at Georgetown University School of Medicine and will be a member of the National Health Service Corps. He is a former CETA worker, and co-editor of *Americans and Drug Abuse*.

Roger Landrum is with The Potomac Institute as Study Director for the Committee. He has taught at the University of Nigeria, Harvard, and Yale, was founder and President of Teachers Incorporated, and served as a Peace Corps Volunteer.

John G. Simon is Augustus Lines Professor of Law at Yale University and President of The Taconic Foundation. He was founding chairman of The Cooperative Assistance Fund, and is co-author of *The Ethical Investor*.

Jacqueline Grennan Wexler has been President of Hunter College in New York City since 1969. She has also been President of Webster College in Missouri, a Sister of Loretto, a member of the President's Task Force on Urban Education Opportunities, and a high school teacher. She is a director of two major business corporations.

Eddie N. Williams is President of the Joint Center for Political Studies, and a member and former Chairman of the Census Bureau Advisory Committee on the Black Population for the 1980 census. He has been Vice-President for Public Affairs of the University of Chicago and Director of the University's Center for Public Study, and a Foreign Service Officer.

Willard Wirtz is Chairman of the National Manpower Institute and a partner in the law firm of Wirtz & Gentry. He was Secretary of Labor under Presidents Kennedy and Johnson, has taught at Northwestern University, and is author of *The Boundless Resource*.

Harris Wofford was President of Bryn Mawr College from 1970 to 1978. He has been Special Assistant to President Kennedy for Civil Rights, Associate Director of the Peace Corps, President of the State University of New York College at Old Westbury, and Associate Professor of Law at the University of Notre Dame. He is an attorney in Philadelphia.

[From the New York Times, Oct. 18, 1990]

NATIONAL DEBT, NATIONAL SERVICE

(By William F. Buckley, Jr.)

The points of light of George Bush, those little oases of civic-mindedness and philanthropy he spoke of during his Presidential campaign, have ended in Las Vegas comedy routines ("Mister, can you spare a point of light?"). Yet in 1988, 23 million Americans gave five hours per week or more in volunteer social work. Assuming that the labor of those who engage in such activity is worth only the minimum wage, we are talking about \$25 billion worth of time already given to serve concerns other than one's own.

All this suggests that the spirit is there; but it coexists with a strange and unhealthy failure by many American men and women to manifest any sense of obligation to the patrimony, a phenomenon noted 50 years ago by the Spanish philosopher Ortega y Gasset, except he was speaking about Modern Man, not Americans. The neglect of the patrimony

by Americans is perhaps more unconscionable, because it can be persuasively argued that we owe more than perhaps any other country to those who bequeathed us the land we live in and the institutions that govern us.

My thesis is that we need a national service. There are proposals sitting around in Congress, whose strengths and failures I have evaluated elsewhere. Here the focus is on the spirit that prompts the proposal: the search for an institutional vehicle through which we could give expression to the debt we feel, or should feel, to the patrimony. Here are the distinctive aspects of the program I have elaborated.

1. The program should be voluntary, both because voluntary activity is presumptively to be preferred to obligatory activity, and because although we are thinking in terms of requital (what can we do for our country, in return for what it has done for us?), man, lest he become unrecognizable, should be left free to be ungrateful.

2. That doesn't mean that society should not use incentives, such positive and negative reinforcements as the behaviorist B.F. Skinner wrote about, to press the point that those citizens who appreciate the Bill of Rights and the legacies of the Bible, of Aristotle, Shakespeare and Bach, and who document that appreciation by devoting a year of their lives to civic-minded activity, are to be distinguished from those who do not.

Distributive justice never hesitates to treat unequally unequal people, in respect of rewards, and esteem. There is such a thing as a first-class and a second-class citizen, and although commutative justice is owed to them equally, that's the end of it. The person who devotes 40 hours a week to community service is a better citizen than his ungrateful counterpart, and society shouldn't funk acknowledging the difference. Those who fear a class system should ponder the offsetting effects of shared experience, shoulder to shoulder.

3. The objective of national service should not be considered in the tender of Good Deeds. Tending to the sick, teaching illiterates to read, preserving our libraries are desirable ends. But the guiding purpose here is the spiritual animation of the giver, not the aims he dispenses. The person who has given a year in behalf of someone or something else, is himself better for the experience. National service is not about reducing poverty; it is about inducing gratitude.

There isn't any way in which we can tangibly return to our society what we have got from it: liberty and order, access to the poetry of the West, the devotion of our parents and teachers. The point needs to be made that tokenism is not to be dismissed because, in other contexts, it is scorned. Because the dead of the Civil War cannot be revived doesn't mean, as Lincoln told us, that they can be forgotten. And the search for the practical way in which to hold them in esteem should go beyond national holidays we spend on the beach. The cultivation of the rite of passage, from passive to active citizenship, is the challenge of national service.

We will always be short of Americans who can add to the Bill of Rights, or compose another "Don Giovanni." But there is the unmistakable means of giving witness to the gratitude we feel, or ought to feel, when we compare our lot with that of so many others who know America only in their dreams.

Mr. WOFFORD. I yield the floor.

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

The ACTING PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BOND. Mr. President, I ask unanimous consent that I may be permitted to proceed as if in morning business for 5 minutes.

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

The Senator from Missouri is recognized.

Mr. BOND. I thank the Chair.

(The remarks of Mr. BOND pertaining to the introduction of S. 2686 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

NATIONAL TOURISM WEEK

Mr. PRESSLER. Mr. President, as a member of the Senate tourism caucus and former chairman of the Senate Commerce Subcommittee on Foreign Commerce and Tourism, I am pleased to recognize the importance of National Tourism Week, May 3 through May 9, 1992.

Tourism is the third largest industry in the United States. It is also our Nation's third largest source of income from overseas markets. In 1990, tourism dollars generated by 40 million foreign visitors totaled \$51 billion—more than agricultural, chemical, and motor vehicle exports. I am proud to say that legislation I authorized created the U.S. Travel and Tourism Administration [USTTA]. By increasing funding for USTTA, we can maintain the current momentum in tourism and expand our efforts to promote the United States as a travel destination.

In my State of South Dakota, tourism generates 25,000 jobs and nearly \$950 million in annual revenues. Tourism is our second largest industry. Since 1985, visitor spending in South Dakota has increased more than 66 percent and visitation rates have skyrocketed.

The recently released films "Dances With Wolves" and "Thunderheart," along with the formal dedication of Mount Rushmore National Memorial by President Bush last July, put South Dakota in the national spotlight. These events highlighted the natural, cultural, and historical attractions South Dakota offers.

Following my statement, I would like to insert an article from the Rapid City Journal in the RECORD. Wind Cave National Park, located in southwestern South Dakota, is the subject of this ar-

ticle. Wind Cave currently is the seventh-longest cave in the world. Recent cave explorations have uncovered new expanses of the cave that could move it up to No. 5 in the rankings. Jewel Cave National Monument, also located in the Black Hills and just 20 miles from Wind Cave, is the fourth-longest cave in the world. These caves attract millions of visitors to South Dakota each year and are just two of the natural wonders that make my home State a tourism mecca.

It is important that we recognize the great impact of tourism on our Nation's economy. As the peak travel season approaches, millions of tourists will be visiting the United States. By making greater efforts to attract tourists and by supporting adequate funding for our transportation infrastructure and national park sites, we can ensure tourism will continue to work for America.

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

[From the Rapid City Journal, Apr. 2, 1992]

WIND CAVE REVEALS LARGER REALM

(By Pat Dobbs)

HOT SPRINGS.—Exploration is expanding Wind Cave, promising it will gain a notch or two in world ranking this year.

Through a "nasty little crawl way," scouts have entered an uncharted realm southwest of the known cave.

"There are several hundred feet of crawls that you have to go through to where it opens up big. There are some huge rooms and passages," said cave specialist Jim Nepstad of the National Park Service.

So far, a little less than three miles have been explored since spelunkers squeezed into the region in September.

The pinched and spacious terrain is "basically the same Wind Cave, still lots of boxwood and so on. I guess probably the most significant aspect of it is the fact it's quite large in many places. There's rooms out there that are a couple hundred feet in diameter (and) 40 to 50 feet high," said Nepstad.

Relieved by the first expanse, cramped cavers dubbed it the Southern Comfort area.

Explorers always suspected underground air currents meant there was more to Wind Cave. But finding a human-sized opening in the maze took years of hunting.

"Wind Cave has kind of been boxed in for about 10 years and now we've been able to break out of that box and head off into some new territory."

And there is "very good air flow, which indicates that the cave is going to continue for quite some distance in that direction. As a matter of fact, the air flow in this part of the cave is practically as strong as you can feel it at the entrance to the cave, which indicates that there is an awful lot more," said Nepstad.

At 65.9 miles logged, Wind Cave is the world's seventh-longest. Nine miles of cave were surveyed last year, and mapping by June should see it declared sixth-longest, surpassing the 66.7-mile Ozemaja cave in the Ukraine.

As reaches of the southern extension are defined, Nepstad said local cavers were "thinking big," and in six months expected Wind Cave to overtake Siebenhengstehohlensystem in Switzerland, at 68.4 miles.

"What's neat is that if Wind Cave does do this, if it does become the fifth-longest cave, the fourth- and fifth-largest caves in the entire world would be right here in the Black Hills."

Wind Cave's growth puts it on the track of catching Jewel Cave, and the Southerly route "ultimately is heading in the right direction of Jewel," and the fabled connection of the two caves.

"There's always been that talk . . . There is still an incredible distance between the two caves that needs to be covered. Definitely over 20 miles of limestone lay between Wind Cave and Jewel Cave. That's an awful long ways as far as a cave's concerned."

ENTRANCE TO GET REVOLVING DOOR

Wind Cave—Installation next week of a revolving door at the man-made visitor entrance should diminish Wind Cave's breezes.

"Having a large, artificial opening into the cave allows a lot more air flow to travel in and out. In the wintertime, that air flow can drastically cool off the cave, which is harmful for the organisms that are living down there and harmful to the cave itself. It lowers the humidity drastically in a lot of places and can dry up formations," said cave specialist Jim Nepstad.

The National Park Service is now testing water dribbling through the cave, which is enlarging the stalactites and stalagmites. The six-month-old research is separate from monitoring the level of Windy City Lake, the pool at the deepest point of Wind Cave.

Laboratory analysis of water samples collected throughout the cave has found traces of lead, copper and zinc.

"Some of it we're still trying to understand, but it does show us the water quality in the cave is a lot more dynamic than we thought it would be. We thought it would be fairly constant, and especially in the areas away from any human development, we thought it would be very, very clean.

"The way it looks, normally it is very, very clean. But we did find an influx of heavy metals coming into the cave through the waters, starting around January. The interesting thing about that is at that same time . . . the lake suddenly came up. The lake has been going down for a long, long time, probably due to this drought we've been experiencing the last five or six years."

The half-foot rise probably is from last spring's heavy rains, a trickle-down effect that washed in the heavy metals, Nepstad said.

Researchers aren't certain if the metals are natural or pollutants from such places as the visitors' parking lot. But at this point, Nepstad said, "It's not very likely that it was any human-caused event."

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt run up by the U.S. Congress stood at \$3,881,282,295,656.95, as of the close of business on Friday, May 8, 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, or \$785 million every day.

On a per capita basis, every man, woman, and child owes \$15,110.56—thanks to the big spenders in Congress for the past half century. Paying the interest on this massive debt, averaged out, amounts to \$1,127.85 per year for each man, woman, and child in America—or, to look at it another way, for each family of four, the tab—to pay the interest alone—comes to \$4,511.40 per year.

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?

A TRIBUTE TO THE LATE SENATOR GEORGE L. MURPHY

Mr. THURMOND. Mr. President, I rise today to honor the memory of a fine man and good friend, former California Senator George L. Murphy, who passed away on the 3d of May. Senator Murphy was a man of great integrity, dedication, and patriotism, whose many outstanding qualities will be remembered well by all who knew him.

Before becoming involved in politics, Senator Murphy enjoyed a career in entertainment, appearing in a number of stage and film productions. Upon coming to Washington, however, he took to his Senate duties very seriously, and became a well-respected Member of this body.

While he was a strong advocate for many important causes, he was also known for his wonderful sense of humor and warm personality. His natural ability to make people smile was just one of the special attributes which endeared him to his colleagues.

Following his Senate service, Senator Murphy operated a successful consulting business here in Washington. He remained active in public service and community organizations all his life, and was particularly devoted to the Boy Scouts of America, who awarded him their organization's highest adult award.

Mr. President, George Murphy was a man of character and courage, and he will be deeply missed by us all. I would like to take this opportunity to extend my deepest condolences to his wife, Betty, and his two children, Dennis Murphy, and Melissa Brown.

TRIBUTE TO GAYLORD DONNELLEY, MAY 12, 1992

Mr. THURMOND. Mr. President, I rise today to pay tribute to the memory of an outstanding gentleman, the late Gaylord Donnelley, who passed away recently. Mr. Donnelley was not a native South Carolinian, but he was a beloved part-time resident who made historic contributions to our State.

Mr. Donnelley was an extremely successful businessman, who retired as chairman of the world's largest printing company, R.R. Donnelley & Sons. He was also a Navy veteran of World War II and a lifelong sportsman, who enjoyed hunting and bird-watching.

However, he will be remembered best by those in our State as someone who gave freely of his considerable talent and resources to advance the cause of conservation. He was an active participant in many conservation groups, serving as a trustee of the Conservation Foundation/World Wildlife U.S., and the North American Wildlife Foundation, and as national president of Ducks Unlimited, in addition to others. He also established several important conservation projects in his home State of Illinois.

In South Carolina, Mr. Donnelley was instrumental in the preservation of one of our Nation's great natural treasures, the ACE Basin. The ACE Basin, situated at the confluence of the Ashepoo, Combahee, and Edisto Rivers, is a pristine area of tremendous beauty and variety. It is unique because of its exceptional habitat diversity, containing salt, brackish and freshwater marshes; forested wetlands; forested uplands and estuarine rivers. In addition, many endangered or threatened species are found in the area, including the Red-Cockaded Woodpecker, the Shortnose Sturgeon, and the Loggerhead Sea Turtle.

Mr. Donnelley not only made the initial donation of land for this conservation project, but also used his powers of persuasion to convince other landowners in the area to contribute land of their own to the reserve. Additionally, he placed permanent conservation easements on the remaining portion of his Ashepoo Plantation.

Mr. President, Gaylord Donnelley was a man of character, courage, and compassion. His generosity and vision have preserved a precious legacy for future generations of Americans, and he will be sorely missed by his many South Carolina friends and admirers.

I would like to take this opportunity to extend my deepest condolences to his lovely wife, his children and grandchildren, and the rest of his fine family.

I ask unanimous consent that an editorial from the Charleston Post and Courier be included in the RECORD following my remarks.

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

[From the Charleston Post & Courier, Apr. 22, 1992]

GAYLORD DONNELLEY, PHILANTHROPIST

Gaylord Donnelley, who died Sunday at 81 at Ashepoo Plantation in Green Pond, was long one of nation's leaders in conservation. Nowhere do his vision and generosity remain more evident than in the Lowcountry, where his efforts were instrumental in the creation

of the ACE Basin in Charleston, Colleton and Beaufort counties.

Mr. Donnelley and his wife, Dorothy, donated five islands totalling about 6,600 acres that formed the core of the refuge, eventually expected to include 350,000 acres along the Ashepoo, Combahee and Edisto rivers. In addition, they placed a conservation easement on the remaining 10,000 acres of their plantation within the ACE Basin.

"Mrs. Donnelley and I like open spaces," he told *The Post and Courier* in 1990, after he and his wife were honored by more than two dozen national organizations for their lifetime commitment to preservation of the natural environment. "Unless there is planning and action, open space can be lost, spoiled."

That commitment to action was evident in the wide-ranging gifts of property for preservation, both in South Carolina and in his home state of Illinois, and in the number of conservation organizations to which he gave his support and leadership. Mr. Donnelley, who was retired as chairman of the world's largest commercial printing company had served as national president of Ducks Unlimited International, and as a trustee for various groups including the North American Wildlife Federation and World Wildlife Fund.

In South Carolina, where he and his wife spent three months a year, the Donnelleys were major supporters of the S.C. Nature Conservancy, which is involved in ACE Basin preservation. According to officials involved in the project, Mr. Donnelley successfully encouraged other large landowners to contribute property to the refuge or place easements restricting its use.

His efforts, and those of other private citizens on behalf of the ACE Basin, have been joined by the state and federal governments. The results have surpassed the expectations of the most optimistic.

From the Donnelleys' initial donation of 2,700 acres in 1986, the ACE Basin refuge has now grown to 50,000 acres, an area that includes former rice plantations, islands, upland forests and wetlands. Dozens of organizations are now involved in a concerted effort to preserve this pristine area of unparalleled beauty as habitat and research preserve for wildlife.

The importance that Mr. Donnelley placed upon the preservation of the ACE Basin is underscored by his family's suggestion that memorial donations be made to the ACE Basin Project, Route 2, Green Pond, 29446. Such a gift would be a fitting tribute to a man who recognized the value of maintaining natural areas and generously gave of his considerable talents to bring that about.

TRIBUTE TO THE LATE LOUIS L. DEBRUHL OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise today to pay tribute to the memory of one of South Carolina's most respected law enforcement officers, Sheriff Louis L. DeBruhl, who passed away on the 3d of May. Sheriff DeBruhl, who served for 24 years as sheriff of Kershaw County, was an active defender of the law and a good man, and we mourn his passing.

Sheriff DeBruhl was a man of integrity and courage, whose actions always reflected his dedication to upholding the law. He was renowned not only for his tenacity and fearlessness, but also for his kind heart, often taking a personal interest in the lives of those he served.

Sheriff DeBruhl will be especially remembered for his unwavering commitment to excellence. He was a patriotic, public-spirited citizen, who carried out the duties of his office with great devotion and held himself to the highest standards. Although he was not tall in stature, he was a giant in the eyes of the citizens he protected, and he commanded respect from all who knew him.

Mr. President, Sheriff Louis L. DeBruhl was a truly outstanding citizen, who dedicated his life to serving his fellow man. His warm personality and well-developed sense of humor made him an addition to any gathering, and he was a fine husband and father. He will be sorely missed by a wide circle of friends and admirers, and by all those he served so well.

I would like to take this opportunity to extend my deepest condolences to his lovely wife, Nancy Truesdale DeBruhl, his sons, Benny, David, and Mitchell DeBruhl, and the rest of his fine family. I ask unanimous consent that an article which appeared in the State newspaper be included in the RECORD immediately following my remarks.

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

[From the State, May 4, 1992]

DEBRUHL, LONGTIME KERSHAW SHERIFF, DIES
(By Mike Livingston)

Louis L. "Hector" DeBruhl, who for 24 years as Kershaw County sheriff was one of South Carolina's most colorful, controversial and respected law enforcement officers, died Sunday in Camden at age 57.

Short in stature, but big in heart, he inherited a county in 1966 plagued by gamblers, motorcycle gangs and moonshine stills. Before long, however, he was being called "Hector the Protector."

DeBruhl retired in January 1991 as the state's senior sheriff. He already had the distinction of being the state's youngest sheriff when he took office at age 31. During his watch, he gained a reputation as a law enforcement officer who worked the front lines.

SLED Chief Robert Stewart, who had known DeBruhl since he was a rookie in Cheraw, remembers DeBruhl's dedication to his work.

"He would call me sometimes to meet with him at his home late at night," Stewart said. "He always stayed in touch and always stayed available 24 hours a day. He had a walkie-talkie and a special telephone line so he was always available."

"He was very active in the sheriff's association and will surely be missed," he said.

The son of a former sheriff, DeBruhl became identified with Buford Pusser, the courageous Tennessee sheriff of the "Walking Tall" movies. They call him "Walking Short" because of his 5-foot, 7-inch frame, but when he walked into a place—he regularly patrolled the county's nightclubs—it got people's attention, associates said.

Born into law enforcement, DeBruhl lived in jailer's quarters at the county jail with his wife and two children for seven years after his election in 1966. Their third son was born while they lived there.

And in the days before emergency foster care, DeBruhl often brought children to the jail who needed a place to stay. His wife, Nancy, recalled awakening one night to a baby's cry. She found her husband in the jail kitchen, rocking a baby he had wrapped in this jacket. The baby's mother had been sent to a mental hospital.

There were less gentle moments. Once, he was called to a home where a man had shot one person and was threatening to shoot himself. DeBruhl left his gun in the car and confronted the man; eventually he talked him out of killing himself.

Once, a Lake Wateree woman complained to the sheriff about a neighbor's nightly poker parties. And when the man painted an obscene expression on the side of his house, which faced hers, DeBruhl went to see him.

Kershaw Police Chief Carl Truesdale recalled that DeBruhl walked up to the 6-foot-6 poker player and demanded he paint over the profanity.

"Hector had to reach up in the man's face, shook his finger and said, 'If you don't, I'll whip your butt all over this yard,'" Truesdale said in a 1990 account. The man not only painted, but also soon moved back to Charlotte.

DeBruhl made a lot of people angry, like the New York City drug dealer doing a little local business who sent the sheriff death threats. Said DeBruhl, "If I don't get one once in a while, I don't feel like I'm loved."

Glenn Tucker, editor and co-publisher of the Camden Chronicle-Independent, said Sunday that if one asked the old hands of Kershaw County how they would characterize DeBruhl, they would come up with one word: "fearless."

"When you weigh the measure of a law enforcement officer who worked 100 hours a week for 25 years and was totally dedicated to his family and his profession, then that's the best thing you can say," Tucker said. "He never backed down from a challenge."

"And from patrolling the honky tonks on Saturday night to major cases, he had his hand in everything. He went at it hard all the time."

DeBruhl was famous for hard work, but he also was given to pranks, especially early in his career.

As a young Camden police officer, for instance, he and a partner were walking the downtown beat and spotted another officer asleep in his cruiser. DeBruhl lobbed rocks on a nearby tin roof trying to scare him, but the officer snoozed away.

Warming to the game, DeBruhl picked up a brickbat, but his aim went awry and the missile shattered a plate glass window in the mayor's law office. He figured his policing days were up, but a heart-to-heart talk with the city manager and mayor, plus a big bite out of his first paycheck, saved his career.

The sheriff had his detractors. Among them were those who charged he handled drug enforcement poorly and didn't seek help from state and federal agencies in drug investigations. Also, a \$147,500 disability claim he made—the award was overturned on appeal—angered many voters.

DeBruhl also caused notoriety in 1970 when he responded to complaints about J.D. Salinger's "Catcher in the Rye" on school library shelves. Backed by Baptist ministers, he persuaded the school board to remove the book.

His position on morality made news again in 1986 when he and former Camden Police Chief John Arledge ordered all video stores to remove X-rated films from their shelves. They complied.

"As far as I am concerned he was a fine gentleman and will be missed by the community," Arledge said Sunday. "The sheriff was a people-man—the kind of fellow that everybody liked. And he got along with the other agencies, they all had the highest regard for him.

"He was a tough ex-Marine, but he was fair. One thing is sure: He was a working sheriff."

Funeral services will be held at 11 a.m. Tuesday at First Baptist Church, with burial in Forest Lawn Memorial Park. The family will receive friends from 7 to 9 tonight at Kornegay Funeral Home, Camden Chapel. Memorials may be made to Baptist Cancer Institute at Baptist Medical Center, Columbia.

Surviving are his wife, Nancy Truesdale DeBruhl; sons, Benny and Mitchell DeBruhl, both of Camden, and David DeBruhl of Lugoff, a brother, the Rev. W.B. "Bill" DeBruhl of Greenville; sisters, Elizabeth Rabon of Charleston, Gladys Furniss and Alice Kennington, both of Camden; and five grandchildren.

TRIBUTE TO THE LATE WILLIAM RHETT RISHER OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise today to mourn the passing of a distinguished South Carolinian, Mr. William Rhett Risher of Charleston. Mr. Risher was a man of character, courage, and compassion and a great champion of education, and he will be sorely missed.

Billy Risher was chairman of the Board of Visitors of The Citadel until just weeks before his death. His leadership in that vital position was a study in dedication, tenacity, and vision, and he made lasting contributions to the institution. During his tenure as chairman, The Citadel was able to build a new electrical engineering and physics building; renovate McAlister Field House; complete a new mess hall and remodel two barracks and an academic building.

A native of Ehrhardt, Mr. Risher was a 1947 graduate of The Citadel, who later earned a master's degree in education from the University of North Carolina. He went on to join the faculty of the Carlisle Military Academy in Bamberg, SC, and eventually became headmaster of the school.

In recent years, Mr. Risher and his lovely wife, Sylvia Wilson Risher, operated a successful business called Island Interiors. He was always active in the community, and was a valued member of many organizations, especially the Jaycees, of which he was elected national vice president in 1956.

Mr. President, William Rhett Risher was an outstanding teacher and businessman, as well as a loving husband, father, and friend and his death is a great loss for our State. I would like to take this opportunity to extend my deepest condolences to his wife, Sylvia; his children and stepchildren and the rest of his fine family.

I ask unanimous consent that an editorial which appeared in the Charles-

ton Post & Courier be included in the RECORD following my remarks.

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

[From the Charleston Post & Courier, Apr. 21, 1992]

WILLIAM RISHER: MISSION ACCOMPLISHED

A month after he was awarded an honorary doctor of laws degree by The Citadel, funeral services were held Monday for William Rhett Risher on the campus of the school he loved and served. For the past three years he had fought a determined battle against cancer while maintaining an active schedule as chairman of The Citadel Board of Visitors. He would have wanted no greater tribute than that paid to him—to be described as a "true Citadel man."

Billy Risher's love of The Citadel had been a constant since his student days, which ended in 1947. His service to the school as a member of the Board of Visitors began in 1977 and included nearly five years as chairman. He resigned only a few weeks before his death last Friday.

He talked matter-of-factly about his medical problems, which included coping with cancer, first in his salivary glands and later in his brain. Recovery from surgery for the latter was complicated by a stroke. But nothing seemingly could keep him down. He was performing official duties within weeks of the first surgery. Within only a few months of his last surgery and stroke, he was in the stands at West Point for his school's victory over Army. The Bulldogs' decision to call him into the locker room that day and present him with the game football says something about how the cadets felt about the chairman of the board. It was, his wife, Sylvia, told an interviewer several months ago, "the proudest moment of his life."

No one could talk to Billy Risher very long without recognizing the importance in his life of his wife of 15 years. He and Sylvia Wilson Risher, former clerk of the S.C. House of Representatives, were also successful business partners after he closed the family-owned Carlisle Military Academy, where he was both a teacher and headmaster.

Retired since 1987, the 64-year-old Risher had devoted much of his attention to The Citadel, and his steady hand was viewed as a factor not only in the capital improvement programs at the school, but in helping defuse the controversy involving the school during the past year. He was remembered Monday as a teacher and a leader and a man of inspiring courage.

Asked his mission in life during an interview in January, Billy Risher told Post and Courier reporter Forrest White that he wanted "to leave the world a better place for my having been here." Mission accomplished.

RECOGNITION OF G. ALAN BERNARD, KENTUCKY SMALL BUSINESS PERSON OF THE YEAR

Mr. FORD. Mr. President, I rise today to pay tribute to Mr. G. Alan Bernard of Leitchfield, KY, who has been named Kentucky Small Business Person of the Year by the U.S. Small Business Administration. He will be honored in Washington, along with other individuals who have been recognized from across the Nation, during Small Business Week, May 10 through May 16, 1992.

Alan Bernard is president of Mid-Park Inc., a metal products company in Leitchfield, KY. Originally started by his father Nelson Bernard in a barn, Mid-Park Inc. has become quite a success story. Nearly 20 years ago, the elder Bernard conceived the idea of a metal products company which failed to survive a shaky start during the recession of 1972-73. A few years later, Alan and his father went into business again making farm gate hinge pins. By 1977, business was booming and they had outgrown their barn. A move to Mid-Park Industrial Park sparked a name change to Mid-Park Metal Products, later Mid-Park Inc.

With the assistance of an SBA-guaranteed loan, Alan Bernard moved the company into a 41,500 square foot facility after buying out his father's portion of the company. By 1986, two spin-off companies emerged, Leitchfield Manufacturing Inc., and Highway Specialty Steel. Today, Mid-Park Inc. has grown to 50 full-time employees and produces 7.5 million pieces of gate hardware and 1 million feet of concrete joints a year. Gross sales have grown from \$311,000 in 1978 to more than \$4.5 million in 1991. In addition, Mr. Bernard recently founded a third company, KY Fabricating, Ltd., to make highway guardrail products.

Alan Bernard has also demonstrated strong leadership for the business community and a commitment to the economic growth of Grayson County. His dedication clearly transcended his interest in the development of his own business. Mr. Bernard is a member of the Lion's Club, is involved with Little League, and the chamber of commerce, and serves on various boards.

Mr. President, Alan Bernard's leadership, dedication, integrity, and innovation have made him a role model for small business persons across my State. In being named Kentucky Small Business Person of the Year, I believe he now can be recognized as a fine example for aspiring young entrepreneurs nationwide.

Although it has been said many times, it is still quite true that small business is the backbone of our economy. With the continued efforts of individuals like Alan Bernard, this will continue to be the case for some time into the future.

As we continue Small Business Week, I rise to recognize and congratulate Alan Bernard and the other State Small Business Persons of the Year for their distinguished achievements.

THE L.A. RIOTS: TIME FOR ACTION, NOT FINGERPOINTING

Mr. DOLE. Mr. President, it has been 12 days since the Rodney King verdict, 12 days since the onset of the most horrifying civil unrest our Nation has seen in decades.

In the Los Angeles rioting, 5,300 businesses were damaged or destroyed and

40,000 jobs were lost. In the 12 days since, the American people have been assaulted with a barrage of excuses and fingerpointing. It is President Bush's fault, we are told by some. Some blame President Reagan—others say the Great Society has failed our cities. Some blame FDR, and some probably even blame President Nixon. Some blame whites, some blame blacks. And in the rush to blame, or in the frenzy to polarize, one chilling fact is often overlooked—54 persons lost their lives—white Americans, black Americans, Hispanic Americans, Asian Americans, men, women, and children.

Mr. President, I ask unanimous consent that a list of those killed in the Los Angeles riots, published in this week's Newsweek, be printed in the Record following my remarks.

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

(See exhibit 1.)

Mr. DOLE. I am not certain what all the fingerpointing accomplishes, and I am not sure that we can lay the blame on any one person, or any one policy. Perhaps no social program, no matter how innovative, how targeted, or how expensive, could have prevented the violence that followed the stunning verdict in the King case. It might be no one's fault but those who actually lit the fires, pulled the triggers, and stripped the stores bare.

But it is not the job of Congress to assess blame. It is our job to enact solutions. And in searching for solutions, one thing is clear—merely pouring money into our cities will not put out the fires, no solution will turn things around overnight, and no Government can legislate morality, personal responsibility, or respect for human life and property.

It is time to try something different. That means new policies, but it also means new politics.

Let us give the American people something they are not used to in an election year—bipartisanship. I met this morning with President Bush and the bipartisan leadership of the Senate and House, and I am hopeful that we can build on this meeting and work together—quickly—to help revitalize America's cities, heal racial divisions, and promote safe communities where children can learn and dream.

I am encouraged that many in the other party are now eager to take a second look at some of the President's proposals, including urban enterprise zones, targeted small business and housing assistance, anticrime and antidrug programs, economic growth and job creation initiatives, and even paying for additional unemployment benefits. These certainly are not all the answers—and all the answers will not come from Government—but they are a start.

Mr. President, the American people are saying no to the status quo. We can

do better—let us show the American people we are up to the challenge.

EXHIBIT 1

COUNTING UP THE HUMAN COST

Scores of lives were lost in the tide of rage, some heroically, and others by a terrible happenstance. A roster of the 54 deaths linked to the riots so far:

Louis Watson, 18. Black. The riot's first victim wanted to be an artist. He was killed by a random shot while walking a friend to a bus stop.

Dwight Taylor, 42. Black. The ex-college basketball player was on his way to buy milk when killed by gunfire.

Arturo Miranda, 20. Hispanic. A stray shot killed him as he drove home from soccer practice.

Edward Travens, 15. White. Shot in a drive-by attack.

Eduardo Vela, 34. Hispanic. Trapped with a co-worker while visiting from Bakersfield. His friend left their car to call the boss; he returned to find Vela shot.

Anthony Netherly, 21. Black. The record-store manager was shot as he rode to his grandmother's home to make sure she was safe.

Willie Williams, 29. Black. Died after falling from the back of a truck.

Elbert Wilkins, 33. Black. A drive-by shooting ended the life of the stereoshop owner and father of two.

Ernest Neal Jr., 27. Black. Shot in the head as he talked to Wilkins.

Gregory Davis, 15. Black. A bullet fired blocks away hit him as he stood on his front lawn.

Dennis Jackson, 38. Black. The ex-gang member died in a firefight with police, who were protecting firefighters trying to put out a blaze.

Anthony Taylor, 31. Black. Killed by police officers in the same battle.

John Willers, 37. White. Died after receiving multiple gunshot wounds.

Ira McCurry, 45. White. Shot trying to stop looters from burning a liquor store that was next to his home.

DeAndre Harrison, 17. Black. Shot in the chest.

Howard Epstein, 45. White. Flew to L.A. from upstate to inspect his South-Central machine shop. He was attacked in his car by a mob and shot.

Jose Garcia Jr., 15. Hispanic. Shot in the back.

Brian Andrew, 30. Black. Killed by police in Compton.

Mark Garcia, 15. Hispanic. Shot by sheriff's deputies, who said he looted a jewelry store and fired at them.

James Taylor, 27. Black. Died of a gunshot wound to his chest.

Patrick Bettan, 30. White. Guarding a Koreatown supermarket, he was shot during a robbery attempt.

Frank Lopez, 36. Hispanic. Run down in traffic in South-Central.

Hector Castro, 49. Hispanic. Fatally shot in the neck.

Matthew Haines, 32. White. The auto mechanic was pulled off his motorcycle by a mob and shot in the head. He had been riding to help a black friend start her car.

Thanh Lam, 25. Asian. Found shot in the chest.

Franklin Benavidez, 27. Hispanic. Killed by LAPD officers, who said he looted a gas station, then pointed a shotgun at them.

Andres Garcia, 32. Hispanic. Stabbed to death.

Cesar Aguilar, 19. Hispanic. Shot by L.A. police officers after he drew a gun. It turned out to be a toy.

Paul Horace, 38. Black. Died from multiple gunshot wounds.

Edward Song Lee, 18. Asian. Koreatown security guard died in cross-fire between police, other guards and robbers trying to raid a store.

Juan A. Tineda, 20. Hispanic. Died of gunshot wounds.

Noel Solorzano, 25. Hispanic. Shot in the back.

Kevin Evanahen, 24. White. Fell through a burning roof while fighting a fire at a check-cashing store.

Unknown Man. White. Found burned to death in a possible arson.

Vivian Austin, 89. Black. Suffered a heart attack during Thursday's riots in her neighborhood and died three days later.

Meeker Gibson, 35. Black. Died in Pomona of a single gunshot wound to the chest.

George Sosa, 20. Hispanic. Shot in the chest.

Unknown Man. Hispanic. Charred remains discovered in a burned-out building.

Lucie Maronian, 51. White. Died from stab wounds.

George Alvarez, 42. Hispanic. Died of injuries suffered in an assault.

Aaron Ratinoff, 68. White. Found strangled at a looting scene. Officials speculate he was a store owner protecting his shop.

Unknown Man. Hispanic. Believed to have been killed in an assault.

Charles Orebo, 22. Black. With two other snipers, he ambushed a pair of police officers. Killed when the cops returned fire.

Alfred Miller, 32. Black. Died of a gunshot wound to his neck.

Carol Benson, 43. Black. She was killed in a hit-and-run traffic accident.

Unknown Man. No race determined. His burned body was found in a torched Pep Boys auto store.

Fredrick Ward, 20. Black. Shot to death in Sylmar.

Juana Espinosa, 65. Hispanic. Shot as she walked down the street.

Suzanne Morgan, 24. Black. Died of a gunshot to her head.

Howard Martin, 22. Black. Killed in a Pasadena shootout between police and gangs.

Betty Jackson, 56. Black. Killed in a traffic collision.

Hugo Ramires, 23. Hispanic. Found lying face down in the street, dead of a shot to his neck.

Imad Sharaf, 30. White. Burned body found near a freeway offramp.

Victor Rivas, 25. Hispanic. The only person slain by National Guard troops and, apparently, the last victim of the riots.

CONGRESSIONAL CAMPAIGN SPENDING AND ELECTION REFORM ACT OF 1992—VETO

Mr. SANFORD. Mr. President, it is with a sense of frustration and disappointment that I rise today to speak on the President's veto of S. 3, the Congressional Campaign Spending and Election Reform Act of 1992.

President Bush has shown a degree of hypocrisy that is disappointing. When he vetoed the campaign finance reform legislation before us, the most sweeping reform measure since the Watergate era, he indicated that he had no choice because he is opposed to the very idea of public financing for political campaigns. Now there may be some reasons for opposing this bill, but pub-

lic financing is not one he can use. This is hollow rhetoric. The fact is that he is the all time leader in receiving public financing for his several campaigns. By the end of this year he will have accepted \$200 million in Federal matching funds—taxpayers' money—for his Vice-Presidential and Presidential campaigns.

Earlier this month, a number of Republicans lead by former Congressman John Buchanan urged the President to sign S. 3 into law. In an op ed article which appeared in the Washington Post, Mr. Buchanan said that enactment of this measure is "essential to reverse the public's perception that the institution has fallen to the wolves of special interests and corruption." I agree.

The President ignored this thoughtful plea. He has also ignored the wishes of the public. The public has made clear its support for limits on campaign spending. The President, however, continues to hold fundraising dinners that raise multimillions of dollars. First, we learned of the dinner here in Washington where he raised \$9 million in one night. Then he has the gall to veto S. 3. He vetoed caps on total spending in congressional campaigns and modest public financing for candidates who abide by those limits. He vetoed limiting contributions by political action committees and wealthy individuals. Now we learn of another Presidential fund raising dinner last night that only cost \$1,000 for donors, a dinner that raised other untold millions. Somehow the President found time between two fundraising dinners in the last week that raised well over \$10 million to veto a historic campaign finance reform bill.

Now the Congress must act. Overriding this veto is a step in the right direction to let the people know that we have heard their concern about the influence of money in politics. We have heard their anger and frustration. We recognize that the people feel locked out of the process. The President has not heard this message, or he has chosen to ignore it. The President should spend more time talking to the people in Durham or in Asheville or in Charlotte and less time raising \$9 million a night in downtown Washington. Then he might recognize that the public demands a change in the way we conduct our campaigns. The Congress sent to the President a responsible and workable campaign finance reform bill, but the President chose to reverse the wishes of the public.

I urge my colleagues to override this hypocritical veto and to take seriously the public's demand for a change in our campaign finance system.

I thank the Chair and yield the floor.

TRIBUTE TO ATF SPECIAL AGENT JOHN MASENGALE

Mr. DeCONCINI. Mr. President, today I would like to bring to the attention of this body a tragic and all too common event in the law enforcement profession: the death of an officer in the performance and a particularly sad occasion for Arizona. On May 6, Special Agent John Masengale, an explosives investigation specialist of the Bureau of Alcohol, Tobacco and Firearms [ATF], died as a result of burns and injuries he suffered when a cache of illegal pyrotechnic explosives he was destroying at Fort Lewis, WA, accidentally exploded. Special Agent Masengale, 36, was a native of Buckeye, AR, and had been stationed in Seattle with ATF for 3 years. Before joining ATF, he was an explosives specialist in the U.S. Air Force.

The tragic death of Special Agent Masengale exposes an often unnoticed fact. The risks taken by the men and women of law enforcement do not end with the obvious dangers of which we are all aware. The undercover work, the raids, and the arrests are only a portion of the story. A final, inescapable risk faces the officers of ATF and their counterparts in State and local bomb squads. These explosive materials cannot be left behind and safely stored for long periods of time; they must be destroyed.

ATF has battled with the multi-million-dollar clandestine business of illegal pyrotechnics for years. Between 1982 and 1991, explosions, at illicit manufacturing sites caused 45 deaths and 91 injuries. The sellers of these products dupe an unwary public into believing these highly unstable and tremendously powerful products are special fireworks. Unfortunately, the lesson learned is often dangerous and deadly.

It is a testament to the professionalism of these officers that they face this treacherous duty day after day without the general public even knowing they exist. It is with great sympathy for the family of Special Agent Masengale and his surviving fellow agents that I would like us to recognize the unstinting and everyday bravery that this work requires. Agent Masengale is survived by his wife Lois and his 14-year-old son Larry. I extend to them my deepest sympathy and want them to know that the work of this fine officer was very much appreciated by this Senator.

SYRIA'S JEWS FREED OF RESTRICTIONS

Mr. PELL. Mr. President, I was pleased to learn that Syrian President Hafiz al-Assad has lifted restrictions Syria had placed on its Jewish minority. This decision, if implemented, will grant Syria's 4,500 Jews fundamental freedoms that they had been denied for years, including the right to travel

freely and the right to buy and sell property. Although the decision officially does not allow Syrian Jews to travel to Israel, in practice it could open the door for Syrian Jews to emigrate.

Syria's treatment of its Jewish minority has been a longstanding concern of the United States. I, for one, have called upon Syria many times to lift the onerous restrictions it unfairly placed on its Jewish community. Scarcely 1 month ago, in connection with the Shabbat Zachor—the Day of Remembrance for Syrian Jewry—I spoke on the floor of the Senate to reaffirm my concerns and express the hope that such treatment would end.

Accordingly, I welcome President Assad's decision, which has been received favorably in the United States administration and in Israel as well. It is a positive step, and one that I hope bodes well for the Middle East peace talks that recently reconvened in Washington. Up to now, scant progress had been achieved in the bilateral talks between Israel and Syria, leaving little room for optimism. At best, Syria's participation could have been described as grudging. Perhaps this unanticipated show of good will will help change the atmosphere and promote the chances of success.

Mr. President, in my view the Middle East peace talks represent the best prospect we have for bringing peace and stability to one of the most troubled regions of the world. The United States can, and has, played a prominent role in bringing the parties together and encouraging them to talk. But the burden of responsibility falls squarely upon the parties themselves. I am hopeful that this new development in Syria indicates a commitment to negotiate seriously, which will translate into further progress at the peace talks.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. ROBB). The period for morning business is now closed.

NATIONAL VOTER REGISTRATION ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 250, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 250) to establish national voter registration procedures for Federal elections, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kasten Amendment No. 1799, to provide for product liability actions brought against a manufacturer or product seller on any theory, and to establish guidelines for Federal

standards of liability for general aviation accidents.

The PRESIDING OFFICER. The time between 10 a.m. and 12:30 p.m. is equally divided and controlled by the Senator from South Carolina [Mr. HOLLINGS] and the Senator from Wisconsin [Mr. KASTEN] or their designees.

Who yields time?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, is that time evenly divided?

The PRESIDING OFFICER. Under the order, it would be evenly divided.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that I be heard other than on the time restrictions. I just understood from the staff that the veto message on campaign finance reform had just been received and was really the pending business. The leader is momentarily coming to the floor. That would really be the matter of concern and would have to be a priority item. In other words, we would have to set this aside to go to that. Of course, if the distinguished Senator from Wisconsin wants to start on that, that would be fine.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

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

The bill clerk proceeded to call the roll.

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

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

Who yields time?

Mr. KASTEN. Mr. President, I intend to make an opening statement in a moment. But at this point I would like to yield such time as he may desire to the Senator from Missouri, Mr. [BOND].

The PRESIDING OFFICER. The Senator from Missouri [Mr. BOND] is recognized in accordance with the declaration by the Senator from Wisconsin.

Mr. BOND. Mr. President, consumers and manufacturers alike suffer from our current product liability rules in this country. I strongly urge my colleagues to support a fair and balanced product liability reform measure. The Product Liability Fairness Act is co-sponsored by 39 Members of the Senate and deserves to be adopted. In addition, Senator Kassebaum's amendment on general aviation deserves to be adopted. The debate has gone on long enough, and I urge my colleagues to accept the Kasten-Danforth amendment.

People who are injured, lose wages, or incur medical expenses because of an unsafe product deserve to be fairly and swiftly compensated. The parties at fault should be held accountable.

But our product liability system is out of order and needs to be reformed to restore fairness to the system.

Consumers suffer under our current product liability system. This system has become a high stakes lottery game where the real winners are trial lawyers. The U.S. tort system costs the American economy and its consumers \$100 billion each year but, shockingly, half of this amount does not go to compensate the injured party but instead goes into the deep pockets of the trial attorneys. What we seek to do in this amendment is to increase the share of the award that ends up rightfully compensating the victim.

While the system richly rewards the attorneys who file lawsuits, our costly product liability system is not making products safer. A May 1991 study by the Brookings Institution found that our propensity to litigate does not lead to increased product safety. While products have become safer over the years, the Brookings study finds that the marketplace pressure and Government regulation are the force behind safer products, not product liability lawsuits.

Further, consumers may never see some products that could lead to improved safety because of the very product liability system which is designed to provide this protection. For example, toxic leak detectors, which would obviously be quite useful for workers who handle these substances, were designed in the mid-1970's. Many of these detectors were kept off the market by their producer for fear of lawsuits if any should ever fail.

Another ironic example is the high cost of new high-tech single- or twin-engine aircraft whose costs have risen so high because of the high liability costs to the manufacturer. The result? Older, less safe small planes are used much longer than they would be if the cost of the safer planes was lower.

As one who recently experienced a rather trying incident on a small aircraft, I know that I speak for many of my colleagues in this body who must depend upon small aircraft for travel back in our States. I have a personal stake in seeing that safety is paramount in general aviation.

But under the current system, manufacturers are discouraged from improving their products because these improvements can be used as evidence that the earlier product was less safe.

A foreign manufacturer, Volvo, refuses to install its built-in child safety seat into cars bound for the American market because of product liability. A recent survey by the Conference Board reported that 47 percent of U.S. companies have withdrawn products from the marketplace because of liability concerns.

American jobs are at stake. The ability of U.S.-based companies to compete in the world market is at stake. Liabil-

ity costs in this country are seven times as much as Japan's and five times as much as the United Kingdom's. There are 25 times more lawyers per 100,000 in the United States than in Japan. Since 1971, the number of lawyers has almost tripled to 780,000.

In a Business Week/Harris poll of top U.S. executives, 62 percent expressed the view that the civil justice system in this country significantly hampers U.S. companies from successfully competing with Japan and Europe. A striking example is Dow Chemical, which faces 2,000 new product liability claims in this country each year but only about 20 claims from the rest of the world combined.

Our ability to compete with Japan and the European Community depends on our ability to bring the product liability crisis under control. Our American businesses and manufacturers are straining under the weight of forces against them while they are forced to deal with 51 separate legal systems. The European Community will already have the advantage with lower product liability costs, and it has already agreed to place all of its members under a single set of product liability laws after their economic unification.

The Product Liability Fairness Act is an important step toward creating an environment in this country where American businesses and workers can fairly compete with their overseas counterparts in future years. I urge my colleagues to support fairness to American consumers, support a fair product liability system for our American businesses, and ensure that the jobs which are at stake are saved by reforming product liability rules in this country.

Mr. President, I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin [Mr. KASTEN].

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

The PRESIDING OFFICER. The Senator is recognized accordingly.

Mr. KASTEN. Mr. President, first of all, I want to say I am pleased that today we are able to begin to debate the merits and the necessity of product liability reform. Though we will be debating product liability reform on the Senate floor for only the second time in the last 10 years, this is a subject that has a long history in the U.S. Senate.

The amendment I have now offered, and which will be voted on this afternoon, to S. 250, the so-called motor-voter bill, embodies the substance of S. 640, which was favorably reported out by the Commerce Committee on a record vote of 13 to 7 last October 3.

S. 640, and the legislation upon which it has been based since 1986, has enjoyed the support of Members on both sides of the aisle. S. 640 is a modern reform measure upon which I am now

joined by 39 colleagues. While I am pleased we are now addressing a matter that should have received the attention of the full Senate years ago, I am disheartened that the procedural situation that we are in does not convey and I am afraid will not convey during the day the truly bipartisan nature of this measure's support.

Let me at this point refer to today's Wall Street Journal editorial, and I later will ask that it be printed in the RECORD, but it points out:

Republican Bob Kasten of Wisconsin and Democrat Jay Rockefeller of West Virginia have assembled a bipartisan coalition to ease the product reform liability prices. Their reform is modest, far less helpful and ambitious than Vice President Quayle has proposed, but at least it's something.

The editorial also points out:

At least 45 Senators, including 8 Democrats, either cosponsored the Kasten-Rockefeller or have voted for it in committee. Some of these Democrats, Mr. Rockefeller, or Connecticut's Joe Lieberman, are now being pressured to vote with Mr. Mitchell's procedural vote. How these Democrats vote will show whether they want their party known for something more than the litigation liberalism.

The point I am making is that this measure has bipartisan support. This is not a Democrat or a Republican idea. Today's vote ought not to be a party-line vote. This measure will have, across this country, small businesses supporting it whether they are Republican, Independent, or Democrat. We have a problem in this country and we have to deal with it and face it. It is unfortunate this bipartisan support that was demonstrated in the committee, the bipartisan support that is demonstrated in the cosponsors of the bill, is not represented at this moment on the floor. I hope we can establish once more this bipartisan support.

Since I last stood on the floor of the Senate to discuss product liability, we have had three Secretaries of Commerce testify as to the need for product liability reform because of its adverse effects on America's consumers, on businesses who produce or sell products—especially small businesses—on jobs, and, as the Senator from Missouri [Mr. BOND] just pointed out, on America's ability to compete.

What we have in many instances is a tax, a tort tax, that hits America's consumers every time they buy a ladder or a car or medicine for an ill family member. So whether this tax is 235 percent, as in the case of the DPT vaccine; 35 percent, as in the case of a football helmet; or 40 percent of the cost of the general aviation aircraft, America suffers and jobs are lost.

But to compound the inequities of the system, it is slow to compensate the deserving consumers who have been hurt and must watch 50 percent, and sometimes more, go to the transaction costs in the system. We have some evidence showing up to 75 cents of each

dollar goes to transaction costs—re: lawyers. Seventy-five percent of each dollar goes to lawyer fees, 25 cents of each dollar going to injured consumers.

So it is an expensive, inefficient, and unpredictable system that we have tried to address since the early 1980's.

The committee report sets out some of our findings on the need for the moderate reform I am proposing today. After adjusting for inflation and population, we still find that liability costs have increased dramatically. Over the last 40 years, general liability insurance costs have increased at over four times the rate of growth of the national economy, according to the National Law Institute's Reporters' Study on Enterprise Responsibility for Personal Injury.

As I mentioned, the rising costs are not benefitting injured consumers. But rather the lawyers on both sides of these cases that cause our system to be the most expensive tort system in the entire world.

I know that others wish to speak in regard to this amendment. So with the predicate of this costly, inefficient, and uncertain system, let me just very briefly describe what our proposal would do and, equally important, what our proposal would not do.

Unlike some earlier proposals, this amendment does not contain any caps on liability, nor does it attempt to set out the rules of liability that would apply. That has traditionally been a matter of State law and that remains under State law under this legislation.

Rather, we address certain matters that arise in product liability cases and which would benefit from the adoption of uniform rules to lower the transaction costs or, in the case of expedited settlements, adopt a procedure to allow parties to settle without the expense of the current system.

We also, in this legislation, propose to adopt uniform rules relating to the time within which a party may bring a suit, adopt uniform rules as to the type of conduct and the standard of proof necessary to impose punitive damages, provide for several liability only for noneconomic damages, and provide a defense if the injured party was under the influence of drugs or the influence of alcohol.

Subsequent to the committee markup in October, discussions have been held and we have now resolved a difference within the business community regarding and relating to the workers' compensation offset. An agreement has now been reached with small business groups, including the NFIB, the [National Federation of Independent Businesses], and I am pleased, therefore, we are entering into this debate today. Our effort is very different from earlier measures, and I urge all Members to read and study the substance of the proposal and to note the differences with other proposals.

We do not deny anyone the right to bring a lawsuit, and this balanced proposal is not meant to help or favor either the plaintiffs or the defendants. It is to bring uniformity to certain areas of product liability law to reduce the inequities and the costs of the system on all Americans.

I hope that my colleagues will see and recognize the fairness of this measure. I hope my colleagues will vote not to invoke cloture this afternoon or our effort will fail and at least enact meaningful product liability reform in this session of Congress.

Today is a start, and I believe that we can be successful.

The PRESIDING OFFICER. Who yields time? The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I yield myself such time as is necessary.

Mr. President, this debate is indicative of exactly what has gone wrong in our National Government. We have attempted to deal with this matter in a deliberative manner, through the committee system and formal hearings, leading to proper floor consideration at the appropriate time. Now this crowd comes along, trying to evade and avoid this deliberative system. What we see here is the practice of Government by ambush.

I happen to know the origin of this kind of shenanigan because I happened to have been very, very involved in labor law reform and its defeat some 10 years ago. At that particular time, I worked closely with these same organizations that are now engaged in the ambush.

One group, of course, is the National Association of Manufacturers, which has all its members in town to gin this thing up; the National Association of Manufacturers, the Business Roundtable, the National Chamber of Commerce, and the Conference Board. We were determined and did defeat labor law reform. Thereupon, all dressed up but no place to go, they zoomed in on Bacon-Davis as the great Satan that had to be killed, the monster that had to be slain because it was causing all the inflation. And then when inflation declined to somewhere around 1 or 2 percent, they thereupon also learned that Bacon and Davis were distinguished Republicans.

And a distinguished Republican President, President Hoover, with whom I later served on an appointed Commission, so I speak most respectfully of him—President Hoover had signed Bacon-Davis into law. They thought, well, maybe it did not ring a consonant tone to attack that, and they better find something else. So Victor Schwartz and the downtown lawyers then said, "Let's get on to product liability."

Now, Senators should ask themselves why it is that the American Bar Asso-

ciation has consistently opposed this so-called product liability reform? Why is it that the National Association of State Legislators consistently and overwhelmingly has opposed this? Why is it that the Association of Attorneys General of the United States has consistently opposed this? Why is it that the Association of State Supreme Court Justices has consistently opposed this ambush? And why is the administration taking up this cause. This is the same administration that says the best government is the government closest to the people, devolve power back to the States, deregulate, let market forces prevail. Now, all of a sudden, the White House is hot to federalize a major component of tort law, to change the common law, if you please, here without any action by the Judiciary Committee of the House or the Senate on this particular measure. They want to change it by ambush today. They put this measure on a bill that has no logical relation in order to circumvent the established committee procedure.

As chairman of the Commerce Committee, and one of a group of probusiness Senators who are concerned by Congress' habit of legislatively driving up business costs through a series of mandated requirements.

Now, the Rand study says that product liability is less than 1 percent of the cost of business. We are going to get into that at length. The cost of business has not been going up, but when the Chamber and NAM and Roundtable and Conference Board all come running, then you do not have time to study the thing out. You do not really think about it. There are certainly more urgent matters. Heavens above, we have an urban crisis, we have violence in the inner cities, we have the crime problem, the AIDS epidemic, the drug problem, the deficit problem.

Now they finally have come around to what this Senator has debated for a good 20 years on this floor about losing our industrial backbone. The morning news says manufacturing has gone down. And we have lost our manufacturing base because we do not have a competitive trade policy. They will not let market forces operate in trade. They let politics continually overrule.

When we go into the entities of the International Trade Commission and others, whether it is shoes, textiles, electronics, robot manufacture, you name it, you find that politics is controlling. This Government has no trade policy. We have many other real problems to address. And here is one problem area where the States are telling us, "We are handling this problem."

I was at the dedication of a new Japanese plant in South Carolina yesterday at this time. We are very proud to have at least 44 Japanese plants in our State. They are coming on account of

productivity. They are coming based on high quality. They are building a new Fuji plant in Greenwood, SC, to produce the most sophisticated double-coated videotape. And they are shipping it back to Tokyo for sale there.

This has been one of the more interesting facets of public service, attracting industry, and knowing something about these business groups. Quite a contrast to this Pavlovian approach we see here today, egged on by industry groups that ought to know better.

Of the 44 Japanese plants in South Carolina, they have never mentioned product liability. The hue and cry is that we are becoming uncompetitive, uncompetitive, uncompetitive, particularly vis-a-vis the EC; but it is exactly the EC that has sought to adopt our joint and several liability. They will adopt it this year. Five European Community countries already have it. So what is this foolishness about becoming uncompetitive with the Europeans?

German industry. South Carolina has more German industry, Mr. President, than all of the other 49 States combined. I-85, the big interstate highway crossing the Piedmont section, is known as the "I-85 autobahn." We have Lufthansa, as a result, flying directly today from Frankfurt landing in Charlotte, NC, serving that Piedmont section of North and South Carolina.

I have worked to encourage the majority of those industries that come. I led the first South Carolina delegation to Dusseldorf 30 years ago. Never once have the Germans mentioned product liability as a problem. But these Johnny-come-latelies are responding now to the fussy budgeting of lawyers downtown.

Now, let us talk about lawyers. I was a little embarrassed to hear my distinguished colleague from Missouri say that this would benefit consumers and that we have too many lawyers. That is typical of the specious nature of this argument. The Consumer Federation of America knows better. Likewise, the Consumers Union is engaged in protecting the best interests of consumers and public citizens. Consumers Union, Consumers Federation of America, Public Citizen, every one of them has appeared time and again over a 10-year period without hesitation saying kill this measure; it is a nonstarter. But proponents have the audacity to come here on the floor of the U.S. Senate and attempt to ambush the American consumer.

If you want to debate lawyers, the real focus is not product liability, oh, heavens above. I can cite just one contract case, the Pennzoil-Texaco case worth \$12 billion, which amounts to more than all the product liability verdicts ever rendered. That is just one contract case. I have a dossier of these businesses suing each other and what the cost is. And you know what you get to, Mr. President? Just as you sit

there, they are making money—bill of allowance. That is the one thing that sticks in this particular Senator's craw.

I used to represent manufacturers, and I worked around the clock. I had to see all my witnesses and prepare all of my pleadings, and I never started a case that I didn't know in advance that they had money and it was going all the way to the Supreme Court so I might as well get ready for the trial brief and the appeal brief as well. We worked and we enjoyed it.

I am going to yield to our distinguished colleague from Alabama, his State's former chief justice, who is steeped in the law far more than this particular Senator and serves on the Judiciary Committee. And that is the real question here because proponents of this bill have avoided the Judiciary Committee like the plague. They do not want a hearing on the judicial dimensions of what they are doing.

We have the Rand Report, from the private corporation that conducts public policy research. Contrary to popular belief—I quote now from Rand—"Most injured Americans do not attempt to collect compensation from someone else connected with the accident. Among all those injured, about 1 in 10 engage in some sort of claiming activity."

Only 1 in 10 who are injured actually get involved in any kind of claiming activity.

"In talking directly with the perceived injurer to receive protection to filing a lawsuit, claiming was most common in motor vehicle accidents, where about 1 to 2 Americans seek compensation."

Supporters of this bill have not mentioned motor vehicle accidents. If they really wanted to get tort reform—they love these buzzwords and symbolism—if they really wanted to get to the meat of this matter, they would address automobile accidents. But they are not in the least concerned about that.

Quoting further:

About 6 percent out of those injured while working with products on the job sought legal representation. About 1 percent of those injured in some product-associated circumstances off the job consulted an attorney.

Mind you me, only 6 percent. These are product liability cases, those on the job, only 6 percent, those injured otherwise, not on the job, just buying a product, only 1 percent—1 percent consulted an attorney.

As expected, claiming was more likely when injuries were serious. In this group, 14 percent of those injured while working with products on the job consulted attorneys, and about 5 percent of those injured in some product-associated circumstances off the job. Overall, 20 percent of those who consulted attorneys were unable to find someone to represent them.

Then going further, you will find that 50 percent of those who recovered

anything are the 1 percent that went to the lawyer. We are getting down to a de minimis situation. This is not a significant problem. Moreover, the States say they already are handling this matter just fine.

This crowd thinks they can succeed by ambush. They count on the average Senator saying, put my name on it. They count on the average Senator saying, I am tired of answering the telephone and getting the letters. No one else is writing letters around. Injured parties are not organized.

The Trial Lawyers Association is strong by way of principle, but weak by way of organization because they do not have time to organize.

In contrast, when defense attorneys come to these conferences in Washington, they get paid. Whatever the bill allows, that part represents the insurance companies.

This Senator has represented both sides. If you want to represent the defendants, serve a stint representing a municipal bus system. You will discover that, come November, around Thanksgiving, no one can walk down the aisle of a bus. Everybody falls down and gets hurt. No one can get out of the door safely all of a sudden, getting into the first part of December. They form a kind of Christmas club. Everybody gets their arms caught in the doorway.

And they bring it to the big old corporate lawyer, and the big old corporate lawyer says, "Ma'am, I am going somewhere for Christmas. We are not going to try these cases." They settle them out for \$500, \$300, \$900, \$1,500.

But I took a different tack. I put them all to trial. We tried all through the Christmas holidays right through January, and saved my client millions of dollars. So I know about the laziness of that defense bar, because all they have to do is get billable hours.

Which brings me, by the way, to this crowd downtown that enlists an eager young whippersnapper, a fellow who has never been in the courtroom, hanging around the President's office. One company came in here and offered him \$600,000. It was so embarrassing to get a \$600,000 retainer. So he gave the money back, and said please do not mention my name any more.

They have milked the Resolution Trust Corporation, which is another big scandal, with one New York firm charging \$500 and \$600 million in fees. We are sitting around here with a problem being handled just fine by the States, where the States' rights are observed and respected.

But now some want to preempt the States because we have some smart downtown fellows. Those are the lawyers who are being paid those billable hours, these Washington lawyers. That crowd downtown—they are the ones, not the poor trial lawyer. Fifty percent of them never recover anything, and

the average cost cited in the Rand Report is \$15,000. There is no better system for a poor injured party. The injured person comes in the office, they have no money, they are not going to have to pay any billable hours, they cannot get any investigation done, they cannot get any forensic reports, they cannot get any studies, they cannot get the medical reports, and who is going to interview the doctor and pay for all of that?

But it is not that they are overpaid by any manner or means. The majority goes to the defense lawyers. They are the ones delaying, sitting down, continuing, hoping that the witnesses die, that they cannot be found, that they are gone, and everything like that. Who has to get all 12 jurors? The plaintiff's attorney, and by what? By the greater preponderance of evidence. There is no tie-tie situation. He has to get them all.

I can tell you now it is a good system that is enshrined in our Bill of Rights, the seventh amendment. What you are really seeing here today is an assault upon the Bill of Rights, an assault on trial by jury. We will be getting into that, and getting into that very thoroughly.

But what happens here this morning, and what the game is in trying to block cloture, is to avoid the Judiciary Committee. We reported it out of the Committee of Commerce, it got to the floor and then, heavens above, just before we tried to get it to the Judiciary Committee, the proponents of this particular bill—I think it was a day or 2 days before we quit for Thanksgiving sine die—they wrote a letter and said they would be glad to give a 60-day referral to the Judiciary Committee if they reported back on January 27.

That is tongue in cheek if I ever heard of it. They just do not want objective, comprehensive Judiciary consideration, the committee's consideration. Nor do they want fair consideration on the floor here of the U.S. Senate.

They did consider general aviation. They reported that out overwhelmingly with disapproval last year. Why? Because Cessna, which just sold for \$600 million to Textron, had sales of \$820 million, and a profit of \$100 million in 1991. The poor airlines have gone broke. Beech had a pretax profit of \$106 million in sales of \$1.1 billion. The industry is changing—that airline industry. Companies are producing more sophisticated general aviation aircraft that cost more and require better trained pilots to operate them. We are going into that particular thing because they cannot produce an airplane, and they say they want to fly them.

I can tell you right now, product liability pays. If you ever heard of the Pinto case, for a little added cost, between \$10 and \$20, they could have saved hundreds of lives. The things ex-

ploded. They documented it in their internal records. One of the most prestigious manufacturers in the United States had it in their records that the Pinto was going to cause injury. But they went ahead anyway for that almighty dollar.

Have you ever heard in the State of Virginia of the Dalkon Shield? They documented the danger in their records. A prestigious firm chasing the almighty dollar could have prevented harm to thousands of lives there. Have you ever heard of Dow Chemical and breast implants? They had it in their records and disregarded their records for that almighty dollar. But now they are coming with a Washington-manufactured problem. This is not a national problem.

There are no governments, no State legislatures, no State attorneys general clamoring, "You all in Washington have to do something." Oh, no, this is a case of the downtown lawyers trying to hold their retainer of billable hours, orchestrating this ambush here on the floor of the U.S. Senate, without Judiciary Committee consideration. They avoided it.

They give you all this bipartisanship, sweetness and light. But this is an ambush, a bipartisan ambush on the rights of the people to trial by jury. I can tell you that. I tried to hold it up. But, in any event, they had not gotten it out of the Judiciary Committee of the House, or out of the Judiciary Committee in the Senate, and what we are talking about here is a fundamental repeal of common law.

When it comes right down to it, it is a fundamental assault on the seventh amendment, on trial by jury, and they are casually trotting out every and any excuse. They say we have a litigation crisis. We proved it is not a litigation crisis. Then they said American firearm manufacturers were being swamped by foreign manufacturers. Yet the Europeans like our product liability, because they are all adopting our system.

To see how well the current law works, look at Georgia Pacific. Before their fire in January, one plywood plant had 2 million man-hours without injury, which is a national record.

You have to look and see what the law is really doing. I know it is popular to curse the law and to curse lawyers. But I can tell you here and now that the current system has done wonderful work with respect to the manufacturing processes and the safety of American industry today.

We have put in not just product liability, but more particularly, the Consumer Product Safety Commission, responding to outrages such as flammable pajamas, with little children being burned up in their cribs. I can list those dangerous products, and we will have time to do that and find out the good that happened as a result of

the general tort process, tort law at the State level. This is not a Federal problem and should not be subjected here to Federal ambush when we have real work to be done.

I am sure my distinguished colleague from Alabama, the outstanding member of our Judiciary Committee, will elaborate further on this particular point.

I yield the floor.

Mr. HEFLIN. Mr. President, let us look at the amendment that has been filed in this case. The amendment has two titles. Really, one title represents on bill, S. 640, and the other title represents another bill, S. 645. One bill is the product liability bill that has been reported out of Commerce. The other bill is a general aviation liability bill, which has not been reported out of the Commerce Committee, and at this time there have been no hearings, as I understand it, conducted in the Commerce Committee.

By mingling these bills together, what has occurred? An analysis of it will show that there are many inconsistencies. The concept of having Federal preemption and doing away with the States rights to legislate tort law was based on the concept that there is a need for uniformity. This amendment, with two separate titles, containing two different bills, is a hodgepodge of nonuniformity.

The product liability bill is a most unusual bill. It started out with the idea of establishing certain standards and having Federal preemption. But it ends up now, as in this amendment, being entirely different. Instead of having complete Federal preemption and complete uniformity, it only imposes certain Federal standards of conduct and rules of procedure as they would affect certain matters like non-economic damages, punitive damages, joint and several liability, that the special interests, who are pushing this bill, believed would give themselves certain advantages. But S. 640 leaves to the States the right to have their judicial standards to be applied. As a result, there would be an absence of uniformity.

Fifty-five jurisdictions—the States and the territories—could come up with different rules and different interpretations, different decisions pertaining to many aspects of products liability. In addition to that, the U.S. circuit courts of appeal could come up with different interpretations.

Bear in mind that under this bill, the only court that can declare the supreme law of the land is the Supreme Court. You would have somewhere in the neighborhood of 66 different jurisdictions interpreting this, applying and interweaving their substantive law pertaining to torts, and you might occasionally, 25 years from now, get a Supreme Court decision establishing an interpretation of various conflicting

legal interpretations. Uniformity—that is hogwash. This bill is most nonuniform and will cause the greatest amount of uncertainty, yet business wants some predictability as to what is the law on product liability.

Added to that, proponents have had the general aviation liability bill placed into this floor amendment. The general aviation bill is a Federal pre-emption bill entirely. Yes, it is uniform.

(Mr. CONRAD assumed the chair.)

Mr. HEFLIN. Mr. President, S. 645 is different from the product liability bill. An airplane that is built for 19 passengers will have a different standard of liability than for one that is built for 20 passengers.

While I am on aviation, S. 645 has what is known as a statute of repose. A statute of repose means that after so many years a claimant cannot bring a lawsuit whatsoever. The general aviation bill has a statute of repose of 20 years. Yet several years ago in hearings, proponents admitted that more than half of the airplanes, those that have less than 20 passengers capacity, are 20 years or older.

I think it might be appropriate, to protect the citizens of this country, to put on a sign on the side of an airplane that has the capacity to hold fewer than 20 passengers: "You enter this airplane at your own risk. There is no way if you have an accident that you can sue the manufacturer."

The statute of repose in the general aviation liability bill is 20 years and the statute of repose on product liability is 25 years. These are two different concepts. But in the hurry to get an amendment and to try to get a vote, proponents have not gone and looked at the inconsistencies that exist between the product liability bill and the general aviation bill.

The proponents of product liability legislation assert that the legislation would somehow bring uniformity to product liability litigation. As is the case of the rest of the array of tort reform arguments, this rationale is baseless. These two bills would simply impose another layer of complexity and differing standards on our civil justice system.

The current attempt to combine these two bills reveal the illegitimacy of both. The bills contain significantly different rules for litigation of liability versus in general aviation suits and thus not only would more complexity result, but the standards applying to those injured in general aviation accidents would differ from those applied to those injured by other products. In the same breath the proponents are saying that uniform law is essential and that different law for a particular industry is essential.

Consider the following, which are some of the nonuniform conflicts between the two bills. Consider the ab-

surdity that the rules under this product liability bill would apply to a person injured on a plane with 20 seats and those injured on a plane with 19 seats, even though the same company designed and built both planes. S. 640, which is the product liability bill, would eliminate joint and several liability only for noneconomic damages. The general aviation liability bill would eliminate joint and several liability without regards to the type of damage involved, but also would impose comparative responsibility, reimpose joint and several liability in certain circumstances, whereas under S. 640 it would be a hodgepodge of various legal issues.

S. 640 would bar punitive damages for the Federal Aviation Authority certified aircraft; but then S. 645 would permit punitive damages for the FAA-certified general aviation aircraft. S. 640 explicitly provides that the Federal courts shall not have any additional jurisdiction over products liability suits. S. 645 explicitly creates additional Federal court jurisdiction.

Overall a floor amendment combining S. 640 and S. 645 confirms what the experts have been telling Congress for years. This is no basis for the tort reform proponents assertion that their goal is to increase uniformity in tort law. These bills are patently different and would result in increased variability and confusion in product liability litigation. Combining the bills reveals the tort reform proposals for what they are: attempts to tilt the product liability balance in favor of special interests, the manufacturers.

Mr. President, the sponsors of these bills justify their positions because of growing concerns for the Nation's economy and because of this country's seeming inability to compete in the worldwide marketplace. I will review in a moment the empirical data which does not bear out that assertion.

My remarks will be confined primarily to the key aspects of S. 640, although they will relate in large part to S. 645 which is also a bill of jurisdictional interest to the Judiciary Committee. Both of these bills deal primarily with court action; therefore, the Judiciary Committee should have at least sequential referral. Does anyone doubt that the Federal courts as well as the State courts will not be affected by these bills? Why have a Judiciary Committee if its expertise and experience is not to be used?

In my judgment, the Judiciary Committee has jurisdiction over the proposed bills because their predominant subject matter is the revision of the rules of procedure which courts must utilize in product liability cases. The fact that this subject matter predominates is made abundantly clear both from a reading of the current bill and from a comparison with earlier versions of the legislation which were pre-

viously referred to the Commerce Committee.

I think also that the bill's unique and unprecedented approach to defining the relationship between the Federal Government and our Nation's State courts further warrants the conclusion that the Judiciary Committee has a strong jurisdictional interest in this bill.

First, let us look at the bill pertaining to the products liability. It has three titles and several sections in each title. They have changed it around in regards to titles and sections now, but basically this was the way that S. 640 was originally written and which is now combined with S. 645 in this amendment.

Title I has section 103, preemption, and section 104, jurisdiction of Federal courts. Title II has section 201, expedited product liability settlements, and section 202, alternative dispute resolution procedures. Title III has section 301, civil actions; section 302, uniform standards of product seller liability, meaning retailer liability; section 303, uniform standards for award of punitive damages; section 304, uniform time limitations on liability; section 305, uniform standards for offset of workers' compensation benefits; section 306, several liability for noneconomic damages; and finally, section 307, defenses involving intoxicating alcohol or drugs.

In examining S. 640 it is my belief that the thrust of this bill is to basically revise the procedural rules by which our State courts operate—I emphasize State courts because that is an important aspect of this bill. Under Senate rule 17, in paragraph 1, a bill upon introduction is referred to the committee which have jurisdiction over the subject matter which predominates in the bill. Under Senate rule 25, the Judiciary Committee has jurisdiction over courts and the rules of criminal and civil procedure in court actions.

The primary purpose of this proposed legislation is to revise the manner in which the courts conduct civil actions involving injuries caused by allegedly defective products. This bill establishes new procedural rules and revises existing procedural rules.

Let us look at title II, Expedited Product Liability Settlements. This title contains provisions to encourage parties to settle lawsuits without an actual trial and creates a set of penalties to be imposed by the court for failure to reach an out-of-court settlement. In doing so, it revises the rules governing the filing of the plaintiff's complaint and the defendant's answer.

This title is based on rule 68 of the Federal Rules of Civil Procedure, which also use a system of penalties to encourage out-of-court settlements. I think the Judiciary Committee has unquestionable jurisdiction of the Rules of Civil Procedure.

Another section of title II, Alternative Dispute Resolution Procedures, would affect how lawsuits are disposed of through formal judicial proceeding or through quasi-judicial proceeding popularly known as alternative dispute resolution or ADR. Under this section, a party could offer to proceed to an ADR procedure recognized under State law and the court determines that a refusal to enter into such procedure, which would include arbitration, was unreasonable or in bad faith, penalties could be assessed against the party refusing. There are serious constitutional issues involved in this provision, like the right to a jury trial and access to justice and I think the Judiciary Committee has clear jurisdiction in this area.

Now let us look at the hodgepodge sections contained in title III, the main theme of this title is to alter the rules for conducting product liability lawsuits.

Section 302 establishes uniform standards of product seller liability which in effect separates a product seller, usually a retailer, from the actual manufacturer of the product. The claimant can recover from the product seller only under certain conditions, otherwise the claimant must seek recovery from the manufacturer.

Section 303 increases the burden of proof for the award of punitive damages and only if otherwise allowed under State law. I wonder why the proponents, in the name of uniformity, did not preempt State law which had abolished punitive damages to reinstate the allowability of such damages at least under the proposed increased burden of proof? I ask why the special interest groups who wrote this bill forgot about uniformity as it would apply there?

Further, section 303 has a bar to punitive damages against a manufacturer or product seller where a drug or medical device received premarket approval from the Food and Drug Administration or where the drug or medical device is generally recognized as safe and effective pursuant to FDA regulations. Also, no punitive damages can be awarded against an aircraft manufacturer where the aircraft was subject to premarket certification by the Federal Aviation Administration and the manufacturer complied with postdelivery FAA-directed airworthiness warnings.

I want to point out that in regard to this premarket approval, that the statistics show that 50 percent of those that receive premarket approval from the Food and Drug Administration, and approximately the same amount from the Federal Aviation Administration, are subject to recall. They have been subject to recall in regard to various things that have developed in requiring the safety provisions be undertaken and that changes be made in regard to that.

Let me complete my review of the bill by citing to you section 304 which

establishes statutes of limitations on the periods of time within which an injured person must file a product liability lawsuit. Section 305 establishes rules and procedures for adjusting liability damages depending upon the award of worker's compensation benefits as well as for apportioning damages among the manufacturers of products and the employers of injured parties. Section 306 creates new rules for the apportionment of damages among responsible defendants. Section 307 creates defenses to liability where the injured party was under the influence of alcohol or drugs.

Mr. President, the proponents of S. 640 call their bill the product liability fairness bill. I think they are incorrect and their bill should be entitled the product liability legal standards and procedures bill because this bill turns State tort law and its procedures on its head.

As an aside, let me state that the word "fairness" is a misnomer. There is nothing fair about this bill. Special interests have drafted the bill to their benefit.

Product liability legislation was first referred to the Commerce Committee upon the introduction of S. 2631 in the 97th Congress. That legislation, and its successors in the 98th Congress (S. 44) and the 99th Congress (S. 100) had as their primary purpose the creation of Federal substantive standards governing the design, manufacture, safety, and use of products. Those bills would have preempted State substantive standards to impose Federal standards governing such matters as product design and construction, product warnings and instructions, product failure to conform to express warranties, and misuse and alteration of products. A determination was made that the predominant subject matter was the regulation of the production and safety of consumer products, a subject matter of which the Commerce Committee has jurisdiction.

Mr. President, the proposed legislation now pending before this body eliminates most all of the substantive standards present in the earlier versions and it can no longer be argued that the predominant subject matter of the legislation relates to the regulation of consumer products. The addition of new rules including those governing out-of-court settlements and alternative dispute resolution procedures makes it abundantly clear that S. 640 is indeed a legal standards and procedures bill.

Further the proposed legislation section 103 highlights a very troublesome area to me. Section 103 is the preemption section and states: "The Act governs any civil action brought against a manufacturer or product seller, or any theory, for harm caused by a product." Thus, the proposed bill would require our Nation's State court systems to

apply the new rules of procedure established by the bill. Such an imposition of a core function upon our States raises serious constitutional concerns for me and further strongly warrants a referral to the Judiciary Committee for further consideration. Section 104 states that the Federal courts shall not have jurisdiction over product liability suits unless there is diversity of citizenship between the parties. The bill would impose new procedural rules upon our State courts but explicitly states that no new Federal rights are being created.

From a review of the foregoing provisions of S. 640, it seems abundantly clear that the bill warrants sequential referral to the Judiciary Committee for review and consideration where the committee can call witnesses, hear expert testimony, and perhaps make suggestions as to whether or not the bill can be improved.

When the report accompanying S. 640, the product liability bill, was filed on November 14, 1991, efforts were made by Chairman JOSEPH BIDEN of the Judiciary Committee to seek sequential referral of the bill to our committee. My files indicate that Chairman BIDEN requested a referral that very same day. A short time thereafter, he requested a 90-day referral, but special interest groups said "no." If a 90 day referral had been agreed to, it would have been completed by at least late March. Here we are in May with no referral at all.

The proponents will tell you that they agreed to a 60-day referral. They say that they wrote a letter just before the Thanksgiving recess when we were out for December and January, at which time they said, in effect: We are agreeable to a 60-day referral, but we would not object to an agreement by which the committee would be discharged—that meaning the Judiciary Committee—no later than January 27, 1992.

I have to say to my friends on the other side, you have to feel a little cynical about this, saying yes, we are agreeable to a sequential referral during all the time you are out on recess and back home during Thanksgiving and Christmas and January. And everybody got a good laugh at that.

When we recommend there were efforts then made again to try to get a sequential referral, but they were stymied until just before the Easter recess. Senator ROCKEFELLER, who is one of the sponsors of S. 640, came to me and said, "All right, I am agreeable to a 60-day referral."

So I said, "OK, let's have it, but let us let the referral start on the day after we get back from the Easter recess," which would have been on April 28. I thought it was agreed to.

Then when we started on the matter and tentatively planned to have a hearing on May 14th, which would be this coming Thursday. We would have had a

hearing on the products liability bill. But then I heard that Senator ROCKEFELLER was not really speaking with authority; that some of the other proponents of the bill were not agreeable to the referral. So I contacted him, and said, "Well, that was what I recommended and it was my feeling. But," he said, of course, in effect, "we cannot get the others to agree to that."

I applaud Senator ROCKEFELLER for his efforts, but I sincerely regret that our committee has been rebuffed in its efforts to seek a rightful referral.

Mr. President, let me put aside, temporarily the jurisdictional argument because today we will hear a great deal about the civil justice system and how it is negatively impacting on this Nation's ability to be competitive in the world marketplace. There may even be some lawyer-bashing talk from my colleagues who do not truly understand the way our legal system works.

I want to read to you portions of an article in the Washington Post which appeared on March 6, 1992, and the article is entitled "American competitiveness":

American ability to compete economically is slowly but visibly declining. This country is now running the world's biggest trade deficits, and over the past decade has become by far the world's biggest debtor in a reckless effort to maintain its standard of living.*** In a rising number of key industries, American companies are falling behind the competition.

Nor is there much doubt about the reasons. Over the past couple of years, an impressive consensus has developed among the people who have looked carefully at this decline. The latest disquieting report comes from the group called the Competitiveness Policy Council—a classic Washington committee appointed by the President and the congressional leaders.*** Remarkably its conclusions are sharp and clear.

The first priority, this council declares, is to raise investment in productivity: "America's investment rate remains less than half of that of Japan and below all other major competitors."

To make more capital available at lower interest rates for economic development, it's essential to reduce the Federal deficit—to eliminate it, this council urges, and preferably to run a surplus.*** The squeeze on private industry is tightening.

Another priority is a system of education that will produce a labor force with skills equal to those abroad. Another is accelerating technological research.

Mr. President, I was so intrigued by this article in the Washington Post that I got a copy of the March 1, 1992, report of the Competitiveness Policy Council, one of whose members was the President's own Secretary of Commerce, Robert Mosbacher, who has appeared before the Commerce Committee to testify in support of S. 640 and who based his testimony on the theory that a faulty product liability legal system was a major cause of our Nation's competitive illness.

Mr. President, I expected the report to unload on our Nation's legal system

but it did not. There was barely a passing reference to our legal system and its impact on our Nation's competitive posture.

Let me list the six areas deserving of priority attention—and I emphasize priority attention—which the report emphasized:

First, savings and investment;

Second, education and training;

Third, technology;

Fourth, corporate governance and financial markets;

Fifth, health care costs; and

Sixth, trade policy.

Mr. President, if our product liability system is such a drag on our economy, why was this issue not listed, much less barely mentioned? Should not the Secretary of Commerce, if he felt so strongly, at least file some type of additional views or dissenting views?

I suspect the fact that he did not do so, nor the report not highlight this issue, is because really the debate the proponents are engaging in is really a big, fat red herring—a ruse or a ploy to divert the Nation's attention away from the serious problems which must first be addressed before this Nation becomes truly competitive again in the world market. Its easy to beat up on lawyers, or anyone else for that matter, when it is difficult to confront head-on the issues that truly confront our Nation.

A similar article appeared in the New York Times on Sunday, February 9, 1992, entitled "Attention America! Snap Out of It" and written by Steven Greenhouse. He states:

To a surprising degree [hundreds of economists, think tanks professors, politicians, columnists and management consultants] whether left-of-center or right of center have reached a consensus of many prescriptions for America's economic ills. They generally agree that the nation needs to take the following steps:

1. Increasing savings;
2. Step up efforts to train American workers;
3. Get companies to think long term;
4. Rein in health care spending;
5. Spend more on research and development; and
6. Invest in more public structures like highways, bridges.

As for what businesses should do, most experts say industry should put more emphasis on quality and reliability and speed up the process of getting products to market. They also say industry should be ready to customize products far more and have flexible manufacturing techniques to accomplish this. Many experts say companies should stop treating workers like discardable raw materials and involve them more in the company.

Mr. President, Mr. Greenhouse's article does not mention the alleged product liability crisis simply because it does not exist! We have been sold a bill of goods on what is the cause of our Nation's competitive problems.

The American Bar Association's April 1992 issue has an article entitled "Tampering with the Evidence—the Li-

ability and Competitiveness Myth" by Kenneth Jost, a legal journalist and adjunct professor at the Georgetown Law Center. Professor Jost states:

The product liability reform lobby's own evidence does not support many of the broad assertions being made in this latest argument in a decade-long drive to limit damages paid to plaintiffs in product-related cases.

The best evidence contradicts the notion of an out-of-control litigation system. The most comprehensive studies—by experts sympathetic to the tort reform cause—indicate that, except for asbestos litigation, product suits have declined sharply by 40% over the past five years.

Let me repeat that. They would show that:

Except for the asbestos litigation, product suits have declined sharply by 40 percent over the past 5 years.

The evidence does not show that legal and liability costs are major competitive factors for most industries or a major disincentive to product innovation. In a study the Conference Board, a New York-based business research group, indicated that liability costs amount to less than 1% of total costs for more than two-thirds of the companies surveyed. The General Accounting Office, an arm of Congress, made a similar finding two years later [in 1989].

The evidence also suggests that the supposed competitive advantages enjoyed by foreign manufacturers because of legal differences between the United States and their own countries are being exaggerated.

Foreign manufacturers selling products in the United States generally face the same product liability rules that American firms do. Japanese and German auto manufacturers, for example, are frequent defendants of product liability suits in U.S. courts.

Mr. President, I think the above points need to be made in rebuttal to arguments that will be made today and that we have already heard, and while they do not go to the jurisdiction issue per se, they do show what I think to be the flawed premise upon which the bill is based and upon which it was referred to the Commerce Committee.

Mr. President, we must not forget what this debate is really about. It is not what is wrong with the tort system—if that were the case, we would have initially debated that issue in the Judiciary Committee. It is a campaign tactic to lawyer bash—to find a boogeyman for the true ills that afflict our society.

As Marc Galanter says in his article "Pick a Number, Any Number" published in *Legal Times*, February 17, 1992:

Public discussion of our civil justice system resounds with a litany of quarter-truths: America is the most litigious society in the course of human history; Americans sue at the drop of a hat; the courts are brimming over with frivolous lawsuits; going to court is a first rather than last resort; runaway juries make capricious awards to undeserving claimants; immense punitive damage awards are routine; litigation is undermining our ability to compete economically.

Mr. President, I am all for American business. It is the "goose that lays the golden egg." But, let us be fair and rea-

sonable and place blame where it is due. Read the Report of the Competitiveness Policy Council which I mentioned previously—it is strong stuff and recommends powerful medicine to get this Nation's business engine up and running. I want to see it running. I want to see a balanced budget amendment adopted to the U.S. Constitution which will require the Federal Government to get its financial house in order, so that there will be moneys available for savings and investing for American industry. I want to see a healthy golden goose so it can continue to lay the golden eggs which make this country strong and powerful in times of peace and war.

In closing, Mr. President, let me return to my premise that before this legislation, as well as S. 645 relating to the general aviation industry, are considered by the full Senate, they should be referred to the Judiciary Committee because the predominant subject matter of the legislation is the revision of the rules of procedure in our court system. Indeed, S. 645 has not even been reported out of Commerce Committee. It was once referred in 1990 during the 101st Congress. The Judiciary Committee voted 10 to 2 to report it with a negative recommendation because it was so flawed and drafted by special interest groups. These are the reasons why the Judiciary Committee voted against it.

Under Senate rules, a referral requires unanimous consent and until that consent is obtained, the Judiciary Committee is stymied in its ability to have a rightful referral. I strongly urge my colleagues to support a referral to the Judiciary Committee so that it may have an adequate time—not during a recess time, nor during the period that we are out for the holidays—in which to examine this legislation which is of great precedent and which will have enormous impact on the workings of our State court systems. There may be improvements that can be made, or it may be totally objectionable—I do not know at this point. I do know that the Senate should not "rush to judgment," that it should follow the rule "when in doubt, don't." Mr. President I thank you for your consideration of my remarks.

Mr. President, I ask unanimous consent that if I speak again that it will be considered a part of my first speech.

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. I yield such time as he may desire to the Senator from Missouri [Mr. DANFORTH].

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I will hopefully speak for 15 minutes or

so. I have a very important luncheon at noon with Stan Musial. So first things have to come first.

Mr. President, this is indeed an important moment on the floor of the Senate. It cannot accurately be described as an ambush, as it was characterized by my friend and chairman, Senator HOLLINGS. The history of this legislation is quite long.

In the 96th Congress, the Commerce Committee held 2 days of hearings and reported a product liability bill. No action was taken by the full Senate. In the 97th Congress, the committee held 4 days of hearings and reported a bill. No action was taken by the full Senate. In the 98th Congress, the committee held 3 days of hearings and reported a bill. No action was taken by the full Senate. In the 99th Congress, the committee held 7 days of hearings on four different bills. The committee considered two of these bills in executive session over 7 days. The committee reported an original bill. The Senate voted 84 to 13 on a motion to proceed to consideration of this bill. No further action was taken.

In the 100th Congress, the committee held a hearing on the need for Federal product liability reform. The House Energy and Commerce Committee held 7 days of hearings on a product liability bill. The Subcommittee on Commerce, Consumer Protection and Competitiveness reported the bill to the full Energy and Commerce Committee after 5 days of markup. The full committee voted to report the bill by a 30-to-12 vote after 10 days of markup. No further action was taken.

In the 101st Congress, the Commerce Committee held 3 days of hearings on S. 1400, the Product Liability Reform Act. The committee reported the bill by vote of 13 to 7. In the 102d Congress, the committee held 2 days of hearings on S. 640, the Product Liability Fairness Act. This bill is identical to S. 1400. The committees reported S. 640 by a vote of 13 to 7.

I do not have that extensive a report on the General Aviation Accident Liability Standards Act other than to say that similarly in the 99th Congress, the Commerce Committee reported a bill; in the 100th Congress, we reported a general aviation bill; in the 101st Congress, we reported a general aviation bill; in the 102d Congress, a hearing was held and a markup has been requested.

Mr. President, this is not an ambush. This is an issue on which those of us who believe that the tort reform system in this country is seriously malfunctioning have been pushing for years and years and years. It is hardly an ambush. We have not been waiting in the bushes. We have been waiting patiently for something to be done.

The Judiciary Committee is not helpless. The Judiciary Committee could have held hearings last week, the week

before, last year, the year before. This is not a new issue. The general tactic that has been used by the opponents of tort reform in this country has been the tactic of delay; ask for a referral, ask for 90 days; complain about 60 days; put the matter off; do not bring it to the floor; do not schedule it; delay the issue.

This, Mr. President, is not an ambush.

If there is any issue before the United States of America that absolutely cries out for reform, it is the civil justice system. Since 1950 tort costs in America have increased 4½ times the gross national product. And it is not as though the fruits of that litigation go to the complaining parties. The opposite is the case. Many people suggest that less than 50 percent of the amounts that the tort system costs in America goes to the injured parties.

The former Secretary of Commerce, Robert Mosbacher, believed that 75 percent of the costs of the system goes to lawyers or to other transaction costs. The system is not functioning for people who are truly hurt, particularly people who are seriously hurt. One study shows that for people with minor injuries they have a good chance to hit the jackpot in a tort case. People with minor injuries can get 9 times, it has been estimated, the cost of their loss. But people who are seriously injured in turn get something like 15 percent of the cost of their injury. And in order to get that 15 percent, they have to wait around for years.

Product liability suits take an average of 3 years from beginning to end. Nothing is received in that 3-year period of time, and then if you are seriously injured you might end up with 15 percent of the cost of your injury.

The people who are making out are the lawyers, not the ordinary citizens of this country.

There are all kinds of anecdotes which make the point about the state of the civil justice system in America today. For example, and this just happened within the last few months, there was a lawsuit that was brought by a 70-year-old man. This 70-year-old man lost his left eye. He filed a product liability suit against the Upjohn Co. claiming that the Upjohn product was responsible for the loss of his eye. If he proved that case clearly he should be entitled to compensation for the loss of his eye. He did prove his case, and he received compensation for the loss of his left eye, a 70-year-old man. The amount of his recovery for the loss of his left eye, \$127.6 million.

A lesser case, much less dramatic, was the case that was won against the Corning Glass Co. The Corning Glass Co. among other things makes glass dishes. A person opened the kitchen cabinet, and a glass dish fell out and the glass dish broke. The person was cut, and filed a lawsuit against the

Corning Glass Co. because a glass dish broke. The amount of the recovery in that case was a mere \$800,000.

These are real live cases. These are cases which demonstrate the ridiculous condition of the civil justice system in the United States. It is not just that there are ridiculous recoveries, and it is not just that injured people go uncompensated after long delays while the lawyers keep the ball in play.

But it is true that the United States is less competitive than it should be. It is true that products which should be available to the American consumers are not on the market. It is true that American people who should have jobs in this country are not being employed because of the present condition of the civil justice system in America.

Merrill Dow Co., used to make a product called Bendectin. Bendectin is a drug which was used to treat nausea in pregnant women. Bendectin was approved by the Food and Drug Administration, and then the Merrill Dow Co. was sued. It was sued not just tens of times, or dozens of times. It was sued over a hundred times. The Merrill Dow Co. never lost a lawsuit on the issue of Bendectin but it finally gave up. It finally folded up the tents, pulled the product off the market, and went home. It was sued to the point where it could no longer keep the product on the market.

There is a company headquartered in St. Louis called Monsanto, one of the leading employers in our State. Monsanto developed a product which was a substitute for asbestos. The product was thoroughly tested, to find out whether it posed health risks. It was found by the company and its testings to be a safe product, and not carcinogenic. Monsanto made the decision not even to bring that product to the marketplace. Why not? Because of the concern that if you bring a new product on the marketplace such as this, you know that the lawyers are waiting to pounce, and that lawsuits will be brought. So much for that idea.

The Rawlings Sporting Goods Co. used to make football helmets, used to before 1988; used to make them in my State. No more. Goodbye to those jobs. Rawlings is the 18th manufacturer of football helmets in the United States to go out of that business.

The country cries out for reform, and this bill really is modest reform. This bill is an attempt to take a first step toward modifying our civil justice system.

What does it do? Well, among other things, it provides incentives for cases to be settled out of court. It provides that if one party makes an offer of settlement, and the other party does not accept it, then there is a judgment, and the party who was given the offer turns out worse than what the offer was, that party pays the attorney's fees of the winner. It provides that if there is an

offer made by a party to work the matter out in an alternative dispute system, compromise it, and that offer is turned down, and the party who turned down the offer loses, that party pays the attorney's fees.

These are both incentives to get matters out of the court system and to settle them and work them out, rather than going through full-fledged litigation. There are punitive damage reforms; there is reform of the present joint and several liability rule, which says that you can be 100 percent liable, even if you are responsible for only 1 percent of the damages.

These are among the reforms in this legislation, and this is just a part of the whole effort for tort reform. We should have an aviation bill; we should have a product liability bill; we should have a medical malpractice bill; we should have a punitive damages bill; we should be dealing with the issue of tort reform with a series of efforts, and it would be my intention to do so before this Congress concludes its business.

I would just make one other point, Mr. President, and it is this: We have heard repeatedly from the Senator from South Carolina and the Senator from Alabama that this is special interest legislation. Well, I suppose that if small business people are a special interest, why, it is. I suppose that if big business people are a special interest, why, this is special interest legislation. I suppose that if physicians are a special interest, then medical malpractice legislation is special interest legislation, or if hospitals, or if charitable organizations, such as the Boy Scouts, are special interests, then tort reform is special interest legislation.

But I submit that the overwhelming majority of the people of this country know that something seriously is flawed with the civil justice system of America. Go to a town meeting in your State and ask the average citizen what they think about the present tort system, what they think about lawyers, and what is happening to this country, what they think of litigation in America. Ask them what they think about it. There is outrage in America among the ordinary people of this country. The special interest is not the ordinary people. The special interest is the Association of Trial Lawyers of America, ATLA.

Mr. President, I ask unanimous consent that an editorial from today's Wall Street Journal be printed in the RECORD at this point.

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

LITIGATION LIBERALISM

George Mitchell proved in 1989 that he had no qualms about using Senate procedure to thwart majority support for a cut in the capital-gains tax. Now he's trying to do the same thing to prevent the first Senate vote since 1986 on reforming America's runaway legal system.

Republican Bob Kasten of Wisconsin and Democrat Jay Rockefeller of West Virginia have assembled a bipartisan coalition to ease the product-liability crisis. Their reform is modest, far less helpful and ambitious than Vice President Quayle has proposed, but at least it's something. The bill wouldn't put a cap on punitive damages, for example, though it would impose a national standard that would stem some of the more ludicrous punitive judgments. It would also abolish the plaintiff's bonanza of "joint and several liability" for non-economic damages such as pain-and-suffering.

This moderate reform passed the Senate Commerce Committee last autumn by a 13-7 vote, yet Mr. Mitchell won't put it on the full Senate schedule. So the reformers want to attach it today as an amendment to an admittedly non-germane voter registration bill. But Mr. Mitchell has been twisting arms to shut off all debate (invoke "cloture" in Senate lingo) and thus deny this vote, too.

What does George Mitchell have against the U.S. economy, anyway? Harvard's Michael Porter, in this study of international "competitiveness," says the U.S. needs "a systematic overhaul of the U.S. product liability system" to compete in developing new products. Right now, he says, the "risk of lawsuits is so great, and the consequences so potentially disastrous, that the inevitable result is for more caution in product innovation than in other advanced nations."

A 1990 symposium by the Brookings Institution estimated a 10-fold increase in the tort system's economic cost for 1975 to 1987, to \$117 billion a year. Others have put it close to \$300 billion. Only a fraction of this (at most 40%, says a General Accounting Office study) ever trickles down to victims of truly faulty products, with most going into the pockets of the plaintiffs' bar.

This helps explain Mr. Mitchell's furious opposition to even the modest Kasten-Rockefeller reforms. The majority leader knows that the plaintiffs' bar, especially the Association of Trial Lawyers of America (ATLA), has become the most important single fund-raising source of liberal Democrats.

A December 1990 article in the National Journal magazine said ATLA had "an aura of invincibility" as a lobbying group that could defeat any legal reform. The same article identified former ATLA president, trial lawyer Russ Herman of New Orleans, as "a long-time political ally" of Democratic Senator John Breaux of Louisiana. It's no surprise that Mr. Breaux, who previously headed the fund-raising committee for Senate Democrats, opposes the Kasten-Rockefeller reforms.

This opposition suggests how much things have changed since the liberal intellectual heyday of the 1950s. Southern Democrats of that era manipulated Senate rules to prevent civil rights reforms from passing. How it is Senate liberals, massed around Majority Leaders Mitchell, who must resort to procedural dodges to preserve the damaging legal status quo.

At least 45 senators, including eight Democrats, either co-sponsor Kasten-Rockefeller or have voted for it in committee. Some of those Democrats (Mr. Rockefeller or Connecticut's Joseph Lieberman) are now being pressured to vote with Mr. Mitchell's procedural ruse. How these Democrats vote will show whether they want their party known for something more than litigation liberalism.

Mr. DANFORTH. Mr. President, I just want to underscore a sentence that appears in this editorial from the

Wall Street Journal today: "The majority leader knows that the plaintiffs' bar, especially the Association of Trial Lawyers of America, ATLA, has become the most important single fund-raising source for liberal Democrats."

Mr. President, I am a lawyer, and I am proud of it. I believe that we lawyers have a very distinguished profession, but I believe that the point of that profession is to serve our country, not the other way around. And the way the system is now constructed, it is the other way around, and that is why this legislation, as a first step, is so desperately needed.

Mr. KASTEN. Mr. President, I yield to the Senator from Kansas [Mrs. KASSEBAUM] such time as she may consume.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I would like to speak to the general aviation product liability section of this bill.

For those who might have thought through previous debate that indeed we are trying to avoid and evade the system, I would like to reiterate just the aspects of general aviation product liability that, through the years, we have been addressing. Senator DANFORTH spoke to it somewhat in laying out the years that we have had hearings and actions on tort reform and product liability legislation. But, specifically, regarding general aviation, we have spent 6 years just trying to get an up-or-down vote on the Senate floor.

It started in 1986 when the Commerce Committee reported, without objection, the general aviation product liability legislation, and no Senate action was taken.

In April 1988, the Senate Commerce Committee again reported, without objection, the general aviation product liability legislation. It had been referred to the Judiciary Committee, and at that time, it was heard and discharged by Judiciary 2 months later, without recommendation.

No Senate action was taken.

In October, November 1989, the Commerce Committee again reported, without objection, the general aviation product liability legislation, and the Judiciary Committee unfavorably reported it, as Senator HEFLIN mentioned, by a vote of 10 to 2. But no Senate action has been taken.

Again, we had a hearing on general aviation product liability in the fall of 1991, and it has still not been reported out of the Senate Commerce Committee at this time. There has been no stronger proponent of this legislation than the ranking member of the Aviation Subcommittee on Commerce, Senator MCCAIN, who is going to address the issue, nor, I suggest, Mr. President, myself, who through these 6 years have argued for the importance of this particular legislation.

Why is this bill necessary? It is not just a bill to address the conference of the Chamber of Commerce, the National Association of Manufacturers, or the General Aviation Manufacturers Association. This legislation represents the concerns of consumers, the owners, and pilots who no longer can purchase American-made single piston engine airplanes. In the last decade Cessna has laid off over 17,000 employees because they are no longer manufacturing single piston engine airplanes as a result of the high liability costs.

The safety record of general aviation improves every year, but the product liability costs continue to increase. Claims paid by the industry have soared from \$24 million to over \$200 million since 1979. These costs result in higher prices for domestic airplanes, create competitive advantage for foreign competition, and keep new innovations off the market.

How seriously has the industry been hurt? The distinguished chairman of the Commerce Committee, Senator HOLLINGS, who has very thoughtfully engaged me on and off through these 6 years in a debate on this issue, pointed out that Beech Aircraft and Cessna Aircraft, headquartered in Wichita, KS, have both been making profits over the last year. Yes, they have been doing better, but it is because of corporate jet manufacturing. Neither of those aircraft companies, once the proud manufacturers of piston engine airplanes, can afford to make those airplanes, and our pilot training schools now are turning to, for example, Aerospatiale, a French manufacturer who manufactures single engine planes.

Sales of general aviation aircraft are down 93 percent from the peak year 1979, and employment is down nearly 70 percent. General aviation, particularly the manufacturer of single piston engine aircraft, has suffered, I argue, a severe blow and we are going to be very disappointed in the future if we cannot recapture that particular section of the industry.

There has been much said about this bill, and I have argued its merits on and off over the years on this floor. Somehow it seems like déjà vu, but just a brief summary of the general aviation product liability:

One, it establishes Federal jurisdiction, creates Federal standards of liability for injuries or property damages arising out of general aviation accidents. These are accidents involving powered aircraft with a maximum seating capacity of less than 20 passengers, not engaged in scheduled passenger carrier operations.

Two, it establishes a 20-year statute of repose for manufacturers and company suppliers.

Three, it combines the principle of joint and several liability with the principle of comparative liability for the purpose of allocating liability.

Manufacturers and all component suppliers continue to be jointly and severally liable to an injured party, but liability between manufacturers and noneconomic manufacturers would be allocated based upon their percentage of responsibility in the accident.

Mr. President, what this bill does not do is cap damages in any way. It does not cap or limit attorneys' fees. It does not limit a person's right to sue or relieve a manufacturer of its safety responsibilities.

Why should general aviation be singled out? I am not a lawyer, Mr. President. And I certainly respect the arguments that have been made by Senator HEFLIN, a former chief justice of the Alabama Supreme Court, who, as a member of the Judiciary Committee, certainly knows the law well and is concerned about Federal preemption. But I would argue he as well as I have voted for Federal preemption on other issues before the Senate because there are times I think that we believe that is a necessity.

I can list those times but it is not relevant to the particular argument before us.

I think an exception can be made and should be made for general aviation which is regulated by the Federal Government to a greater extent than almost any other industry. There are Federal regulations on the design and manufacture of aircraft component parts, on the licensing of pilots and mechanics, on the control of air traffic and on accident investigations.

Since this industry is so heavily regulated by the Federal Government, it only makes sense to establish Federal standards for determining liability when there are accidents.

There has been much made here about whether the general aviation industry is being killed by lawyers. There was an argument put forth in the Economist which suggests that might be the case.

There is no doubt that unfair and exorbitant product liability costs have devastated U.S. general aviation manufacturers. These costs are driven by State laws that expand liability beyond reasonable grounds by aggressive plaintiffs and lawyers, and by jurors who feel manufacturers and insurers have limitless amounts of money.

Mr. President, I do not think the industry is being killed by lawyers, but it is going to be killed by our inattention to finding ways to improve the system and make it responsive to needs that exist. Otherwise, we will, as I have said earlier, really lose a section of our manufacturing industry in which we were once leaders; we were once the proud example for the rest of the world. We are about to lose the industry and enacting this measure is one step that I think is crucial to bringing it back.

I would deeply appreciate the opportunity to be able to consider the issue

of general aviation product liability by itself, if indeed it is troubling to combine aviation with the broader liability bill. But we have not ever been able to bring my bill to the floor for a vote and therefore we have to add it to other bills in order to even debate its merits. It would certainly be my hope and it is the hope of others concerned about this issue that we could work some accommodation so that we could get a vote up or down on the bill. But until that time comes we have to make our arguments when and where we can and this is the chosen vehicle.

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

The PRESIDING OFFICER (Mr. KERRY). Who yields time?

Mr. KASTEN. Mr. President, I yield such time as he may consume to the Senator from Arizona [Mr. MCCAIN].

The PRESIDING OFFICER. The Senator from Arizona is recognized for such time he may use.

Mr. MCCAIN. Mr. President, I begin my remarks thanking Senator KASSEBAUM, who plays a critical and key leadership role in this field of general aviation product liability. I am not prepared nor do I feel that I have expertise to address the entire product liability issue. There are others who have and will speak more eloquently than I on the broad aspects of this issue. But the fact is that Senator KASSEBAUM and I have worked for a number of years now in attempting to get this issue before the Senate of the United States.

I believe that it is important to recognize that if there is an egregious and outrageous situation that exists in America today, where facts prove that an industry is decimated, that Americans have been deprived of the ability to learn the skills of aviation, where the impact is felt across the board, where our ability to acquire military and commercial pilots is threatened and frankly the status of an industry is in doubt, it is the general aviation field. As Senator KASSEBAUM mentioned, those domestic general aircraft manufacturers that are doing better are doing so because they build a superior product as far as corporate jets are concerned.

But, Mr. President, the fact is general aviation is, as far as small piston-driven reciprocating engine aircraft are concerned, dead. Foreign competitors are taking the entire market and they are doing so because of the issue of product liability. And the facts are irrefutable. When we get into issues again as raised by the Senator from Alabama and responded to by Senator KASSEBAUM about Federal preemption, come on. Let us not talk about preemption when you know we are talking about an industry that covers this entire country and indeed would cover the world, because I am still convinced that companies that built aircraft in

this country could compete, if we had this kind of legislation passed, with any foreign manufacturer in general aviation.

This is clearly an issue that is nationwide. Perhaps my friends who are of the legal profession—like Senator KASSEBAUM, I am not a lawyer—can explain to me how when an aircraft flies from one State to another we could possibly imagine different laws applying to where that particular aircraft lands. The fact is when we talk about strawman issues such as Federal preemption we beg the question of what we are going to do about general aviation in this country and the ability of young men and women to learn to be able to fly.

Mr. President, I will never forget when Frank Borman—a national hero, astronaut, head of Eastern Airlines—testified before the Aviation Subcommittee, of which I am the ranking member. He talked about how he had returned, since his childhood, to the business of general aviation, and how astounded he was to go to the local airport and find that no longer can young Americans get into airplanes and learn to fly. Why? Because there is no vehicle for them to fly in, and there is nobody to take them, if there was, because of this issue of liability.

Mr. President, we are seeing a dramatically expanding aviation industry for which there is a requirement for pilots. I hope someday every American who is interested in this issue would be able to listen to Frank Borman and his conviction that the issue of product liability has not only killed an industry—it has killed general aviation in this country, to a large degree. It is depriving Americans of something they had appreciated and enjoyed so long, and that is the ability to engage in private aviation.

It is time to move on this legislation. As Senator KASSEBAUM said, we have been fooling around with this for a long, long time. We have made every possible effort to get it to the floor for a vote. We have been unable to do so. We have been blocked by parliamentary reasons, when there is a clear case that at least the American people deserve a vote on this issue.

I hope my friend, the Senator from Kansas, continues her efforts to bring this issue to a vote. And frankly, we are getting a little bit weary of the parliamentary maneuvers which are being erected to prevent a vote on this issue. I intend to join with her in seeing if there are not some parliamentary procedures that we can use to get a vote on this issue.

We are not asking—I say to the distinguished chairman of the Commerce Committee—we are not asking for his vote. We know very well his background and commitment in opposition. But what we are asking for is a vote on the issue. We feel that the issue of

aviation product liability is one which is far more clear cut than the much broader issue of product liability.

Again, I say to Senator KASSEBAUM that her dedication on this issue transcends her obligations to the very significant industries in her State that are affected by the lack of passage of this legislation.

The annual product liability expenses for domestic general aviation manufacturers have grown from \$24 million in 1977 to over \$200 million. Over half of the cost of a new airplane goes toward paying product liability costs. Let me repeat that, Mr. President. That is an astounding statement, when you think about it. Over half the cost of a new airplane does not go to the research and development, does not go into the technology, does not go into the extensive material that makes up that airplane; over half the cost goes toward paying product liability costs. That is an astounding fact.

In 1987, the annual costs for product liability ranged from \$70,000 to \$100,000 per unit shipped. For aircraft engines, the cost of product liability has gone from less than \$300 per engine in the 1970's to over \$15,700 today.

Is it any wonder that we cannot compete with our foreign competitors in the general aviation market when you look at those kinds of numbers?

The predictable result is that shipments of domestic aviation aircraft have plummeted from almost 18,000 in 1978 to only 1,114 in 1990. Liability costs have resulted in prices which simply put the purchase and operation of a general aviation aircraft beyond the means of most Americans.

Just this morning, I attended the inaugural meeting of the Federal Aviation Administration's Pilot and Aviation Maintenance Technician Shortage Blue Ribbon Panel. According to information prepared for that Panel, between 100,000 and 200,000 pilots will be required to fill civil professional pilot needs through the end of this decade.

Where will these pilots come from? Product liability costs exceed what was once the sales price for trainers and small single-engine airplanes. In fact, training aircraft are no longer being manufactured in the United States. Academies that train new pilots, such as Embry-Riddle and the University of North Dakota, face a critical problem in procuring training aircraft. This situation affects our ability to recruit and to train military pilots, as well as commercial airline pilots. Ultimately, it will affect aviation safety, as the pool of qualified and experienced pilots continues to shrink.

The virtual disappearance of new general aviation aircraft from our Nation's airfields has profound implications in a number of other areas as well. It affects jobs—employment by manufacturers has fallen by more than 65 percent. These are important, high-

technical jobs, vital to the economic vitality and technological growth of this country. Engineers, draftsmen, and other skilled laborers have all been put out of work by the high costs of liability.

The loss of these jobs and this industry affects our competitiveness, both at home and abroad. The classic names like Beech, Piper, and Cessna are being forced out of the market and in their place foreign competitors are filling the void. Foreign companies are not faced with the liability exposure of American manufacturers. Ironically, our historical leadership in this field is what is holding us back. Because manufacturers still retain liability for aircraft produced decades ago, American companies are exposed to greater liability than their foreign counterparts who entered the marketplace much more recently.

This long reach of product liability has not promoted safety. Indeed, it has stifled innovation that could contribute to safety. When there is no real limit on the possibility of a lawsuit, each improvement to an airplane establishes a new standard against which previous products are judged. An innovation or improvement invites an indictment of what you did less well yesterday or 20 years ago.

We, in Congress often lament the loss of our preeminence in the area of high technology and the size of our trade deficit. In the past, general aviation has been the proving ground for new technologies, from composite materials to advanced electronics, communications, and navigation equipment to aerodynamic shapes and engine design. Now, however, the money goes to defending lawsuits, rather than to innovation. This industry can again contribute to reducing the trade deficit, if we permit it to through the passage of this legislation.

The argument that this is a safety issue has been proven false. An excellent report by the Brookings Institution, called the Liability Maze, examined the link between current product liability laws and general aviation safety. That study concluded, and I quote, "No definite correlation between improved aircraft safety and product liability could be found." The study goes on to state that "The total accident rate has declined no faster since the explosive increase in liability costs than it did in the earlier period."

Finally, Mr. President, it is important to note that the people who fly general aviation aircraft recognize the need for product liability reform. Organizations supporting S. 645 include the Aircraft Owners and Pilots Association, Experimental Aircraft Association, National Agricultural Aviation Association, National Association of Flight Instructors, and the National Business Aircraft Association.

Frankly, it is difficult to understand why this legislation is opposed by any-

one. Jobs, competitiveness, and the future of general aviation in the United States depend on the passage of this legislation.

I salute the Senator from Kansas for her tenacity and her steadfast support for this much needed reform.

Mr. President, I think it is very important that in the environment that we have today, where we are most concerned about competitiveness, about trade deficits, and other important issues that affect the very economy of this Nation, that we can look hopefully with a dispassionate and objective view at this issue which affects the lives of so many Americans.

Mr. President, I pledge my continued support for Senator KASSEBAUM in her efforts. I believe that we should this year do everything we can to get at least a vote in the U.S. Senate on this issue, so that the American people can fully understand how we stand on this very vital issue.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield myself such time as I may require.

Mr. President, I want to thank and congratulate the Senator from Kansas and the Senator from Arizona for their work not only on the product liability bill, S. 640, but in particular for their work with regard to S. 645, the aircraft product liability legislation. It is critically important to an industry.

I was on the phone on Friday to Oshkosh to the Experimental Aircraft Association talking to my friends there who are working to try to mobilize their supporters all across the country. The list of supporters that Senator MCCAIN referred to represents a broad-based group all across the country in every single State and, I would judge, in most congressional districts.

We need to move on both of these pieces of legislation. We have put them together because it is a way that we can move forward on both of these pieces of legislation. I am hopeful this afternoon that we will get the vote the Senator from Arizona referred to and that we will finally have a vote on this issue. We may win or we may lose, but the battle is just joined. We have to continue to press forward to have votes on this issue so that a majority of this body is able to prevail.

Mr. President, I yield such time as he may require to the Senator from Iowa [Mr. GRASSLEY].

The PRESIDING OFFICER. The Senator from Wisconsin controls 7 minutes and 43 seconds. The Senator from Iowa is recognized for such amount of that time as he may use.

Mr. GRASSLEY. Thank you very much, Mr. President. And I thank Senator KASTEN for his leadership in this area.

Mr. President, I am pleased that the Senate is finally considering an amend-

ment of the utmost importance to the future competitiveness of this Nation's economy: product liability reform.

Mr. President, Forbes magazine cites a study that shows that the tort tax cost our economy a staggering \$117 billion in 1987. Claimants receive only about half that amount, with the rest going to insurers' administrative costs and to lawyers. This is simply a drain on our economic resources and emphasizes the need for change.

Before I proceed with my statement, I would like to respond to some of the arguments we have heard today. We have been told that the problem in the law today is not product liability cases brought by plaintiffs' lawyers, as the amendment before us supposedly states.

Instead, the problem in American law is said to derive from cases in which businesses sue each other, and in which their defense lawyers are paid fees on an hourly basis. And the case said to highlight this most is the Pennzoil versus Texaco case which was described on the floor as a contract case. Every one of these claims is false.

One of the main problems with product liability law is that it substitutes tort law for contract law. Indeed, various legal scholars have found that product liability tort cases have created the death of contract. The death of contract law extends beyond product liability, however. It is highly ironic that the opponents of this amendment cite Pennzoil versus Texaco as what is wrong with American law. That case was a tort case, not a contract case. It was brought as an alleged tortious interference with contract, notwithstanding minimal evidence that there had ever been a contract. Nor was the case brought by a corporate defense lawyer paid on an hourly basis. Rather, it was brought by a plaintiffs' lawyer, who was retained on a contingency fee basis, and whose fee in that one case alone was approximately \$3 billion. If Pennzoil is truly what is wrong with American law, then the solution is to adopt not only this bill, but the access to justice act as well.

Nor is this bill antiplaintiff lawyer. It recognizes that too much of the payments that should go to injured parties go to lawyers on both sides. For example, this bill will encourage parties to voluntarily pursue alternative dispute resolution of their product liability claims. Under the amendment, either party can request that these alternatives be pursued. A party that fails to accept a reasonable alternative offer may have to pay some portion of the other side's legal expenses.

Often when a case goes to trial, both sides are unhappy with the result. Cases can be resolved more quickly and at less expense if the dispute can be settled out of court. The amendment before us would encourage settlement by requiring parties who reject a set-

tlement offer that is less than the judgment they obtain at trial to pay a portion of the other side's legal costs.

Because this bill encourages settlements and the use of alternative dispute resolution, the fees of all lawyers will be reduced, and the compensation to victims enhanced. It is simply false to say that this bill will harm plaintiffs' lawyers but not defense attorneys.

Importantly, the amendment disallows product liability suits when the primary cause of the accident was the claimant's use of alcohol or drugs.

There is an old adage that the only thing standing between a fool and his injury is a product. We must allow product liability suits even where the claimant is foolish. But it is unfair to have businesses spend money that could be used to modernize their plants on frivolous lawsuits by claimants who have injured themselves because they were intoxicated.

The amendment should also be supported for the punitive damages standard it creates.

Under the amendment, plaintiffs will still be able to collect punitive damages if the defendant's conduct showed a "conscious, flagrant indifference" to public safety. Today, although plaintiffs recover punitive damages through a process and with a frequency similar to being hit by lightning, the effects of punitive damages on competitiveness are enormous.

The threat of punitive damages leads defendants to settle cases that although weak, could lead to the award of massive punitive damages under the laws of some of our States. This raises insurance costs for everyone and, again, takes money away from funds that could be used to create good jobs for our citizens and largely turns it into transfer payments to lawyers.

The product liability area needs to be reformed.

Without change, the quality and availability of many goods and services will be reduced. Let me cite the Forbes article again, and ask unanimous consent that it be reprinted at the end of my statement.

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

(See exhibit 1.)

Mr. GRASSLEY. Toxic leak detectors were designed in the mid-1970's. These devices would be useful to countless communities in their efforts to keep the environment safe. But, as Forbes points out, many were kept off the market out of fear of lawsuits in the event that the detectors failed. And there are many other examples of the legal system impeding product development.

This amendment will not solve all the problems of our litigation system. But it is time we face up to them. Lawsuits sap our economy. Our trading partners manage their litigation sys-

tems in a much more efficient way, and we should take a lesson from them.

That is why I have introduced the Access to Justice Act, which—among other things—incorporates the fairness rule in certain cases, requiring the loser to pay the opponent's legal fees. I look forward to debating the access to Justice Act in the near future. It is something we ought to do to move forward.

But for now, I welcome the effort to address product liability reform. The current system costs too much and produces too little. This amendment will change that.

EXHIBIT 1

THE TORT TAX

(By Leslie Spencer)

Millions of ordinary Americans may be worried about the economy, but 1992 already promises to be another big year for the country's trial lawyers. Arm in arm with the Scientologists, the plaintiffs' bar is in hot pursuit of Eli Lilly, maker of the antidepressant Prozac. A flurry of liability suits is about to engulf Upjohn, maker of Halcion, the popular sleeping pill. On a third front, plaintiffs' lawyers have just filed hundreds of cases against Dow Corning's silicone breast implants, which they hope will enrich them as asbestos enriched them in the 1980s.

Further down the line, plaintiffs' lawyers are assessing their prospects against Nutri/System and HMR 500 diet plans. The Civil Rights Act of 1991 promises to generate countless lawsuits against employers.

How much does all this tort litigation cost the U.S.? Two years ago Forbes reported the tort system's direct costs at \$80 billion a year (Forbes, Oct. 16, 1989). That figure was based on a study by Tillinghast, a Hartford-based actuarial consulting firm. It represented lawyers' fees, payouts to claimants and insurers' administrative costs in 1985.

The estimate did not go down well with the trial lawyers and the groups associated with them. Last October Joan Claybrook, president of Ralph Nader's Public Citizen, told PBS' Adam Smith's Money World that the annual cost of torts is just \$30 billion. Claybrook sourced her figure to a study done by Rand Corp.'s respected Institute for Civil Justice, and asserted that the Forbes figure had "no statistical basis whatsoever."

If anything, Forbes' estimate understated the true cost of the tort system. In a recently released update of its 1984 study, Tillinghast analyzed liability insurers' costs for 1987. Its conclusion: Tort claims cost the country \$117 billion that year. James Kakalik, coauthor of the Rand study cited Claybrook, says it is Tillinghast's \$117 billion number, not Rand's \$30 billion to \$36 billion range, that represents the direct "tort tax" consumers end up paying.

Robert Sturgis, who wrote the latest Tillinghast study, notes that from 1933 to 1950, U.S. tort costs grew in line with the overall economy. Since 1950, however, they have grown at a compound rate of 12% a year—much faster than the costs of workers' compensation, government-paid health care and welfare. Assuming that tort costs kept growing at 12% after 1987, the cost last year came to \$184 billion—nearly on a par with the country's net private domestic investment.

Where does all the money go? Both Rand and Tillinghast agree that injured claimants end up with only half of the proceeds from

this tort tax. Further, according to Tillinghast, only a quarter compensates economic losses of plaintiffs. (The other quarter pays for plaintiffs' "pain and suffering.") The other half goes to insurers' administration costs and to lawyers to cover their fees and the expenses they incur on things like discovery and expert witnesses.

How could two studies come up with such different numbers? The Rand study set out to measure only the costs directly associated with state and federal lawsuits. The Tillinghast study went further. It took into account such costs as the payments to resolve the millions of potential lawsuits that never reach the courthouse, and the costs to insurers of processing claims and defending suits.

Note that the Tillinghast and Rand studies consider only the tort system's direct costs to the economy. Beyond the direct costs are the harder-to-measure—but very real nonetheless—indirect costs incurred in efforts to stay out of the trial lawyers' talons.

For example, a 1989 American Medical Association study estimated that for every \$1 they spend on insurance premiums, doctors spend \$2.70 performing often unnecessary tests and beefing up record keeping to avoid litigation; this suggests that excluding premium costs of about \$5 billion to \$6 billion, the indirect tort tax related to medical malpractice liability alone cost the economy about \$15 billion that year.

How much of the nation's \$738-billion-a-year health care bill can be laid to the tort system? Hard to say, but a 1991 study of auto injury claims in Hawaii by the Insurance Research Council gives some indication. The study reports that medical treatment of a typical neck sprain from whiplash comes to about \$1,300 if handled without a lawyer, on a no-fault basis. The cost to treat the same injury if part of a tort claim comes to about \$8,000.

One can argue that the right of consumers to sue to recover for injury protects us against incompetent doctors, and manufacturers who make lawnmowers that cut fingers along with the grass. The problem with the argument is that the tort industry has grown so large that it is now reducing the quality and availability of many goods and services.

There are countless examples. Toxic leak detectors, useful to anyone handling toxic substances, were designed in the mid-1970s. But many were kept off the market out of fear of lawsuits should the detectors fail.

Or take small planes. Very few new, technologically advanced single- and twin-engine planes are manufactured today because of liability costs to the manufacturer. The perverse consequence: Older planes stay in use longer than they would if prices of new ones weren't so high.

Although impossible to quantify precisely, it's likely that the tort system's indirect costs are at least as high as the direct ones. That would put the annual tort tax at well over \$300 billion today—and growing rapidly. Rand's James Kakalik thinks that the American Medical Association's estimate that medical malpractice's estimate that medical malpractice's indirect costs are over 2½ times direct costs is a fair high-end estimate for the tort system as a whole.

Whatever its precise dimension, the tort tax is now weighing heavily on the ability of American industries to innovate and to compete internationally. At 2.5 percent of U.S. GNP, the tort system's direct costs (as estimated by Tillinghast for 1987) impose a burden in the U.S. five times that in the U.K., and almost seven times the level in Japan.

There are a few rays of hope. Vice President Dan Quayle is pushing tort reform, targeting such areas as frivolous lawsuits, arbitrary punitive damages, "junk science" in the courtroom (Forbes, July 8, 1991). Among Quayle's proposals: Ban contingency fees for expert witnesses, curb punitive damages and adopt the English Rule, whereby losers pay the winners' costs. Last October President George Bush signed an executive order mandating that all government agencies implement Quayle's proposed reforms when litigating. In his State of the Union address late last month, Bush again called for tort reform.

But effective reform remains elusive. Those who oppose it are too powerful and have too much at stake. As of Jan. 22 a loser-pays rule is authorized in most cases the government brings. But this sensible reform is toothless without budget approval from Congress, whose members are unlikely to approve.

Perhaps the only real solution lies with judges and juries. As they begin to appreciate the true magnitude and ramifications of the spiraling tort tax, they will be more likely to throw frivolous lawsuits and venal demands back at the lawyers responsible.

TORT GUSHERS FOR 1991

Juries handed down these jackpot tort verdicts last year. The top ten total comes in at three times the total of just three years ago.

\$127.7 million, Chicago: Product liability verdict against drug manufacturer Upjohn Co., alleging that anti-inflammation drug Depo-Medrol caused blindness, which resulted in loss of plaintiff's eye.

\$91.3 million, Brooklyn: 45-plaintiff consolidated award in case tried against Owens-Corning Fiberglas and other asbestos manufacturers. Same jury still deciding product identification, defendant's culpability and punitive damages.

\$86.5 million, St. Louis: Sum of verdicts against Decom Medical Waste Systems, KML Corp., Bunker Resources, Recycling and Reclamation Inc. and Raymond Adams, for accusing plaintiff of bringing AIDS virus into a hospital. Settled, amount sealed.

\$84.5 million, Houston: Premises liability award against an apartment complex and its management company in case of children drowned and brain-damaged in complex pool. Settled for \$17 million.

\$75 million, New York: Product liability case consolidating 36 plaintiffs against the Manville Trust, Owens-Illinois and other asbestos manufacturers.

\$62 million, Santa Ana, Calif: Insurance bad faith award against Truck Insurance Exchange and Farmer's Insurance Exchange where insurer was accused of failing to pay for insured's legal defense. Judge reduced verdict to \$58 million. On appeal.

\$61.2 million, Anchorage: Insurance bad faith case against underwriters at Lloyd's of London for failure to pay a restaurant owner's fire insurance claim. On appeal.

\$47 million, Houston: Product liability case against Fibreboard and three other asbestos manufacturers for 275 plaintiffs.

\$35 million, Los Angeles: Finding against California for failure to maintain center barrier of interstate highway in case of accident resulting in quadriplegia to a 34-year-old man. Settled for \$15 million.

\$33.8 million, Corpus Christi: Product liability award against Merrell-Dow Pharmaceuticals for birth defects allegedly caused by pregnant woman's use of Bendectin.

WHERE LAWYERS ARE PROSPECTING

If juries go along, these hot new tort topics will make plaintiffs' lawyers and their expert witnesses rich.

Breast implants: Hundreds of cases pending against Dow Corning, other manufacturers and physicians, arising from alleged implant leaks and fibrous tissue formation.

Halcion: At least 20 cases pending against Upjohn Co.'s drug alleging behavioral side effects resulting in paranoia, suicide and murder.

Insurance policies: Hundreds of bad faith cases pending against many insurance companies and agents alleging emotional distress after the insured's claim is rejected.

Electromagnetic fields: About a dozen personal injury cases against several utility companies and electrical transmission equipment manufacturers alleging brain damage, cancer and leukemia caused by electric and magnetic fields.

Prozac: An estimated 100 cases pending against Eli Lilly & Co. Supposed adverse effects include suicidal and homicidal behavior.

NOTE.—Excludes civil verdicts against alleged or convicted criminals.

Sources: Jury Verdict Research; Jury Verdict Review; Forbes.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I ask unanimous consent the time under the agreement be extended to 12:45.

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

Mr. HOLLINGS. Mr. President, this has been cleared on both sides.

REMOVAL OF INJUNCTION OF SECRECY

Mr. HOLLINGS. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Partial Revision of the Radio Regulations, Geneva, 1979, relating to Mobile Services, Treaty Document No. 102-29, transmitted to the Senate today by the President.

I also ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

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 Partial Revision of the Radio Regulations, Geneva, 1979, signed on behalf of the United States at Geneva on October 17, 1987, and the United States reservations and statement as contained in the Final Protocol. I transmit also, for the information of the Senate, the report of the Department of State with respect to the 1987 Partial Revision.

The 1987 Revision constitutes a partial revision of the Radio Regulations, Geneva 1979, to which the United

States is a party. The primary purpose of the present revision is to update the existing regulations pertaining to the mobile radio services to take into account technical advances and the rapid growth of these services, and to implement the Global Maritime Distress and Safety System. The revised regulations, with the two exceptions noted below, are consistent with the positions taken by the United States at the 1987 World Administrative Radio Conference for the Mobile Services.

At the time of signature, the United States submitted two reservations and responded to a statement submitted by Cuba directed at United States use of radio frequencies in Guantanamo. The specific reservations and statement are addressed in the report of the Department of State.

Most of the Partial Revision of the Radio Regulations entered into force October 3, 1989, for governments that, by that date, had notified the Secretary General of the International Telecommunication Union of their approval thereof; provisions specifically related to the maritime mobile service in the high frequency bands entered into force on July 1, 1991.

I believe that the United States should, subject to the reservations mentioned above, become a party to the 1987 Partial Revision, which has the potential to improve mobile radio-communications worldwide. It is my hope that the Senate will take early action on this matter and give its advice and consent to ratification.

GEORGE BUSH.

THE WHITE HOUSE, May 12, 1992.

RESCISSION OF CERTAIN BUDGET AUTHORITY

The PRESIDING OFFICER. Under the order of May 5, 1992, the Senate having received from the House, H.R. 4990, all after the enacting clause of H.R. 4990 is stricken and the text of S. 2403 as amended is inserted in lieu thereof; H.R. 4990 is deemed read the third time and passed, a motion to reconsider is laid on the table, the title amendment reported with S. 2403 is substituted for the title of H.R. 4990, and S. 2403 is indefinitely postponed. The Senate insists on its amendments, requests a conference with the House, and the Chair appoints the following conferees on the part of the Senate:

Mr. BYRD, Mr. INOUE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BURDICK, Mr. LEAHY, Mr. SASSER, Mr. DeCONCINI, Mr. BUMPERS, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mr. REID, Mr. ADAMS, Mr. FOWLER, Mr. KERREY, Mr. HATFIELD, Mr. STEVENS, Mr. GARN, Mr. COCHRAN, Mr. KASTEN, Mr. D'AMATO, Mr. RUDMAN, Mr. SPECTER, Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. BOND, and Mr. GORTON.

NATIONAL VOTER REGISTRATION ACT OF 1991

The Senate continued with the consideration of the bill.

Mr. HOLLINGS. Mr. President, I want to speak just a few minutes and then I will yield to the distinguished former majority leader, the chairman of our Senate Appropriations Committee, who wants to be heard.

Mr. President, the picture would be painted on the side of the proponents of this particular legislation that there is tort lawyer opposition to it.

I am going to read from a letter of Andrew Popper, professor of law and deputy dean of American University:

Contrary to the assertions of the proponents of this bill, the academic community, particularly the community of tort professors, does not support this legislation. To assess the opposition to this legislation, I sent copies of S. 640 to a number of my colleagues within the academic community.

And the names of some 50 professors of tort law over the country are included.

I ask unanimous consent that the letter and the list of professors be printed in the RECORD.

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

THE AMERICAN UNIVERSITY,

Washington, DC, September 27, 1991.

HON. ERNEST F. HOLLINGS,
U.S. Senate, Washington, DC.

DEAR CHAIRMAN HOLLINGS: I wish to convey to you and other members of the Commerce Committee my deep concerns regarding S. 640. This legislation provides consumers with no benefits while providing manufacturers and insurers with reduced exposure in product liability cases. Although milder than prior versions, this bill is fatally flawed; it provides obstacles to consumers seeking to recover within the tort system and destroys carefully established state law and procedure.

Contrary to the assertions of the proponents of this bill, the academic community, particularly the community of tort professors, does not support this legislation. To assess the opposition to this legislation, I sent copies of S. 640 to a number of my colleagues within the academic community.

I have listed on an attached sheet the names of those law professors who have expressed opposition to this legislation. They represent an extraordinarily diverse group of individuals, having political and legal opinions that cover the spectrum. What joins them is their opposition to this unwise, unfair and ill-conceived legislative effort. I urge you and your colleagues to oppose this legislation.

I would appreciate your including this list in your hearing record. Thank you very much.

ANDREW F. POPPER,

Professor of Law and Deputy Dean.

Professor Carol Olson, University of Akron, C. Blake McDowell Law Center, Akron, OH; Professor Mark Hager, American University, Washington College of Law, Washington, DC; Professor James Boyle, American University, Washington College of Law, Washington, DC; Professor Robert Vaughn, American University, Washington Col-

lege of Law, Washington, DC; Professor Rob Leflar, University of Arkansas School of Law, Fayetteville, AR; Professor John Vargo, Bond University School of Law, Queensland, Australia, Product Liability Practice Guide, Matthew Bender (1988); Professor Peter Donovan, Boston College Law School, Newton, MA; Professor Stephen D. Sugarman, University of California, Berkeley School of Law, Berkeley, CA. Professor Marsha Cohen, University of California, Hastings College of Law, San Francisco, CA; Professor David J. Jung, University of California, Hastings College of Law, San Francisco, CA; Professor Anita Bernstein, University of Chicago Law School, Chicago, IL; Professor Howard Klemme, University of Colorado School of Law, Boulder, CO; Professor James Stark, University of Connecticut School of Law, Hartford, CT; Professor Pierre Schlag, University of Colorado School of Law, Boulder, CO; Professor Theodore Eisenberg, Cornell Law School, Ithaca, NY; Professor Stephen Shiffrin, Cornell Law School, Ithaca, NY; Professor Barry Furrow, Widener University School of Law, Wilmington, DE.

Professor Nancy Ehrenreich, University of Denver College of Law, Denver, CO; Professor Arthur Best, University of Denver College of Law, Denver, CO; Professor Michael Jacobs, DePaul University College of Law, Chicago, IL; Professor Terence Kiely, DePaul University College of Law, Chicago, IL; Professor John F. Banzhaf, III, George Washington University Nat'l Law Center, Washington, DC; Professor Joseph Page, Georgetown University Law Center, Washington, DC; Professor Teresa Schwartz, Associate Dean for Academic Affairs, George Washington University Nat'l Law Center, Washington, DC; Professor Duncan McLean Kennedy, Harvard University School of Law, Cambridge, MA; Professor Richard Wright, Illinois Institute of Technology, Chicago-Kent College of Law, Chicago, IL.

Professor Jean Love, University of Iowa College of Law, Iowa City, IA 52242; Professor James T. Jones, University of Louisville School of Law, Belknap Campus, Louisville, KY; Professor Nick Ashford, Associate Professor of Technology & Policy, MIT, Cambridge, MA; Professor Taunya Lovell Banks, University of Maryland School of Law, Baltimore, MD; Professor Kenneth Kandaras, University of Maryland School of Law, Baltimore, MD; Professor Mark Feldman, University of Maryland School of Law, Baltimore, MD; Professor Jim Jeans, University of Missouri-Kansas City, School of Law, Kansas City, MO; Professor Nancy Levit, University of Missouri-Kansas City, School of Law, Kansas City, MO; Professor Anne Scales, University of New Mexico School of Law, Albuquerque, NM.

Professor E. Donald Shapiro, New York Law School, New York, NY; Professor Joyce E. McConnell, City University of New York Law School at Queens College, Flushing, NY; Professor Lucinda Finley, State University of New York at Buffalo, School of Law, Buffalo, NY; Professor Bob Adler, University of North Carolina, Chapel Hill, NC; Professor Sally Sharp, University of North

Carolina School of Law, Chapel Hill, NC; Professor Thomas Koenig, PhD, Northeastern University School of Law, Boston, MA; Professor Marshall Shapo, Northwestern University School of Law, Chicago, IL; Professor Peter Kutner, University of Oklahoma Law Center, Norman, OK; Professor Jeffrey G. Miller, Pace University School of Law, White Plains, NY.

Professor Okinaner Christian Dark, University of Richmond, The T.C. Williams School of Law, Richmond, VA; Professor Howard Latin, Rutgers, The State University of New Jersey, S.I. Newhouse Center for Law & Justice, Newark NJ; Professor Jay Feinman, Rutgers, The State University of New Jersey, School of Law, Camden, NJ; Professor Gary Francione, Rutgers, The State University of New Jersey, S.I. Newhouse Center for Law & Justice, Newark, NJ; Professor Mary L. Lyndon, St. John's University School of Law, Jamaica, NY; Professor Tom Lambert, Suffolk University Law School, Beacon Hill, Boston, MA; Professor Michael L. Rustad, Suffolk University Law School, Beacon Hill, Boston, MA; Professor Peter Bell, Syracuse University College of Law, Syracuse, NY.

Professor Leslie Bender, Syracuse University College of Law, Syracuse, NY. Professor Frank McClellan, Temple University School of Law, Philadelphia, PA; Professor William Woodward, Temple University School of Law, Philadelphia, PA; Professor Jerry Phillips, University of Tennessee College of Law, Knoxville, TN; Professor Tom McGarrity, University of Texas School of Law, Austin, TX; Professor Rhoda L. Berkowitz, University of Toledo College of Law, Toledo, OH; Professor David Andrew Logan, Wake Forest University School of Law, Winston-Salem, NC; Professor Marc Galanter, University of Wisconsin Law School, Madison, WI; Professor Ellen Widess, Center for Public Interest Law, Children's Advocacy Institute, San Francisco, CA.

Mr. HOLLINGS. Second, Mr. President, Consumers Union, the Consumer Federation of America, Public Citizen's Congress Watch, U.S. Public Interest Research Group are also in opposition to this, as is the Association of State Supreme Court Justices, the Association of State Attorneys General, and the Association of State Legislators. We have wonderful company. The American Bar Association has consistently appeared and testified against this particular measure.

My colleague from Missouri uses strong language to argue that the civil justice system is seriously flawed. In truth, it is less than 1 percent of the cost to industry itself. And as to keeping products off the market, let me read from the particular report by Rand Institute of Civil Justice:

Supporters of product liability reform, changing the liability standard limiting punitive damages, capping awards and the like argue that product liability discourages research and development, thereby impairing America's industrial competitiveness in depriving consumers of useful products, but the

empirical evidence for this proposition is generally quite weak.

That is what they found. The Institute for Civil Justice is chaired by the chairman of the board of Dow Chemical, Paul Orefice, and its Board of Overseers includes Roger Joslyn, chairman of State Farm Fire and Casualty; Ruben Mettler, director and former chairman and CEO of TRW; Franklin Nutter, former president of the Alliance of American Insurers; Roger Smith, former chairman and CEO of General Motors; William Snyder, chairman and CEO of GEICO; and Shirley Hufstедler, former U.S. circuit judge and former Secretary of Education. We can go right on down the list.

Incidentally, many of the members of the health community oppose this. Also, Edward Levy, former Attorney General of the United States, now distinguished professor emeritus, School of Law, University of Chicago.

I want to make one final point before I yield, and that is with respect to this ambush here today. If there is any doubt in anyone's mind, all one needs to do is read this alternative dispute resolution procedure. It says once the ADR proceeding there is requested:

If the offeree refuses to proceed pursuant to alternative dispute resolution procedure and the court determines that such refusal was unreasonable and not in good faith, the court shall assess reasonable attorneys fees and costs against the offeree. For the purposes of this section, there shall be created a rebuttable presumption that a refusal by an offeree to proceed pursuant to such alternative dispute resolution procedure was unreasonable and not in good faith if a verdict is rendered in favor of the offeror.

That says to me, with represented injured parties, as well as insurance companies, that when the poor client walks in, I am saying wait a minute, you have some Federal rules here. I know what they are going to do. They are going to say let us go to alternative dispute resolution and if I do not accept it and we go ahead to trial, you have to win your case, there cannot be any judicial error, or whatever else. Whatever happens, we are going into a lot of investigation, court costs, what have you. Under the contingency fee, that was all right if I won; if I did not win, I had to pay it all; but now under this one, I can tell you here and now under paying all these costs if you are going to refuse it, you better bring in \$15,000 to \$20,000 and I will be glad to proceed with the case. What this means is that only rich injured parties will have their day in court; meaning the Bill of Rights guaranteed under the seventh amendment and guaranteed in every State the right in a civil case to a trial by jury has now been conditioned. I believe this is unconstitutional—as I pointed it out at the hearing. But they have the bit in their teeth and they are trying to absolutely ambush injured parties with very bad legislation that never should have

reached the floor, to tell you the truth. I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia, the distinguished President pro tempore.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business, not to exceed 15 minutes, and that I may speak therein.

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

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. I thank the Chair.

(The remarks of Mr. BYRD pertaining to the submission of Senate Resolution 295 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

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

Mr. BYRD. I thank the Chair.

(The remarks of Mr. BYRD pertaining to the submission of Senate Concurrent Resolution 117 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

RECESS UNTIL 2:15 P.M.

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

Thereupon, the Senate, at 12:53 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ADAMS].

NATIONAL VOTER REGISTRATION ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the time between 2:15 p.m. and 4 p.m. shall be equally divided and controlled by the Senator from South Carolina [Mr. HOLLINGS] or his designee, and the Senator from Wisconsin [Mr. KASTEN] or his designee.

Therefore, the Senate is now in order. Who seeks recognition?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, on a situation I cleared with the managers, I ask unanimous consent to address the Senate for 4 minutes as if in morning business for the purposes of the introduction of a concurrent resolution.

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

The Senator from Iowa is recognized. Mr. GRASSLEY. I thank the Chair.

(The remarks of Mr. GRASSLEY pertaining to the submission of Senate Concurrent Resolution 118 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I yield 5 minutes to the distinguished Senator from Utah [Mr. GARN].

The PRESIDING OFFICER. The Senator from Utah [Mr. GARN] is recognized for 5 minutes.

Mr. GARN. Mr. President, I thank my colleague from Washington. I will not take long. I have spoken at great length on many occasions on this issue over the years and it is not necessary to take the time of the Senate to do it again.

But I do rise in support of the product liability amendment to S. 250. We have a legal profession in this country, Mr. President, that I believe is out of control.

We are reading a lot of articles lately about CEO compensation. I think that almost pales in an inconsequential nature to the matter of legal fees and the way the legal profession is behaving, and particularly in this area of product liability. In one area that I will talk about, it has virtually destroyed an industry.

Twenty years ago the U.S. general aviation industry was manufacturing more than 20,000 airplanes a year. Last year, it was less than 900. Cessna ceased to make piston-driven aircraft totally because of product liability. Piper is in its second bankruptcy and is probably going to move to Canada. I hope they do. I hope they can get back into production. We have Beech and Mooney that still make piston-engine airplanes in this country. So we have literally wiped out an industry.

But to those who claim that this is in the interest of safety, I would suggest that most of us are flying old aircraft because the new ones are too expensive. The cheapest Beechcraft Bonanza single engine will cost about \$245,000, and 40 percent of that, on the average, is for product liability.

One example of how ridiculous these lawsuits have become—I think everybody knows that a Piper Cub is one of the classics of general aviation aircraft; it has been around since the late 1930's—an individual decided to modify his Piper illegally. He removed the front seat, put in a piece of plywood as a makeshift seat, mounted a camera facing backward to the rear of the cockpit, and hired a photographer to take pictures of him in the air. He wanted his facial expressions while he was doing acrobatics. He crashed on take off.

I remind my colleagues everything was an illegal modification, under FAA

rulings, to the airplane. Because he could not see, he crashed. The photographer was killed. The pilot sustained brain damage from the camera lens hitting him in the face, and he successfully sued Piper for \$1 million because they did not design the airplane with a shoulder harness.

Now attorneys ought to be embarrassed to take cases like that, let alone pursue them and put companies out of business for such idiocy. At the time the airplane was designed there were no seatbelts in cars, let alone shoulder harnesses, and certainly there were none in general aviation airplanes though they did have seatbelts.

I could go on and on and on with cases that people would not believe are true, but they are.

We talk about jobs and the economy. We are destroying an industry because of the greed and selfishness of the Trial Lawyers Association.

My own airplane is a 1948 Navion that I bought in 1969. I paid \$5,000 for the entire airplane. Two years ago I started to restore it. I am doing most of the labor myself, all the dumb work that does not require a great deal of skill, but, nevertheless, saving me a lot of money. But that \$5,000 airplane that I have owned free and clear since 1969, putting all new control cables, new wiring, new instruments, remanufactured engine, I am into it \$60,000. And I am not finished because I am paying the attorneys, not the mechanics and the factories, 60 thousand bucks.

I am going to buy a new propeller for \$5,300; \$5,300 just for the propeller alone. That is \$300 dollars more than I paid for the whole airplane. Utterly ridiculous.

We are shipping our used airplanes overseas. We are going to be buying airplanes from overseas because we cannot get this under control.

I think it is time the legal profession themselves started to police themselves. The attorneys in this body ought to start quit passing lawyer's relief bills for when they leave the Senate so they could make a few hundred thousand bucks a year. Enough is enough. And we should allow the American aviation-building industry to get back into business and not have ridiculous suits like one at Cessna where they just had to pay \$250,000 for somebody who ran out of gas because it was cheaper to pay him off than to win the suit.

I thank the Chair.

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

Who seeks recognition?

Mr. HOLLINGS. Mr. President, without objection, I yield, as if in morning business, 4 minutes to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. Is there objection? Hearing no objection the Senator from Rhode Island is recognized for 4 minutes as though in morning business.

Mr. PELL. Mr. President, I thank my colleague and friend.

(The remarks of Mr. PELL pertaining to the introduction of S. 2690 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I yield myself 15 minutes, or so much as I use.

The PRESIDING OFFICER. The Senator from Washington is recognized for 15 minutes.

Mr. GORTON. Mr. President, according to a 1989 study by the Tillinghast insurance consulting firm, tort law in the United States imposed \$117 billion in costs on the economy of this country in 1987. That figure represents 2.5 percent of our gross national product. According to Prof. Robert Tollison of George Mason University, this is nearly double the level of the United States' net national savings and is one-fourth of gross domestic private investment.

When we in the Senate debate the subject of the competitiveness of American industry and economic growth, we speak of fiscal policy, industrial policy, fringe benefits and the like. But almost never do we deal with the costs of regulation and of a legal system which perhaps imposes greater costs and inhibitions on our economy than any of these other factors.

Recent studies indicate that these excessive costs are, indeed, a drain on our American economy. William Niskanen, a leading economist at the CATO Institute, who once served on the Council of Economic Advisers, has concluded that each additional lawyer in the United States reduces our gross national product by \$2.5 million. Mr. Niskanen reasons that the work of lawyers causes businesses to divert resources from undertakings that generate wealth and create jobs to transaction costs.

Prof. Stephen Magee of the University of Texas is somewhat more discriminating in that respect, stating that almost the first two-thirds of lawyers in the United States actually contribute to our economy. But the final third, and any additions thereafter do, in fact, reduce our gross national product by well over \$1 million per individual.

Professor Magee analyzed the economies of 28 countries by comparing economic growth with the share of each country's employed persons who were lawyers. He concluded that as the number of lawyers in a society increases, economic growth declines.

Product liability costs are a major factor in this economic inhibition on the growth of our economy. The excessive costs of the tort system put American companies at a competitive disadvantage in world markets.

According to a study conducted for the Department of Commerce, domes-

tic manufacturers face product liability costs of from 20 to 50 times more than those paid by their foreign competitors.

Mr. President, I ask unanimous consent that an article from the *National Journal* of April 25, 1992, containing many of these citations be printed in the *RECORD* at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GORTON. An excellent example of this competitive disadvantage can be found in the 1988 Conference Board survey of chief executive officers. It stated that in 1986, \$7 billion of Dow Chemical's \$13 billion in annual sales came from sales overseas, and the company's legal and insurance expenses in the United States totaled \$100 million. During that same year, Dow paid less than one-fifth of that amount for comparable services overseas, even though its foreign sales substantially exceeded its domestic sales.

Important sectors of our domestic economy are losing substantial market shares to foreign competitors because of the excessive costs of the product liability system. They put American interests at a competitive disadvantage. For example, the National Machine Tool Builders Association estimates that it has lost nearly 25 percent of its market share to foreign competitors in recent years. Much of this loss is attributed to the excessive cost of the current product liability system, which takes resources from and inhibits the development and marketing of innovative products. The U.S. machine tool industry spends seven times as much money on product liability costs as it does on research and development.

Higher prices are just one aspect of our competitiveness problem. The current product liability system often leads manufacturers to decide not to market new products. For example, John Gatzemeyer designed a safety rail to assist young children going up and down stairs while he was a student of industrial design at Syracuse University. His design won a first prize in 1989 from the Juvenile Products Manufacturers Association and a gold award from the Industrial Designers Society of America.

Fisher-Price, however, declined to produce this child rail because of liability concerns. Its spokesman stated:

We're a little bit afraid to do anything with a product that has anything to do with stairs.

Fisher-Price's situation is not unusual.

The Conference Board found that nearly half of the firms in the survey have discontinued products as a result of the product liability system. In addition, 39 percent had decided not to introduce new product lines, and 25 percent had discontinued product research

as a result of the system. Prof. Michael Porter of the Harvard Business School, author of a recently published book entitled "The Competitive Advantage Of Nations," told the Commerce Committee:

American liability law, as it is now structured, causes companies to slow the rate of innovation.

The problem is particularly pronounced in the area of medical products and technology. The American Medical Association stated in 1988:

Innovative new products are not being developed or are being withheld from the market because of liability concerns or inability to obtain adequate insurance.

The uncertainty of the current system extends beyond product manufacturing into the scientific community. It stifles the scientific research essential for the development of innovative products. Dr. Malcolm Skolnick, a professor of biophysics at the University of Texas Health Science Center, who is also a lawyer, told the Commerce Committee at an April 5, 1990, hearing:

Scientific inquiry is stifled. Ideas in areas where litigation has occurred will not receive support for exploration and development. Producers fearful of possible suit will discourage additional investigation which can be used against them in future claims.

Former Secretary Mosbacher told the Commerce Committee that the unpredictability of the current system discourages research universities from licensing patents to business firms for fear of being sued as a "deep pocket."

The amendment before us today, Mr. President, will restore fairness to the product liability system. It combines two bills, originally before the Commerce Committee, one S. 640, a product liability bill, and another, a bill for lawsuits involving aircraft. Aircraft manufacturers are perhaps the most graphic illustration of the defects of the present product liability system.

A once-dominant national industry in small private aircraft has been almost totally driven out of business by product liability costs which often exceed more than 50 percent of the cost of a new airplane.

S. 640 is a modest approach toward the product liability crisis. It has had removed from it many of the changes in substantive law which were so controversial in earlier versions of product liability legislation. It includes essentially three sets of ideas: Responsibility for a harm which has actually been created; the costs of legal proceedings; and the right of injured parties to receive compensation.

In the first matter, the centerpiece of this bill is the abolition of joint and several liability with respect to non-economic damages such as pain and suffering. It is outrageous that, under our present legal system, an individual or a company which is only 1, 5, or 10 percent responsible for an accident can, if it is the responsible party, be re-

quired to pay 100 percent of the resulting damages.

In addition, this bill states that the sellers of products will be liable only for their own negligence or their failure to comply with an express warranty, or if the manufacturer cannot be brought into court or is judgment proof. They will not under other circumstances be responsible for the negligence or defects or others; and, third, this bill gives the defendant an absolute defense, if plaintiff's drunk or drugged condition was more than 50 percent responsible for his injuries. It is difficult for this Senator to see why any reasonable person should disagree with those changes.

Perhaps even more significantly, this bill will reduce legal costs. It will do so by going at product liability cases with a very modified English system. Under this bill, should it become law, either party to a product liability case may make an expedited settlement offer. If the offeree refuses the offer, and ends up not doing better or doing worse than under the proposed settlement after the litigation is over, the offeree must pay the costs and reasonable legal fees of the other side. This will be a tremendous incentive for the early settlement of litigation.

In addition, either party may offer to participate in an approved voluntary alternative dispute resolution procedure. If a party flatly refuses to do so and later loses a verdict, that party, again, will pay the opponent's costs and reasonable legal fees.

In connection with punitive damages, the subject of much of the newspaper stories and the huge and dramatic verdicts, a plaintiff under this bill must prove conscious, flagrant indifference to the safety of those who might be harmed by a clear and convincing case of evidence. This, I am convinced, will end most of the outrageous verdicts for punitive damages.

Finally, this bill protects the right of injured parties to receive compensation in one significant way. It contains a statute of limitations which only begins to run, and then lasts for 2 years, after an injured person discovers his or her injury, and its cause. Some State's statutes now begin to run from the time of injury, even though the injury may not be discovered until the entire time is over.

Mr. President, as I have said, this is a relatively modest approach to product liability legislation. It does not change the substantive laws of the States. It does not redefine negligence or a cause of action. It does not reflect the maximum amount of compensatory damages, or for that matter punitive damages.

In addition, this amendment does not change the right of any person to go into court. What it does do is to concentrate responsibility on the person or the party which is actually respon-

sible for causing an injury and it includes strong motivation to discourage litigation going on and on and on by saying settle early, agree to an alternative dispute resolution, or risk having to pay the other side's costs and reasonable attorney's fees if you turn out to be wrong. It adds to the rights of individuals with respect to a statute of limitations and, all in all, is a modest, important step toward returning justice to the American legal system and competitiveness to our economy.

EXHIBIT 1

[From the National Journal, Apr. 25, 1992]

THE PARASITE ECONOMY

(By Jonathan Rauch)

Though the disease is ancient, only recently have anatomists of the body politic identified and dissected it, partly because the visible symptoms are worsening. Parasitemia economicus—in plain English, the parasite economy.

It is a disease that has claimed many victims and has benefited only the lawyers, lobbyists and politicians who have flourished as the sickness spreads. The parasite economy has a peculiar ability to suck in resources and feed on its own growth. It absorbs not only financial capital but human capital as well. It sucked in, among many, many others, M. Michael LaPlaca.

Twenty years ago, he was the national sales manager of Hertz Corp. In the early 1970s he changed to practicing law. Not surprisingly, a lot of his work was for car rental businesses.

Then came what was, for his clients, an alarming development. In 1989, with the support of some consumer advocates, a bill was introduced in Congress that said, "No rental car company shall . . . hold any authorized driver liable for any damage" to a rented car, except in a few specially defined cases such as drunken driving. If you drove your rental car into a tree, or if you left the keys in it and it got stolen, you couldn't be found liable, even if you were insured (which most people are). The rental company would eat the loss.

Such losses are less sustainable for small car-rental companies than for the industry giants, such as Hertz and Avis Inc. "What the bill does if it becomes law," LaPlaca said, "is to put enormous pressure on smaller companies to raise their prices." In New York state, where a similar law passed in 1988, dozens of little car-rental firms, with names like Ugly Duckling and No Problem Rent-a-Car, have gone bust. As a result, small rental companies bitterly oppose the measure currently known as HR 123. Hertz and Avis strongly support it.

Until 1989, small and medium-sized car-rental businesses never had much of a presence in Washington, because Washington had never paid the industry much attention. But things have changed. In May 1989, soon after the liability bill was introduced, LaPlaca organized the Car Rental Coalition to stop it. So far, LaPlaca estimates, the coalition and its member companies have spent a million dollars retaining five lobbying shops. That doesn't count time donated by hundreds of people in the car-rental business.

Set aside the legal niceties. The crucial economic point is that this million dollars produces nothing. Instead, it eats up existing wealth, which could otherwise have been used for productive investment. The same goes for money spent by the bill's advocates. Economists call this transfer-seeking.

Only one class of people will certainly come out ahead. Thanks to HR 1293, the lawyering, lobbying and politicking class is several million dollars richer. Another Washington lobby has been born, and another political action committee, too: LaPlaca's coalition authorized one in February. Like all PACs, it will invest in friendly politicians rather than in new factories.

As for Mike LaPlaca, the man who was a business executive 20 years ago now spends half his time lobbying. "I lived 52 years without ever having to petition the Congress on behalf of myself or a client," he said (he is now 54), "and in many ways, I wish I could go back to the 52nd year."

In effect, the bill, whether it passes or not, has created lobbying jobs. Moreover, once a lobby is organized, it usually stays around either to defend against new raids by its competitors or to seek favors of its own. Feeding Washington is now a cost of doing business in the car-rental industry. Rental-car customers lose. K Street wins.

A lot of explanations have been advanced for America's disappointing productivity growth over the past 20 or so years, none of them wholly satisfactory. Recently, an emerging body of economic research has added another possibility to the list of parasites.

"Our economy is absolutely infested with transfer-seeking," Clemson University economist David N. Laband said. "I think it takes an unbelievable number of forms and absorbs an unbelievable amount of resources." Even the lowest estimates put the costs in the hundreds of billions a year.

The public isn't unaware of what's going on. Inchoate but growing public frustration with parasites fuels Edmund G. (Jerry) Brown Jr.'s presidential campaign, provokes White House attacks on lawyers, shapes legislative reforms such as the mid-1980s tax reform and the 1990 budget agreement. As the public's resentment grows, the parasites themselves are gradually becoming a political issue.

Gradually, too, economists are learning how to think about the peculiar dynamic of the parasite economy. How much does it cost? Why does it feed on its own growth? Recent research is beginning to yield clues.

WHO IS A PARASITE?

Begin with a thought experiment. You are the president of Acme Big Flange Co. and you have an additional \$1 million to invest. You face stiff competition from mini-flange mills. You want the best available return on your money. What are your options?

First, you can buy a new high-speed flange-milling machine or a better inventory control system. Either will improve your company's productivity, but probably not dramatically. (Remember, this is an additional, or "marginal," \$1 million. You would have already made the most-lucrative investments.) Over a decade, you might earn 10-15 percent annually on your investment, maybe \$100,000-\$150,000 a year.

Second, for \$1 million you can hire one of the best lobbyists in Washington. The lobbyist might be able to get you a tax break, a subsidy or, best of all, a law putting many mini-flange mills out of business. Any of the above might easily be worth \$10 million a year.

Query: Which is the better investment?

"If I throw in a million here or a million there, I might get a hundred million back," said a Washington lobbyist who asked that his name be withheld for fear of upsetting his clients. "And there are probably enough cases like that so they keep throwing money in."

The lobbyist, of course, was talking about transfer-seeking. If you want to make yourself richer, you must invest either in producing more wealth (productive activity) or in getting some of someone else's wealth (transfer-seeking). From the individual's point of view, the two are equivalent. But from a social point of view, the two are very different.

Each bit of energy we spend taking someone else's wealth is that much less energy spent producing more wealth. If we all spent all our time trying to get our hands into our neighbors' pockets, we'd all be very busy, and yet we'd produce nothing and eventually we would all starve. Thus, transfer-seeking, in marked contrast with productive investment, is a negative-sum game.

And how big might the negative sums be? Now another thought experiment. You have \$100 and I want \$100. Question: In principle, how much might I be willing to spend to get your \$100? Answer: up to \$99. And, in principle, how much might you be willing to spend to keep your \$100, once you realize I'm after it? Answer: \$99 again.

Adding the numbers gives a startling result: In principle, the two of us can rationally consume almost \$200 fighting over an existing \$100. Yet nothing would be produced.

True, in spending \$99 to get your \$100, I would be creating jobs. But that's like paying somebody to steal cars. If I hire someone to manufacture a car, society gets a new job and a new car, and so is wealthier. But if I hire someone to steal existing cars, I've merely moved a job out of a productive sector and into the car-theft sector. Society would be better off, indeed, if I had never created such a job.

Obviously, this kind of activity can quickly get expensive for all concerned. Yet it keeps going as long as any one person sees a payoff in engaging in it. "I think it may be that the thing feeds on itself," said University of Arizona economist Gordon Tullock, whose work in the late 1960s broke ground in the academic study of transfer-seeking. "Every time you have a successful lobbying effort, that advertises the value of lobbying."

Now we reach the central peculiarity of transfer-seeking—the peculiarity that earns it the sobriquet parasitemia economicus. A parasite is set apart from a mere freeloader by its ability to force its target to divert energy to combating it. You can't ignore parasites, the way you can ignore junk mail, panhandlers or pesky real estate salesmen. If you don't defend yourself, parasites forcibly take your money.

In America, only a few classes of people have the ability to take your money if you don't fend them off. One, of course, is the criminal class. Fending off thieves costs us hundreds of billions of dollars a year. (In 1985 alone, about \$340 billion, economists Laband and John P. Sophocleus calculate. We spend almost \$10 billion a year just on locks.)

But you can invest in legal transfer-seeking, too—with one proviso. To get someone else's wealth without buying it, you must have the help of the law. To get the law's help, you need one of three kinds of people: politicians, lobbyists (who influence politicians) and lawyers (who can get a court judgment). These people have a strange characteristic: to fend off a lawyer or lobbyist, you need to hire another lawyer or lobbyist.

When Arista Records Inc. was sued for fraud on the ground that its pop duo Milli Vanilli didn't do their own singing, the company didn't have the option of ignoring the lawsuit. It had to fight back with lawyers of

its own. Similarly, if a competitor starts to move legislation that costs you a lot of money, you'd be stupid not to hire a lobbyist. Mike LaPlaca was sucked into the parasite economy because it was attacking his clients. That's how it grows, even though society as a whole would be wealthier if it shrank.

Good help isn't cheap, of course. Lawyers can cost \$200 an hour, lobbyists \$5,000 a month and politicians whatever the market will bear. They extract fees (or political contributions) regardless of who wins or loses. Under the settlement in the Milli Vanilli case, 80,000 or so alert fans will get \$1 refunds on singles, \$2 on cassettes and \$3 on compact disks. That might make them feel a little better. But the lawyers will feel a lot better, because they come away with considerably more than \$3 each.

To say that lawyers and lobbyists richly benefit from transfer-seeking is not necessarily to say that they cause it. Some lawyers do opportunistically drum up lawsuits, but most are probably meeting clients' demand. And that is the real point: A system full of redistributive laws inherently creates opportunities for transfer-seeking. Businesses seek (or defend) tariffs, unions seek minimum-wage laws and laws against hiring permanent replacements for strikers, farmers seek subsidies, plaintiffs seek damages, postal workers seek bans on competition, car-rental companies seek liability legislation that hobbles their competitors, and so on, and on and on.

To blame the lawyers and lobbyists, in other words, is to blame the messenger. If the parasite economy grows, the implication is that the return on investing in it has improved relative to the return on investing in new factories, faster machines, better education. That seems to have happened, judging from the size of the parasite economy in Washington.

SIZE OF THE INFESTATION

Given the trillions in direct spending and indirect perks that slosh through Washington and all the state capitals year after year, the surprise for many years was how small the parasite economy was, not how large. The past two decades, however, have seen rapid growth in the transfer-seeking industry. Comprehensive figures don't seem to exist, but a lot of indicators point in the same direction:

According to the Senate's Office of Public Records, the number of active lobbyists registered with the Senate (by no means the total of all who lobby in Washington) has increased from 3,065 in 1976, when the office's records begin, to 8,531 today. At that rate, the number of lobbyists doubles about every 10 years.

According to various editions of Columbia's Books Inc.'s Washington Representatives, the number of people working in the capital to influence government rose from about 10,000 in 1982 to about 14,500 in 1991.

According to data collected by Gale Research Inc. and cited by the American Society of Association Executives, the number of national associations rose from 4,900 in 1956 to 8,900 in 1965, 12,900 in 1975, and 23,000 by 1989. That's doubling every 15 years.

Of the extant associations, more and more have been sucked into Washington. According to Columbia Books, the percentage of trade and professional associations headquartered in Washington rose steadily from 19 percent in 1971 to 32 percent by 1990. In the Washington suburb of Fairfax County, Va., alone, The Washington Post reported in 1979, "the number of trade and professional

groups has increased from 2 to 125 in the past decade."

The number of lawyers in America has nearly tripled over the past three decades, from 260,000 in 1960 to about 760,000 today. More significantly, the number of lawyers per million Americans stayed about constant (at 1,200) for the 100 years ending in 1970, but then more than doubled (to 3,100) by 1988.

Though the amount by which litigation has grown in recent decades is disputed, the trend is not. "The number of federal lawsuits has nearly tripled in the past three decades, rising from less than 90,000 in 1960 to more than 250,000 in 1990," writes Peter Carlson in *The Washington Post Magazine*.

According to the District of Columbia Employment Services Department, just from 1988 (when the count begins) to 1991, the number of people employed in legal services in the Washington metropolitan area grew by 10 percent, half again as fast as the growth in the service sector as a whole. It seems reasonable to guess that this is not a three-year anomaly.

It also seems reasonable to believe that all these lobbyists and lawyers did not get into business with the sworn aim of bleeding the American economy dry. To the contrary: Usually, the goals are noble and the intentions good. A further fascinating peculiarity of the parasite economy is that it behaves the same way regardless of whether the parasites are cynical opportunists or idealistic seekers after justice. As with a bacillus or a tapeworm, it's not that the parasite is evil; it's that it is just trying to get what it thinks it deserves.

The drive to reform health care, for example, is motivated by concern for the strained middle class and the uninsured poor. But the result will inevitably be a boon to the transfer-seeking economy. The health insurance and medical industries have already begun a multimillion-dollar lobbying campaign. A Democrat who recently left a Capitol Hill staff job to set up shop lobbying is relying heavily on health care business. "The stakes are just obviously there," he said. "I can't work in the Administration, and you've got to make a living."

Health care resource are steadily sucked into the whirlpool. The National Health Council Inc. counted 117 health groups represented or headquartered in Washington in 1979, and 741 last year.

On March 12, the American Nurses Association moved its headquarters—and half a million pounds of office furniture and equipment—to L'Enfant Plaza, after 20 years in Kansas City, MO. "We have nursing's agenda for health care reform," a spokeswoman said. Last July, the American Hospital Association moved its top officers to Washington, believing (a spokeswoman said) that they "should be closer to the action."

Whether the reform effort will lead to the passage of health care legislation remains to be seen. In any case, however, the parasite economy will grow.

THE INFESTATION'S COST

In 1980 alone, the number of new admissions to the U.S. bar exceeded the total number of lawyers in Japan. In America, about three-fourths of the people who take the bar exam pass it; in Japan, about 2 percent. The Japanese believe one reason their economy grows faster than ours is that they invest more capital in research and development and less in suing each other. Are they right?

Professors who try to measure the cost of transfer-seeking come up with amounts ranging from about 3 percent of gross national product (GNP) a year to almost 50 per-

cent, according to Robert D. Tollison, an economist who directs George Mason University's Center for the Study of Public Choice. Most estimates cluster in the range of 5-12 percent, however, or about \$300 billion-\$700 billion this year.

"Even the smallest number, 3 percent, is a lot of wealth to be pissing away, if you can help it," Tollison said. For instance, 3 percent of GNP, if it was available for investment, would roughly double the notoriously small U.S. pool of net national savings, and it would increase by a fourth the amount of gross private investment.

A number of indirect estimates suggest that the losses are well above 3 percent. A particularly popular method among economists—and particularly unpopular among lawyers—is the lawyer regression-analysis. The idea here is that because lawyers are fairly easy to count, and because they account for many lobbyists and all lawyers, they make good proxy for the size of a nation's noncriminal parasite class.

One such analysis, by economist Stephen P. Magee of the University of Texas (Austin), plotted the prevalence of lawyers against the economic growth for 28 countries. The Magee Effect is pretty clear: Having more lawyers is associated with lower growth, a result consistent with the hypothesis that where there are a lot of lawyers, people are devoting a higher share of resources to transfer-seeking.

The Magee Corollary is, if anything, even stronger. In an 18-nation regression analysis, Magee found that the more lawyers a country has in its parliament, the lower its economic growth tends to be. The U.S. House is 42 percent lawyers; the 18-country average for lower houses of parliament is 15 percent. The difference, Magee calculates, reduced the American GNP by \$220 billion in 1990—more than \$1 billion per lawyer in Congress. "Basically," he said in an interview, "they're just generating business for themselves."

Every economy needs some lawyers; the question is, how many is too much? Magee's work finds that the first two-thirds or so of U.S. lawyers contribute to growth, but the extra third considerably reduces it. Each additional lawyer, he finds, reduces U.S. GNP by about \$2.5 million year.

Other lawyer regressions have independently come out in pretty much the same place. Economist William A. Niskanen, Jr. of the Cato Institute in Washington also came up with \$2.5 million per additional lawyer. Laband and Sophocleus found that each lawyer costs \$2.6 million in forgone GNP. Moreover, they compared states and found that a higher density of lawyers was associated with "significantly lower" growth in per capita income.

Such studies don't, unfortunately, tell whether lawyers are the cause of costly transfer-seeking or merely a symptom. They do tend to confirm, however, that a lot of potentially productive capital is spent in court and on Capitol Hill. A lot is spent, too, on parasite-related seminars, databases and magazines such as this one, the better to "keep track of the political influences that affect your bottom line—before it's too late," as a recent promotional mailing for *State Legislatures* magazine put it.

Transfer-seeking even acts as a hidden subsidy for golf courses and fancy restaurants—favorite business venues for lobbyists. When Laband and several colleagues compared state capitals with similar noncapital cities (and controlled for extraneous factors), they found that the capitals had—you guessed it—

a higher proportion of golf courses and sit-down restaurants. Moreover, the bigger the state government's share of state income, the more fancy restaurants there are. As government grows, parasites eat better.

POLITICAL BACKLASH

A dog with fleas or ticks will scratch and bite to get rid of them, often to the point of wounding itself. Monkeys with worms will search desperately for medicinal plants. The body politic appears to behave analogously, especially recently.

Among the anti-parasite spasms is former California Gov. Brown's unexpectedly tenacious campaign for the Democratic presidential nomination. Brown rages that "only the rich hire lobbyists . . . to ensure that the system favors themselves at the expense of everyone else." His attacks on big-dollar campaign contributions focus on "the people who always figure out a way to prosper even as more Americans suffer." He touts his flat-tax proposal as an assault on "the crooked Washington fund-raising machine that routinely auctions off loop-holes to the highest bidder."

More and more of the public seem to have latched on to the fact that the parasite economy thrives on political and legal activity, whether or not that activity solves anybody's problems. Brown's rhetoric taps the public's anger by attacking the parasite class. His flat-tax plan is widely dismissed as being bad for the poor. But a flat tax would also be bad for parasites who make a living by lobbying and lawyering today's Byzantine tax code. Which is Brown's point.

It was also, to a large extent, the point of the milestone 1986 Tax Reform Act, arguably the most sophisticated anti-parasite medicine of our time. Conservatives agreed to close tax loopholes that heavily benefited the wealthy, liberals agreed to bring down the high tax rates that made the wealthy so desperate to get loopholes. The idea was that lower rates would make loophole-lobbying and tax-finagling a less lucrative investment. The country as a whole would gain, and parasites would lose.

To a large extent, it worked; in the years just after tax reform, loophole lobbying seems to have diminished. That may help explain the sharp drop in registered lobbyists in 1988. The trouble is that the deal is already falling apart. President Bush wants a host of new tax breaks to stimulate the economy, and liberals in Congress want to raise rates. The result would be to raise the profitability of tax finagling, thus putting retired tax lawyers and lobbyists back in business.

More recently, in the 1990 budget agreement, Congress tried pitting parasites against each other: It put caps on spending, so as to force transfer-seekers to feed off each other's programs. Given the growth in the deficit, how well this worked is open to question. Also open to question is the effectiveness of yet another anti-parasite proposal, term limits. The idea here is that denying politicians a professional career in politics might make them less inclined to pander to favor-seekers.

Then there's the medicine beloved of Vice President Dan Quayle and his Competitiveness Council: litigation reform. The Administration wants to make life more difficult for plaintiffs' lawyers, thus deterring opportunistic lawsuits. For instance, the Administration proposes limiting punitive damages and requiring that the loser pay attorneys' fees as is done in most other countries.

Consumer groups and lawyers are outraged, saying that such reforms would deter

reasonable claims. Most controversial of all is the "economic rights" movement, which wants to persuade the courts that regulatory transfer-seeking is often an unconstitutional violation of property rights. This is popular with conservative legal scholars and activists, but other supporters are few.

And that, finally, is the problem with attempts to cure parasites by making procedural reforms: The process isn't the main problem. In America, the professional parasites are serving an enthusiastic clientele—the American public.

The New York City activist whose barrage of lawsuits recently stopped the 57-story Columbus Center project will cost the city's economy a sizable sum. To the people who support him, however, he is just using the tools available to do what's right. One person's parasite is another's noble reformer.

This is why lawyers, lobbyists, politicians and political activists are infuriated by the notion that transfer-seeking produces nothing. On the contrary, they say: It produces justice. Many Americans agree.

Consider the 1990 Americans With Disabilities Act. It is compassionate bill intended to broaden handicapped people's access to all kinds of buildings. But most laws, like power switches, are binary instruments: They say "you always must" or "you never may," not "you usually should." Inevitably, in an attempt to adapt binary law to an infinitely complex world, Congress wrote the disabilities statute vaguely, requiring "readily achievable" measures and "reasonable accommodations." Just thrashing out what the law requires, therefore, will keep a brigade of lawyers in clover.

Responding to those lawyers' lawsuits and petitions will keep another brigade of lawyers busy. "Most major law firms," The Washington Post reported earlier this year, "are well aware that [the disabilities act] will open up a vast new area of discrimination law and, potentially, a lot of business." Already, the paper said, "many, many" law firms are holding seminars on the act, as are disability-rights groups and businesses ("searching for answers to such questions, how does a ski resort get a paraplegic skier up a mountain?").

Viewed one way, the disabilities act is a civil rights measure expanding justice for the handicapped. Viewed another way, it's a public works jobs program for lawyers. Which view is correct? Both.

The public demands governmental machinery that redistributes wealth or directs how it must be spent, and yet the same public rages at the parasites who work the machinery for a living—and who force others to follow suit. But the public can't have the one without the other. Ultimately, what feeds the parasite economy is not lawyers and lobbyists but laws, all of which pass with the blessing of some share of the public.

That is why a popular means to cope with unpopular parasites has yet to be found. "There really is no good answer to what you do to break this gridlock," Tollison said. Until the level of anti-parasite rage exceeds voters' appetite for benefits and favors plucked from other people's pockets, ever more parasites will dig into their expensive meals at fancy restaurants, wishing each other bon appétit.

Mr. BIDEN addressed the Chair.

Mr. HOLLINGS. Mr. President, I yield as much time as is necessary to the distinguished Senator from Delaware.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, I will not take a great deal of time at this time. The chairman of the Commerce Committee, Senator HOLLINGS, and the chairman of the Subcommittee on Courts, Senator HEFLIN, have already spoken in opposition to the amendment that has been offered as a very interesting product liability reform.

I, too, for the record would like to indicate my opposition to this so-called reform. But my purpose at this moment is not to speak to the merits, although after listening to my friend from the State of Washington, I assume he would suggest maybe the reason the automobile industry is losing to the Japanese is because of product liability reform and the reason we have lost the television industry in America is probably because of product liability reform, and the reason why we have lost other major segments of American industry, including steel, are probably the consequence of product liability reform.

I have been dumbfounded and amazed to learn just how significant the present product liability reform system is. Geez, if we had known this, we would not be in the economic decline. Obviously, it has nothing to do with poor management judgments made by the managerial class of this Nation over the past 15 or 20 years. It probably has nothing to do with the greed or lack of courage on the part of managers to take chances of investing in new product lines.

I am sure—I have really been enlightened today—that it is product liability reform. I expect if this passes, we ought to rebound extremely rapidly. We probably will become the number one producer in the world again, in the United States as well, with regard to automobiles, steel, television, and the rest, along with the other industries the Senator so blithely suggests have gone in demise as a consequence of product liability reform.

But, as I said, it is not my intention to speak to the merits at the moment. I will come back to do that. Let me make two other points.

One, this amendment is two bills combined. One of those two bills was referred to the Judiciary Committee. We did have an opportunity to speak to it and we did vote it down 10 to 2. Most of us who had a chance to look at it viewed this as a bailout piece of legislation for the aviation industry.

We talk about lawyers here, it is very easy to beat up on lawyers. I notice most of the lawyers are making the arguments about beating up on lawyers today. What is that old line? I am sure my friend from the State of Washington will remember it. I do not. But to paraphrase it, it is from Shakespeare, one character looks at the other and he says, the first thing we do is kill all the lawyers.

Let us agree all lawyers are bad, terrible, rotten, even though a majority of

the Members of the Senate are those same folks. It is amazing how lawyers in here spend all the time talking about how bad their profession is, while they are lawyers, a little bit like incumbents. I do not know an incumbent running as an incumbent. Every incumbent in here is a challenger and has not been here at all.

This has been a very enlightening discussion I have heard thus far. But let me get to my point and sit down.

This is a matter for the concurrent jurisdiction of the Judiciary Committee. There is no disagreement about the nature of the products liability legislation. It is a bill that concerns, first and foremost, the legal system. No one questions that this legislation is fully within the jurisdiction of my committee, the Judiciary Committee. The distinguished chairman of the Committee on Commerce, Senator HOLLINGS, agrees with that conclusion and even the bill's proponents acknowledge that Judiciary Committee has a claim to the bill.

So, Mr. President, I ask, why was the Product Liability Fairness Act, as it is called, a bill that would affect major changes in our tort system and rewrite the traditional principles of federalism, not referred to the Judiciary Committee? And why is the bill that so affects issues central to the Judiciary Committee's jurisdiction been offered as an amendment to the legislation reforming our voting system?

I do not want to appear to be cynical, but I will suggest the reason it was not referred is that they did not want a committee of jurisdiction to look at the merits of the bill, and I suggest maybe it is attached to this bill because the people who attached it—I wonder how many people for this bill to which it is attached are for reforming our voting system?

I will bet you if we take a look, there is a correspondence between those standing, pushing this legislation at this moment, on a bill to broaden the franchise; I just bet you. It is probably just purely coincidental—they are the same people who are against the motor-voter bill, the same people who want to make it harder for people to vote.

I may be wrong, and Lord forgive me if I am, but I have a funny feeling that this bill was picked and the Judiciary Committee was avoided because there was not a desire to have a serious debate and look at this legislation but because it is also very much in vogue this year, led by our Vice President of the United States, to lawyer bash. I guess a couple of years ago it was let us doctor bash, and we will probably be union bashing and we are going to manager bash.

We are a great Nation, or leaders in this great Nation who find it sometimes a lot easier to look for scapegoats to blame all our problems on

than dealing with some of the serious problems we have. But again, I am probably a bit too cynical, probably just a bit too cynical.

This probably has nothing to do with the desire to defeat broadening the franchise. This probably has nothing to do with defeating the effort to make it easier for people to register to vote. It probably has nothing to do with that. Maybe just one or two of the people pushing this may have that view. Maybe not.

But why is it not referred to the Judiciary Committee? I suspect that one of the reasons is because they—and the Judiciary Committee, I might note for the record, is made up of Republicans and Democrats and last time out, as I said, when half of this bill was referred, 10 voted against it and 2 voted for it. I would suggest also that shortly after the Commerce Committee reported the bill last year, I sought a referral that would discharge S. 640, the amendment in question, from the Judiciary Committee by March 15. There was not a desire to get the bill and bury it.

When I went to the chairman of the Commerce Committee and said, hey, look, this falls within our jurisdiction, jointly refer it over and we will report it out, and if we do not have it reported out by March 15, a couple of months ago, it would automatically have come to the floor, or be eligible to come to the floor. We could not get an agreement to even have the Judiciary Committee look at the bill even with the commitment that there would be a guarantee that by March 15 of this year, several months ago, it would have to be reported out or automatically discharged. Instead, the supporters of S. 640 said only that they would not object to an agreement—and I quote from their November 18 letter, "whereby the Judiciary Committee would be discharged of the bill no later than January 27, 1992."

We were out of session roughly from the time this bill passed and I sought referral, until 3 days before that January—I think it is 3 days or less than a week—before the January 27 date. On January 27, we had been back in session 3 days.

Three days to consider and make recommendations on legislation that would fundamentally change American jurisprudence;

Three days to determine the desirability of rewriting our unique system of federalism;

Three days to judge the wisdom of ending the longstanding power of States to control tort law;

Three days to reach conclusions about shortening the time for victims to file claims; and

Three days to decide whether to scale back the deterrent effect of punitive damages on corporations that knowingly make dangerous products.

To limit the Judiciary's time for deliberation to 3 days is simply not rea-

sonable. Now we face the consequences. Now we have a bill that must be reviewed by the Judiciary Committee but has not even been referred there.

And let us be clear. It is the bill's sponsors that are responsible for creating this impasse. With an agreement on referral, and Judiciary Committee review, the bill would now be ready for Senate action. Instead, an unreasonable demand has prevented the bill's timely consideration.

Mr. President, if we believe that the Judiciary Committee should review legislation on product liability reform, then the Senate cannot consider S. 640 at this time.

The amendment offered by Senator KASTEN should be defeated and the Product Liability Fairness Act should be referred to the Judiciary Committee for an expeditious but thorough review.

I only suggest the amendment offered by Senator KASTEN should be defeated and the Product Liability Fairness Act should be referred to the Judiciary Committee, and whereby if it were, we would then agree expeditious but thorough review guaranteeing that there would be an automatic discharge from the committee to bring it back out on the floor after we have had time to look at it and amend it if it warranted amending, or at least letting the full Senate have the benefit of what 14 Republicans and Democrats in the committee of jurisdiction have to say about the merits of this legislation.

I thank my friends for listening and for yielding that time.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Washington.

Mr. GORTON. Mr. President, very briefly, 4 days after this bill was reported from the Commerce Committee, on November 14—that is to say, on November 14, eight members who voted for the bill on that committee wrote a formal letter to the distinguished chairman of the Judiciary Committee offering a 70-calendar day sequential referral until January 27.

While there have been many informal discussions, no written or formal response to that offer has ever been received. Of course, we have now gone almost 6 months from the time that this bill was here sitting on the calendar, all knowing exactly what the recommendations of the Judiciary Committee would be, because the bill is identical to the one which did go to the Judiciary Committee 2 years ago.

Mr. BIDEN. Will the Senator yield on that point since he has referenced the Judiciary Committee just for me to respond?

Mr. GORTON. I will yield.

Mr. BIDEN. I will only take a moment.

Mr. President, there were literally hours of discussion and negotiation between and among our staffs and indi-

vidual members, committee to committee, and between the Senator from Alabama and, if I am not mistaken, Senator ROCKEFELLER and I believe Senator DANFORTH—I may be mistaken about Senator DANFORTH—trying to work out a time agreement. So I do not think the Senator wishes to imply that we got the offer, sat on the offer, and did not take it seriously and/or did not offer alternatives, or is he implying that?

Mr. GORTON. The Senator is not implying that, but he is quite aware of the fact that the approach was leasurably, to say the least.

Mr. BIDEN. I point out one other thing, Mr. President.

The PRESIDING OFFICER. The Senator from Washington has the floor. Does he yield to the Senator from Delaware?

Mr. BIDEN. If I may respond to one other point.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I thank my colleague.

Mr. President, the bill referred to the Judiciary Committee and voted on was essentially half of this bill. The half relates to the aviation piece. That is what we voted on in the committee. I thought he said we voted on—maybe I misunderstood—the entire amendment as attached to this bill. To the best of my knowledge, I could be mistaken but I think that is not the case.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. GORTON. As I understand it, Mr. President, I say to the Senator from Delaware, the bill which was before the Judiciary Committee in the last Congress was the general product liability bill. This aviation product liability bill has added to it, the Senator is correct.

I yield 15 minutes to the Senator from Kentucky, Mr. MCCONNELL.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 15 minutes.

Mr. MCCONNELL. Mr. President, the amendment before us, regarding product liability, in fact, constitutes a tax cut. We are about to vote on whether to give working families a tax cut—a tax cut that requires no offset to conform with the Budget Act; a tax cut that will not increase the deficit; in fact, it will ultimately reduce it by stimulating economic growth. Mr. President, I am speaking of the lawyer's tax—the cost of liability crisis.

The lawyer's tax is insidious. It is added to virtually every product sold in this country. And it is a regressive tax. It accounts for 95 percent of the cost of a child vaccine. It is one-third the cost of steepladder. It is \$300 added to the cost of having a baby delivered.

The lawyer's tax is a stealth tax. Americans do not see it every month in their paycheck stubs. They do not fill out a 1040 form every year to make sure they paid enough, or to get a refund. There is no refund.

But the tax is there, Mr. President, and it is hitting our Nation hard. Direct litigation costs and higher insurance premiums cost this country \$80 billion every year. The total cost of the lawyer's tax, including expenses incurred trying to avoid it, is \$300 billion every year, \$300 billion.

It is no wonder that America has 70 percent of the world's lawyers; litigation is one industry that is thriving in this country.

Mr. President, no other country wants this industry. It spreads like a plague, killing innovation, productivity, and the ability to compete in the world marketplace. This lawyer's tax is a terrible drag on the U.S. economy. A study commissioned by the Department of Commerce found that many foreign competitors have product liability insurance costs that are 20 to 50 times lower—I repeat, lower—than American companies.

A survey conducted by the Conference Board representing 3,600 organizations in more than 50 nations concluded that because of liability concerns: 47 percent of U.S. manufacturers have withdrawn products from the market, and 25 percent have discontinued some form of product research.

A University of Texas study of the lawyer's tax found that it reduced the United States' gross national product 10 percent below its potential during the last decade.

I have often talked of the trade deficit-lawyer surplus. The University of Texas study illustrates this phenomenon—a startling finding that economic growth is inversely related to the number of lawyers. At one end of the scale, high economic growth, are countries such as Japan, Hong Kong, and Singapore. At the lower end of growth are the countries where lawyers account for nearly 5 percent of white-collar workers: Chile, Uruguay, and yes, the United States.

Japan, who some feel is conquering us economically, is certainly not doing it with lawyers. They are beating us with engineers and scientists. Japan has 116 scientists and engineers for every lawyer. The United States has five scientists and engineers for every lawyer. U.S. scientists and engineers are having to load up on liability insurance to protect themselves from that lawyer.

Mr. President, I have heard eloquent speeches decrying unemployment in this country. Here is a chance to do something constructive about it. We can make our country more competitive in the world marketplace by cutting the U.S. lawyer tax through tort reform. Decrease the lawyer's tax, increase competitiveness, and increase jobs. That is economic growth.

Mr. President, I have been at this fight, along with others, for many years, going back to my tenure on the Judiciary Committee where I, as chair-

man of the Courts Subcommittee co-chaired hearings for many days on this subject in conjunction with several bills I had introduced over the years.

Four years ago, I finally secured a vote on comprehensive tort reform in the form of an amendment to the High-Risk Disease Notification Act. It failed, but the vote indicated there is considerable support in the Senate for comprehensive tort reform and reaffirmed my belief that we could pass meaningful reform at some point in the future.

Subsequent votes on tort reform amendments I have offered in the last couple of years show there is bipartisan concern on this issue and support for action. Yet, action is always impeded because it is said that "now is not the time." "This is not the bill."

Mr. President, now is the time.

Mr. President, I heard one of my colleagues who is opposed to this amendment offered by Senator KASTEN would impose uniformity in tort law on the States. I would ask my colleague to consider the underlying measure—the motor-voter bill. The motor-voter bill imposes uniform voter registration laws on the States. Talk about Federal intrusion into the business of States.

The product liability bill introduced by Senator KASTEN and Senator ROCKEFELLER is cosponsored by 30 Senators. Forty-five Senators have either cosponsored this bill or voted for it in committee.

The amendment before us gives all Senators an opportunity to go on record in support of restoring sanity and reason to our Nation's civil justice system. This amendment is the Senate's chance to do something the country really needs and would benefit all Americans—businesses, consumers, employees, and unemployed citizens who desperately need the economic growth liability reform can generate.

It has been said recently that we are trivializing the Senate by dealing with so many nonessential issues. With all due respect to those who support motor voter, it clearly is a trivial issue when compared to the amendment offered by my friend from Wisconsin. This is really important for the country. It is really something that needs to be acted upon.

Mr. President, 3 years ago I introduced the Lawsuit Reform Act. Last fall, I reintroduced this bill. It would, among other things—

First, abolish the doctrine of joint and several liability, so that a defendant's share of the damages is proportional with his share of responsibility for causing the harm;

Second, that bill would require the loser of any civil action covered by the bill to pay the legal costs of the winner, up to a reasonable limit, unless the loser is legally indigent;

Third, that bill would prohibit a person from suing others if the person was

under the influence of illegal drugs or alcohol and this condition was over 50 percent responsible for their injury;

Fourth, it would provide that awards for damages in product liability suits will be offset by payments from workers' compensation programs;

Fifth, limit the statutory liability of local governments under 42 U.S.C. 1983 except in bona fide constitutional rights cases; and

Sixth, promote alternative means of dispute resolution.

Mr. President, these are not the end-all/be-all of tort reform. They are six reasonable provisions which embody basic fairness.

Plaintiffs' lawyers vigorously dispute this, of course. They are particularly critical of the loser-pays provision, a commonsense law found in virtually all the European countries that we will be competing against as part of the EEC after 1992. As L. Gordon Crovitz noted in an article for the Wall Street Journal last year, Mr. Crovitz said:

The reform most threatening to contingency-fee lawyers would have the U.S. join the rest of the world with the loser-pays rule in most Federal lawsuits. Under this system, the party that loses a lawsuit—plaintiff or defendant—would have to pay the other side's lawyer. This might make it harder for lawyers to find plaintiffs willing to part with a large fraction of their award as a contingency fee, especially in cases where the liability is clear and the only question is how large damages will be.

This method of financing cases could also make defendants less likely to settle bad cases just to avoid crippling legal costs. Instead of paying lawyermail in so-called strike suits to get rid of an abusive lawsuit, defendants could go to trial, win and get their legal costs reimbursed.

Walter K. Olson, a senior fellow at the Manhattan Institute, is a renowned scholar on this issue. He observes that:

America is the only major country that denies to the winner of a lawsuit the right to collect legal fees from the loser.

Mr. Olson also discusses at length an issue this bill does not address: contingency fees. He states:

In virtually every other country, society has deemed that lawyers, like doctors, should be shielded from the temptations of the contingency fee.

Mr. President, there is an argument to be made for limiting contingency fees. My bill, and the Kasten-Rockefeller bill before us, do not do it. This amendment does not cap damages. I offered a modest amendment last year to the civil rights bill to ensure that victims of discrimination are not gouged by plaintiffs' lawyers. I sought to limit plaintiffs' attorney fees to 20 percent of the total judgment in cases brought under that bill. Under my amendment, one-fifth of the award—a sizable cut—could have gone to lawyers. Opponents said that was not enough, lawyers would not take these cases because they would not be sufficiently lucrative. So much for the plaintiffs' bar being the champion of the poor.

The amendment before us is a balanced, reasonable, and effective means of protecting the rights of victims of wrongful injuries as well as victims of wrongful lawsuits. This amendment has already received support of nearly half the Senate.

No wonder the trial lawyers are scared that there may finally be a full Senate vote on product liability reform.

Mr. President, there is no shortage of lawyers in this country. Our Nation is crawling with lawyers, nearly 800,000 and counting. The lawyer-density in the United States is phenomenal compared to our principal trading partners. Japan has 11 lawyers per 100,000 people; Britain, 82; Germany, 111; and the United States has 281 lawyers per 100,000 people.

Against odds like these, cutting the lawyer tax will not be an easy task. However, it is a worthy endeavor and I commend Senator KASTEN for his tenacity in pursuing it.

Walter Olson intelligently conveys the rationale for reform. He said:

Lawyers are delegated certain quasi-governmental powers to invoke compulsory process. In particular, they can initiate lawsuits that impose huge uncompensated costs on what frequently turn out to be innocent opponents. As we know from the case of pollution, the opportunity to impose costs on other people is likely to be overused unless it is regulated or priced in some way. In no way does it violate individual rights to demand of those who seek to wield this coercive power that they submit in exchange to certain rules to prevent its overuse.

Mr. President, I have a list of organizations supporting the product liability bill that is before us—35 pages, single-spaced. Roughly 1,500 organizations. Think of the millions of hard-working American families represented by these 1,500 organizations.

This coalition represents the lifeblood of our economy.

And on the other side of the arena, you have the wealthy club of plaintiffs' lawyers. Which side are we going to stand with today, Mr. President?

The Kasten amendment protects both the victims of wrongful injuries—who have a right to fair compensation—and the victims of wrongful lawsuits. While I would like to do more, this amendment would go a long way toward restoring balance and reason to our Nation's civil justice system; a civil justice system that is crushing America's volunteer spirit, driving up health care costs, reducing educational opportunities, cutting essential services of local governments, and making America less competitive in the world marketplace.

The civil justice system—the lawyer's tax—is costing America jobs. It is costing consumers billions. And it is robbing Americans of products that, although better than existing products, do not have an established legal history and therefore are too risky to put on the marketplace.

Self-styled consumer advocates say all these lawsuits are necessary to protect Americans from shoddy products. They say all these lawsuits have made America a safer place. These advocates will not tell you, however, that their activities are financially supported by the plaintiffs' lawyers.

Nor will they tell you that plaintiffs receive only 43 percent of the total judgments and awards. Lawyers and courts get the majority of the money. This system does not serve plaintiffs, defendants or consumers. It serves lawyers.

There is growing evidence that the liability craze is actually making our country less safe. Earlier this year, a team of scientists, engineers, physicians and lawyers examined the impact of U.S. liability laws on safety and innovation. Their report, "The Liability Maze" was issued by the Brookings Institution. The report found little statistical evidence that lawsuits had actually led to the development of safer product. In fact, it said we may be less safe as a result of excessive litigation.

Most pharmaceutical firms have stopped making vaccines, because of liability. Thirteen American companies were working on contraceptive devices 20 years ago; now only one takes the liability risk. Some companies even have stopped AIDS research, because of the liability risk.

Mr. President, while the courts spend time and resources trying to sort through the mountain of frivolous and unnecessary cases filed in this country, needy plaintiffs suffering debilitating injuries who have legitimate cases are forced to wait in line. That is not justice, it is a travesty.

It is a travesty that one special interest group can so effectively block any reform to restore balance and reason to our Nation's civil justice system. David Gergen wrote to this effect in U.S. News & World Report a couple of months ago:

Over the past quarter century, courts and state legislatures have rewritten the rules so that a lawsuit is no longer an option of last resort but a weapon of choice, a reach for the jackpot. Plaintiffs once collected only for out-of-pocket costs and only when the other party was negligent; now they often sue for every emotional pain and gouge anyone with a deep pocket, regardless of culpability. The system demeans everyone it touches. Plaintiff attorneys assert they are just protecting the rights of their clients. But even legitimate claims—and to be sure, there are many—serve mainly to enrich the lawyers.

Mr. President, if we persist in doing nothing to address the gross abuses of the system; if we continue to let a powerful special interest group dictate our agenda; then we will have done a disservice to the American people.

The amendment before us protects victims of wrongful injuries as well as victims of wrongful lawsuits. It will speed up justice by weeding out frivolous suits and inject some sanity, rea-

son and balance to our Nation's civil justice system.

Mr. President, this legislation is long overdue.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin.

Mr. KASTEN. Parliamentary inquiry. How much time is available to each side?

The PRESIDING OFFICER. The Senator from Wisconsin controls 13 minutes, 39 seconds; the Senator from South Carolina, 36 minutes, 33 seconds.

Mr. KASTEN. Mr. President, I will ask that a quorum call be put into effect but let me ask that the time not count against either side, and give us a moment until we have an opportunity to see if we can put speakers in order.

So, Mr. President, I ask unanimous consent that the time on the quorum call not be allocated to either side. I will be suggesting the absence of a quorum.

Mr. HOLLINGS. But it is going to have to be allocated, because we are starting the vote at 4 o'clock. That is what I am afraid of. I do not mind dividing the time that is left right now. Let us do that I just have Senator HELLIN, myself, and few others. Let us divide the remaining time.

I ask unanimous consent that the remaining 50 minutes be divided equally.

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

Mr. KASTEN. I thank the Senator.

Mr. HOLLINGS. Regarding the 4 o'clock vote, we forgot to ask unanimous consent that the mandatory quorum required under rule XXII be waived. That has been cleared, and I do make that request.

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

Who yields time?

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

Mr. President, if I can, I would like to take just a moment to go back and pick up on some of the statements that have been made. I want to begin by talking about the broad-base support that this legislation has. The Senator from Missouri [Mr. DANFORTH] pointed out that when you have a bill which is supported all across America, it is a very, very important piece of legislation. This bill, in fact, is supported all across this country.

I have a long list of a number of different individuals and groups who support this. Let me quickly point some out: American Hardware Manufacturers, Institute of CPA's, Machine Tool Distributors, American Red Cross, American Road and Transportation Builders, Textile Machinery Association, Textile Manufacturers Institute, American Wholesale Hardware Association. And I am just going through and picking out different groups. The Boys Clubs of America, the Bicycle Wholesale Distributors Association, Citizens

for a Sound Economy, and other groups that are concerned about the Federal budget deficit and incentives for business, such as Computer Dealers and Leasers Associations, the Hand Tools Institute, the Helicopter Association.

We have talked about the importance of this legislation with regard to aviation.

The Independent Laboratory Distributors, Independent Medical Distributors Association, concerned about problems like DPT vaccine which, when we began this legislation, that DPT shot was \$2.80, and there were four people in the business. Today, there is one manufacturer left. The shot now costs—the actual serum costs \$11.40. That huge increase is all attributable to product liability cost and lack of liability insurance.

The Jewelry Industry Distributors Group after group. This is a small business issue. From school bus drivers, to nurse midwives, to the Boys and Girls Clubs, to the Boy Scouts, to county governments, municipal governments. I might also suggest that the National Governors Conference also supports this legislation. So the Governors support it. But, most importantly, all across this country, this is a system which is affecting all of us.

The present system is working against the interest of consumers in a number of different ways. It simply is untrue that the present system protects the interested consumers. It does not. Product liability reform will help, not hurt. And our opponents said that because some of these consumer groups basically fronting for the trial lawyers groups are supporting it, this is a consumer issue. That is not the case. Consumers foot the tab for product liability suits.

We have talked about that this morning. As much as 75 cents of each dollar is going to transaction costs. That is lawyers on both sides. I am as concerned about the costs of defending these suits, as well as of bringing them. Transaction costs are too high, and we need a better system.

From essential vaccines, to car seats, ladders, sports helmets, merchandise will be less expensive if manufacturers do not have to guard against excessive liability suits. America will be the loser, and consumers will be losers.

Forty-seven percent of U.S. companies have withdrawn products from the marketplace because of product liability concerns. Forty-seven percent. Almost half of the companies in this country have withdrawn products because of liability concerns. What kind of a system is this?

Brookings Institution found that far from ensuring a safer product, lawsuits are discouraging many safety improvements. One good example is Monsanto with a substitute for asbestos.

We need to work together. I am disappointed that we lost some of the bi-

partisan help we have had in the past on this legislation. I hope we can work to restore it.

Finally, Mr. President, this was termed by the Senator from South Carolina and others as some kind of an ambush, as if we had kind of been waiting in the wings to jump out here, unbeknownst to anybody, and put this legislation forward. Several Senators have gone through the chronology committee by committee, year by year, Congress by Congress. This is not an ambush.

You could call it maybe be "good-cop, bad-cop." At one time, certain people playing the good guy; yes, we want to move it along. But always knowing there is a bad cop saying: OK, we will stop it here. It is not even that, frankly. It is more like tag-team wrestling. When you watch that on TV, they reach over and tag, and the other guy jumps into the ring and the other guy goes out. That is what we are faced with here. More like tag-team wrestling, and the people calling the shots, funding the wrestling match, the people calling the legislative shots are back here in the back rooms, and they are the trial lawyers; they are funding the proposals, pushing these things forward.

Now we go through this kind of work. One year, we bring it up in the Consumer Subcommittee, and it goes to the Commerce Committee and passes. Then it goes over to Judiciary, and Judiciary boxes it up. Another time, it makes it through the Judiciary part of the way, and they take it out. And, in that case, the chairman of the Judiciary Committee, Senator BIDEN, was referring to the vote, a 10-to-2 vote. They finally let it out, but it was let out only with a few days to go in the legislative session at the very end of the year. So there was no opportunity to take up the bill after it had been sent to the floor on a 10-to-2 vote with no recommendation, or a recommendation opposed to the bill.

The point here is that there has been an ever-moving target, more like a tag-team wrestling match. We were never sure who we were fighting against, because the other team, the other groups understood that if a vote ever occurred in the Commerce Committee, the vote would be roughly 2 to 1.

The vote occurred in the Commerce Committee on October 3, and the vote was roughly 2 to 1; 13 to 7 on October 3. And then they reached over to get the tag. The tag goes over from the Commerce Committee to the Judiciary Committee. OK, now it is no longer my responsibility, I am jumping outside of the ring behind the ropes. You fight this for a while. Over to the Judiciary Committee it goes. Then we start in, 30 days, no; 60 days, maybe, Christmas vacation. That is confusing.

The last time when we did a referral 2 years before, we used the August re-

cess for part of the time that the clock was ticking. So we said last time we used the August recess for part of the time, and would it not make sense that we use part of the Christmas-New Year's recess while the clock is ticking? We will give you plenty of time before and after.

Well. That did not work. So it goes back and forth, back and forth. The challenge for us is to have a vote. All we want is a vote. The challenge for them is to block a vote from occurring, particularly to block an up-or-down vote from ever occurring on this issue on the floor of the Senate with all 100 Senators from 50 States voting their consciences on this issue.

That is the issue here, and right this moment people have been talking back and forth. We could have done this in Judiciary. It was not proper this was done this way. We all know what is going on right this moment. There is a majority in this body in favor of this legislation, in favor of both pieces of legislation, the aircraft liability legislation and tort reform bill. I am not sure how many votes there are. There are probably between 70 and 73 votes at the best count. It might be a little higher. The opposition knows that also in this body a strong organized minority can stop things happening. That is the way the Founding Fathers meant it to be.

I am not complaining about what is happening. I recognize that. What I am trying to do is work within the legislative system to have that vote occur.

We are about to have that vote occur. The vote will be not a direct vote because our opponents have not allowed us to have that vote, but this vote is a vote up or down on product liability. That is what this vote is. That is the vote we are about to see.

The tag team wrestling match is on at this point at least for the moment. Both opponents step out of the ring and let a kind of procedure occur and hope by calling it a motor voter vote, by calling it a vote on leadership on who can run the Senate, whatever, they somehow can squeak through.

They might, but the fact is this vote is going to occur. This is a vote on product liability reform. I hope it will not be the only vote in this Congress. It is possible that it is the only vote in this Congress. We will come back win or lose. This is not going to be the last day on product liability reform. This vote is a product liability vote. I think that is what people need to recognize and need to understand.

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

The PRESIDING OFFICER (Mr. GRAMHAM). Who yields time?

Mr. HOLLINGS. I yield so much time as necessary.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, first let me say there have been some tort re-

form issues that have been referred to the Judiciary Committee, and in every instance where we received a written request or an oral request from a Senator we have had a hearing. There are some pending bills for which a hearing has not been requested.

Let me speak a little bit to general aviation and the fact that the argument is made that the industry is going bankrupt. In 1989, and 1990, it is my understanding that there was a rebound in that industry and that substantial increases in the sales of aircraft occurred. In 1991 Cessna, which is a small aircraft manufacturer, had a profit of \$100 million. Beech Aircraft had a pretax profit of \$106 million in 1991.

Now, the general aviation industry has an organization known as the General Aviation Manufacturers Association, and they usually present the witnesses to testify for the industry.

In 1988 Senator METZENBAUM requested that that organization provide the data on the size of product liability claims and the industry's insurance costs. They failed to provide the information, the breakdown of numbers, the size of claims, or the backup data for this contention. In 1989, following a Senate Commerce Committee hearing Senator HOLLINGS submitted a series of written questions to the General Aviation Manufacturers Association intended to elicit the facts underlying the industry's allegation. Once again the General Aviation Manufacturers Association failed to provide the relevant facts or information.

Even though its members are the ones against whom product liability claims are made, this association answered it did not have the information.

There have been numerous occasions also in addition to that where effort is made to get from the General Aviation Manufacturers Association data, but the answer has always been to Congress that it is not presently available.

I spoke about the absence of uniformity. Small plane accidents have affected this Senate and this Congress over a period of time. There were accidents involving Hale Boggs, Ted Stevens, John Tower, John Heinz, and perhaps others that I do not know about.

If this amendment ought to be adopted, let us take a hypothetical and see how much confusion and just outright absence of knowledge of how to proceed. A helicopter which would be a general aviation aircraft under the definitions of S. 645, less than 20 passengers, hits a commuter airplane that has a capacity for 25 passengers, crashes into a school while it is in session. The crash was a result of a manufacturer's defect in both aircraft which failed to provide adequate warning systems for being too close to each other.

Let us see what uniformity we have as we have heard so much about and the need for, under S. 645, that is the

general aviation bill. The suit would be against the helicopter's manufacturer. The passengers of the helicopter would have to sue under the preemptive Federal standards outlined in the bill, while the commercial plane and the injured parties, schoolchildren, would be required to use applicable State law superimposed by certain Federal standards involved in suing the commercial plane.

When such an accident like that happens, we have a situation in which we will say the tail from the commuter airplane hits one part of the school and schoolchildren are injured. The propeller or some other part from the helicopter hits. The helicopter is 22 years of age. Therefore the passengers in the helicopter cannot sue because the statute of repose would block them. The schoolchildren who are hit by the helicopter cannot sue because of the statute of repose.

On the other hand, you have a situation where the passengers in the commuter, the plane that has 25 passengers, sues. They can sue, but they have also a great deal of confusion in regard to how they sue. They can sue, but they can sue only against one or the other on joint and several, but they cannot sue joint and several for non-economic damages for pain and suffering. Yet, they can sue for the other economic on the joint and several claim.

There are so many different aspects of this thing when it is combined together and where there has not been thought that has been given that you could have such a horrible situation of confusion, you could have people having different rights. For example, perhaps the helicopter was 90 percent at blame and the plane that had 25 passengers is only 10 percent of blame, but the helicopter you could not sue under this because of the statute of repose.

This thing is a conglomeration of confusion and it had not been thought out. It ought to go to the Judiciary Committee and we ought to try to look at these things and have some workable plan if you are going to have it. Uniformity is nowhere anywhere in this bill. And to me it is a terrible confusion.

You know, when I stop and think about it, the average plane today is 23 years of age. That is the small planes that we fly around in, and a lot of people fly around in them. Certainly there ought to be a sign up there: "This plane is more than 20 years of age; you enter at your own risk." That is how absurd all of this language is in regard to some studied group, the most deliberative body in the world in its consideration to prevent all of this confusion is a hodgepodge of nonuniformity in what is presented us here today.

And to me, it is a situation where it ought to be referred to the Judiciary Committee and it ought to be studied and carefully considered.

Mr. KASTEN. Mr. President, how much time is remaining on either side?

The PRESIDING OFFICER. The Senator from Wisconsin controls 14 minutes and 56 seconds.

Mr. KASTEN. How much time does the Senator from South Carolina have?

The PRESIDING OFFICER. Fifteen minutes and 8 seconds.

Mr. KASTEN. I yield 5 minutes to the Senator from Rhode Island [Mr. CHAFEE].

Mr. CHAFEE. Mr. President, I am pleased to join in support of the amendment now pending before the Senate. It has been a long, long time—12 years, to be exact—since the Senate last debated product liability issues, and I pay tribute to my colleagues from Wisconsin and Missouri and the many others who kept working tirelessly and patiently on this matter.

As an original cosponsor of the free-standing legislation from which this amendment is derived, and a cosponsor of the amendment itself, I believe that this legislation will bring some much-needed uniformity to the product liability system, for the benefit of consumers and the well-being of our national economy.

Our current system just does not make sense. We have seen an explosion in the number of product liability cases in the past decade, and this increase has imposed heavy costs—both financial and social—on American consumers and the overall U.S. economy. If we want to maintain the United States' comparatively high quality of life and our international competitiveness, we must inject a dose of common sense, of rationality, into the manner by which we guard against dangerous products.

The significant jump in Federal and State court product liability lawsuits has meant that companies are spending a considerable amount of time, money, and resources on defending—or being prepared to defend—against lawsuits. And likewise, the cost of lawsuit insurance has gone up.

The fact that these resources are being committed to lawsuits—or the possibility thereof—is of obvious concern to manufacturers: They have no choice but to spend moneys on legal actions and insurance, rather than on research and development of new products and product improvements. In turn, they fall behind in their ability to keep up with domestic and international competitors; and that decreasing competitiveness is bad news for our overall economy.

How does this work? The lack of a uniform product liability standard translates into widespread uncertainty among businesses with regard to their liability exposure. Such uncertainty prevents companies from making basic long-range business plans, and it breeds excessive corporate timidity with regard to new initiatives. In turn, this allows foreign competitors a price and

innovation advantage in both U.S. and international markets. For the Nation's economy, the end result is less manufacturing, less productivity, less innovation, and less long-term stability. Is this the way we hope to ensure our national competitiveness into the next century?

Simply put, right now there are no uniform rules to allow companies to assess the kind of liability risks they may face with certain of their products. Who knows when some product—even if used in direct contradiction to product instructions, or if used in a situation where the company has no control—may be sued? I have a letter here from Mine Safety Appliances Co., which has a factory in my home State. They note that they were sued in a case where a lumberman, wearing MSA's hard hat, was tragically killed when he was hit by a falling redwood tree weighing more than 4,000 pounds. The hard hat, which met ANSI standards OK'd by OSHA, was deemed defective in this case; yet what headgear would not be defective when pitted against a giant redwood?

Since a company cannot accurately gauge which products may be subject to product liability lawsuits, many companies simply discontinue product innovation research, or a promising new product line itself. There are several examples of innovative American products that have been abandoned due to actual or perceived liability risks. Monsanto Co. dropped the planned production of a potential asbestos substitute. Dyneet Corp. stopped production of a helicopter clutch as a result of prohibitive insurance costs. Dozens of companies in my own State of Rhode Island have written to me to confirm the stifling effect of our current system on their ability to develop and manufacture innovative new products.

A clear example of how liability uncertainty has decimated an industry is that of the experience of the U.S. general aviation industry. Despite the fact that fatal accidents in general aviation have gone down and stayed down, claim and defense costs have shot up, and the cost to the industry is more than \$200 million. These costs—which per plane now exceed the cost of manufacturing of certain aircraft—have been devastating for general aviation. Aircraft manufacturers are spending thousands of dollars on legal defense costs instead of on new or perfecting technologies. Cessna Aircraft, Piper Aircraft, and Beech Aircraft have been scaling back or halting production of some aircraft, and that has caused employment to drop precipitously. And the cost of every new plane made by Piper includes a full \$75,000 in extra costs to help Piper pay for liability insurance.

But you might ask: Why does this matter to the average American family? Why does it matter to consumers

that a manufacturer is putting its financial and human resources to work on legal cases and not on product development? Why does it make any difference to families if businesses hesitate to develop new and promising products?

Answer. It matters a great deal. First of all, it matters when Americans go to the store to buy goods for their family. The prices consumers pay for a product often can include a substantial safety tax that goes toward covering the manufacturer's litigation costs. An even more basic and important product for everyday families: Lederle Laboratories—now the sole manufacturer of diphtheria, pertussis, and tetanus [DPT] vaccines—has bumped its price per vaccine from \$2.80 to \$11.40—about a 400-percent increase. Why? To cover the legal costs associated with the vaccine.

Much of these safety taxes isn't even made up of legitimate payments to victims, but rather consists solely of transaction costs—legal costs—lawyers. That is worth emphasizing: the General Accounting Office calculates that of the estimated \$120 billion in yearly economic costs associated with the tort system, at most 40 percent of these billions ends up going to those who were seriously and wrongfully injured. The remainder goes to—who else—the lawyers.

Second, it matters to American men and women in terms of simple job opportunity. Companies that are busy paying for legal fees don't have the wherewithal or the inclination to expand production; that means no expanded employment opportunities. Indeed, many companies are doing just the opposite, and cutting back production; that means the loss of existing jobs. That is the last thing this nation needs right now.

Finally, and this cannot be underestimated, Americans and their families pay a great deal in terms of the world-renowned American innovation and creativity that is lost, stifled, or paralyzed by corporate caution as a result of lawsuits, lawsuits, and more lawsuits. When U.S. companies hesitate to put their resources into a promising product development because of fears about potentially devastating liability, those new products may never be developed. As a result, Americans lose the possibility of enjoying the ofttime significant social benefit of that product. We as a society lose an opportunity to improve the quality of our—and our children's—lives.

The best example of this is that of children's vaccinations. We are down to one company—in all of the United States—that will take on the task of producing DPT vaccines, and that is Lederle. Likewise, there is only one producer of the measles vaccine, and that company has stated that the product remains on the market not for economic reasons, but out of the compa-

ny's sense of social responsibility. And vaccines are by no means the only worthwhile consumer product now endangered by liability exposure; the list of other products and potential products is virtually too lengthy to name.

A note about the injured party in product liability cases: those who believe that the current system justly and promptly compensates the victim and deters future malicious corporate behavior are sadly mistaken. Persons who have been injured or hurt by defective products often do not reap the majority of the money expended in these cases; and if they do receive their rightful award, it is likely to be after literally years and years and years of waiting for the court battles to be resolved. No one wants to curtail the ability of victims to recover deserved compensation; but the current system just doesn't deliver. We need reform.

In sum, given the financial, competitive, and social costs of an overly unpredictable product liability system, I believe that some reform must take place. The difficulty lies in determining how we can assure that consumers are protected from corporate negligence and victims are fully compensated for their injuries, while ensuring that innocent manufacturers can make long-range plans and are protected from frivolous or unwarranted lawsuits. In other words, we need to keep a deterrent value alive, but we have to curb some of the misuses—or outright abuses—in the system that is costing all of us dearly.

The amendment before us incorporates both the overall liability bill (S. 640) and Senator KASSEBAUM's general aviation liability bill (S. 645). I believe that this omnibus amendment before us accomplishes the goal of fair and balanced reform, and I wholeheartedly support it. I compliment the tenacity of my colleagues Senators KASTEN, DANFORTH, and KASSEBAUM; and I stand with them in their effort to get this measure enacted into law.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHAFEE. I thank the Chair, and I thank the distinguished leader of this measure and wish him success.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. DURENBERGER].

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I have long been a supporter and cosponsor of the national voter registration legislative initiative—motor-voter—S. 250. On every occasion that the majority leader has filed a cloture petition, I have voted in favor of cloture. I support this bill because it will enfranchise millions of American citizens by facilitating registration at motor vehicle departments throughout the country.

Today, my commitment to this legislation remains unchanged. However, I also believe that the Senate should engage in a full debate of our current tort and product liability system. Our country's tort system is in trouble. Doctors are practicing defensive medicine, manufacturers are suppressing innovation due to product liability concerns, and our Nation is suffering as a result. Clearly, something has to be done.

Mr. President, I am not a cosponsor of the Kasten amendment, nor am I a cosponsor of S. 640 or S. 645, the underlying bills. But I believe the public policy issues raised in them must be raised, debated, and decided. I feel even more strongly about medical liability issues.

The proponents of product liability reform have tried and tried and tried over the past 8 years to bring the issue of product liability before the Senate. But they have failed.

The proponents have not failed because a majority of the Senate opposes product liability reform. Quite the contrary. The last time the Senate voted on this issue, the legislation passed with more than 80 Senators voting "aye."

The reason the proponents have not been able to debate this bill for the last several years is because a handful of Senators have used the rules of the Senate to preclude any debate or consideration of this legislation. It is time for this debate to go forward.

Earlier today, I talked with the manager of this bill concerning this cloture vote. He, as he ought to be, is deeply concerned about moving the motor-voter bill, as I am also. I offered to again vote for cloture because I want to see motor-voter adopted. However, I indicated that it would only be fair to give the proponents of the product liability bill a time certain in which they could begin a debate on their bill. It does not have to be today, or tomorrow. It can be next week or next month. But it must happen this year.

Unfortunately, Mr. President, the opponents of the product liability law proposal will not allow that debate to take place, or apparently that is the case. So for that reason I will vote against invoking cloture.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from Vermont [Mr. JEFFORDS].

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, as my colleagues know, I am one of probably a handful of Members who support both the pending bill, the so-called motor-voter bill, as well as the pending amendment on product liability.

Vermonters have long been strong supporters of reasonable access to the polls. They still are. Vermont also used

to be the machine tools center of America. Thus, I have a State interest in both of these bills.

The vote on invoking cloture, as my colleagues know, would block consideration of the product liability issue.

This vote has been described in fairly shrill terms by both sides. Some supporters of the motor-voter bill, for example, have tried to characterize a vote against cloture as a vote against the motor-voter bill.

This, of course, is untrue. Nothing prevents us from considering both issues. It seems to me that the pace of work in the Senate over the past few weeks has not been hectic. I would think we could find the time to consider both the motor-voter bill and the product liability issue.

Is product liability nongermane? Of course it is, but under the rules of the Senate, it is a time-honored practice to attach nongermane issues to pending legislation. Whether it is a good practice depends on your feelings on the given issue. But the cries to follow proper procedure are a little hollow. I am not sure that after 10 or 12 years we need more careful committee consideration.

The product liability bill has been sanctified and villified far out of line with what it would actually do. It would not wipe out our trade deficit overnight, and would not lead to a revival of manufacturers who have lost market share to foreign competitors. Nor would it chain the courthouse doors for victims of defective products. But I think it could provide help. Manufacturers have devoted greater and greater resources to litigation costs. Even when they have never, ever been sued. Manufacturers' insurance costs have steadily mounted.

Machine tool builders and many others in my State have been trying to cope with crushing costs and they need our help. And they are at a competitive disadvantage with their offshore competitors who have not had machines here for 10, 20 years, who get sued.

I am a reluctant supporter of product liability reform. I long supported preserving the area for the States, but it has become harder and harder to support the status quo. Some victims get huge rewards and others do not get anything out of the system and the majority of the resources go not to the successful plaintiff but to the winning and losing attorneys. Manufacturers have withdrawn from some lines and are paralyzed in others. It is not clear to me that consumers have benefitted.

Thus, I think product liability is a very important issue, at least as important as the motor-voter legislation. It deserves to be considered on its own, but if the other party will not permit that, then I see no reason why it should not be offered as an amendment. I will oppose invoking cloture, and I will support consideration of the product li-

ability amendment. Let us debate it, let us vote on it, and let us move on.

The PRESIDING OFFICER. Who yields time? The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I yield 3 minutes to the Senator from Mississippi [Mr. LOTT].

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President, I thank the distinguished Senator from Wisconsin for yielding me this time. I do rise in support of the Kasten product liability amendment. I think it clearly is time for this critical reform. It is important to the U.S. economy, competitiveness, and to the consumers of this country.

The argument has been made, that we should not add this amendment on this particular bill. This is the Senate. And the Senate, under our rules, can add any amendment to any bill that comes along, especially if it is a bill that has been considered, and hearings have been held. This one certainly has been considered, hashed and rehashed for the last 10 years in the Senate Committee on Commerce, Science, and Transportation.

The Senator from Wisconsin has working long and hard. The distinguished chairman of the committee has made sure there have been hearings on it. There have been votes in the committee. It has been reported out. It is time this issue be debated and voted upon. When we voted last on it in committee, and when we have had hearings, I have raised questions about the impact on small businesses. I think product liability causes disproportionate problems for small business. But most of my concerns have been worked out. I am very pleased the National Federation of Independent Businesses now supports this amendment by Senator KASTEN. I think very important work has been done, and it will provide some relief to the small businesses.

The current system is extremely harsh on small businesses. Small business are usually the most innovative and entrepreneurial in our economy; yet product liability costs and fear of liability serve as an effective deterrent to products that would bring true benefit to the consumer, create jobs and a competitive advantage in the global marketplace.

Senator KASTEN's amendment would be the step in the right direction. It would continue to ensure the consumer's protection, while reducing litigation and insurance costs.

It would provide incentives to settle suits, whereas in the past all the emphasis has been in the other direction. And it would provide a degree of uniformity to product liability laws involving interstate commerce. The uniformity of laws would lead to reduced costs, greater certainty, and fewer business impediments.

I particularly want to refer to a couple of parts of the bill. There is one sec-

tion I believe the common man would very strongly support. It is a section dealing with joint and several liability. Many of these liability suits involve multiple defendants, all of whom may be partially responsible for the injuries of the plaintiff. But, quite often, the defendant that is least responsible, because he or she, or that company, may have deep pockets, they wind up saddled with a disproportionate share of the burden. The Kasten amendment will help address that problem and make sure that this liability is assessed and paid for in a more fair way.

Also, the Kasten amendment provides incentives to settle suits, and calls for alternative dispute resolution. Certainly that is something we ought to do in this country. It would save the consumers money. It would save the litigants money. It would encourage people to go for settlement instead of dragging out and fighting these lawsuits, many times for years.

Moreover, those that are seriously injured must wait, according to a 1989 GAO report, on average, 2½ years for final verdict. A delay which is intolerable for those which have been injured physically, emotionally and financially. They need compensation in a just and expeditious manner—not in the way it is currently carried out.

There is no question in my mind, in terms of the cost that this is having to the United States, to business and industry in this country, that it is hurting our competitiveness with foreign countries.

Product liability costs are 20 to 50 times higher than those paid by foreign competitors. United States product liability costs are 15 times higher than Japan's and 20 times higher than Europe's. How can we compete under these conditions?

Today, Americans, whether it is individually, or as businesses and government devote a tremendous amount of our resources to product liability costs—\$80 billion annually on direct litigation costs and higher premiums, and up to \$300 billion on indirect costs. Our society suffers from higher prices and lost opportunity.

We lose our jobs, our competitiveness and the products that would enhance our lives due to the product liability burden we all shoulder.

It is time for reform, it has been delayed for over 10 years. And the cost of further delay is too high.

I urge the adoption of the Kasten amendment and I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I have just been informed the Riddell Corp., Chicago, IL, is manufacturing helmets for the Redskins, and for a good many other football teams. I just wanted everybody to know, those who

are all into this heat and temper here on the floor of the Senate of the United States. The helmet business is a thriving business. They are making a profit.

The fact is that we have not been able to get this bill into the Judiciary Committee, once that Judiciary Committee voted on the aircraft part of it, 10 to 2 negatively. Then the name of the game become this: do not ever let this bill get before a responsible committee, reforming, as they say, common law—actually changing the basic common law, repealing it, taking away rights under the seventh amendment, and the amendments of the several States' constitutions—do not ever let it get back to any Judiciary Committee. Instead, attach it on every and any bill by ambush, as we have seen here today.

Right to the point, when they talk about the products that are unsafe, and that are being kept off the market, we have put an appropriate study in the hearing record before the Commerce Committee.

It was the Rand study of compensation for accidental injuries in the United States, touching on product liability. The study reported that empirical evidence for the proposition that products are being kept off the market because of product liability is "generally quite weak."

We have the real evidence there. When my colleague from Missouri talks about Monsanto keeping things off the market, I hope Monsanto stops suing the insurance companies. In one instance, a Texas jury awarded Monsanto \$141 million against its insurers, \$141 million.

Why, heavens above, let us get a Federal law for insurance, to protect the insurance companies. Of course, that is one thing they do not want. They do not want to get into the costs of insurance.

Specifically, Mr. President, in the limited time we have, I really get boiled up when they talk about "it is in the consumers' interests," on the one hand, and "they are fronting for the trial lawyers."

Ask the former attorney general of Missouri, or the former attorney general of the State of Washington, both of whom just spoke, whether the trial lawyers would front for them. We have former attorneys general on both sides of the aisle. But the attorneys general, the State legislators, the Association of State Supreme Court Justices, they are not fronting for the trial lawyers. The Consumers' Union, the Consumers' Federation, Public Citizen, they are not fronting for the trial lawyers.

The U.S. Public Interest, the American Public Health Association, they are not fronting for the trial lawyers.

The American Bar Association is predominantly for defendants' lawyers. That is the reason ATLA, the Amer-

ican Trial Lawyers Association, was formed. Because ABA had all the utilities lawyers, the railroad lawyers, the electric company lawyers, and all being paid to ride on the train to San Francisco, paid to go back, and they all sit around and eat and sleep, and they never did the trial lawyers any good. We started, in the trial lawyer bar, really educating lawyers as to updated approaches to bring justice to the American system.

So, specifically speaking, let me say I am proud to be a lawyer. I was fortunate in a small two-man law firm to represent small business clients. I represented a substantial insurance company before the Securities and Exchange Commission.

I have been admitted to the Customs Court and practiced there, and the Admiralty Court. I have been in trial work. I have represented insurance claims against a bus company and the local power company and what have you.

I think we ought to better understand this numerical game about Japan and lawyer. The fact of the matter is while they say there are 10,000 lawyers in Japan compared to 650,000 in the United States, the truth is that Japan has a million—a million law graduates in Japan.

I ask unanimous consent that we have printed an article in the RECORD from the professor of law at Tokyo and the associate professor of law at Washington State, "The Myth of Japan as the Land Without Lawyers."

I ask unanimous consent to have that printed in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. HOLLINGS. The fact is that the 10,000 number counts only the barristers who do trial work. All the other lawyers work with the insurance companies, manufacturers, and so on—and they account for the great majority of Japanese lawyers.

I think you ought to understand that in product liability, according to the Rand report, one out of 10 parties injured from defective products actually gets to a lawyer. We are not that litigious a society. In fact, what is happening is health costs are accounting for most of it, the insurance companies or their doctors, personally or otherwise. But of the 1 percent who do seek legal representation, 22 percent of that 1 percent cannot find a lawyer to represent them.

Otherwise only 3.5 percent of the 1 percent actually bring a case to verdict. And, of those that bring the case to verdict, over 50 percent of them never receive a fee and they are left holding, on an average, as shown in the Rand report, \$15,000.

That is the contingency fee. They do not like that contingency fee. They

would like to get rid of those for lawyers who are willing to just go away and settle the case. Let us look, for example, at how they mean to get rid of those lawyers. If, on the alternative dispute resolution procedure, if you refuse to do that—as they have it in this bill—then there is a presumption against you, when you lose the case, that you acted in bad faith and you have to pay—whom? You have to pay the other side, the corporation's lawyer's fees and all the other costs.

That corporation lawyer's fees give you pause. When the poor client walks in my office and he wants to sue Big Chemical, Inc., I say wait a minute. Big Chemical has those billable hours and they sit around in those offices and eat meals in those private dining rooms, and we will have to pay for those dining rooms, the golf weekends, the yachts, the fresh flowers on the desk, and a hundred other expenses.

And they have a lot of expenses. I can tell you now, as a lawyer, that unless you have \$20,000 up front for me to start working this case, then there is no way to sue Big Chemical, because I do not mind waiving my fee; I do not mind paying for the court costs. But do not come to me on a contingency basis that I have to, by gosh, pay the other side's fees, with all of those billable hours.

I think, Mr. President, you ought to understand that lawyer crowd downtown. Here is "An Alarming Look at Your Tax Dollars at Work."

I ask unanimous consent to print this article by Robert Deitz in the RECORD.

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

AN ALARMING LOOK AT YOUR TAX DOLLARS AT WORK

(By Robert Deitz)

Today's topic is how the federal banking cops are abusing your tax dollars at the same time the bank insurance fund is dry and the bank police are panhandling Congress for \$30 billion more of your money.

(Reader alert: Parents of small children may want to destroy this column after reading. Otherwise, a hapless tot may stumble upon it while searching for the Sunday comics. Which wouldn't be good. Because the facts that follow can shake an innocent's faith in our government.)

What we'll do is look at partial results of a House Banking Committee audit of the Federal Deposit Insurance Corp's 1991 expenditures. Portions are summarized here without comment. Here's some of the stuff the bank regulators spent your money on in the fiscal year ended Sept. 30.

ARTWORK

L. William Seidman Conference Center (The Seidman Center is the agency's new office/hotel complex completed in Arlington, Va., in June)—\$161,353 (not counting \$50 hourly charge for art consultant's placement and hanging of prints).

Kansas City FDIC office—\$26,000.

BREAST PUMPS

Two electric 25 manual—\$2,020.

CARTOONS

Purchase of Seidman cartoon from The Economist of London—\$150 (includes \$50 for overnight express delivery).

CHAIRS

Dallas office (four "club" chairs @ \$775 each, two "peconics" @ \$534, two "cabots" @ \$469, two "swoopies" @ \$358 and 38 "dicks" @ \$375)—\$20,342.

Chairs for Seidman Center—\$425,803.

COOKBOOKS, GOLF SHIRTS, COFFEE CUPS

Twelve shirts, 3,000 Asian cookbooks and 2,436 coffee mugs—\$16,672.33.

FDIC FLAGS

Eighteen custom-sewn flags—\$3,694.

FLOWERS

For Seidman Center dedication and Christmas decorations—\$8,451.

LAWYERS (ROUTINE)

FDIC and Resolution Trust Corp. contract legal services—\$1,000,000,000.

LAWYERS (SPECIAL)

Research into when former Chairman Seidman's term should end—\$50,000.

LEATHER-BOUND DAILY PLANNERS

Although these items are available for \$4 each from the GSA, the FDIC spent \$185 to \$250 per planner—\$6,000.

MISCELLANEOUS MEETING EXPENSES

Booze—\$6,320.

In-room movies—\$107.

Gift shop charges—\$21.

Legal Division banquet—\$17,058.

Shoe shines—\$4.

Tennis court fees—\$21.

RENTED PLANT UPKEEP

Chicago office—\$2,256.

Washington office—\$14,436.

SPECIAL TRAINING

"Entity Relationship Remodeling" seminar (2 employees)—\$2,791.

Sensitivity game training (500 employees)—\$3,515.

"Subarctic survival training" (550 employees)—\$15,162.

STAINED GLASS

Seidman Conference Center—\$3,277.

STASHING CARS

Contract parking fees for 142 Washington employees—\$238,560.

TUNES

Harp soloist, Washington office—\$275.

Muzak, Chicago office—\$2,200.

Muzak, Memphis office—\$1,600.

Muzak, Washington office—\$4,700.

Well, we're out of space here and only up to "T" and \$1,032,788.33, not counting the \$1 billion in routine legal fees and a lot of other stuff, too. How about that, huh? Your tax dollars at work. Have a nice day.

Mr. HOLLINGS. Mr. President, you get a real flavor of what this crowd is talking about. Here our House Banking Committee went through the Resolution Trust company expenses and the William Seidman Conference Center. They talked about the RTC's cook books, golf shirts, coffee cups, FDIC flags, cartoons—the London Economists magazine did a cartoon, and they paid for the original. Then they came around, in addition to the flowers, with leather-bound daily planners. I would like to see one of those things in a real lawyer's office. The cost for FDIC and the Resolution Trust Corporation, con-

tractual legal services, \$1 billion; \$1 billion of the taxpayers' money.

Who in the world talked about taxes a minute ago; a lawyer's tax? These are the taxes that are going to be paid and are the cause of the deficit. I did not vote for the S&L bailout. We should have settled up the case. Now we are putting good money after bad, and paying all the lawyers sitting around, law firms up in New York, not \$200 and \$300, but \$400 and \$500 an hour. That is what they are getting paid up there.

So you can see at a glance that you do not want to get into these leak investigations. They spent, I think, \$2 million to \$3 million trying to find the leak out of the Judiciary Committee, and could not find the leak. That does not surprise me. Investigators spent \$42 million over 6 months and could not find Ronald Reagan in Iran-Contra. Talk about lawyer's fees around this town.

Mr. President, last August, at the American Bar Association, the Pro Bono Public Service Award was given to a young lady named Maureen Chee, a native Singaporean. She grew up in Singapore, and her father said: Look, in this land of ours, somehow freedom and rights to not work. They work in America. I want you to go find out.

Under the Confucian system of divided society, right at the top of society, of course, is the educated; the next level is the laborers, the farmers; and at the bottom is the businessman. Under this Confucian system, they do not have any product liability. The same in Japan. They do not have anti-trust; they have protrust. We can debate that. I can see now the way this vote is going on cloture, so we will have plenty of time.

The young lady went to Guilford College, graduated with honors, and went to Wake Forest Law School. She started practicing, taking on the different cases for legal services. She was representing Mexican migrant workers. She was representing those of Asian descent, aliens and otherwise, from a local army base. She represented the tired, the poor, the restless masses yearning for a lawyer. And she was representing them all on her own time, married, with three children, and driving in a little, broken-down automobile.

When legal services cut out aliens, she went out and practiced on her own, representing those people. She was tremendously dedicated.

She won the ABA award for pro bono work. She was presented this award by Associate Justice Sandra Day O'Connor. As she received the award, she told the story of how she could not get back to Singapore. She wrote to her father. She did not have money enough to go back, but she wrote: "I found the secret in America, Dad." She said: "The secret in America is the American lawyer." She said: "I am proud to be an American lawyer."

Now that is the crowd that I am proud of, and that is why I am proud to be a lawyer. And that is why I am proud to stand up here and block, the best I can, this injustice of trying to take in an alternative resolution procedure. You cannot, by Federal rules, go in.

That is why the American Bar Association, all of the tort lawyers and deans of the law schools, some 70, came in here and said it is wrong, wrong, wrong. This is not an ACLU or trial-lawyer debate, as they try to depict it. This is a debate about fundamental, common law, the constitutional guarantee, Bill of Rights, trial by jury. That is what they have been trying to do. They would not let it get to the Judiciary Committee. They put it on here.

Senator ROCKEFELLER, one of their cosponsors, I believe, I am told—it is only hearsay—he can vote with us because he understood that while he worked out a time, really, for a hearing this Thursday, May 14, they wanted to preempt it. They do not want a full hearing on this particular score.

I retain the remainder of my time.

EXHIBIT 1

[From the International Bar News, Mar. 1987]

THE MYTH OF JAPAN AS A LAND WITHOUT LAWYERS

(By Toshikazu Kitawaki, Associate Professor of Law, Nihon University, Tokyo, Japan and Ray August, Associate Professor of Law, Washington State University, Pullman, WA)

The statistics are almost incredible. In Japan there are 12,500 licensed attorneys—9,000 in actual practice. This translates roughly into one practicing lawyer for every 14,000 citizens. By comparison, there are some 650,000 licensed attorneys in the United States—about half of whom are in actual practice—or one practicing lawyer for every 700 Americans.

Much has been made about this 20-fold per capita imbalance in the number of Japanese and American lawyers. Humorist Russell Baker has suggested that it be cured by 'exporting one lawyer to Japan for every car Japan exports to the United States'. CBS news has broadcast a feature story on Japan's lawyerless society and *Time Magazine* has christened Japan the 'land without lawyers'. The Japanese themselves see no need for more practitioners. Noted jurist Takenori Kawashima wrote in 1967. 'We think of the law as a hereditary family sword . . . an ornament rather than a means for enforcing the power of the government to control the daily life of our society'. Actual litigation is both uncommon and on the decrease.

But there is another aspect to the practice of law in Japan. Japanese attorneys do not perform the same roles as American lawyers. They are more like British barristers or French avocats. The license to practise entitles them to appear in court, but it does not prohibit others from performing services that only an American lawyer is allowed to do. Distinct licenses, moreover, are granted to scribes, patent attorneys and tax advisors.

Almost all of the top 100 corporations in Japan have their own in-house legal depart-

ments. But these departments are not staffed by licensed attorneys. Employees can render services on behalf of their companies without being members of the bar. The legal departments engage licensed practitioners when the company must appear in court, but since this seldom happens the unlicensed law staffs handle virtually all corporate legal work.

The law staffs are not without training, however. Legal education in Japan is highly respected. The six leading private universities in Japan—Waseda, Chuo, Nihon, Meiji, Senshu and Hosei—all began in the 19th century as colleges of law. 40 years ago 20 universities had law schools. Today there are 80 and student enrollment exceeds 80,000 undergraduate and 1,000 graduate students.

Japanese law schools are large by American standards. The largest, Nihon University, has more than 8,000 undergraduates enrolled in both its day and night divisions and it awards degrees to 2,000 graduates each year. Half have studied the law and the rest have studied public administration, political science and economics, journalism or management—major fields offered by departments housed within the law school. Other major law schools, including the college of law at the prestigious University of Tokyo, graduate between 500 and 1,000 law majors every March—the month when the Japanese academic year comes to a close.

Total output of all law graduates in Japan each year is between 65,000 and 70,000. Some 30,000 to 35,000 sit annually for the examination to gain admittance to the Judicial Research and Training Institute, the country's only professional school for lawyers, judges and prosecutors. Less than 500 pass. Those who do take a two-year course of practical instruction and a final examination that admits them to the bar or the bench.

Failure to gain admission to the Institute is not regarded as a major defeat, however. Both corporate Japan and the Japanese civil service are eager to hire law graduates. Of the country's 17,000,000 recipients of undergraduate degrees only about 6 per cent hold a bachelor of laws degree, yet they make up 20 to 25 per cent of the employees of Japan's largest corporations, and more than 50 per cent of many government agencies, including the Ministry of Justice, the Ministry of Finance and the Ministry of International Trade and Industry.

While only one of Japan's 16 post-war Prime Ministers has been a licensed lawyer—Eisaku Sato—seven others—Hidehara, Katayama, Yoshida, Hatoyama, Kishi, Fukuda and the current Prime Minister, Yasuhiro Nakasone—all received law degrees from the University of Tokyo. Also, while only 30 of the 763 members of the 1986 Diet are lawyers, 277 (or 36 percent) are law graduates.

More than half the directors of Japan's top 100 businesses are law graduates and, except for companies organized since World War II and still controlled by their founders, one in three corporate presidents is a law graduate.

An American doing business with a Japanese firm finds many law graduates and few lawyers involved. Some 200 licensed practitioners specialise in international commercial law, but most get involved only after a dispute arises and litigation appears likely. The actual negotiation and writing of contracts, as well as the formal 'understanding between parties' that supplements the very simple contract instrument used in Japan, are put together by law graduates on the company's legal staff.

The typical in-house law office employs ten law graduates, and seldom if ever a law-

yer. Law graduates join a company first as an apprentice in some other division of the company. After becoming familiar with the company's day-to-day operation those who show promise are given in-house training or sent back to school for advanced studies. Many travel to American law schools to study for an LL.M. or an equivalent degree or certificate. European law schools, which used to be in favour prior to the last war, are now infrequently considered by the Japanese, who are eager to learn as much as they can about Americans. In the United States the largest single Japanese contingent of law graduates—five students—can be found at the University of Washington's law school in Seattle. On their return these law graduates with advanced degrees will commonly climb the corporate ladder rapidly to senior management.

Those who prefer to practise—not as trial lawyers but as counselors and preparers of legal documents—can sit for the scrivener's examination. Most of the nearly 50,000 scriveners acquired their status before the national government instituted the licensing requirement, and the total number has remained relatively constant since. While not as difficult as the test to gain entrance to the Judicial Research and Training Institute the scriveners' examination is still regarded as a challenge.

Approximately one million Japanese possess law degrees, but only 200,000 are actually involved in jobs that relate directly to the use of their legal training—as lawyers, judges, prosecutors, scriveners, and on government and business legal staffs. This, however, amounts to one 'legal practitioner' for every 700 people—a ratio identical to that for the United States.

The Japanese word for lawyer (bengoshi) might be better translated as 'trial lawyer' or 'barrister'. As is the case for the 3,300 English barristers who are licensed to appear in the courts of England and Wales, the ratio of Japanese trial lawyer to the Japanese citizenry—1 to 14,000—is the same as the ratio of English barristers to the English citizenry—1 to 14,000. And one has to suspect that the number of American attorneys who regularly and competently practise as trial lawyers (at least according to the definition of Chief Justice Warren Burger, a regular critic of the courtroom skills of American attorneys) may not exceed 18,000—the number one gets after applying the Japanese and English ratio for the United States.

Time Magazine has written that 'American parents are fond of telling their college-bound children, "We'll always need lawyers"'. Japan is not that different, despite the efforts of Time, CBS News, and other media representatives to create the myth that the country is a land without legal practitioners. As Japanese parents are fond of telling their college-bound children, 'We'll always need law graduates'.

The PRESIDING OFFICER. The Senator has 12 seconds. Who yields time?

Mr. KASTEN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Two minutes 15 seconds.

Mr. KASTEN. Mr. President, I ask unanimous consent that a letter from the Secretary of Commerce in support of the administration's position be printed in the RECORD.

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

THE SECRETARY OF COMMERCE,

Washington, DC, May 12, 1992.

Hon. ROBERT W. KASTEN,

U.S. Senate, Washington, DC.

DEAR SENATOR KASTEN: I understand that you have offered S. 640, the "Product Liability Fairness Act" as an amendment to S. 250, the "National Voter Registration Act." I am writing to express the Administration's strong support for your amendment.

The Administration views S. 640 as a vitally important measure in reforming existing product liability laws that are imposing extraordinary burdens on the Nation's economy and competitiveness. The current system creates needless uncertainty and excessive transaction costs for American companies, reducing their profitability and limiting their ability to compete effectively in the international marketplace. It denies job opportunities to American workers by contributing to plant closings and deterring business expansion. It harms American consumers by raising prices and denying access to socially beneficial products that manufacturers are unnecessarily discouraged from producing. In addition, it harms both plaintiffs and defendants by causing delays and generating enormous litigation costs. We believe that your bill would effectively alleviate many of these problems.

I stand ready to assist you in obtaining the quick passage by the Senate of S. 640.

Sincerely,

BARBARA HACKMAN FRANKLIN.

Mr. KASTEN. Mr. President, I ask unanimous consent that editorials in support of this legislation be printed in the RECORD.

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

[From the Washington Times, May 12, 1992]

CONSUMERS ARE LIABLE FOR PRODUCT LIABILITY LAW

Say a drunken driver going down the road veers out of control and runs into a phone booth, one in which a man happens to be making a call. Who's to blame? The drunken driver? The victim, who should have known better than to make a phone call?

The last choice may seem pretty ridiculous, but the way the courts handled this case was more ridiculous still. The victim actually brought suit against the companies responsible for the design, location, installation and maintenance of the phone booth. A California judge ruled the companies should have known that some sot might careen into the phone booth one day and for that reason the companies could be held liable for what happened. The companies had to settle the case out of court.

This is the sort of thing that happens when lawyers-turned-politicians write laws that enable the profession to go hunting for deep pockets anytime somebody takes out a phone booth or pours perfume onto a candle and gets burned as a result or has a heart attack while trying to start a lawnmower or whatever. Sometimes the lawyers get into those pockets. Sometimes they don't.

But what they all do is create expenses that divert money from productive uses to legal paper shuffling. And they all contribute to such uncertainty that the cost of product liability insurance goes out of sight because all risks have to be covered. The cost of that insurance is reflected in the cost of the product. So it's not just corporate pockets being rifled here. It's consumer pockets too.

It could be worse. Even at a high price, the product remains available. Public phone

booths are still on the streets. In the worst case, the uncertainty and the insurance costs are so high that the manufacturer finds the product too costly to produce. Trial lawyers may argue that this loss to consumers is necessary to ensure better, safer products ultimately. But a Brookings Institution study published last year argues that product safety has less to do with threats of lawsuits and the hunt for deep pockets than with other factors, including manufacturers' desire to protect their reputations.

Today, Sens. Robert Kasten, John Danforth and Jay Rockefeller will try to bring legislation to the floor to remedy what they refer to as the "product liability tax," which is the cost product liability claims imposed on consumers. Among other things, their bill, S. 640, would expedite settlement of legitimate liability claims, thereby putting more money in the hands of victims rather than lawyers. It provides that a claimant seeking punitive damages must show that the defendant demonstrated a "conscious, flagrant indifference" to public safety.

It also adopts a California provision holding a defendant liable for the likes of pain, suffering and emotional distress only in proportion to the defendant's share of responsibility for causing the harm. If the courts found the drunken driver 90 percent responsible for what happened to the person inside the phone booth, the driver would be responsible for covering 90 percent of the cost of pain, suffering and so on.

Obviously the trial lawyers who have been making a nice living off deep pockets aren't going to be happy about legislation like this. Neither are the politicians who collect campaign funds from the trial lawyers to keep the scam going. Supporting S. 640 is one way for consumers to bring it to a halt.

[From the Kansas City Star, Mar. 17, 1992]

REFORM PRODUCT LIABILITY

With the probable exception of trial lawyers, few would disagree that America's product liability system needs an overhaul. For years backers of reform have been pressing for a federal statute to replace the patchwork of state provisions. This year a renewed effort has drawn dozens of congressional sponsors and the support of the National Governors Association. This legislation deserves approval.

Because liability insurance costs are included in the prices of everything we buy, all consumers are paying for a legal system that has become a crap shoot. The proposed legislation is a reasonable attempt at reform.

It would not bar lawsuits. It would not cap damages. It would not do away with punitive awards—but it would finally make punitive damages tougher to prove, something that should have been done long ago. The proposed standard would require victims to show that companies exhibited a "conscious, flagrant indifference" to public safety. Other provisions would:

Bar claims in which the primary cause of the accident was the victim's use of drugs or alcohol.

Bar punitive damages in cases where companies complied with regulatory standards. In the case of pharmaceutical companies, this means drug makers still would be liable for other damages, but if they met Food and Drug Administration standards they would not face additional awards aimed solely at punishment.

Modify joint-and-several-liability rules. Companies found negligent would be liable jointly for actual damages such as medical expenses, but for non-economic damages

such as pain and suffering they would be liable only to the extent of their responsibility.

Critics of reform say the system isn't broken and shouldn't be fixed, Pamela Gilbert of Congress Watch says only one in 10 accident victims thinks of filing a suit. Yet it is not the aggregate number of lawsuits or the average size of the awards that matter, but the increasing risk of being hit with a monster judgment.

In 1975 only nine product liability cases yielded awards of \$1 million or more. By 1984 the number had jumped to 86. Companies have to buy insurance to protect themselves against this contingency, and insurers have to price coverage in a way that takes the risk into account.

A growing number of studies document the consequences of runaway legal costs. The Department of Commerce found that U.S. producers may pay 20 to 50 percent more for liability insurance than their overseas competitors. Brookings Institution researchers found "little direct or statistical evidence" that liability verdicts result in safer products in the automobile, private plane, pharmaceutical and medical services industries.

Other studies have concluded that the system tends to discourage innovation, needlessly kills products still on the drawing board and reduces industry support for research.

The system is broken, and it needs to be fixed.

PRODUCT LIABILITY

After a decade of much-needed revision, a bill setting nationwide standards for product liability lawsuits appears headed for judgment day in Congress.

Within a few weeks, Republican Senators Robert Kasten and John Danforth are expected to ask for a vote on a bill that would bring some sense to the nation's wildly inconsistent product liability laws. Opponents, including the Senate leadership, will try again to delay a vote, as they have done successfully for years. This time, the Senate should block that effort and approve the measure.

The product liability bill, co-sponsored by 40 senators, tries to make life more predictable for manufacturers selling products nationwide. Since liability laws are written by states, the outcome of a lawsuit filed by an injured consumer depends heavily on where the case is heard. For example, some courts hold manufacturers responsible even if their products are misused, while others do not. Some courts award much larger sums for punitive damages than others.

Manufacturers are facing an avalanche of injury lawsuits. More than 19,400 product liability suits were filed in federal courts in 1990, compared with 1,578 in 1974, a 1,231% increase. A 1989 study by Tillinghast, a management consulting firm, estimated the annual cost of liability lawsuits at \$117 billion. The unpredictability of the legal system also raises the price of liability insurance.

The Kasten-Danforth bill offers a sensible alternative to this costly and uneven system. It seeks to curb some state laws and court practices that expand liability unreasonably, while leaving in place states' rights to define a manufacturer's responsibilities.

For example, the bill bars lawsuits where a claimant's use of drugs or alcohol was the main cause of his injury. It also would protect manufacturers from liability for industrial machines that are more than 25 years old. Claimants, moreover, would have two years from the time they discover—or should have discovered—an injury to sue for damages.

The legislation also builds fences around punitive damages. For example, it would raise the threshold for justifying a punitive damages award by requiring claimants to prove manufacturers showed "conscious, flagrant indifference" to safety. A manufacturer of a product that complied with federal standards would be responsible for a claimant's out-of-pocket expenses but not for punitive damages.

Another provision takes aim at joint liability, which says each defendant must pay the entire damage award if other defendants can't pay their share. For non-economic damages such as pain and suffering, the bill proposes that each defendant would pay its share.

Although the bill is more favorable to plaintiffs than earlier versions, consumer advocates and trial lawyers strongly oppose it. In part, this is a legacy of earlier battles: Prior drafts of the bill were blatantly anti-consumer, requiring claimants to prove negligence and setting caps on damage awards. While this bill does neither, opponents worry that anti-consumer provisions will be added later. Such an attempt may, indeed, be made, but it should be stopped when it is tried, not in advance.

Not all parts of this bill deserve a "yes" vote. Provisions requiring the loser in a product lawsuit to pay part of the winner's legal fees would disproportionately hurt individual plaintiffs, who lack the resources of corporate defendants. But the bill, overall, restores a needed balance between consumers and manufacturers in injury lawsuits. After more than a decade of refinements and compromises, this bill should be passed.

Approval in the Senate may also spur action in the House, where a similar bill is supported in one committee but opposed in another. In both chambers, it's time to stop the endless wheel-spinning on product liability.

Mr. KASTEN. Particularly, Mr. President, an editorial of today, Tuesday, May 12, from the Washington Times. I would like to simply summarize, before I yield to the Republican leader, what we are all about here today.

The last paragraph from the Washington Times today, talking about this legislation, the vote that is about to occur:

Obviously, the trial lawyers, who have been making a nice living off deep pockets aren't going to be happy about legislation like this.

We have heard that they are not.

Neither are the politicians who collect campaign funds from the trial lawyers to keep the scam going. Supporting S. 640 is the one way for consumers to bring it to a halt.

This bill for product liability reform is a consumers' bill.

I yield the remainder of my time to the Republican leader.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I thank the Chair, and I thank my colleague from Wisconsin, Senator KASTEN.

Mr. President, for the past 6 years, the Democrat majority in the Senate has been maintaining a determined filibuster to block any kind of products liability reform legislation from reaching the floor.

The filibuster continues, despite the fact that American business is being

crippled by current law, a law that favors lawyers over manufacturers, workers, and consumers.

The filibuster continues, despite the fact that product liability insurance costs were 15 times higher in the United States than in Japan.

The filibuster continues, despite the fact that our general aviation manufacturing, once the envy of the world, is now almost nonexistent because of the current system.

The filibuster continues, despite the fact the prohibitive cost of liability insurance prevents new medicines and products from being introduced to the market.

The filibuster continues, despite the fact that the American people are crying out for reform.

It is not that bills have not been introduced; they have.

It is not that Senators—I ask that I may use some of my leader time.

The PRESIDING OFFICER. The Chair informs the Senator from Wisconsin his time is used. The Republican leader will not proceed on his leader time.

Mr. DOLE. It is not that the bills have been introduced. They have. It is not that Senators have not worked hard to bring products liability reform to the floor. No one has worked harder than Senator KASTEN to do just that, and Senators DANFORTH, GRASSLEY, and MURKOWSKI have also performed yeoman's work. Senators KASSEBAUM and MCCAIN have taken the lead on the issue of aviation products liability.

But despite committee hearings, hearings that sometimes led to legislation being passed out of the committee, this matter somehow never makes it to the Senate floor. And while the majority Democrats happily maintain their stubborn filibuster with the blessing of the American Trial Lawyers Association, the system continues to break down. American competitiveness is weakened and jobs are lost.

I have nothing against lawyers. I am a lawyer. I am married to a lawyer. Some say we are the only two lawyers in Washington to trust each other. And some of my best friends are lawyers. But I do have something against lawyers who refuse to acknowledge that America can do better.

This morning I joined Senator MITCHELL and Senator BENTSEN and others at the White House to talk about bipartisanship, talk about working together to improve America, and this seems to be one of those opportunities where we can work together to improve America.

So, Mr. President, I commend my colleague from Wisconsin in particular, and others who have taken his side on this particular issue. It seems to me that if we can withhold cloture—then I assume there would be a motion to table. I would hope that would not happen. Let us have debate. Amendments can be offered. All the things I have

heard, shortcomings about this bill maybe, if some are in fact true, can be corrected. But in the meantime, Mr. President, it seems to me that this is not a time to invoke cloture.

If you add up which bill is more important, the American people, consumers, the businessmen, everybody else, whether it is motor voter or product liability, there is no doubt in my mind the American worker, the American consumer, the American manufacturer, those out there creating the jobs, would say let us pass product liability reform; we can wait for the motor voter legislation.

I reserve the remainder of my time.

The PRESIDING OFFICER. The leader reserves the remainder of his time. The majority leader is recognized.

Mr. MITCHELL. Mr. President, am I correct that all time has been used or yielded back?

The PRESIDING OFFICER. The Senator is correct.

Mr. MITCHELL. Mr. President, in that case I would like to use a portion of my leader time to respond, to discuss the subject now.

Mr. DOLE. Could I yield 1 minute to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 minute under the Republican leader's time.

Mr. PRESSLER. Mr. President, I commend my colleagues, Senator KASTEN and Senator DANFORTH, for their tireless efforts in bringing this legislation before the Senate. We have worked 6 years to see the Senate take action on this issue. We are closer today due to the determination of my friend from Wisconsin and our ranking member on the Commerce Committee.

For many years, America has faced a product liability crisis. The present judicial system for resolving product liability disputes and for compensating injured parties is inequitable, inefficient, and imposes huge costs on American consumers.

In fact, nationally the cost of product liability insurance is 15 times higher in this country than it is in Japan, and 20 times higher than it is in Europe. American business will not be able to maintain or gain back its competitive edge in international markets if we do not act quickly to correct this situation through passage of this legislation. It is vital that Congress unshackle U.S. companies and consumers from the current product liability burden and eliminate this serious competitive disadvantage.

This point was brought home to me a few years ago when I was touring a friend's manufacturing business in Phillip, SD. Art Kroetch the owner of Scotchman Industries explained to me that his manufacturing business pays twice as much for product liability insurance as it spends on its entire research and development department.

This situation is not unique to South Dakota businesses. Nationally, money spent by small businesses defending frivolous lawsuits and for the purchase of product liability insurance is diverted from reinvestment in their core business.

Mr. President, I think it is important to recognize that this legislation is not opposed by all attorneys. I have spoken with many lawyers within the American Bar Association who support tort reform. I believe the legislation we have before us today is a fair and equitable approach to resolve the differences between lawyers and business. S. 640 is different from past proposals sought by business groups that were considered too pro-defendant.

The main focus of this bill, however, is plaintiffs rights. This bill does not place any limit on the amount of punitive damage awards, nor does it take away the jury's right to decide punitive damage awards. It does not contain a broad statute of repose for consumer products, unlike the European Economic Community which has a 10-year statute of repose for all products. The statute of repose in S. 640 is 25 years only for capital goods. This statute would prohibit a claim only if the claimant is eligible to receive workers compensation benefits for the harm done in the workplace.

In addition, S. 640 includes an amendment I offered to earlier product liability bills which modifies the doctrine of joint and several liability. For too long, businesses and consumers have been victims of the joint and several liability rule. Otherwise known as the "deep pocket rule," this provision enables a plaintiff to force any defendant to pay all the damages incurred even if that defendant is only minimally at fault. This provision is consistent with the California-law approach which requires that each defendant will be liable for noneconomic damages in proportion to the defendant's responsibility for the harm.

Mr. President, I urge my colleagues to vote "no" on cloture S. 250 so that S. 640 finally can be acted upon by the Senate.

Mr. President, this is a consumer protection bill. The consumers of America have to pay the additional costs. I think the leading consumer issue of the 1990's should be tort reform. There are many responsible lawyers who are working for this, but it is something we all have to work together on as a Nation. It is the consumers who pay higher prices for things, who are paying for all of this, and it is not the plaintiffs and the injured people who are getting the money. That should be understood.

Mr. MITCHELL addressed to Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I would like to use some of my leader

time to comment on this matter just prior to the vote.

Mr. President, it is a sad day for democracy when an effort to encourage participation by the American people in the electoral process should be defeated for what are transparently political reasons. It is a sad day for democracy when men and women who are elected by the people now join to prevent Americans from being able to vote and participate.

Of what are our colleagues afraid? Do they not have enough confidence in their ability and their programs to want to encourage people to vote? For 200 years, every time an effort has been made to expand the voting franchise, to make it possible for more Americans to participate in the election of their representatives, the identical arguments have been heard that have been heard here today: Oh, we better not do that; there might be fraud.

This is a fundamentally antidemocratic effort. This might well be called the antidemocracy amendment because it has one purpose and one purpose only, and that is to defeat the voter registration bill that is before the Senate and which our Republican colleagues are now filibustering against to prevent it from coming to a vote. They intend to keep the Senate from debating it.

It is an effort by those who are afraid of the people because they do not want to have easier registration and easier voting because someone might vote against them—the same tired arguments against letting women vote, the same tired arguments against eliminating the poll tax, the same tired arguments now: Oh, there might be some fraud.

The fraud is in the argument and in the amendment being offered. If this is such an important amendment, why have 6 years gone by without the amendment being offered to any other bill? Why this bill? Why not the hundreds of other bills that were considered here in the Senate this year, last year, the year before, the year before and the year before that?

We have heard a lot of excuses, we have heard a lot of alibis, but basically, a vote against cloture is a vote to kill the voter registration bill. It is the vote of fearful people who do not trust the American people, who do not want to have more people participating in the process for fear that some of those people might vote against them.

We heard this in my State, Mr. President and Members of Senate, when we proposed and went to same day registration. The same arguments were made almost word for word, and by those who share the same views as are being made here today. We passed it, there has been no fraud. And as a result, our State now ranks among the highest in voter participation.

Why do our colleagues fear that? Why do they fear helping people par-

ticipate in the democratic process instead of preventing them from participating in the political process?

Let no one be fooled by this transparent political ploy. This amendment has one purpose and one purpose only, and that is to kill the voter registration bill. Anybody who votes against cloture on this bill is participating in the killing of the voter registration bill. That is the only purpose of this amendment. That is the only result of the vote.

It is a very important amendment, we are told. When did it become so important? Six years have elapsed since it was last brought before the Senate. Why this bill out of the hundreds of bills that have been offered? Any Senator could have offered this amendment any time he or she wanted as an amendment to any bill before the Senate over a 6-year period. They chose not to do so. They waited to find a bill that they wanted to kill. That is what this is. This is an antidemocracy vote, an antidemocracy amendment, an effort to prevent people from participating in the political process.

Democracy ought to encourage participation. We ought to want more Americans to register, and more Americans to vote. If some of our colleagues had their way, presumably we would go back to the days when the only people who could vote were adult white males who own property.

It is the same old arguments; a different tactic but the same arguments.

Mr. President, this is an important vote. This vote will test whether we truly believe in expanding the franchise of the democracy, or whether we are afraid to expand the franchise for fear that those Americans who have not participated and who now participate might vote against a person or a candidate.

Let us not have anyone fooled by what is going on here. This is a transparent political ploy to kill the voter registration bill. That is the purpose, that is the intention, and that will be the effect.

I urge my colleagues to cast their vote for democracy, cast their vote for participation, and cast their vote for encouraging Americans to get involved in the democratic process.

We are now exhorting Americans everywhere not to be distrustful of politicians and this institution. We are asking Americans not to have cynicism toward these elected officials. And what are they to think when a minority of the Members of the Senate, a minority, use their power under the rules to prevent passage of a bill which has clear majority support, which will encourage Americans to get involved in the political process?

It is no wonder that there is cynicism in the land toward this institution. It is no wonder that people question our commitment to democratic principles

when an effort is being made to make it tougher for people to vote, not to make it easier; to reduce the numbers of people who are going to participate, not increase them in a transparent ploy to kill the voter registration bill.

Mr. President, I hope my colleagues will not have any part of it. I hope we will affirm our confidence in democracy and in ourselves to proceed and pass this voter registration bill.

Mr. President, I yield the floor.
The PRESIDING OFFICER. Under the previous order the clerk will report the motion to invoke cloture.

Mr. KASTEN addressed the Chair.
The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. SEYMOUR. Mr. President, I ask unanimous consent that I be added as a cosponsor of the Kasten amendment.

Mr. President, for the first time in more than a year, economic indicators are pointing upward. From retail sales to job creation, America is waking from its recessionary slumber. We have reason to be hopeful.

However, we have reason to be fearful. This recovery could be over before it really starts. There is good reason for concern. Though there is room for economic expansion, the real question is whether the potential exists for strong, sustained growth through the decade. I believe we can plan for a future of growth, but it will require leadership by Congress and the administration to make it happen. We must turn our economic potential into a real, positive environment for growth, a climate of opportunity for the American entrepreneur. So it is fitting that we are here to debate and hopefully adopt the amendment offered by my good friend from Wisconsin, Senator KASTEN.

Mr. President, this amendment is largely the text of S. 640, the Product Liability Fairness Act. This much needed legislation represents responsible reform of the complex maze of product liability laws—laws that are having a devastating impact on our Nation's small businesses to expand, innovate, and compete in the world marketplace.

It is no secret that one of the greatest risk any American can take is to start a business. I know. I took that risk as did many Americans during a wave of small business startups in the late 1960's. Some are still operating today. Many are not. But the bottom line is that this Nation must encourage American entrepreneurs and innovators to take risks—our Nation can only benefit by the wealth of jobs, product development, and capital that is created as a result.

But the sad fact is our product liability laws raise the level of risk so high that innovation has become a sacrificial lamb. Let me cite several examples. First, when manufacturers or retailers sell their goods interstate, they

must deal with product liability laws that vary from State to State. This complexity raises uncertainty, and raises the risk of a lawsuit.

In some States, manufacturers can be held liable for goods produced decades ago, even after it's been sold and even altered many times over. That, too, raises the risk of a lawsuit.

A manufacturer could be hit with a massive jury award even though the product was produced in full compliance with both Federal and State laws. Again, that raises risk.

A manufacturer who produces goods as part of a team of manufacturers can be hit with a lawsuit and damages even though he or she did not produce the component that caused the injury.

This deep pocket approach used by defense attorneys raises uncertainty, and with it, the risk of massive legal costs.

And what do businesses do to reduce risk? They buy insurance. And if they can afford it, they must buy it at a cost that reflects the risks involved. With so much confusion in a patchwork quilt of 50 product liability laws, and the possibility of multimillion-dollar jury verdicts regardless of fault, companies from the mom and pop shop to the Big Three auto makers now pay more than \$21 billion each year to protect themselves from product liability litigation. This cost is 15 times greater than what manufacturers must pay in Japan, and 20 times greater than in Europe.

If starting your own business is the American dream, product liability litigation is the American nightmare. The impact of product liability litigation is felt in the form of higher prices for American goods, stifled innovation, and a decline in American manufacturing.

Presently, the American tort system costs \$180 billion annually. These costs consist of attorney's fees, out-of-court settlements, witness fees and jury awards. Who ultimately pays for this cost? The consumer, of course. For example, Lederle Labs, the lone maker of the diphtheria, pertussis and tetanus vaccine, raised its price per dose from \$2.80 to \$11.40 in 1987 to cover the costs of lawsuits.

The high cost of product liability is discouraging existing corporations to invest in research and development of better, safer products. The Merchants Corp. of America withheld manufacturing what would have been the nation's safest infant car seat because of product liability fears. The American Medical Association found that, "Innovative new products are not being developed or are being withheld from the market because of liability concerns.* * *" And according to the President's Council on Competitiveness, 47 percent of American manufacturers have withdrawn products as a direct result of the current liability system.

Even foreign companies fear to introduce their innovations here because of the risk of litigation. Volvo has had built-in child safety seats in their European cars for more than a decade, but will not include the seats in cars shipped to American because of product liability concerns.

Think of that. An international manufacturer that pushes safety over style will not bring its innovations to America because it is not worth the risk. This serves to demonstrate that our product liability laws don't always mean "safety first."

Finally, our product liability laws hurt the American worker. Indeed, because of the high costs of liability litigation, American manufacturers are being forced either out of the country or out of business altogether. Lines of industry have literally disappeared from the American economic landscape.

The small aircraft industry has literally flown the American coop. Just last January, Florida-based Piper Aircraft relocated to Canada's Saskatchewan Province. Cessna—the once proud leader of light piston-powered aircraft—suspended all piston production in the United States. In both cases, product liability was cited as the major obstacle.

It is the same story in other industries, ranging from football helmets to vaccines.

Mr. President, is it no wonder that our economy is in the state it is in when our own laws stifle American innovation? Is it no wonder that manufacturers can't keep up when, as one study revealed, American industry spends more on lawyers to beat back liability suits than it spends to buy new machine tools that improve American productivity? It is no wonder that America is losing its competitive edge in the manufacturing sector when entire industries are making a run for the border or bankruptcy because of product liability.

Mr. President, on this issue it is fair to say we have met the enemy, and they are us.

Though the problems associated with product liability are complex, the solutions are simple and are reflected in S. 640 and the Kasten amendment before us.

First, it establishes a uniform product liability system for all 50 States. Competitively speaking, a uniform product liability system makes sense. After all, the 12 nations and 60 affiliate nations of the European Economic Community will have one uniform product liability standard when their 1992 directive is implemented. Unless we implement a uniform Federal system of our own, America's place in the world marketplace will continue to decline. Moreover, a uniform product liability system makes good sense to our Nation's Governors. In fact, the Na-

tional Governors' Association has endorsed S. 640.

Second, under the Kasten amendment, punitive damages are assessed against a manufacturer or distributor who shows a flagrant indifference to public safety. Punitive damages cannot be awarded when a manufacturer complies with Federal laws. Again, that's just common sense. Punitive damages are designed to punish behavior, not reward injury. Therefore, manufacturers should not be punished with additional damages even though they obeyed the law.

Third, the Kasten amendment reforms the system so that a manufacturer or distributor is only responsible for the degree of fault determined by a jury. Therefore, if drug or alcohol abuse was the main cause of injury in the use of a product, a lawsuit can't be brought against that product's manufacturer. Similarly, if a series of manufacturers are held liable for injury, the manufacturer with the most assets is not responsible for all the manufacturers. Thus, the Kasten amendment puts an end to the deep pocket practice that is one of the main reasons why universities refuse to give research grants to small businesses.

In essence, the Kasten amendment represents a fair, balanced approach to a very serious problem: It reduces the risk, the uncertainty, and the exposure of manufacturers to frivolous lawsuits, but it does so without placing at risk the consumer's right to sue for a legitimate injury.

Mr. President, this issue has been before us for more than a decade now. The legislation has evolved during that time. S. 640's fairness is reflected in 40 bipartisan Senate cosponsors. It passed the Commerce Committee by a 13-7 margin. And companion legislation in the House of Representatives has support from more than 130 Members.

But the question remains: When will the Congress take action? We are now beyond the halfway point of this current session, and there is little that has been adopted this session that will really contribute to sustained economic growth in this country. I believe the time for action is now.

Certainly, the Kasten amendment is a probusiness bill. It reduces the high cost associated with product liability, and frees up the savings for much-needed capital and reinvestment. But it is more than a probusiness bill. It is proconsumer, because the reduced costs will mean lower prices on American-manufactured products. It is proworker, because it no longer will drive businesses to points beyond our border, or to the nearest bankruptcy court. And it is proinnovator, because it will reduce cost associated with new product development. Really, this amendment is pro-American, because it will improve our economic environment and preserve its place as a leader in world markets.

Of course, the Kasten amendment is not the silver bullet that will end our competitive disadvantages among our foreign rivals, or the secret ingredient in a new wave of small business creation. But this legislation is seriously needed if we in Congress are serious about a long-term economic recovery. Action must be taken. If it takes us more than a decade to arrive at the kind of fair, bipartisan legislation that we have before us today—legislation that addresses a portion of a much larger tort nightmare—than we're in great trouble. Our own inaction simply makes matters worse. The status quo will continue to weaken our economic position.

Mr. President, American industry will be relegated to a backseat in the world marketplace if American entrepreneurship and innovation is forced to take a backseat behind politics and partisanship. We can enact meaningful reform in our product liability system and give American manufacturers a reason to stay, or we can do nothing, and give them reason either to leave or throw in the towel. The choice is simple, and all Americans will be affected by our choice. I sincerely hope we make the right choice.

Mr. WOFFORD. Mr. President, I oppose S. 640, the Product Liability Reform Act, which my colleague Senator KASTEN has proposed as an amendment. I believe this legislation would unfairly limit the rights of injured plaintiffs to recover adequate damages and unwisely restrict the scope and availability of punitive damages.

Historically, the States have set their own tort laws. This legislation would change the historic principle of federalism by setting national rules on certain aspects of product liability law—for example, limits on punitive damages.

Punitive damages are an effective tool for controlling socially unacceptable conduct not covered under criminal law. While unlimited punitive damages and varying standards of proof may have led to some well-publicized runaway jury verdicts, studies have shown that product liability suits rarely result in punitive damages awards. In my view, the individual State laws deal fairly and adequately with this issue.

For these reasons, I oppose the Kasten amendment. Thank you, Mr. President.

CLOTURE VOTE—MOTOR-VOTER

Mr. SIMPSON. Mr. President, I rise to express my opposition to cloture on this very flawed bill. The biggest problem with S. 250, the motor-voter bill, is that it is based on a faulty premise. It is a grave mistake to think that voter turnout is the result of perceived barriers to voter registration. I am fully convinced that when citizens feel that their votes will have an impact, they will then register and cast their ballot.

I believe that the real problem in this country is that the ordinary citizen feels that special interest money and organizations have drowned out his or her vote in the electoral process. They do not vote because they believe special interests have captured the process. This causes voter apathy and results in a decreased desire to register and vote. Instead of getting to the root cause of voter apathy, this bill would paternalistically impose the strong arm of the Federal Government into functions, which States such as Wyoming have historically performed so very well.

This bill calls for a motor-voter registration, mail registration, and registration in designated Federal, State, or private locations. Registration services would have to be available in Government offices which provide public assistance, unemployment compensation, vocational rehabilitation, fishing and hunting licenses, and in Government revenue offices.

I come from a State that has one of the highest voter turnout percentages in the Nation. Many other States have excellent records, too. The reason they do is because they have good election laws, good registration laws, and active candidates from both political parties.

Totally overlooked by this legislation are the costs for the training all of the additional registrars. Not one Federal dime is authorized for these training costs, and I anticipate significant additional costs will be incurred in order to maintain an ongoing training program for new hires, for hiring additional State personnel to supervise compliance with the law, and to increase salaries of the employees who did not bargain for those additional registration responsibilities. And who pays for this? The States will have to pick up the tab for this misguided Federal intrusion.

This is a bill in every sense of the word. And the States, like Wyoming, will have to pay it, whether or not they have demonstrated admirable registration and voter turnout statistics. Furthermore, if enacted, the bill would lead to increased voter fraud. I call this bill "auto fraudo."

Why don't we do something real to increase voter participation? Let us do what our party suggested. Let us eliminate PAC's, ban sewer money, and reduce the amount of dollars coming in from out-of-State individuals that bloat politicians' campaign war chests. That is what Republicans wanted. What the Democrats gave us, and what the President wisely vetoed was a bill that breathed new life into old and jaded PAC's, who sometimes give to both sides. Rather than eliminating them; that allowed labor union—read that as Democratic candidate support—sewer money to be raised and spent without restraint; and paid for these so-called reforms with Americans' tax dollars.

This motor-voter bill is a cousin to the Democrats so-called campaign finance reform bill. Both pieces of legislation attack the wrong problems, and then send us the bill.

PRODUCT LIABILITY

Mr. SIMPSON. Mr. President, I do have substantial concerns about Federal legislation on this subject. However, I am sensitive to the arguments of both sides. The real issue to day, Mr. President, is not the merits of product liability reform.

The real issue is, once again, partisan politics. The real issue is whether this or any legislation sponsored by a member of the minority party can get voted on by the full Senate. That applies to product liability, civil justice reform or any number of other matters that many Republicans in the Senate have wanted to raise and have voted on by the full Senate.

Much has been said about greedy lawyers. I am very proud of my profession—there are a great many attorneys out there who do good work—they do the good work for people who need their services, and they do it for reasonable compensation. Some do not. We should weed them out.

Many good Members of my own party are voicing the frustration the people feel about expensive lawsuits. It is becoming very easy to bash the trial lawyers. There is great eagerness to blame—place blame—anywhere Congress will act.

If the system does not begin to make the necessary changes internally, then Congress will, sooner or later, act on those abuses externally. There is an old saying about the medical profession, and which applies equally to the practice of law: "Physician, heal thyself!" The American people want the professional bar to heal itself before Congress applies a cure of its own making.

I met recently with some very respected Wyoming lawyers. These are attorneys who practice their craft with diligence and dedication. The majority of attorneys—both defense, plaintiff, and general practitioners—out in the real world agree:

There are instances where the system fails. The ones best suited to take steps to correct those few—and usually spectacular—failures are the members of the profession itself.

So I caution my colleagues not to judge all attorneys by a few egregious examples. And I also encourage my colleagues to vote to defeat cloture. This is an important national issue that deserves thoughtful debate.

THE KASTEN-DANFORTH AMENDMENT

Mr. DODD. Mr. President, I rise in the awkward position of supporting two propositions that, in this situation, are diametrically opposed to each other. I rise in support of the Kasten-Danforth amendment and in favor of cloture on S. 250, the National Voter Registration Act of 1991.

First, let me explain why I favor the legislation contained in the Kasten-Danforth amendment. These provisions are part of the civil justice reform agenda that the Congress has ignored for too long.

Too often Members of Congress and interest groups have chosen up sides in this debate, reflecting their sympathies for either injured persons or those whose products injured them. What has been missed in the debate is an appreciation of the fact that the present legal system is not working well for either side. Carried out properly, civil justice reform can be a boon to both parties.

Let me explain what I mean in the context of the product liability debate. For years, manufacturers have complained that sympathetic judges and juries have been compensating the victims of product injuries too richly—either by rewarding people when the manufacturer was not negligent or rewarding people too well; with economic, noneconomic and, sometimes, punitive damages.

That is the premise this legislation flowed from when it was first devised in the late 1970's. As a result, the legislation was directed almost exclusively at reducing manufacturers' costs—by reducing the number of cases in which victims could sue and reducing the amounts they could recover when they did prevail.

Understandably, the victims and their supporters were offended by this approach. Little did they or the manufacturers understand that more balanced legislation could benefit everyone.

Senator DANFORTH and I started down that road in 1985. We examined comprehensive data, which revealed just how poorly the system works for victims.

It showed that many innocent victims could recover nothing at all, most typically where the manufacturer was not negligent or could not be found to sue.

It showed that it took an average of 5 years for successful victims to recover.

It showed that the percentage of economic loss recovered declined as losses mounted, to the point where victims with economic losses in excess of \$1 million had a net recovery of only 6 percent of those losses.

It showed that victims with similar injuries suffered in the same way received radically different recoveries, depending upon such factors as the State in which the person was injured, the lawyers, the judge, and the jury.

And, finally, it showed that the legal system carried with it huge overhead costs, paying attorneys almost as much as victims netted.

In an attempt to produce a fairer system for all involved, Senator DANFORTH and I devised an alternative

compensation approach that would have brought certainty and lower costs to manufacturers while assuring victims timely compensation for their losses. The bill reached the Senate floor in the fall of 1986; however, there was insufficient time to complete action.

Since 1986, the effort to refine this legislation has continued. Now, I believe S. 640, the guts of the Kasten-Danforth amendment, represents a fair package of changes. Some would benefit manufacturers and some would benefit victims—but altogether I think they would produce a fairer and more certain system of rules for redressing product injuries.

Let me comment on just a few key provisions. Victims would be aided by two sections: The first establishes a national rule that triggers the statute of limitations only when the victim has both knowledge of the injury and its cause. The second establishes alternative dispute resolution provisions to encourage the more expeditious, less costly resolution of cases.

In turn, manufacturers would receive some relief from the more balanced punitive damages and joint and several liability provisions. The bill sets an appropriate standard of manufacturer intent and behavior for the imposition of punitive damages, one that is consistent with the notion that such damages should be imposed only on a grossly negligent manufacturer.

Similarly, any manufacturer that is partially responsible for a victim's injury should be responsible for all the economic losses if other manufacturers cannot be found. At the same time, I think the manufacturer's responsibility for noneconomic damages should be limited to its proportional share. S. 640 establishes such a regimen and it is a fair one for manufacturers and victims alike.

Unfortunately, 13 years after the introduction of the first product liability bill in the Senate, we still are unable to get floor consideration early enough in a congress to complete action. That is why we end up having this bill offered as an amendment to an unrelated matter; in this case, the motor voter registration bill.

While the Senate rules permit such action, I am concerned that the amendments success would doom the motor voter registration bill. This bill is vitally necessary to improve access to the voting process. Only roughly 50 percent of the eligible population voted in the 1988 Presidential election, and this is because only 60 percent of the population is registered to vote. By making registration more accessible, this legislation should significantly increase the number of registered voters and, in turn, the number of actual voters. The effect would be a strengthening of the democratic process.

Those are the reasons why I will vote for cloture on the bill.

At the same time, I strongly believe that a civil justice reform in general—and product liability reform in particular—deserve to be on the Senate agenda. Therefore, I hope that S. 640 can be scheduled for floor consideration before the end of the session. At such time, I intend to vote for its passage as a significant first step toward civil justice reform in this country.

CLOTURE VOTE ON MOTOR-VOTER BILL

Mr. PELL. Mr. President, today's cloture vote on the motor-voter bill has received a great deal of attention not because of the substance of the underlying bill, but because the product liability bill was attached to the bill as an amendment.

Let me say right from the start that I am a cosponsor of the product liability bill. I believe that our society has become overly litigious. It seems that product liability lawsuits have become the rule rather than the exception when it comes to settling a liability case. This rush to the courtroom ultimately adds to the cost of all products for all consumers and hampers the bringing of innovative products to market.

I am not against the right of any plaintiff to receive fair and just compensation in a liability suit, but I do believe that Congress needs to step in and bring a level playing field to a system that seems to encourage people to sue first and ask questions later.

Unfortunately, the product liability bill has been attached to a bill that deserves to be debated and voted on. As a rule, I vote in favor of cloture. This has been true ever since I came to the Senate. It has been true no matter which party represented a majority in the Congress. I believe that the Senate should be allowed to work its will and by invoking cloture the Senate is able to limit debate to a reasonable amount of time and not fall prey to the will of a small minority of Senators.

It is for this reason that I voted for cloture on the motor-voter bill. Despite the rhetoric that has surrounded this particular vote, my vote for cloture was not a vote against the product liability bill. I continue to support product liability reform and will support product liability reform in the future.

MOTION TO INVOKE CLOTURE ON S. 250

Mr. LIEBERMAN. Mr. President, although I am a strong supporter and an original cosponsor of S. 640, I will be voting to invoke cloture this afternoon. I am doing so because, in the current situation, I believe we will be unable to enact S. 250, the motor-voter bill, if cloture is not invoked. As will be apparent from the vote, today's cloture vote is not going to be a referendum of product liability reform, but a vote on whether the Senate will pass the motor-voter bill.

Mr. President, I share the frustration expressed by other advocates of product liability reform who have struggled

to have the Senate take up and consider a product liability reform bill. I remain committed to tort reform, and remain hopeful that we may still have an opportunity to consider S. 640 on its merits. I urge the leadership to give the Senate a chance to work its will with respect to S. 640.

For the time being, however, I believe that we must not allow ourselves to become victims of legislative gridlock yet again. I will vote for cloture this afternoon, as part of an effort to see the Senate attend to its business in an orderly fashion. But I want to emphasize that I remain committed to product liability reform, and that I will continue to do what I can to see S. 640 enacted into law.

Mr. ROCKEFELLER. Mr. President, I rise with tremendous disappointment today to speak against the pending amendment to the motor-voter bill.

As my colleagues know, I am the leading Democratic sponsor of S. 640, the Product Liability Fairness Act. For several years, I have been fighting hard, with colleagues on both sides of the aisle, to advance the cause of tort reform and to put a product liability bill on the President's desk. Thus, it is with real frustration that I find myself forced to oppose my own bill.

The Senators offering this amendment clearly are sincere and determined in their effort to enact product liability reform. But the plain and simple fact about the situation before us is that offering this amendment to the motor-voter bill amounts to a hostile act against an absolutely essential piece of legislation.

I believe that everyone in this body should support the motor-voter bill. And if they do not, they should simply vote against it—they should not attach an amendment like product liability that deals with completely different subject matter, confuses the debate on both matters, and continues the gridlock that is preventing us from acting on any of the serious issues facing this country.

The National Voter Registration Act of 1991, addresses a critical threat to our democratic system—declining voter participation. Senator FORD deserves recognition for the tremendous work he has done on this important issue.

In our last general election, only 36 percent of the population voted nationwide. Even fewer voted in my home State of West Virginia—a meager 29 percent. Think about those numbers for a minute. Thirty-six percent of the population voted in the last election. Twenty-nine percent in West Virginia.

And the accounts of the recent round of primaries are only more discouraging.

The figures are truly disturbing. We have got to get American citizens back to the voting booths.

It won't be easy. Americans are frustrated, and they are angry. Every day

we hear new reports of public outrage and disgust with Government. But it is crucial that we get our citizens reenergized, reconnected to the democratic process.

As Robert Maynard Hutchins, a distinguished educator and philosopher once said, "The death of democracy is not likely to be an assassination from ambush. It will be a slow extinction from apathy, indifference, and undernourishment."

S. 250 is not an effort to give Democrats or Republicans an advantage in the next election. The motor-voter bill is an attempt to preserve a basic tenet of our democracy—the right of every man and woman to vote. Unless we exercise that right, we risk losing it.

The motor-voter bill, which has received bipartisan support, is designed to encourage voter registration in several ways, including providing voter registration forms as individuals apply for driver's licenses. The bill also permits voter registration by mail and provides registration forms at Government assistance agencies.

Voter registration is vital. According to the League of Women Voters, fully 80 to 90 percent of registered voters participate in Presidential elections. I hope that if legislation such as the motor-voter bill makes it easier and less confusing to register, more Americans will vote in all elections.

We must move this legislation forward. It may be only one step toward a solution, but it is a significant, constructive step.

In terms of the pending amendment, as I said before, it is with sincere disappointment that I find myself speaking against the Product Liability Fairness Act.

S. 640 is a fair and balanced bill. It has been developed and refined for more than a decade, and I am proud of my contribution to the present version. Business leaders across West Virginia and across the country have told me how much they need tort reform to survive in the global marketplace. Despite my decision to vote for cloture, I would be the first to insist that product liability fairness deserves its day on the floor.

But to offer product liability as an amendment to the motor-voter bill is a senseless, divisive act, and an affront to the thousands of businesses and coalitions that have worked for over a decade to improve our tort system.

This amendment is not about product liability; it is a move to kill the motor-voter proposal. And by offering product liability as part of a guerrilla strategy, the sponsors seriously damage any hope for constructive debate on our bill.

Given the opportunity to debate S. 640 on its merits, I believe the Senate would pass this much needed legislation. America's tort system has run amok. It is too slow. It is too expensive. And it is unpredictable.

Our existing system is fundamentally unjust, leaving plaintiffs to suffer for months and years without compensation; leaving lawyers with more money than victims; capriciously awarding damages without regard to injury; stifling innovation and robbing American manufacturers of their will to compete.

S. 640, the Product Liability Fairness Act, will create order out of this chaos—ensuring that more money ends up in the hands of injured persons than wasted legal costs, and giving manufacturers the confidence in our legal system that they need to develop new products. Debated on its merits, S. 640 stands up to the most critical scrutiny, and emerges as a fair and balanced step towards tort reform.

Instead, however, what we see here today is political posturing and divisive rhetoric. Senators who were previously undecided, and who might have given serious thought to the issue, are now torn by party allegiance. This is exactly what I, and the groups behind the tort reform movement, had hoped to avoid.

Since becoming the lead Democratic sponsor of S. 640, I have fought to move the bill forward in a constructive, bipartisan manner. Last year, when the Commerce Committee was not inclined to consider the bill, I went to the chairman and requested hearings and a markup. The committee passed S. 640 on October 3 by a vote of 13 to 7.

I have also worked to improve the content of this legislation. The version we see today is a balanced, practical, moderate measure, sparing in terms of the changes it makes in our tort system. S. 640 does not limit or cap damages; it does not set standards of liability for product manufacturers; it does not tell plaintiffs' lawyers how much they can charge; and it does not eliminate the ability of an injured victim to be fairly compensated for all economic damages. In short, this bill is the most evenhanded product liability bill to come before this body, and it deserves floor consideration.

I understand my colleagues' frustration. Opponents of product liability reform have found countless ways to block the bill, and it is true that this issue has been with us for a long time. But by employing divisive, partisan tactics to get S. 640 to the floor, the sponsors of this amendment make substantive debate impossible.

Here is a bill that has strong support from both sides of the aisle, that will help restore America's competitiveness in the international marketplace, and that will reduce unnecessary legal costs and provide incentives for the manufacture of useful and safe products. It is a good, fair, and important bill. And yet we are dooming ourselves to inaction on this issue.

The struggle between Congress and the White House and the deadlock between Republicans and Democrats

within this institution have made it virtually impossible to enact forward-looking legislation. We have become slaves to crisis. Only when the need to respond becomes so great that it can no longer be ignored do we roll up our sleeves and work to find a mutually acceptable solution. There are enough partisan issues to tie up this Congress to the end of the century. Why do we have to create one more?

Lack of reform in our product liability system is a serious drag on our economy. The ever-changing laws in our 50 States place an enormous burden on American business and have become a major deterrent to innovation. In 1990, the European Economic Community implemented uniform product liability laws among its member countries, and we cannot even have uniformity among our States. We know it is a problem. And I share my colleagues' desire to find an effective and expeditious solution.

Thus, it is with enormous frustration that I cannot join my Republican counterparts here at this place on a product liability amendment. But regardless of how genuine their intentions might be, they have chosen a kamikaze approach that will only serve to politicize a good and important piece of legislation. I will not participate in this destruction. Years of effort have been carelessly brushed aside this afternoon, all for the sake of fleeting gratification.

I support the cause for tort reform, but I will support the motion to invoke cloture on the motor-voter bill today. And if that motion fails, I will go on to vote against the pending amendment. I cannot support this approach to advancing a goal that I believe should prevail on its own.

MOTOR VOTER VERSUS PRODUCT LIABILITY

Mr. HATFIELD. Mr. President, the Senate will shortly be voting on the second cloture motion in the last 5 days on S. 250, the motor-voter bill. The motion we are considering today, however, addresses more than the National Voter Registration Act. My colleague from Wisconsin, Senator KASTEN, has exercised his rights and offered S. 640, the Product Liability Fairness Act, as an amendment to the motor-voter bill.

Unfortunately, Mr. President, this places supporters of both bills in a parliamentary dilemma. If the current motion to proceed passes, all non-germane amendments will be out of order to the bill. Therefore, the Kasten amendment, which has the support of many of S. 250's proponents, including myself, would fall. On the other hand, if 60 votes for cloture are not obtained then the Kasten amendment will most likely be joined by other amendments which cover everything from campaign finance reform to a balanced budget. In other words, if cloture is not attained the motor-voter bill will, for all intents and purposes, be defeated. Put simply,

those of us involved with bringing motor-voter to the floor cannot allow a procedural quagmire to end the chances of Senate consideration of S. 250 in this Congress.

I am a cosponsor of S. 640, the Product Liability Fairness Act. This legislation has been long in coming, and many of those who support it are anxious to finally effect the many worthy changes that it contains. Product liability law is just one area where the costs of increased litigation in this country have weighed heavily upon our economy. I have heard from many small businesses in Oregon asking that we take quick action on product liability reform. As much as I support these provisions, however, I am also a strong supporter of the National Voter Registration Act. I believe it is important that we invoke cloture today and expedite passage of this important bill. I urge my colleagues not to fall prey to an easy parliamentary out on this legislation—it's simply unfair to those groups across the country that have worked so hard to ensure greater access to our voting system.

Frankly, Mr. President, this is not the most opportune moment for the Senate to consider product liability reform. I recognize and respect a Senator's right to offer amendments, germane or not, and the Senator from Wisconsin is well within accepted Senate procedure. However, the issue we are currently considering is the adoption of a simplified national voter registration system, and it is unfortunate that we are now forced to choose between these two virtuous bills. The product liability bill deserves to be addressed by the Senate and I will be happy to work with my friend from Wisconsin in the future to find a suitable vehicle for his amendment.

Mr. President, my colleagues may or may not agree with the substance of this bill, but I think we can all agree that any piece of legislation which seeks to implement nationally what 29 States currently have, and which has had four cloture votes in one Congress deserves to be debated and voted on by the U.S. Senate. That is, after all, what this vote is about: Whether or not S. 250 deserves to be considered in the Senate.

This bill is not going to go away, it has far too much support at the local, State, and Federal level. I urge my colleagues to give the National Voter Registration Act its deserved consideration by voting in favor of the pending cloture motion.

Mr. KOHL. Mr. President, I am voting in favor of cloture today on the National Voter Registration Act because of the crucial importance of this legislation. We need to do everything we can to make it easier for people to register to vote. But I also believe we need to have a full and fair debate on the product liability reform measure, S. 640. Let me tell you why.

We are truly a litigious nation, Mr. President. That may say something about our abiding belief in justice, or it may indicate a pettiness of spirit, or it may just reflect the economics of lawyer-driven lawsuits. But for whatever the reason, "I'll see you in court" has become a sadly acceptable phrase. Americans seem to have it on the tips of their tongues, somewhere ahead of "let's try to work this out."

Moreover, as a former businessman, I am concerned that the fear of product liability suits can serve as a powerful disincentive from bringing new products to the market. And finally, moving toward certainty, uniformity, and stability in our tort system would produce positive results—for both businesses and consumers alike. It would mean more long-term investment, less future risk, and greater innovation—in short, more competitiveness for America in the global marketplace.

Mr. President, I do not mean to say that the product liability legislation is perfect. Like all measures, it could be improved with amendments. But though we shouldn't expect a final resolution of this matter tomorrow, at the very least we ought to have a chance to learn more about it through a full and fair debate on the Senate floor. I recognize that this is a difficult issue and that there are strong feelings on both sides of the question, but that is precisely the sort of issue the Senate ought to debate without resorting to tactics to obscure the issue, without trying to cast votes in overtly political terms, without trying to disguise the nature of our honest disagreements. I encourage and urge the majority leader to make it possible for us to have such a debate by bringing this bill to the floor and working with the minority leader to make sure that it can be considered fairly.

Mr. KASTEN. I ask for the yeas and nays on the underlying Kasten amendment.

Mr. MITCHELL. I object, Mr. President.

The PRESIDING OFFICER. 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 debate on the committee substitute amendment, as modified, to S. 250, a bill to establish national voter registration procedures for Federal elections, and for other purposes:

Wendell Ford, Jeff Bingaman, Daniel K. Akaka, Max Baucus, Timothy E. Wirth, J.R. Biden, Jr., George Mitchell, Richard H. Bryan, Bob Kerrey, J. Lieberman, Pat Leahy, Brock Adams, Daniel K. Inouye, Bill Bradley, John F. Kerry, Frank R. Lautenberg.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the committee substitute amendment, as modified, to S. 250, the National Voter Registration Act, shall be brought to a close?

The yeas and nays are required. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio [Mr. METZENBAUM] is absent because of illness.

Mr. SIMPSON. I announce that the Senator from Virginia [Mr. WARNER] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 58, nays 40, as follows:

[Rollcall Vote No. 87 Leg.]

YEAS—58

Adams	Ford	Moynihan
Akaka	Fowler	Nunn
Baucus	Glenn	Packwood
Bentsen	Gore	Pell
Biden	Graham	Pryor
Bingaman	Harkin	Reid
Boren	Hatfield	Riegle
Bradley	Heflin	Robb
Breaux	Hollings	Rockefeller
Bryan	Inouye	Sanford
Bumpers	Johnston	Sarbanes
Burdick	Kennedy	Sasser
Byrd	Kerrey	Shelby
Conrad	Kerry	Simon
Cranston	Kohl	Specter
Daschle	Lautenberg	Wellstone
DeConcini	Leahy	Wirth
Dixon	Levin	Wofford
Dodd	Lieberman	
Exon	Mikulski	

NAYS—40

Bond	Gorton	Murkowski
Brown	Gramm	Nickles
Burns	Grassley	Pressler
Chafee	Hatch	Roth
Coats	Helms	Rudman
Cochran	Jeffords	Seymour
Cohen	Kassebaum	Simpson
Craig	Kasten	Smith
D'Amato	Lott	Stevens
Danforth	Lugar	Symms
Dole	Mack	Thurmond
Domenici	McCain	Wallop
Durenberger	McConnell	
Garn	Mitchell	

NOT VOTING—2

Metzenbaum	Warner
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The PRESIDING OFFICER. On this vote the yeas are 58, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader.

Mr. MITCHELL. Mr. President, I enter a motion to reconsider the vote by which cloture was not invoked.

The PRESIDING OFFICER. The motion is reserved under rule XIII and preserved for future consideration.

DISAPPROVAL OF S. 3, THE CONGRESSIONAL CAMPAIGN SPENDING LIMIT AND ELECTION REFORM ACT OF 1992

The Senate continued with the consideration of the President's veto message.

Mr. MITCHELL. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the President's veto message on S. 3, the Congressional Campaign Spending Limit and Election Reform Act of 1992.

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

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

The Senator from Tennessee is recognized.

Mr. GORE. Mr. President, I ask unanimous consent that the Senator from Colorado and I might be allowed to speak as if in morning business.

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

The Senator from Tennessee is recognized.

Mr. FORD. Will the Senator yield to the majority leader a minute?

Mr. GORE. I yield to the majority leader.

Mr. MITCHELL. Mr. President, I thank my colleague.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that there be a period for morning business, during which any Senator may address the Senate.

The PRESIDING OFFICER. Hearing no objection, that is the order.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, there will be no further rollcall votes this evening. I will be meeting shortly with the distinguished Republican leader with respect to the schedule on tomorrow.

I expect that we will have a vote tomorrow on the veto override of the campaign finance reform bill, but I am not at this moment able to give a time for that. I will do that before this day is out, following consultation with the distinguished Republican leader.

But there will be no further rollcall votes this evening. I expect that there will be merely discussion during the period for morning business following the remarks of the Senators from Tennessee and Colorado.

I thank my colleague again.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. GORE. Thank you very much, Mr. President.

I would say to my colleagues that it would be my intention to speak for only about 5 minutes. It is my understanding that my colleague, the Senator from Colorado, has the same intention.

THE EARTH SUMMIT

Mr. GORE. Mr. President, earlier today President Bush announced his intention to go to the Earth summit in Rio de Janeiro and join more than 130 other world leaders who had previously announced their intention to go to the Earth summit to participate in those discussions about the future of the world's environment and the interaction between environment and development.

It is anticipated that a number of treaties and statements of principles will be signed by the heads of state who will attend the Earth summit.

Mr. President, I wish to say that every American ought to be glad that the President has finally decided to go to the Earth summit. But the President once again has made an easy decision look tough and has worked to camouflage what I believe has been a weak and cynical approach by his administration to protecting the Earth's environment.

Let me say to my colleagues that I came into possession today of a letter written by the White House to opponents of a meaningful treaty at Rio at which the White House gives written assurances that the treaty on climate change does not, and I quote: " * * * bind the United States to specific commitments of any kind." It goes on to say that there is nothing in any of the language—this is the interpretation of the White House—which constitutes a commitment.

Mr. President, let me go further on the second page of the letter. It gives assurance that this treaty " * * * does not constitute a commitment, binding or otherwise."

Mr. President, let me say that this written assurance to opponents of the treaty that there is no commitment of any kind in it and that it does not require the signatories to actually do anything; stands in sharp contrast to the rhetoric surrounding the announcement of his visit, which intends to convey the impression that something will actually be done.

I think it is a good thing that the President is going to Rio. It is much better than for the President to have decided not to go to Rio. There is a danger, though, that by going with this kind of approach, after having instructed his negotiators to take out of the treaty to be signed there any meaningful commitment to actually do

something about the problem of climate change—and there are other subjects that will be discussed there, and I will talk about those in just a moment—but having instructed his negotiators to gut the treaty; having assured the opponents of the treaty that there are no commitments of any kind in it; and then having decided to continue to take the public position at the White House that they are not even convinced that we have a serious problem here, I think that it is kind of a photo-opportunity approach that really undermines the kind of action that should be taken.

I look at it this way, Mr. President. This is about an inch of progress. And while we are making an inch's worth of progress, the problem is racing ahead at many miles an hour. It will require real leadership and real commitments to real action in order to solve this problem. It is not good enough to simply have a photo opportunity.

I believe, Mr. President, that given a choice between a quiet failure at Rio and a catastrophic collapse of the negotiations, mere failure is preferable. I wish there had been a third option, and that is a good treaty with commitments to actually do something to solve the problem. The head of the negotiations on climate change, Mr. Jean Ripert, identified the reason why that was not plausible.

Mr. President, there is a danger at Rio. Again, it is good that the President is going, and it is good that some kind of process is being established.

But the process itself has so many loopholes and the language is so tricky that there is a tremendous danger that people around the world who are alerted to the need to take meaningful action to correct this collision between industrial civilization as it is presently being pursued and the ecological system of the Earth, that people who are so concerned will be given the false impression that something more than symbolism is taking place there, something more than merely the beginning of a process that may or may not accomplish something in the future if future leaders decide to actually put flesh on the bones.

Because when people get a false impression that something is happening when actually it is not happening, that removes the political pressure that is an essential ingredient in the formation of a determination to act. Very often in our political system, we see this happen where a demand for action arises from the people. The opposition to this proposed action congeals on the part, often, of some special interest or some other segment of the public that resists the proposed action, and the compromised response sometimes is to settle for the appearance of action without the action. The side of the argument demanding a response is given a symbol. The side resisting action is

privately told, "Don't worry. This symbol doesn't really mean anything." The problem is nothing really gets done. And we cannot afford that kind of approach on this problem.

Back in the 1930's, when the need for some kind of Social Security system was evident to the American people, a demand for action arose. A great deal of study was given to the problem. Obviously, bold action was needed.

If President Franklin Roosevelt had responded by scheduling a photo opportunity at a nursing home, promised further action at some unspecified day, and people were convinced that something had actually been done, it might have been a long time before the country got around to establishing the Social Security system.

In that case, the country did not settle for a photo op and a sympathy card. We got real action. I believe that is what is needed in this case, real action.

So, again, I think it is well and good that the President is going. Mere failure is better than catastrophe. But it would be so much better to have a substantive accomplishment there.

Briefly, before I close, all of the attention is focused on the climate change treaty which is the subject of this letter. I ask unanimous consent this letter be printed in the RECORD. I have removed the addressee. The person signing the letter is the Counselor to the President for Domestic Policy, Clayton Yeutter. It is from the White House to opponents of the treaty.

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

THE WHITE HOUSE,
Washington, May 8, 1992.

We now have available the final text on climate change as it will emerge from the New York negotiations unless there are last minute, unanticipated amendments. As you know, we expect the text to be presented for adoption by more than 100 countries at the Earth Summit meeting in Rio early next month. In light of your personal interest, as well as the interest of many of your Congressional colleagues, I would like to provide my interpretation of what has changed. This is not an official interpretation since this is only a draft document and further changes could be made in Rio.

With those disclaimers, my view is that there are two key paragraphs to this proposed agreement and neither binds the United States to specific commitments of any kind.

The first states that participating nations shall adopt national policies and take corresponding measures to limit the emissions of greenhouse gasses and also protect and enhance greenhouse gas sinks and reservoirs (such as forests). The United States strongly supports those fundamental objections and is already carrying them out through the President's America the Beautiful tree planting initiative, passage and implementation of the Clean Air Act, and in a host of other ways.

The third paragraph goes on to state that doing the above will demonstrate that developed countries (such as the U.S.) are taking the lead in modifying emission trends of

greenhouse gasses, and goes on to say that the return by the end of the decade to earlier levels of emissions would contribute to such modification. We certainly concur with that statement, and with its underlying objective. But there is nothing in any of the language which constitutes a commitment to a specific level of emissions at any time. As a nation we will do our share, perhaps more than our share, but that is because we have the process already well underway, and not because of any compulsion emanating from this proposed document.

The second key paragraph of the draft agreement states that participating nations shall communicate (within six months after the agreement goes into effect) detailed information on the policies and assures they have underway or plan to take to modify emission trends and then until the end of the decade. We have already provided such information in a recent communication to many of our negotiating parties, but we will do that again officially when the agreement takes effect. And we will probably embellish our information to make it helpful to other countries. We will, of course, expect them to emulate the U.S. example in their own submissions.

The second paragraph goes on to state that nations will communicate the above information with the aim of returning greenhouse gas emissions to their 1990 levels. The word "aim" was carefully chosen, and it does not constitute a commitment, binding or otherwise. Nor does this sentence prescribe or imply any kind of timetable.

As you know, the objective of many other nations was to achieve consensus on a commitment to stabilize carbon dioxide emissions by the year 2000 at 1990 levels. We did not believe such a commitment to be in the best interest of the United States, so we would not agree to it. Neither did we believe this agreement should concentrate only on carbon dioxide. It is far more logical to encompass all greenhouse gases, and our view on that issue prevailed as well.

In summary, we take our international obligations seriously, and we take the challenge of climate change seriously. I believe the draft document will constitute a major step forward as the world confronts this important issue. And I further believe that by avoiding specific, definitive, binding commitments we have put this nation in a position to respond more flexibly, and hopefully more fully, than would have otherwise been the case.

It has come to my attention, Mr. Chairman, that the House may consider H.R. 4750, global climate legislation, in the context of the energy bill in the next several weeks. H.R. 4750 is completely inconsistent with the thrust of the draft international agreement. Passage of H.R. 4750 or similar legislation would not only be inimical to the interests of this nation, but it could collapse the delicate policy balance that has now been achieved. If H.R. 4750 or similar legislation were added to the energy bill, or passed separately, I and other senior advisors would recommend that the President veto it.

Sincerely,

CLAYTON YEUTTER,
Counselor to the President
for Domestic Policy.

Mr. GORE. Mr. President, all of the attention has been on the climate change treaty. But just briefly, in closing, there was also supposed to be a treaty on biodiversity. We received the news just a few days ago that the Vice

President's office has raised an objection to the biodiversity treaty in the eleventh hour, and that now that is in doubt.

There was supposed to be an Earth charter. The administration objected. Now it is a Rio Declaration, of much lower significance. And even the language of the declaration is now in doubt and remains to be negotiated.

There was supposed to be a forestry convention, but we objected initially to having anything to do with language that affected forests in the Northern Hemisphere. We wanted all the focus to be on tropical forests. By the time that was clarified, this effort had collapsed.

Then there was supposed to be an Agenda 21, of actions that are supposed to be taken to mitigate this problem. All of that is up in the air. It has not been accepted or agreed to yet.

I just think we need more. We need a real commitment to real action.

I know my colleague from Maryland has been waiting. But my colleague from New Mexico has as well. Senator WIRTH and I had requested the time.

Perhaps the best thing for me to do, Mr. President, is to yield the floor.

Mr. DOMENICI. Parliamentary inquiry. I did not understand what Senator GORE'S time was.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee and the Senator from Colorado were recognized to proceed as if in morning business. Subsequent to that the majority leader asked unanimous consent we spend the remainder of the day on morning business.

Mr. DOMENICI. Mr. President, how long does that mean my two colleagues will have the privilege of speaking?

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired. How much time does the Senator from Colorado request? Or did he request?

Mr. WIRTH. We had, together, a total of about 15 minutes. I assumed I was going to speak for 8.

The PRESIDING OFFICER. The Senator from Colorado will be recognized for 8 minutes.

THE EARTH SUMMIT

Mr. WIRTH. Mr. President, last week almost 2 years of negotiations came to a close in New York City. Despite the best efforts from the community of nations, only a lowest common-denominator convention could be agreed to. The pressure of the U.S. Government for less and the desire of other nations to ensure that our President attends the Earth summit combined to result in an agreement that was significantly weakened.

The President announced today he will go to Brazil for the Earth summit, probably for a brief appearance. This will be one of the most expensive photo opportunities in history. The cost of

the trip? A lost opportunity for the United States to lead; deferral of a vigorous U.S. role in a new world order; the loss of commitment by developing countries who ask if the richest country will not stretch to change, why should we; a loss of market opportunities for the United States; the loss of a set of forest principles; a watered-down Earth charter; and, most alarming, the loss of precious time.

These are major costs, major losses for our country and history will not be kind to this administration, which reflexively responds to the politics of an old world order while preaching the need for the new.

This cost results from what can be described at best as an ambiguous compromise between those in the administration who know what we can and should do, and those who have made this an ideological litmus test for the President.

Unhappily it appears as if the agreed-upon convention was the best possible at this time, even though it is a tremendous disappointment to the rest of the industrialized world who have been willing to change when we have not, and to all of those committed to protecting our fragile environment.

Last week I went to the United Nations with Senator GORE to see the last leg of negotiations on a climate convention. What struck me, and had to have struck anyone following the negotiations, was the enormous power of the United States of America. Many in our country despair for our future. Some fear we are in a period of protracted decline. But, to me, last week's negotiations were an affirmation of our immense power.

It was clear in New York that the world is looking to us in the United States for leadership. We are the leader. If the United States sets a course, the world will follow.

That was very affirming, a message to follow from the G-7 countries. The European countries, the Japanese, people all across the world look to us for leadership. Unfortunately the lead that came from the United States was too timid—and so was the result.

Our unwillingness to lead stands in sharp contrast to a world that is eagerly awaiting a signal from us. From the industrialized to the developing countries there existed in New York great expectations for the United States to lead the world in a common effort to protect the global commons.

The European nations demonstrated their willingness to change by setting a goal of stabilizing their carbon dioxide emissions in 1990 levels by the year 2000. The Europeans, highly industrialized, very modern, our competitors around the world were ready to do it. They were ready to put it out on the table and they did. Call it a target, call it a timetable, call it what you will, but make no mistake, it was a goal of

trying to reach out to other nations to reduce emissions of the primary gas that is building up in the atmosphere and that will result in climate change.

Where other nations have signaled their willingness to change, again, we did not. Of course, we can change and reach these rather modest goals. The administration's own analysis demonstrates that we can meet the goal at little or no cost, perhaps at a net savings, but we fail to make a political commitment at home, to shout down the ideological, short-term, selfish naysayers. Some day we will, but not with this President apparently in this election year.

Where do we go from here? Clearly, the business community is already moving. The natural gas industry is beginning to assert itself recognizing the protection of delicate ecological systems bodes well for natural gas, the cleanest burning of fossil fuels. The energy efficient community is beginning to move. Twenty-five executives wrote to the President last week urging him to commit to a greenhouse gas reduction goal and they said:

We have come to the conclusion that the United States can achieve substantial reductions in its carbon dioxide emissions with existing technologies by relying on market-based policies.

This from 25 executives of major firms, not ecoterrorists or whatever they may be described as, but substantial members of the American economic community, and they are not alone.

The utility industry, from Pacific Gas & Electric, to Southern California Edison, to New England Electric is moving forward with efforts to reduce greenhouse gas emissions, and the list goes on. Much of the private sector understands and is moving on the opportunity and responsibility. It is too bad that this administration is not helping. The world is passing the White House by.

The Business Council on Sustainable Development convened by Morris Strong and led by a European industrialist, Stephan Schmidheiny, urges the phasing out of subsidies that encourages resource waste and environmental degradation. This group of powerful business executives, including the head of Volkswagen, urges the use of revenue-neutral charges, and other market-based environmental strategies as tools for intergrating economic development and environmental protection. The Business Council comes to the very simple but profound conclusion that conservative business principles are supportive of, not counter to, sustainable development and environmental protection.

Again, more can be done and more will be done with or without the current administration and independent of the political lurches of this election year. The world, that business world, is passing this administration by.

The Europeans and the Japanese are willing to look ahead to protect the environment while developing new markets for their products and their economies. The business community is moving forward, our international competitors are moving forward, private citizens, nongovernmental organizations are moving forward. Unhappily, shamefully, disappointingly, old thinking is winning in this administration. The tired old arguments and false choices that were drawn up in the 1970's and 1980's about jobs versus the environment have won this day. That is not the choice. This is not the tradeoff, and yet it keeps being invoked by a lot of people who simply do not want to change.

But tomorrow is a new day and some new thinking at some point will prevail. The cold war is over. People the world over recognize that fundamental changes need to be made; that new alliances have to be drawn to halt the war that we are waging against our most basic life support systems. The destruction of soils and forests, the depletion of the ozone layer and water resources, the fouling of the atmosphere and air—these trends are on paths that simply cannot be sustained.

Sadly, while much of the rest of the world is ready to change and recognizes this urgency, this administration has told the rest of the world that the leadership of the United States is not. This administration has told the rest of the world that despite your request that we lead, we are not going to.

So what happens? We are just going to have to wait around for a while longer, for reasons of the 1992 election and the lack of political courage. A tremendous opportunity is being missed. Instead of leading, we have reached the lowest common denominator. Instead of being part of a new world order, we are involving the old world order and the old rhetoric of jobs versus the environment. Instead of understanding these remarkable economic opportunities, we are looking in the rear view mirror. Instead of doing what the developing world would like us to do and they, in turn, will respond with a forestry convention, that is no longer on the table and we are responsible for that as well.

I am very sorry about this. A lot of people asked, what do we do from here? We just muddle through some more, muddle through until November, and maybe after November we will have an administration that is willing to stand up, but right now, very obviously, the sort of old think, the massive sets of old choices, and this reactionary litmus test given to them is dominating the day.

It is too bad. Americans should come to understand what is happening, what opportunities we are missing, and how as we reach to a new world order, all we are getting is the old style of leadership.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MUKULSKI. I thank the Chair.

(The remarks of Ms. MIKULSKI pertaining to the introduction of S. 2694 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from New Mexico.

Mr. DOMENICI. Madam President, I ask unanimous consent that I be permitted to speak for 5 minutes on discrimination against the severely mentally ill under our health care, and 5 minutes on the subject to which my friends from Tennessee and Colorado spoke.

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

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 2696 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

GLOBAL WARMING

Mr. DOMENICI. Madam President, I see the distinguished Senator from Rhode Island on the floor. I assume that he is going to speak to the issue of climate warming. I certainly know that his time is important, but I asked him if I could speak for a few moments because I have a very important engagement at 5:30. So I am going to be as brief as I can. But I want to talk about the issue that Senator GORE from Tennessee and Senator WIRTH of Colorado spoke to on the floor of the Senate today.

It is not the first time that both of my colleagues have come to the floor and addressed the issue of the seriousness of climate warming which is being looked at, studied and scientifically analyzed in America and around the world.

Heretofore, before today, I heard from most Members on the other side a constant bombardment of the President of the United States. They were continually carping that he ought to go to this conference in Rio. Many a speech was delivered critical of the President because he had not yet decided whether or not he would attend this international conference.

It is very interesting, Madam President and fellow Senators, that the President has now said he is going and some of those who are critical of him for not deciding to go are now critical of him because he is going. In fact, I heard this morning at one of the hearings a Senator say he should not go, the same Senator who has been urging that he go. The Senator was now saying it is not worth his going; we should not spend the money to send him.

Now, Madam President, since those Senators, including the distinguished Senator from Colorado, who is on the floor, choose to politicize this issue, then we really ought to call it politics and not climate warming, not science but politics. The President of the United States, unless he agreed totally and unequivocally with their view, is guilty of negligence on behalf of the American people and future generations.

Madam President, that is not true. A consensus of the scientists in America, a broad consensus, say we ought to do some serious things as a nation and as a world about this problem.

This same consensus of scientists is not at all in agreement as to how serious the problem is, but they all say it is serious enough to do something.

Now, Madam President, the President of the United States by his actions to date and the United Nations by agreeing to the proposals that they did bound the United States of America to a determination that, indeed, we ought to do something about this problem.

Now, from what I can determine, Madam President, there is also a consensus on the other side—remember, there is a consensus of scientists, not all of them, saying we ought to take significant steps, actions—there is a consensus of scientists, believe it or not, in spite of what is said on the floor of the Senate by those who choose to make the President of the United States the scapegoat for this issue—there is a significant consensus of scientists saying what the United Nations did and what the President advocated—now get this, Madam President—is the best approach for America and the world.

Now, how do we square the two? How do we square the two? To whom do we listen to? If we listen to the scientists, who say there is a problem, and then we listen to the scientists, who say do precisely what the President is recommending and what the United Nations has agreed to, it is better for the world, it will achieve more, then, Madam President and fellow Senators, why should we come down here and say the President is going to a convention conference that is meaningless? Why should we insist that the President lead in a manner different than that recommended by the compelling scientific data in the country so we can say we are leading? Why would we want to lead when there is nothing significant to be achieved by leading with what they ask the President to lead?

Now, I conclude that apparently there are some who think that if we can, indeed, make it tough for the American economy, if we can say in order to get where we want you to go you have to change this American economy, somehow that is a goal in and of itself.

Well, let me tell you, Madam President, the big issue in the United States

of America is the American economy: How can it grow? How can we prosper? How do we get sustained economic growth with low inflation offering more and more opportunity and jobs? I need not remind those present on the floor of the Senate that that is the politics of our day. If you want to know what the American people are most worried about, it is not today. It is not tomorrow, but it is the economy and jobs for their children and grandchildren that they are worried about.

Why in the world should we flagellate ourselves about this issue so that we can declare that we are leading in a manner suggested by those who do not like what the President is doing, when what the President is doing and what the United Nations has agreed to has as much consensus backing as their position? Why would we come to the floor and say he is backward, we are practicing policies of the past?

Let me tell you. The policies of the past are to do what you must in the environment but to do it in such a way that you minimize the killing of jobs and opportunities in the United States which already has a difficult enough time sustaining economic growth in a changing world.

I ask unanimous consent that a statement made today at the Energy Committee by our chief negotiator, Dr. Reinstein, who did a marvelous job, be made a part of the RECORD.

I think he is a credible scientist. He essentially says in better terms what I just said.

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

STATEMENT BY ROBERT A. REINSTEIN, DEPUTY ASSISTANT SECRETARY OF STATE FOR ENVIRONMENT, HEALTH AND NATURAL RESOURCES

I am happy to report that on Saturday, May 9, the United States and over 140 other countries adopted the text of the United Nations Framework Convention on Climate Change. This far-reaching agreement establishes a long-term process for responding on a global basis to this vital issue.

The Convention calls upon industrialized countries to take the lead by adopting national policies and corresponding measures that will mitigate climate change by limiting their anthropogenic emissions of greenhouse gases and protecting and enhancing their sinks and reservoirs of these gases. Further, the Convention calls on industrialized countries to provide on a regular basis detailed information on the policies and measures they undertake in this regard, as well as projections to the end of the decade of their resulting human-caused emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal protocol. Countries will thus be able to compare the results of these actions on emissions with the levels of emissions in 1990, with the broad aim of returning to these earlier levels.

The agreement also establishes a global partnership between industrialized countries and others, particularly developing countries, as well as those countries with economies in transition. It provides for financial support to enable countries in need of such

assistance to comply with obligations they have undertaken in the agreement and to implement certain agreed programs and projects which would contribute to the global effort in accordance with the financial mechanism defined in the Convention.

The negotiators entrusted the Global Environment Facility [GEF] of the World Bank, UNEP, and UNDP with operation of the financial mechanism on an interim basis. Parties to the Convention will decide at the first session of the conference of the parties following entry into force of the convention whether this designation of the GEF should be reaffirmed.

Other provisions of the agreement provide for technology cooperation, including technology transfer, enhanced cooperation in the areas of scientific research, monitoring and observation, as well as education and training and the exchange of information. A related resolution adopted by the Intergovernmental Negotiating Committee [INC], provides for work on interim activities prior to the Convention's entry into force, with a follow-up meeting before the end of the year.

The United States believes that this is the right agreement for this time, a judgment endorsed by a broad spectrum of other countries. The new convention will enable us to address the issue of climate change through a process that integrates science, technology, economics, and relevant national circumstances. This agreement signals to both the public and private sectors that climate change is a common concern. The Framework Convention on Climate Change provides the means for us to pursue a coherent and cooperative international response that balances many interests. In so doing, it provides a foundation on which to build a global partnership for sustainable growth for our own and future generations.

Mr. DOMENICI. Madam President, last week this same Energy Committee had four scientists. Their names are listed in the statement that I will submit in the RECORD. They are eminent scientists. They started our review of this policy, of this problem, and they all four said that multiple gas control instead of just CO₂ was far preferable. Whose idea and whose policy was that? The President's, and what the United Nations agreed to. Those four said you do not need mandatory targets and goals to achieve. You need action plans, and the United States of America and the United Nations develop action plans.

So I submit if you want to talk politics, talk politics, and call it for what it is. If you want to talk about reducing the gases in the atmosphere over the next decade or two, so as to achieve a better environment and better opportunity for regular climate instead of aberrations of long duration of change, if that is the issue, we are doing what is right. If the issue is something else, then obviously there is a lot of talk about.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Madam President, I think it is regrettable that the rhetoric we have heard from the Democrats this afternoon has been that same old

"trash the U.S.," same old "trash the President of the U.S." Somehow the suggestion is that the Europeans are doing everything right and we are doing everything wrong.

Madam President, let us take a look at the record, about the Europeans, the Europeans that are held up as our models. Let us talk CFC's. We ended aerosol propellents that used CFC's in the mid-1970's and the Europeans are just getting to it now. We are far ahead of the Europeans in all CFC controls. The United States is way ahead of the Montreal protocol, for example.

Let us look at unleaded gasoline. In the 1970's, in the mid-1970's, in the United States we mandated catalytic converters on all new automobiles. Of course, when you have a catalytic converter you cannot use leaded gasoline. That was a phaseout of lead in the gasoline, something we have accepted for years. Indeed, the emissions of lead in our atmosphere from automobiles now has declined by 98 percent as a result of the action we took in the mid-1970's.

What about the Europeans? Well, in the European Community they are starting mandatory catalytic converters on January 1, 1993. They have not even reached it yet. I do not think we ought to hold up the Europeans as models to us all the time.

Madam President, as was mentioned previously, the President of the United States has been scolded for not going to Rio. So today he announced he is going to Rio, and he is scolded. He is scolded because he is going to Rio. And indeed I understand there were some remarks on the floor earlier that it is so late that they ought to hold back any funds that he might expend for going to Rio.

I think we ought to celebrate, Madam President, the President of the United States going to Rio. I think personally it is wonderful; I am delighted. I all along hoped that he would go. I urged him to go and today he announced he is going, and I think that is splendid.

Just as the United States did with CFC's, just as the United States did with cleaner automobiles, just as the United States did with the Clean Air Act, we have to assure the United States leads in controlling climate change in the world. That means we have to lead in the reduction of greenhouse gases such as CO₂, and methane and others.

How are we going to do it? One approach is just to trash the President and denigrate him, say nothing can be done until November; he is doing it all wrong; he is appealing to all the wrong elements in our society. I do not believe in that approach.

I think what we ought to do ourselves is get into harness, all of us as individual citizens of the world, as well as elected representatives in this body, act as leaders and demonstrate to the

administration that we are ready to go and we welcome the President's full participation.

Madam President, I am confident we will receive that full participation and full support. There is a big challenge out there. It is not going to be done by divisive comments, comments that compare us unfavorably with everybody else in the world and say we are doing everything wrong.

We are doing plenty right, Madam President, in connection with the environment. Now what we have to do is buckle down, all of us say we can do better. And if we think the President is not being forceful or aggressive enough, then say so to him, urge his participation, and indicate that we are ready to go with it.

I thank the Chair.

Mr. WIRTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. Thank you, Madam President.

I appreciate the constructive remarks of the distinguished Senator from Rhode Island who has always been so good on these issues. Let me make one thing very clear for the record. One, neither I nor Senator GORE at any point said that we lamented the President going. In fact, we said we were very pleased that the President was going. Neither Senator GORE nor I am saying we are making the President the "scapegoat" for climate change problems; never used the word "scapegoat." I think it is great he is going.

What I lamented was the fact that the cost of his being able to go was so great. What we had to do was dramatically water down the offer that was made from almost everybody else in the world, the only exceptions being a coalition of heavily polluting industries in the United States, the Saudis, and maybe two or three others. Everybody else was saying, let us take a higher ground.

Do not associate us in any way, shape or form in saying the President should not go. I think it is great that the President does go. I have urged that, as the distinguished Senator knows, for a long time. But the cost of getting him there was so great. If you do not believe us—and Senator DOMENICI said, I do not think this is politicized. Of course it is politicized. Go to New York and find out what is going on. Ask our negotiators and find out where the pressure is coming.

Go up to New York and see what is going on in that negotiation. Talk to the Europeans about what they thought we altogether were able to do and how that got watered down. Ask the G77 countries, the developing countries on the other end, who were willing to go ahead with the timber convention. They were willing to do that. But because of the extraordinarily weak response by the United States,

they are backing off, saying if you guys are not willing to reach, we are not going to reach either.

So we have that one on our hands as well.

Ask the French why they could not even translate the language of the agreement because it was so ambiguous. They did not know what it meant. It was this sort of fuzzy, waffle, lowest common denominator. They could not even translate it because they do not know what it means.

That is the problem. The cost of the President going is very, very significant. What I mean by cost is not the airplane ticket. No one should accept that literally. It is the cost of getting the President to a point where he could politically go, the cost to us of all of these lost opportunities, one after another.

That is the issue here. It is not the consensus of scientists that the United States did the best approach. That is not what the people said last week in that hearing. I sat through every bit of that hearing. That is not what they said. That is kind of revisionist science in all of this. That is as bad as revisionist history. That is not what those individuals said, that we can insert in the transcript the appropriate stuff.

The issue here is not the tradeoff between jobs and the environment; that is an old issue. We are not flagellating ourselves. The old, tired, economic tradeoff is the wrong way to go. What we ought to be recognizing is the potential of a new and different way to go, to understand that coming out of Brazil, coming out of these economic challenges, and these environmental challenges, are wonderful opportunities for us, for the United States, in terms of energy conservation.

We can make significant steps. And every dollar that we do not spend sending energy up the chimney, we can spend on other important things like technology transfer. The Japanese are moving into that technology transfer too rapidly, and we are sitting in the United States doing our lowest common denominator thing, while they recognize this multitrillion-dollar opportunity out there and are gearing their economy up for it. Why are we not doing that as well? Biodiversity? We are not even going to get a biodiversity convention, or it will be so weakened that we do not get anywhere. This at a time when one of the winners in the U.S. economy is the pharmaceutical industry, depending for a vast percentage of its products on the biodiversity we ought to be protecting.

There are so many contradictions in the position being taken. The only point that I am making is that there are huge opportunities out there for the United States. The world looks to us as their leader. It was thrilling. I tell my colleagues again, to listen to what the rest of the world was thinking

about us and how much they wanted us to lead. And it was disappointing to hear delegation after delegation after delegation reflecting their disappointment at the fact that we do not lead.

That is the point I was making. I will continue to make that point. I am sorry; it is a missed opportunity. Now we will muddle through November, and they will be reporting back. It may not even be a convention that has to be brought to the floor, says the most recent memo from the White House. If it does, we will have debate. Then we will go on to the reporting requirement and on to 1993, having missed a significant opportunity.

There are so many channels out there that would be positive for us, and it is the opinion of this Senator that we have missed many of them.

I am delighted that the President is going. The cost of getting him there, in terms of the compromises that had to be made, is very severe. He did not have to do it that way.

Madam President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Madam President, one of the things about the liberals that has always interested and amused me is they always think that the answer to any of our problems is to go to a convention. I heard my friend from Colorado mention a Biodiversity Convention and he talked about costs. But these conferences are not without cost, as some suggest. I suggest that a case could be made about the millions and millions of dollars spent on transportation, as we send every unnamed bureaucrat we have ever known down to the Rio Conference. We could be spending those resources to actually clean up the environment, rather than staying in the best hotels and flying down first class and spending millions of dollars. So I have always been interested and amused by my liberal friends, such as the Senator from Colorado, and that the answer seems to always be let us go to a conference.

The fact is that this administration and this President signed a Clean Air Act, a vital piece of legislation to protect our environment. We are working on a Clean Water Act, another vital piece of legislation. The President is interested in action. Madam President, some of us on this side are getting a little bit tired of the President getting bashed, because he does not go to enough conferences. The outcome of the convention is what counts. Despite what opponents of the President say, President Bush wants a responsible global agreement, not political theater.

The interesting thing about these conferences is that they always seem to be held at some pretty nice places like Rio, Paris, Geneva. The President has had to carefully weigh the alter-

natives and the decision of whether to go.

I am pleased he is going. But there are costs involved when the President of the United States goes somewhere. Indeed, he is a leader in the world. The reason why he is, is because the United States has emerged as the No. 1 superpower in the world. This is so despite the efforts of some of my liberal friends to spend money on conferences rather than a strong national defense—the product of the 1980's—which made us the leading superpower in the world. My friend from Colorado and some of our other friends on the other side of the aisle happen to have this fascination and are mesmerized by conventions. As I said I am glad the President is going. I hope all my liberal friends on the other side of the aisle are able to go and enjoy Rio also, along with the hundreds of bureaucrats that will go spending, I have no idea how many millions of dollars of the taxpayers' money, generally getting done what could be done right here in Washington, DC. And, there will also be a huge entourage of media people and lots of agonizing and moralizing in Rio. When the President returns I am sure the same people will be back on the floor ready to bash him again.

So I tell my friend, the convention will have costs and they may be great again. I am glad the President is going. Global environmental issues are important. But, conventions do cost money, and we should be careful that we use the taxpayer's dollars wisely.

I would just like us to put more emphasis on substance than on political theater and bashing the President.

(The remarks of Mr. MCCAIN pertaining to the introduction of S. 2697 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. MCCAIN. Madam President, I yield the floor, and 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. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. WELLSTONE]. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar 572, 573, 574, 575, and 576.

I further ask unanimous consent that the nominees be confirmed, en bloc; that any statements appear in the

RECORD as if read; that the motions to reconsider be laid upon the table, en bloc; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nominees considered and confirmed, en bloc, are as follows:

THE JUDICIARY

Robert E. Payne, of Virginia, to be U.S. district judge for the Eastern District of Virginia.

Richard H. Kyle, of Minnesota, to be U.S. district judge for the District of Minnesota vice Robert G. Renner, retired.

Joe Kendall, of Texas, to be U.S. district judge for the Northern District of Texas.

Lee H. Rosenthal, of Texas, to be U.S. district judge for the Southern District of Texas.

EXECUTIVE OFFICE OF THE PRESIDENT

John P. Walters, of Michigan, to be Deputy Director for Supply Reduction, Office of National Drug Control Policy.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

REQUESTING THE ARCHIVIST OF THE UNITED STATES TO REPORT ON RATIFICATION BY THE STATES OF PROPOSED CONSTITUTIONAL AMENDMENT

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 295, a resolution requesting the Archivist of the United States to report to the Senate on ratification by the States of a proposed constitutional amendment, submitted earlier today by Senator BYRD, along with the Republican leader and Senator MITCHELL; that the resolution be deemed agreed to; and that the motion to reconsider the adoption of the resolution be laid upon the table.

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

So the resolution (S. Res. 295) was deemed agreed to, as follows:

S. RES. 295

Resolved, That the Archivist of the United States be, and he is hereby, requested to communicate to the Senate, without delay, a list of the States of the Union whose legislatures have ratified the article of amendment to the Constitution of the United States proposed to the States in 1789 as the second article of amendment to the Constitution, on the effective date of laws varying the compensation of Members of Congress, with copies of all the resolutions of ratification in his office.

SECTION 2. That the Archivist communicate to the Senate copies of all resolutions of ratification of said amendment which he may hereafter receive as soon as he shall receive the same, respectively.

SECTION 3. The Secretary of the Senate shall provide a copy of this resolution to the

Archivist of the United States and to the House of Representatives.

FAMILY PLANNING AMENDMENTS ACT

Mr. DASCHLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 323.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House insist upon its amendments to the bill (S. 323) entitled "An Act to require the Secretary of Health and Human Services to ensure that pregnant women receiving assistance under title X of the Public Health Service Act are provided with information and counseling regarding their pregnancies, and for other purposes," and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. Dingell, Mr. Waxman, Mr. Wyden, Mr. Lent, and Mr. Bliley be the managers of the conference on the part of the House.

Mr. DASCHLE. Mr. President, I move that the Senate disagree to the amendments of the House, agree to the request for a conference, and that the Chair be authorized to appoint conferees.

The motion was agreed to; and the Presiding Officer [Mr. WELLSTONE] appointed Mr. KENNEDY, Mr. HARKIN, Mr. ADAMS, Mr. HATCH, and Mrs. KASSEBAUM conferees on the part of the Senate.

TIMELY FILING

Mr. DASCHLE. I ask unanimous consent that the amendment numbered 1813 be deemed timely filed as a first-degree amendment with respect to today's cloture vote on S. 250.

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the Committee on Foreign Relations.

(The nominations and treaty received today are printed at the end of the Senate proceedings.)

VETO MESSAGE ON S. 3—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 236

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on May 11, 1992, during the recess of the Senate, received the following message from the President of the United States; which was ordered to lie on the table:

To the Senate of the United States:

I am returning herewith without my approval S. 3, the "Congressional Campaign Spending Limit and Election Reform Act of 1992." The current campaign finance system is seriously flawed. For 3 years I have called on the Congress to overhaul our campaign finance system in order to reduce the influence of special interests, to restore the influence of individuals and political parties, and to reduce the unfair advantages of incumbency. S. 3 would not accomplish any of these objectives. In addition to perpetuating the corrupting influence of special interests and the imbalance between challengers and incumbents, S. 3 would limit political speech protected by the First Amendment and inevitably lead to a raid on the Treasury to pay for the Act's elaborate scheme of public subsidies.

In 1989, I proposed comprehensive campaign finance reform legislation to reduce the influence of special interests and the powers of incumbency. My proposal would abolish political action committees (PACs) subsidized by corporations, unions, and trade associations. It would protect statutorily the political rights of American workers, implementing the Supreme Court's decision in *Communications Workers v. Beck*. It would curtail leadership PACs. It would virtually prohibit the practice of bundling. It would require the full disclosure of all soft money expenditures by political parties and by corporations and unions. It would restrict the taxpayer-financed franking privileges enjoyed by incumbents. It would prevent incumbents from amassing campaign war chests from excess campaign funds from previous elections.

These are all significant reforms, and I am encouraged that S. 3 includes a few of them, albeit with some differences. If the Congress is serious about enacting campaign finance reform, it should pass legislation along the lines I proposed in 1989, and I will sign it immediately. However, I cannot accept legislation, like S. 3, that contains spending limits or public subsidies, or fails to eliminate special interest PACs.

Further, as I have previously stated, I am opposed to different rules for the House and Senate on matters of ethics and election reform. In several key respects, S. 3 contains separate rules for House and Senate candidates, with no apparent justification other than political expediency.

S. 3 no longer contains the provision that the Senate passed last year abolishing all PACs. Although that provision was overbroad in banning issue-oriented PACs unconnected to special interests, S. 3 would not eliminate any

PACs. Instead the Act provides only a reduced limit on individual PAC contributions to Senate candidates and no change in the status quo in the House. Moreover, the limit on aggregate PAC contributions to House candidates to one-third of the spending limit, \$200,000, is not likely to diminish the heavy reliance of Members on PAC contributions. The average amount a Member of Congress raised from PACs in the last election cycle was \$209,000.

The spending limits for both House and Senate candidates will most likely hurt challengers more than incumbents, especially because S. 3 does little to reduce the advantages of incumbency. Inexplicably, there is no parallel House provision to the sensible Senate provision restricting the use of the frank in an election year. In the last election cycle, the amount incumbent House Members spent on franked mail was three times the total amount spent by all House challengers. The system of public benefits, designed to induce candidates to agree to abide by the spending limits, is unlikely in many cases to overcome the inherent favors of incumbency.

S. 3 contains several unconstitutional provisions, although none more serious than the aggregate spending limits. In *Buckley v. Valeo*, the Supreme Court ruled that to be constitutional, spending limits must be voluntary. There is nothing "voluntary" about the spending limits in this Act. The penalties in S. 3 for candidates who choose not to abide by the spending limits or to accept Treasury funds are punitive—unlike the Presidential campaign system—as well as costly to the taxpayer. For example, if a non-participating House candidate spends just one dollar over 80 percent of the spending limit, the participating candidate may spend without limit and receive unlimited Federal matching funds. The subsidies provided for in S. 3 could amount to well over 100 million dollars every election cycle, yet the Act is silent on how these generous Government subsidies would be financed. It seems inevitable that they would be paid for by the American taxpayer. I understand why Members of Congress would be reluctant to ask taxpayers directly to subsidize their reelection campaigns, but given the significant costs of S. 3, its failure to address the funding question is irresponsible.

Our Nation needs campaign finance laws that place the interests of individual citizens and political parties above special interests, and that provide a level playing field between challengers and incumbents. What we do not need is a taxpayer-financed incumbent protection plan. For these reasons, I am vetoing S. 3.

GEORGE BUSH.

THE WHITE HOUSE, May 9, 1992.

MESSAGES FROM THE HOUSE

At 11:10 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill and joint resolution, each without amendment:

S. 2378. An act to amend title 38, United States Code, to extend certain authorities relating to the administration of veterans laws, and for other purposes; and

S.J. Res. 251. Joint resolution to designate the month of May 1992 as "National Huntington's Disease Month."

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4990. An act rescinding certain budget authority, and for other purposes.

ENROLLED BILL SIGNED

At 2:20 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 2378. An act to amend title 38, United States Code, to extend certain authorities relating to the administration of veterans laws, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. BYRD].

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 6:13 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolutions:

H.R. 4774. An act to provide flexibility to the Secretary of Agriculture to carry out food assistance programs in certain countries;

S.J. Res. 251. Joint resolution to designate the month of May 1992 as "National Huntington's Disease Awareness Month";

H.J. Res. 371. Joint resolution designating May 31, 1992, through June 6, 1992, as a "Week for the National Observance of the Fiftieth Anniversary of World War II"; and

H.J. Res. 425. Joint resolution designating May 10, 1992, as "Infant Mortality Awareness Day."

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-3167. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, certification on the funding for the UH-60L Blackhawk helicopter; to the Committee on Armed Services.

EC-3168. A communication from the Director of the Office of Governmental Relations, Resolution Trust Corporation, transmitting, pursuant to law, a report identifying and describing covered property under the Coastal Barrier Improvement Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3169. A communication from the President and Chief Executive Officer of the Reso-

lution Trust Corporation, transmitting, pursuant to law, the semiannual report on the Affordable Housing Disposition Program for the period between August 9, 1989 and December 12, 1991; to the Committee on Banking, Housing, and Urban Affairs.

EC-3170. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, a report stating the the Department of Commerce's current estimates indicate that economic growth fell below one percent during the fourth quarter of 1991; to the Committee on the Budget.

EC-3171. A communication from the Acting Administrator of the Federal Aviation Administration, transmitting, pursuant to law, a report on progress in correcting deficiencies in the Airmen and Aircraft Registry System; to the Committee on Commerce, Science, and Transportation.

EC-3172. A communication from the Inspector General of the Department of Commerce, transmitting, pursuant to law, audit reports on the Department of Commerce, International Trade Administration's management of its Foreign and Domestic Service Personnel Systems; to the Committee on Commerce, Science, and Transportation.

EC-3173. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1993 and 1994 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3174. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to revise the definitions of passenger in section 2101 of title 46, U.S. Code, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3175. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice of an extension of the period of time for issuing a decision in Rail General Exemption Authority—Miscellaneous Agricultural Commodities—Petition of G.&T. Terminal Packaging Co., Inc., et al. to Revoke Conrail Exemption; to the Committee on Commerce, Science, and Transportation.

EC-3176. A communication from the Secretary of Commerce, transmitting, a draft of proposed legislation to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for fiscal years 1993 through 1996, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3177. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3178. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3179. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund

of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3180. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3181. A communication from the Administrator of the Energy Information Administration, transmitting, pursuant to law, a report entitled "Profiles of Foreign Direct Investment in U.S. Energy, 1990"; to the Committee on Energy and Natural Resources.

EC-3182. A communication from the Administrator of General Services, transmitting, pursuant to law, informational copies of proposed prospectuses; to the Committee on Environment and Public Works.

EC-3183. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report on Radon in Schools; to the Committee on Environment and Public Works.

EC-3184. A communication from the Administrator of General Services, transmitting, pursuant to law, an informational copy of a proposed prospectus; to the Committee on Environment and Public Works.

EC-3185. A communication from the Deputy Assistant Secretary of Defense (Environment), transmitting, pursuant to law, a report on the Environmental Restoration Program for Fiscal Year 1991; to the Committee on Environment and Public Works.

EC-3186. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report concerning the Social Security Administration's programs; to the Committee on Finance.

EC-3187. A communication from the Chairman of the International Trade Commission, transmitting, pursuant to law, the quarterly report on trade between the United States and China, the former Soviet Union, Central and Eastern Europe, the Baltic nations, and other selected countries; to the Committee on Finance.

EC-3188. A communication from the Acting Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, the annual report of the Equal Employment Opportunity Commission under the Sunshine Act for calendar year 1991; to the Committee on Governmental Affairs.

EC-3189. A communication from the Acting Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report of the Board for calendar year 1991; to the Committee on Governmental Affairs.

EC-3190. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the semi-annual report of the Federal Maritime Commission's Inspector General for the period October 1, 1991-March 31, 1992; to the Committee on Governmental Affairs.

EC-3191. A communication from the Secretary of Labor, transmitting, pursuant to law, the annual report of the Department of Labor for the period October 1, 1990 through September 30, 1991; to the Committee on Labor and Human Resources.

EC-3192. A communication from the Secretary of Education, transmitting, pursuant to law, a report entitled "Notice of Final Funding Priorities—Program for Children and Youth with Serious Emotional Disturb-

ance"; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-350. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Armed Services.

"SENATE CONCURRENT RESOLUTION NO. 38

"Whereas, the Louisiana Army National Guard performs a vital service to the state of Louisiana when called upon to assist during periods of disasters such as hurricanes, tornados, and flooding; and

"Whereas, the Louisiana Army National Guard is an outstanding military organization as proven by its heavy involvement in Operation Desert Shield and Desert Storm when it activated more than ten percent of the total national guard that was mobilized; and

"Whereas, the state of Louisiana is one of only six states in the nation that makes a major investment in its soldiers through a state tuition exemption program which allows soldiers to attend a state funded college or university without paying tuition; and

"Whereas, the Louisiana Army National Guard has a long history of recruiting, training, and retaining a large quantity of high quality soldiers: Therefore, be it

Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to petition the Secretary of Defense to compare the readiness and credentials of the Louisiana Army National Guard to other states before ordering a reduction in force: Be it further *Resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-351. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Armed Services;

"SENATE CONCURRENT RESOLUTION NO. 39

"Whereas, when the Congress of the United States passed the National Defense Authorization Act for Fiscal Year 1991 they amended Chapter 39 of Title 10, United States Code, by adding a new section which prohibits a member of a reserve component serving on active duty or full-time National Guard duty from serving with a unit of the Reserve Officer Training Corps program; and

"Whereas, by inserting this section into Title 10 of the United States Code, the Congress of the United States has failed to recognize that by doing so, they have hindered college and university ROTC programs immeasurably as this prohibition seriously degrades every school's ability to support and maintain their ROTC units; and

"Whereas, by this omission the Congress of the United States further hinders the relationship between colleges and universities and the military community; and

"Whereas, most importantly, this prohibition has drastically undermined the obligation that colleges and universities owe to their cadet corps: Therefore, be it

Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to amend that section of the National Defense Authorization Act for Fiscal Year 1991 and allow members of a reserve compo-

nent serving on active duty or full-time National Guard members to serve with the Reserve Officer Training Corps program: Be it further

Resolved, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-352. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Banking, Housing, and Urban Affairs:

"SENATE JOINT RESOLUTION NO. 129

"Whereas, there is a credit crisis affecting the nation's economy and the ability of state and local governments to provide essential services to the state's citizens; and

"Whereas, during the past year-and-a-half, a credit crunch of crisis proportions has taken hold of the economy and grown increasingly severe, particularly for real estate; and

"Whereas, to date, the credit crisis has shown no sign of improvement; its effects are evidenced throughout the nation as business failures soar, financial institutions weaken, real estate values decline, and state and local property tax bases further erode; and

"Whereas, approximately \$200 billion of the nearly \$400 billion in commercial real estate loans now held by commercial banks are maturing within the next two years; and

"Whereas, banks, for a variety of reasons, are reluctant to renew these real estate loans; and

"Whereas, both pension funds in the United States, with assets of nearly two trillion dollars, and a stronger and more active secondary market for commercial real estate debt and equity could play a more significant role in providing liquidity and credit to the real estate and banking sectors of the economy; and

"Whereas, many regulatory practices encourage banks to reduce their real estate lending without regard to long-term historical risk; and

"Whereas, the stability of real estate has suffered during the past decade, first from tax rules that in 1981 stimulated excessive investment in real estate, and again in 1986, when rules were adopted that discouraged capital investment in real estate and artificially eroded real estate values; and

"Whereas, the Congress of the United States passed on November 27, 1991, and the President signed on December 19, 1991, a resolution regarding the credit crisis; and

"Whereas, the resolution stated that the sense of the Congress is that immediate and carefully coordinated action should be taken by the Congress and the President to arrest the credit crisis and provide a healthy and efficient marketplace that works for owners, lenders, and investors; and

"Whereas, the resolution further stated that the sense of the Congress is that efforts should be undertaken to explore measures that (i) modernize and simplify the rules that apply to pension investment in real estate to remove unnecessary barriers to pensions funds seeking to invest in real estate; (ii) strengthen the secondary market for commercial real estate debt and equity by removing arbitrary obstacles to private forms of credit enhancement; (iii) restore balance to the regulatory environment by considering the impact of risk-based capital standards on commercial, multifamily and single-family real estate; ending market-to-market, liquidation-based appraisals; en-

couraging loan renewals; and fully communicating the supervisory policy to bank examiners in the field; and (iv) rationalize the tax system for real estate owners and operators by modifying the passive loss rules and encouraging loan restructures; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia memorialize the Congress of the United States to seek an immediate end to the credit crisis; and, be it

"Resolved further, That the Clerk of the Senate transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the Senate of the United States, and the members of the Virginia delegation to the United States Congress that they may be apprised of the sense of the Virginia General Assembly in this matter."

POM-353. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION NO. 126

"Whereas, the automobile manufacturing industry is a multi-billion dollar business in Virginia, including a Ford truck plant in Norfolk, a General Motors parts plant in Fredericksburg, and a number of small independent plants across Virginia whose business of manufacturing parts for full-size and mid-size cars totals almost \$3 billion annually; and

"Whereas, the automobile industry is making, as rapidly as technological advances allow, steady improvements in fuel economy and emission controls in the cars and trucks for sale to the public; and

"Whereas, legislation is now pending before the United States Senate and House of Representatives mandating Corporate Average Fuel Economy (CAFE) standards which would require a 40 percent increase in miles per gallon by the year 2001; and

"Whereas, such a major increase in CAFE standards would greatly reduce the availability of full-size and mid-size cars, limiting the consumer to a choice of compact, mini-compact, and subcompact cars; and

"Whereas, unrealistic CAFE standards would greatly reduce the availability of full-size vans, mini-vans, and full-size pickup trucks—the work vehicles of businesses and farms; and

"Whereas, the reduction in the numbers of full-size and mid-size vehicles would have drastic adverse effects on production at the Ford and General Motors plants and other vehicle parts manufacturers in Virginia, resulting in major economic losses to the economy of the Commonwealth; and

"Whereas, it has been estimated that significantly higher CAFE standards could cost as many as 300,000 jobs in the United States during the next decade; and

"Whereas, higher CAFE standards would have little or no effect on the energy security of the nation, reducing oil imports by only one to two percent by the year 2005; and

"Whereas, many national safety experts have expressed the opinion that a drastic increase in CAFE standards would substantially increase the risk of fatalities and injuries because of the greater number of smaller, lighter vehicles on the highways of the nation; and

"Whereas, a study of estimated fuel economy standards that can practicably be achieved, including the capabilities of the domestic automobile industry, employment issues and the effects on vehicle safety, air

quality/emissions, and economics, commissioned by the U.S. Department of Transportation, should be reported soon; now, therefore, be it

"Resolved further, That the Clerk of the Senate transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the Virginia Congressional delegation so that they may be apprised of the sense of the General Assembly."

POM-354. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL NO. 13

"Whereas, since 1976, the federal Payment in Lieu of Taxes (PILT) Program has provided payments to Idaho's counties as partial compensation for the presence of federal lands within their boundaries; and

"Whereas, since enactment, PILT payments have not been increased to reflect the cost of inflation; and

"Whereas, under the current formula Idaho's counties receive more than \$7,000,000 in PILT payments annually; and

"Whereas, these payments are essential to the economic stability and viability of these counties and only partially offset the services provided to federal lands within the counties; and

"Whereas, legislation is pending before Congress which would more than double the amount of payments to Idaho's counties and would index future payments to inflation; Now, therefore, be it

"Resolved by the members of the Second Regular Session of the Fifty-first Idaho Legislature, the House of Representatives and the Senate concurring therein, That the Congress of the United States adopt the legislation currently pending before it which would double the amount of PILT payments to Idaho's counties, index future payments to inflation and should add allotments and other federal lands to the formula for determination of payments: Be it further

"Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this memorial to the President of the United States, to the Secretary of the Interior, to the President of the Senate and the Speaker of the House of Representatives of Congress, and to the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-355. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Environment and Public Works:

"HOUSE JOINT MEMORIAL NO. 14

"Whereas, the Endangered Species Act is before Congress for reauthorization in 1992; and

"Whereas, this act has proved to be necessary and beneficial to the protection and recovery of threatened species such as the bald eagle and the American alligator; and

"Whereas, recent conflicts concerning the northern spotted owl and the native salmon have demonstrated that wildlife recovery plans mandated under the provisions of the Act fail to consider the adverse social and economic impact such plans will have on our citizenry; and

"Whereas, the integrity and purpose of authorizing the Act can be maintained and indeed strengthened through amendments which take greater account of the human,

social and economic consequences of protecting threatened species: Now, therefore, be it

"Resolved by the members of the Second Regular Session of the Fifty-first Idaho Legislature, the House of Representatives and the Senate concurring therein, That we urge Idaho's congressional delegation to amend, or support the amendment of, the Endangered Species Act to require that extensive, in-depth human, social and economic impact analyses be conducted early in the proposed listing process and that such analyses inform any final decisions in such a manner as to assure that while threatened species are protected, economic dislocation and job losses will be minimized: Be it further

"Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, George Bush, to the Secretary of the United States Department of the Interior, Manuel Lujan, to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-356. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Finance:

"HOUSE JOINT MEMORIAL NO. 12

"Whereas, persons qualified for Medicare can have medical fees paid through Social Security, due to their payments into the Social Security system for said benefits, to health care institutions and treating physicians; and

"Whereas, veterans who receive medical care and attention through the Veterans Administration cannot have Medicare payments made for said medical care and attention paid to the Veterans Administration; and

"Whereas, veterans having contributed to the Social Security System should be allowed to have Medicare payments made to the Veterans Administration for medical care and attention received from the Veterans Administration; and

"Whereas, under current medical care eligibility criteria, certain nonservice connected veterans are unable to receive medical care and attention from the Veterans Administration due to general resource constraints at individual Veterans Administration Medical Centers (VAMCs); and

"Whereas, in order to help alleviate the underfunded conditions throughout the Veterans Administration, and so that additional resources become available to provide care and attention to veterans now being denied care by the Veterans Administration, it would be more effective use of federal funds to provide care and attention to veterans through the transfer of Medicare funds payable for that care, to the Veterans Administration, under specific authority in Section 5035(d) of Title 38, United States Code; and

"Whereas, by being approved to provide medical care and attention to nonservice connected veterans by using Social Security Medicare funding, the Veterans Administration would be able to provide necessary medical treatment to thousands of veterans who are being denied such care; and

"Whereas, in order to improve access to care for nonservice disabled veterans and to control cost escalation in the federal Medicare program, a waiver of the deductible copayment feature to veterans is needed: Now, therefore, be it

"Resolved by the members of the Second Regular Session of the Fifty-first Idaho Legislature,

the House of Representatives and the Senate concurring therein, That veterans receiving medical care and attention through the Veterans Administration, be permitted to have Social Security Medicare payments made directly to the Veterans Administration for medical care and attention: Be it further

Resolved, That said payments shall be made exclusively for the care of veterans and accrue directly to the operation of the local Veterans Administration Medical Center rendering the care and shall not in any manner diminish the allocation of funds made by the Congress of the United States for the operation of the Veterans Administration: Be it further

Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, George Bush, to the Secretary of Veterans Affairs, Edward Dorwinski, to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-357. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Finance:

"JOINT RESOLUTION

"Whereas, current federal law provides for the elimination of the tax-exempt status for small issue industrial development bonds sold by states to provide capital at reduced interest rate for establishment and expansion of manufacturing enterprises; and

"Whereas, the availability of small issue industrial development bonds is critical to the economic development of Maine, providing expansion, diversification of the manufacturing sector and quality jobs, protecting industry from foreign competition and encouraging productivity, capacity and quality critical to the long-term stability of the State's manufacturing base; and

"Whereas, in the past 7 years, small issue industrial development bonds resulted in investments of approximately \$500,000,000 in Maine and the retention or creation of over 35,000 jobs in the State and enhanced the tax base of municipalities throughout the State; and

"Whereas, issuance of small issue industrial development bonds for United States manufacturers is an important investment in protecting and strengthening United States manufacturing entities, providing quality jobs, helping to ensure that jobs are retained in the United States and not exported overseas, and assisting in reducing the trade deficit; now, therefore, be it

Resolved, That We, your Memorialists, respectfully urge and request that the United States Congress enact legislation forthwith to eliminate the pending sunset on small issue bonds under Section 144 of the Internal Revenue Code of 1986, as amended, so that no interruption in the availability of small issue industrial development bonds occurs; and be it further

Resolved, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable George H. W. Bush, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Maine Congressional Delegation."

POM-358. A joint resolution adopted by the Legislature of the State of Idaho; to the Select Committee on POW/MIA Affairs:

"HOUSE JOINT MEMORIAL NO. 20

"Whereas, there are at least 2,273 American servicemen and civilians who have yet to be accounted for in southeast Asia as a result of the aftermath of the war in Vietnam and southeast Asia; and

"Whereas, twelve of those unaccounted for in southeast Asia are Idahoans whose names, hometowns, branch of service and date of capture or loss follow:

"Name, hometown, branch of service, date of loss

"Jon K. Bodahl, Boise, Air Force, November 12, 1969.

"Curtis R. Bohlscheid, Pocatello, Marine Corps, June 11, 1967.

"William Cook, Mountain Home, Air Force, April 28, 1968.

"Hal T. Hollingsworth, Grace, Navy, January 16, 1966.

"William B. Hunt, Sandpoint, Army, November 4, 1966.

"William H. Lemmons, Pocatello, Army, June 18, 1967.

"Roderick L. Mayer, Lewiston, Navy, October 17, 1965.

"Jesse D. Phelps, Boise, Army, December 28, 1965.

"John L. Powers, Mackay, Army, February 15, 1971.

"Jon M. Sparks, Carey, Army, March 19, 1971.

"Larry Thornton, Idaho Falls, Air Force, December 24, 1965.

"Greg N. Hollinger, Paul, Army, December 14, 1971.

"Whereas, there is a body of credible evidence suggesting that live Americans or identifiable remains of Americans remain in southeast Asia; and

"Whereas, the executive branch of the United States government and the Congress of the United States have declared that resolution of this issue is of the "highest national priority"; and

"Whereas, the agencies of the United States government, including the Department of Defense and the Defense Intelligence Agency have had since the official termination of hostilities in May of 1975 to resolve these issues; and

"Whereas, the Department of Defense has created and maintained an unnecessary veil of secrecy and ignorance by classifying most of the available information concerning live sightings, status reports, and other data relating to those who are still missing, the declassification of which would not compromise resources, means, methods and identities of intelligence operatives; and

"Whereas, it would appear that by promulgating a classified plan referred to as a "road map for normalization of relations" between the United States, Laos, Cambodia and Vietnam, the government of the United States appears to be poised to "normalize" relations with those governments in spite of the unresolved issues concerning prisoners of war, those missing in action, and the repatriation of the remains of those Americans who made the ultimate sacrifice: Now, therefore, be it

Resolved by the members of the Second Regular Session of the Fifty-first Idaho Legislature, the House of Representatives and the Senate concurring therein, That we urge the President of the United States, by executive order, to declassify information, data and intelligence pertaining to all matters relative to these issues, except for that data or information which would reveal the means, methods and identities of intelligence operatives, that we further urge that the respective branches of the armed services be assigned to

resolve these issues, that any and all future remains returned from southeast Asia be placed, for purposes of identification, with the Smithsonian Institution, Washington, DC, and that normalization of relations with those countries of southeast Asia be deferred until such time as the issues identified herein are satisfactorily and adequately addressed: Be it further

Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives of Congress, and to the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-359. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Select Committee on POW/MIA Affairs:

"SENATE JOINT RESOLUTION NO. 125

"Whereas, certain departments and agencies of the United States government now maintain and in the future will continue to receive records and information correlated or possible correlated to United States personnel listed as prisoners of war or missing in action from World War II, the Korean Conflict, and the Vietnam Conflict; and

"Whereas, such information and records should be released by federal departments and agencies and thereby publicly disclosed; and

"Whereas, disclosure would allow a nation proud of its democratic heritage to end the secrecy which has kept from its citizens those facts necessary for long overdue introspection and, thus, final catharsis with regard to World War II and the Korean and Vietnam Conflicts; and

"Whereas, disclosure would permit our nation not only to better examine its past, but would also provide a more complete and accurate factual basis upon which to develop future policy; and

"Whereas, disclosure would allow generations recalling World War II and the Korean and Vietnam Conflicts to offer tribute and thanks to their contemporaries for the freedom which all Americans continue to enjoy today; and

"Whereas, disclosure would instill within generations born after these eras an appreciation of the ultimate sacrifices which Americans have made in the name of democracy; and

"Whereas, the beneficiaries of disclosure might also include the surviving prisoners of war themselves insofar as disclosure may result in a ground swell of informed support for efforts to return home surviving prisoners of war: Now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to enact legislation directing federal departments and agencies to make public any information possibly relating to POWs or MIAs from World War II, the Korean Conflict, or the Vietnam Conflict and directing the Department of Defense to make a list of all people classified as POWs or MIAs; and, be it

Resolved Further, That the Clerk of the Senate prepare a copy of this resolution for transmittal to the Speaker of the United States House of Representatives, the President of the Senate of the United States, and the members of the Virginia delegation to the United States Congress that they might be apprised of the sense of the General Assembly in this matter."

POM-360. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Veterans' Affairs:

"SENATE CONCURRENT RESOLUTION NO. 37

"Whereas, a forty-two acre site in St. Bernard Parish has been donated by the Disabled Veterans of America to be used as a location for a veteran's nursing care facility and domiciliary; and

"Whereas, there are a number of veterans in St. Bernard Parish and in the greater New Orleans area who would benefit greatly by having such a facility to care for their needs as they grow older; and

"Whereas, many veterans of World War II and the Korean Conflict are nearing their golden years and such a facility would ease their burdens greatly; Therefore, be it

Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to build a veteran's nursing care facility and domiciliary on lands donated by the Disabled Veterans of America in St. Bernard Parish: Be it further

Resolved, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-361. A joint resolution adopted by the Legislature of the State of Idaho; ordered to lie on the table:

"HOUSE JOINT MEMORIAL NO. 19

"Whereas, United States Senator Steve Symms has served Idaho in the United States Senate for twelve years with an intense emphasis on highway transportation; and

"Whereas, Senator Symms played a leading role in the formulation of the 1987 Surface Transportation Act, a five year bill, and the Intermodal Surface Transportation Efficiency Act of 1991, a six year bill; and

"Whereas, the 1991 Surface Transportation Act provides federal funding for the post-interstate era with a major increase in funding for Idaho; and

"Whereas, during his tenure in the United States Senate, Senator Symms also secured over \$200 million dollars in discretionary and demonstration funding for additional highway and bridge projects in Idaho; and

"Whereas, Senator Symms secured transportation funds, projects and programs as a bipartisan benefit to Idaho and has consistently responded to Idaho transportation needs: Now, therefore, be it

Resolved by the members of the Second Regular Session of the Fifty-first Idaho Legislature, the House of Representatives and the Senate concurring therein, That we recognize Senator Steve Symms for his outstanding contribution in response to Idaho transportation needs and that on behalf of all Idaho citizens we extend our gratitude to Senator Symms for his work on transportation for Idaho and his many years of service to our state: Be it further

Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States: Be it further

Resolved, That we respectfully request that this Memorial be spread across the pages of the Congressional Record."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

S. 758. A bill to clarify that States, instrumentalities of States, and officers and employees of States acting in their official capacity, are subject to suit in Federal court by any person for infringement of patents and plant variety protections, and that all the remedies can be obtained in such suit that can be obtained in a suit against a private entity (Rept. No. 102-280).

S. 759. A bill to amend certain trademark laws to clarify that States, instrumentalities of States, and officers and employees of States acting in their official capacity, are subject to suit in Federal court by any person for infringement of trademarks, and that all the remedies can be obtained in such suit that can be obtained in a suit against a private entity (Rept. No. 102-280).

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. BOND (for himself and Mr. COATS):

S. 2686. A bill to amend title XIX of the Social Security Act to provide for improved delivery of and access to home care and to increase the utilization of such care as an alternative to institutionalization; to the Committee on Finance.

By Mr. SPECTER:

S. 2687. A bill to extend until January 1, 1995, the existing suspension of duty on certain chemicals; to the Committee on Finance.

By Mr. SANFORD:

S. 2688. A bill to suspend until January 1, 1994, the duty on Benzisothiazoline; to the Committee on Finance.

By Mr. D'AMATO:

S. 2689. A bill to renew patent numbered 3,387,268, relating to a quotation monitoring unit, for a period of ten years; to the Committee on the Judiciary.

By Mr. PELL:

S. 2690. A bill to provide for the continuity of certain benefits for defense workers whose employment is terminated as a result of the cancellation or curtailment of defense contracts, and for other purposes; to the Committee on Finance.

S. 2691. A bill to extend displaced defense workers the protections against eviction and foreclosure that are provided to members of the Armed Forces under the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on the Judiciary.

S. 2692. A bill to amend the Job Training Partnership Act to improve the Defense Conversion Adjustment Program, and for other purposes; to the Committee on Labor and Human Resources.

S. 2693. A bill to provide for loans and other assistance to small business concerns that have suffered economic injury as a result of adjustments in Defense Department spending; to the Committee on Small Business.

By Ms. MIKULSKI:

S. 2694. A bill to limit the authority of the Secretary of the Army to provide for the incineration of lethal chemical agents at Aberdeen Proving Ground, Maryland; to the Committee on Armed Services.

By Mr. HELMS:

S. 2695. A bill to extend the existing suspension of duty on machines designed for heat-set, stretch texturing of continuous manmade fibers; to the Committee on Finance.

By Mr. DOMENICI (for himself and Mr. DANFORTH):

S. 2696. A bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illnesses, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MCCAIN:

S. 2697. A bill to provide transitional protections and benefits for Reserves whose status in the reserve components of the Armed Forces is adversely affected by certain reductions in the force structure of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. PRYOR (for himself, Mr. COHEN, Mr. ROCKEFELLER, Mr. RIEGLE, Mr. GRAHAM, Mr. MITCHELL, Mr. BUMPERS, Mr. CONRAD, Mr. BURDICK, and Mr. GLENN):

S. 2698. A bill to amend title XVIII of the Social Security Act to provide for enhanced enforcement of the billing limits established under part B of such title, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. PACKWOOD, Mr. BURNS, Mr. CHAFEE, Mr. HATFIELD, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DOMENICI, Mr. DURENBERGER, Mr. HATCH, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KASTEN, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. PRESSLER, Mr. ROTH, Mr. SEYMOUR, Mr. SIMPSON, Mr. STEVENS, Mr. THURMOND, and Mr. WARNER):

S. 2699. A bill to extend the period for which unemployment benefits are payable under title I of the Emergency Unemployment Compensation Act of 1991, and for other purposes; ordered held at the desk.

By Mr. KASTEN:

S.J. Res. 299. Joint resolution to state the finding of Congress that the Amendment to the Constitution of the United States relating to compensation for Members of Congress has been duly ratified, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMON (for himself and Mr. DURENBERGER):

S.J. Res. 300. Joint resolution to designate the week commencing October 4, 1992, as "National Aviation Education Week"; to the Committee on the Judiciary.

By Mr. LAUTENBERG:

S.J. Res. 301. Joint resolution designating July 2, 1992, as "National Literacy Day"; 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. BYRD (for himself, Mr. MITCHELL, and Mr. DOLE):

S. Res. 295. A resolution requesting the Archivist of the United States to report to the Senate on ratification by the States of proposed constitutional amendment; considered and agreed to.

By Mr. BYRD:

S. Con. Res. 117. A concurrent resolution declaring an article of amendment to be part

of the Constitution of the United States; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself, Mr. NICKLES, Mr. MCCAIN, Mr. SEYMOUR, Mr. SPECTER, Mr. MCCONNELL, Mr. COATS, Mr. HATCH, Mr. HELMS, Mr. HARKIN, and Mr. GARN):

S. Con. Res. 118. A concurrent resolution declaring the ratification of the twenty-seventh Article of Amendment to the Constitution of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BOND (for himself and Mr. COATS):

S. 2686. A bill to amend title XIX of the Social Security Act to provide for improved delivery of and access to home care and to increase the utilization of such care as an alternative to institutionalization; to the Committee on Finance.

SENIOR HOME CARE CHOICE FAIRNESS AND IMPROVEMENT ACT

Mr. BOND. Mr. President, improving long-term care is an important issue facing the Senate. There is much that we can do to improve the long-term care which is available to our elderly. Today, Senator COATS and I are introducing the Senior Home Care Choice Fairness and Improvement Act of 1992 to clarify and enforce a law which was intended to protect senior citizens who need long-term care, but which we believe has been unjustly ignored. The result is seniors are not getting the important protection which they deserve, and to which they are entitled.

I strongly believe that most problems in our society today come from the breakdown of our families. Historically, American families have nurtured and cared for each other from generation to generation, instilling values, discipline and a work ethic. Members of families looked out for each other and helped each other through tough times. This basic family support and cohesion has been the backbone of our social structure since America was discovered.

Most people understand that the family structure today is under tremendous pressure from the economic, social and technological changes which have occurred in the last few decades. Unfortunately, Government is contributing to the pressure breaking down families today. Senator COATS and I are urging the administration, and the Congress through our legislation if the administration refuses to act, to end one practice tearing apart families now. I believe Government should encourage families to stay together, not force them apart.

Right now current law forces an elderly person whose spouse needs long-term health care to choose between losing the couple's financial assets or placing the spouse in a nursing home, even if the spouse could be cared for at

home. In other words, the Government financially punishes the elderly person that wants to care for their sick spouse within their family at home.

Many of Missouri's elderly people have experienced the pain and frustration of not being able to keep a sick spouse at home with them. For example, when an elderly man from Howell County, MO had a stroke, his wife was unable to keep him at home with her and care for him because they had a small retirement savings account which exceeded the amount necessary to qualify for Medicaid coverage. As the law is currently applied, if she put her husband in a nursing home, she could keep her savings and qualify for Medicaid.

That's right. An elderly person who places their sick husband or wife in a nursing home can divide the couple's assets of up to \$132,960, not including the couple's house and car and qualify for Medicaid. The ability of one spouse to save half of the couple's assets is referred to as "spousal impoverishment" protection. Spousal impoverishment protection doesn't currently apply to home care, so an elderly person who decides to keep their sick spouse at home must spend down to \$2,000 in assets—savings accounts, certificates of deposits and the like—before they can qualify for Medicaid. In short, elderly couples are being forced to choose between poverty and being institutionalized. That is just wrong. Elderly couples that want to stay together and want to care for their needs at home should be protected.

Many Medicaid patients in Missouri's nursing homes can be cared for in a less expensive home setting. We want to encourage a policy that will allow those people who want to stay at home with their spouses to do so. It is not just a cost-saving measure. It is primarily a family protection measure—keeping the family together, allowing the elderly to live in their home, with their friends and family, if they wish to do so. But, until the law is correctly applied, elderly people must spend nearly all their savings to care for their sick spouse.

Margaret Cossett, president of Missouri Home Care, supports this legislation because "it is very important that we recognize that families want to stay together and remain intact. It is the Government's responsibility to ensure that families are given every option to be together. Although there will never be enough money to provide for all of the services that our elderly need, we must utilize and integrate the family to provide the best care possible. This legislation is important because it will fix the system and will let people know that home care is an option available to them."

We believe that seniors who choose home care should be protected from spousal impoverishment under current

law. The purpose of this legislation is to clarify the current law and ensure that there is no question that this protection should apply. We are simultaneously sending a letter today to Mr. William Toby, the Acting Administrator of the Health Care Financing Administration [HCFA] to demand that HCFA promulgate regulations to enforce the spousal impoverishment for home care as we believe should already be occurring.

This legislation requires that those states which provide spousal impoverishment protection to spouses of individuals in nursing homes must also provide the same protection to spouses of individuals eligible for home care under the State Waiver Program. The purpose of enforcing this portion of the Medicaid law is to provide those people who are eligible for nursing home care coverage with an equal and fair option to stay in their homes with their spouses and to receive Medicaid coverage for medical and personal services just as they would have if they had elected nursing home care.

In addition, this bill requires hospitals to notify patients needing long-term care who can qualify for nursing home care under Medicaid when they could safely be cared for in their home. These patients deserve to have the opportunity to make a fair choice and to know of their options.

Our ability to care for sicker patients in the home has increased the need for physicians to be an increasingly active member of the health team and this involvement should be fostered because it adds to the quality of care that patient receives. But presently, Medicare and most insurance companies do not recognize a physician's case management activities as a billable service. These payors justify this policy on the grounds that their payments for direct physician care should be sufficient to cover phone contacts and the physician's additional time associated with managing care for a patient in the home. The close and frequent coordination with the physician on a patient's treatment at home is essential but is also time consuming for the physician. This current payment system rewards the physician when institutional care is used, but provides no incentives, financial or otherwise, for a physician to refer a patient to home care. Under the current reimbursement system a physician is generally far better rewarded for treating a patient in an institution than in home care. This bill will require the Secretary of Health and Human Services to conduct a study concerning reimbursement for physicians who assist the elderly with home care plans and evaluate options for ending this bias toward institutional care that is breaking up families.

Since January 1991, the Missouri Medicaid nursing home population has risen 6.5 percent, to an all-time high of

25,600. Each nursing home resident costs Medicaid about \$14,600 per year. Projections indicate that the average number of people receiving nursing home care through the Medicaid program will increase by 1,000 from fiscal year 1992 to fiscal year 1993 which translates into \$3.3 million in increased Medicaid nursing home costs.

The Senior Home Care Choice Fairness and Improvement Act of 1992 will give an option to Medicaid eligible individuals to stay at home for their care with their spouses thereby keeping a family together during a time of need. The population eligible for home care will include those individuals who but for home care services would only be able to survive in a nursing home. The Missouri Division of Aging estimates that 275 nursing home residents could be permitted to return to a community living arrangement with their families during the first year if they so choose. There should be little or no monetary cost to the State or Federal Government for providing the home care option, because it merely replaces one form of care for another to an individual who has already met the eligibility requirements for Medicaid coverage for nursing home care.

In fact, the long term, cost savings will result because there will be slower growth in the number of patients unnecessarily split from their families and institutionalized. The Missouri Department of Social Services projects first year State revenue savings of \$1,055,000 for allowing new and existing Medicaid nursing home residents to be released from nursing homes and return home in less restrictive, less costly settings.

We are calling on Congress and the Health Care Financing Administration to provide this fair and much-needed spousal impoverishment protection to home care. By doing so we will put an end to a wrong-headed unfair Government policy that is forcing families apart at a time when they need each other the most. Punishing a couple that wishes to use home care to stay together by forcing them to choose between impoverishment or institutionalization must stop.

Mr. President, I ask unanimous consent that the text of the bill and an article from the AARP Bulletin be printed in the RECORD.

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

S. 2686

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 "Senior Home Care Choice Fairness and Improvement Act of 1992".

SEC. 2. APPLICATION OF SPOUSAL IMPOVERISHMENT RULES UNDER MEDICAID TO SPOUSES OF INDIVIDUALS RECEIVING HOME OR COMMUNITY-BASED SERVICES.

(1) APPLICATION OF RULES.—Section 1924(h)(1)(A) of the Social Security Act (42 U.S.C. 1396r-5(h)(1)(A)) is amended by striking "or who (at the option of the State) is described in section 1902(a)(10)(A)(i)(VI), and" and inserting "or is receiving medical assistance under section 1902(a)(10)(A)(i)(VI), and".

(2) CONFORMING AMENDMENT.—Section 1902(a) of such Act (42 U.S.C. 1396(a)) is amended—

(A) by striking "and" at the end of paragraph (58) the first place it appears;

(B) by redesignating paragraph (58) the second place it appears as paragraph (59); and

(C) by adding at the end the following new paragraph:

"(60) apply with regard to contributions to the cost of care under section 1902(a)(10)(A)(i)(VI), the provisions of clauses (B), (C), and (D) of section 1924(d)(1) and section 1915(c)(3)."

(b) INCREASE IN NUMBER OF INDIVIDUALS ALLOWED TO RECEIVE HOME OR COMMUNITY-BASED SERVICES.—Section 1915(c)(10) of such Act (42 U.S.C. 1396n(c)(10)) is amended by striking "200" and inserting "300".

(c) INFORMING PATIENTS OF AVAILABILITY OF HOME CARE.—

(1) MEDICARE PATIENTS.—Section 1866(a)(1) of such Act (42 U.S.C. 1395cc(a)(1)) is amended—

(A) by striking "and" at the end of subparagraph (P);

(B) by striking the period at the end of subparagraph (Q) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(R) In the case of hospitals, to inform individuals of the availability of home care services under title XIX and, if in a State operating under a waiver under section 1915(c), to inform individuals of the availability of home or community-based services in such State."

(2) MEDICAID PATIENTS.—Section 1902(w)(1) of such Act (42 U.S.C. 1396a(w)(1)) is amended—

(A) by striking "and" at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and by inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(F) to inform such individuals of the availability of home care services under this title and, if in a State operating under waiver under section 1915(c), to inform such individuals of the availability of home or community-based services in such State."

(d) STUDY AND REPORT ON COSTS OF HOME HEALTH CARE AND REPORT SERVICES.

(1) STUDY.—The Secretary of Health and Human Services (hereafter in this subsection referred to as the "Secretary") shall study—

(A) the cost-effectiveness and desirability of reimbursing physicians under titles XVIII and XIX of the Social Security Act for providing medical management for complex care for health services in the home;

(B) reimbursement rates under titles XVIII and XIX of the Social Security Act to providers of home health care services; and

(C) the feasibility and propriety of physician reimbursement under titles XVIII and XIX of the Social Security Act for select home health care cases with particular emphasis on those cases that require intense physician involvement.

(2) REPORT.—The Secretary shall, by no later than 1 year from the date of enactment of this Act, report to the Congress along with any recommendations, the findings of study conducted under this subsection.

KEEP COPS, FIREFIGHTERS ON THE JOB

(By Robert Lewis)

Police, firefighters and corrections officers will no longer be forced off the job when they reach retirement age if Congress accepts the findings of a blue-ribbon advisory panel.

"Chronological age is not a good predictor of abilities or performance" for public safety officers, says Frank Landy, who chaired the advisory team under a contract from the Equal Employment Opportunity Commission (EEOC).

Drawing on key findings from its 16-month study, the panel concluded there is no scientific basis to support forced retirement of police, fire and corrections officers. It urged Congress to outlaw mandatory retirement of such officers.

It's too early to tell what Congress will do. Lawmakers, haven't yet received the report, which is just now being circulated at EEOC and among organizations likely to be affected by its findings.

But the report is already generating controversy. It drew praise from some groups representing public safety officers and others representing older Americans generally.

"Retirement policies based on chronological age do not take into account individual differences and are discriminatory on their face," say AARP Executive Director Horace B. Deets.

Still other organizations representing police and firefighters criticized the report, arguing that its conclusions are unrealistic.

"I agree, the more experience, the better an officer," say Donald Cahill, legislative director of the 240,000-member Fraternal Order of Police (FOP), which takes issue with the panel's recommendations. "But there are only so many 'inside' jobs for older officers."

With public safety groups dividing into two camps, the report could touch off a fight in Congress over retirement policies for public safety officers. Currently, such officers are compelled to retire at anywhere from age 50 to 65, regardless of ability to continue performing their duties.

State and local governments may set mandatory retirement ages for public safety officers under the 1986 amendments to the Age Discrimination in Employment Act (ADEA). In their initial version, the amendments had eliminated compulsory retirement for virtually all working Americans.

Some public safety unions, however, sought a permanent exemption, contending forced retirement was justified by the physical demands of these jobs.

In a compromise, Congress approved a seven-year exemption, sanctioning mandatory retirement for about 1.2 million public safety officers through 1993. Lawmakers in the meantime directed EEOC to investigate the issue, and appropriated \$860,000 to finance a study.

EEOC commissioned the Center for Applied Behavioral Sciences at Pennsylvania State University to undertake the probe. Its task: to determine if public safety would be compromised by barring mandatory retirement based on chronological age for public safety jobs.

The center created a 20-member panel, consisting of industrial psychologists, gerontologists, cardiologists and other experts. It reviewed more than 2,000 studies on aging as well as the personnel records of more than 460 fire and police departments.

In its report to EEOC, the panel concluded that, in a police department of 500, the probability of a catastrophic event happening to an officer who is performing a public safety task would be one event every 25 years. "That's vanishingly small," Landy said.

(a) IN GENERAL.—

The team also concluded that physical fitness and mental abilities, not age, are the best predictors of job performance, and it went on to maintain that these characteristics can be accurately measured through individual testing.

An EEOC spokesperson declined to discuss the report, noting only that it shortly would be submitted to the appropriate congressional committees. Key lawmakers say they haven't yet had a chance to study the report.

Some public safety employees want Congress to let the exemption expire, thereby barring forced retirement for police, fire and corrections officers.

John Green, of the 25,000-member American Correctional Association, says most members support an end to mandatory retirement.

Charles Meeks, executive director of the 22,000-member National Sheriffs' Association, says older officers who can perform their duties and want to continue working should be allowed to.

"When we force them out because of an age rule, we lose a lot of fine people in law enforcement," Meeks says. "When you reach 55 you can't run down alleys and jump over walls. But most police work isn't like that."

Meeks adds, "I'm 55 years old and right now I feel I could whip my weight in wildcats. But if I'm not being productive, somebody should tell me, and I'm out of here. Performance evaluations and testing can do that."

Not necessarily, retorts FOP's Cahill. He says testing of the kind envisioned by the Penn State researchers would be impractical for small police departments, "which are 75 percent of the forces." Also, he adds, mandatory retirement opens promotion opportunities for younger officers.

A major union, the 142,000-member International Association of Fire Fighters, also is working to retain mandatory retirement. A union representative on an advisory panel to the Penn State scientists resigned in a dispute over the research.

"We feel strongly that firefighters should be allowed to retire after 20 years," says union spokesman George Burke. "Firefighters work in a hostile and uncontrolled environment. They breathe a lot of smoke and toxic fumes, and after 20 years their bodies are pretty eaten up."

"Our biggest concern is how do you administer the tests," says Douglas Peterson, legislative counsel of the National League of Cities. "The report concentrates on larger departments with back-up capability, yet most departments are small."

But Penn State's Landy says potential problems would be more than offset by gains. He maintains that the research not only debunks the notion that public safety officers older than 55 can't do the job, it also shows that older officers may be superior officers.

"Firefighters and police officers between 60 and 65 are actually more fit" than those 45 to 55, Landy says, because "those who aren't fit and capable drop out."

Mr. COATS. Mr. President, today I join my colleague from the State of Missouri, Senator BOND, in submitting legislation that offers a way to keep families with ill or disabled loved ones together, not force them apart. Many elderly Hoosiers in the State of Indiana want to keep their spouses in their own homes but cannot afford to do so. Our bill is a major step toward resolving this dilemma.

This legislation is rooted in part from my family's experience in the

1980's. My father died of Parkinson's disease in 1988. He battled the disease for nearly 7 years. When my father needed long-term care, my mother began investigating their Medicaid eligibility. What she realized is that in order to care for my father at home, she would have to exhaust nearly all her assets, including her home and savings for retirement. However, if my father was sent to an institution, these assets would be protected.

Under current law in Indiana, a spouse who lives in the community must have a yearly income below \$13,743 and assets below \$68,715 to qualify for spousal impoverishment assistance for nursing home care. Requirements for home based care, however, are dramatically different and dramatically less fair. To receive home based care, this same individual must spend down to \$7,596 in annual income and a \$2,250 in assets to qualify for medical assistance.

My mother was faced with a painful choice. To qualify for assistance, she would be forced to sell the home and investments my parents had worked hard for and go into virtual poverty to keep my father at home. My mother chose to sacrifice substantial time and money to care for my father at home, without receiving any assistance. For my parents, faced with two unpleasant alternatives, it was the best choice.

But it was blatantly unfair, and this unfairness warrants a remedy. We need policies that provide for more compassionate care in the last years life—a policy that encourages families to stay together, not break apart.

Changes in the current law are in order not only because of fairness but because home care is compassionate and cost effective. According to statistics from the National Association for Home Care, it would cost nearly \$24,000 per month to keep a patient in the hospital for intravenous nutritional therapy. This type of therapy can be given at home for \$9,000 per month. The average monthly cost of ventilator-dependent patient hospitalization is \$22,569. When done at home this same service is provided at \$1,766 per month.

Additionally, at least a dozen Blue Cross/Blue Shield plans now offer programs to encourage early maternity discharges to home care. Blue Cross estimates that if only one-half of a day were cut from the average 3-day normal delivery stay, there would be a \$40-\$50 million annual savings in hospital costs.

Mr. President, as we work to reform health care policies in this country, we need to make health care more family-friendly. Our bill makes sense: it offers compassion and potentially less cost. It promises to keep families together, allow for personal choice, and provide fairness for the elderly.

I am attaching for the RECORD an article of another experience from Indi-

ana. This article is based on a letter from the Reynolds family of Indiana who wrote me recently and shared their frustration with the way the current law works. Mrs. Reynolds, now 89, lives in a nursing home in Anderson, while her husband lives with his son and daughter-in-law in Texas. As a result, Mrs. Reynolds is finally receiving Medicaid assistance for her care at the nursing home. It is the kind of topsy-turvy policy—one that offers either family division or virtual poverty—that our legislation seeks to change.

Mr. President, I close by asking each of my colleagues to give their strong consideration to the legislation Senator BOND and I are introducing today.

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

MEDICAID FAIRNESS FOR ALL AMERICANS

(By U.S. Sen. Dan Coats)

About four years ago, James and Ina Reynolds started obtaining a few hours of home health care due to Mrs. Reynolds' osteoarthritis. Gradually, as her condition deteriorated, Mrs. Reynolds began to require 24-hour care.

In the Fall of 1989, the Reynolds applied for Medicaid assistance but were denied because their resources exceeded \$2,250. They then were told that even when this threshold was reached, they still would be unable to obtain home health care because their monthly income of about \$1,700 was too high to qualify for Medicaid.

The Reynolds then pursued a waiver allowing them to obtain health care in their home—but then were told they could only obtain a waiver of the rules if they were already on Medicaid!

Unfortunately, there is not a cheerful ending to this bureaucratic nightmare. Eighty-nine-year-old Mrs. Reynolds now lives in a nursing home in Anderson, while her husband lives with his son and daughter-in-law in Texas. Incidentally, she is finally on Medicaid.

As is painfully evident from the Reynolds' story, current Medicaid provisions discourage home health care by imposing restrictive eligibility requirements. The Reynolds' case stands in dramatic contrast to what happens when a spouse places a loved one in an institution.

At present, spouses of Medicaid patients are protected from spending all their assets to pay for nursing home care and hospital care. In Indiana, they can retain up to \$68,715 and have an income of up to \$11,808. This enables healthy spouses to retain their houses and livelihoods, but takes a beloved and ailing husband or wife out of the home.

This same protection does not apply to long-term care provided at home. In fact, a couple must spend down to \$2,250 in assets to receive Medicaid help for home care. This places many families with limited financial resources in the impossible position of choosing either to institutionalize a loved one or go into virtually poverty to keep a spouse at home.

For those couples who must impoverish themselves under current Medicaid guidelines, both husband and wife more than likely will be dependent on public assistance for the rest of their lives.

Something must be done—something that will enable couples like the Reynolds to avoid the heartbreaking frustration of a

health care system that separates loved ones and burdens families.

I'm introducing legislation that will bring greater fairness to this difficult situation. Under this proposal, the provision that protects spouses from impoverishment if they admit husbands or wives to a nursing home or hospital would apply to those who desire to keep ill spouses at home.

This would save families money—for those who use Medicaid, it would prevent them from losing their hard-earned financial security in order to keep a family member at home. For families that use their own money to pay for nursing home care—nationwide, an average of \$30,000 annually—they will save money through home care.

More importantly, my proposal would keep families together—and I know from firsthand experience how vital this can be. My father battled Parkinson's disease for more than a decade, and we cared for him at home 90 percent of this time. This enabled us to care for him much more compassionately and at far less cost.

Stories like those of the Reynolds family should become bad memories instead of the ongoing tragedies of families torn apart by a failed bureaucratic process. Changing the current system will help Hoosier families remain intact with greater financial freedom. These goals are central to what government is all about, and should be at the forefront of all we do in reforming our Nation's health care system.

By Mr. SPECTER:

S. 2687. A bill to extend until January 1, 1995, the existing suspension of duty on certain chemicals; to the Committee on Finance.

EXTENSION OF THE SUSPENSION OF DUTY ON CERTAIN CHEMICALS

Mr. SPECTER. Mr. President, today I am introducing legislation that will extend the existing duty suspensions on the 38 dye intermediates used by my constituent, Crompton & Knowles Corp. of Reading, PA, in the production of dyestuffs. Crompton & Knowles is seeking these extensions in order to remain competitive in the world marketplace with its products.

Crompton & Knowles, a U.S.-owned company, is principally involved in the manufacture of dyestuffs. I am informed that it is the sole remaining major U.S.-owned manufacturer in its field in the United States.

Because these products are not manufactured in the United States, Crompton & Knowles must purchase from foreign sources the dye intermediates identified in this legislation. When the duty suspensions were first granted in 1987 for the first 17 intermediates in this legislation—the duty on the remaining 21 was first suspended in 1990—Congress recognized that the continued imposition of tariffs on these imported intermediates would cause the U.S.-manufactured products made from these intermediates to be less competitive in the world marketplace. Unfortunately, the circumstances obtaining at the time Congress first suspended the duty on these intermediates remain in effect, namely, the elimination of domestic dyestuff manufac-

turers and the consequent dependency on foreign sources for essential dye intermediates.

As you are aware, Mr. President, duty suspension legislation is routinely adopted by Congress where no unfair competitive advantage, vis-a-vis other U.S. companies or industries, is gained by the beneficiary of such legislation. In this regard, I am informed that Crompton & Knowles will not gain any such advantage by the bill that I am introducing today. Consultations have taken place with the Department of Commerce, the International Trade Commission, the Ways and Means Subcommittee on Trade of the House of Representatives, which has jurisdiction over the companion bill, H.R. 2013, and the offices of Representative RICHARD T. SCHULZE, and GUS YATRON, the sponsors of H.R. 2013. Each office has confirmed that there is no domestic opposition to Crompton & Knowles' duty suspension requests.

In sum, Mr. President, my constituent has represented to me that this legislation is vital to its operations. Accordingly, without these duty suspension extensions, the ability of Crompton & Knowles to preserve its integrity and continue to compete in the world marketplace while maintaining its facilities at Reading, PA, is made more difficult. For these reasons I urge my colleagues to join me in supporting this legislation.

By Mr. SANFORD:

S. 2688. A bill to suspend until January 1, 1994, the duty on Benzisothiazoline; to the Committee on Finance.

SUSPENSION OF CERTAIN DUTIES

Mr. SANFORD. Mr. President, I rise today to introduce a duty extension for 1,2 benzisothiazoline-3-one [BIT], the active ingredient in ICI Proxel brand antimicrobial formulations. Currently, there is no domestic manufacturer of this product and we have heard no objections to suspend the duty on BIT until January 1, 1994.

ICI is a diversified chemical company that holds the patent to Proxel. BIT is the active ingredient in the formulation of Proxel. The Proxel products are regulated by the EPA under FIFRA statutes and are used—at parts per million levels—in a wide range of products to protect products and processes from the deleterious effects of microbial contamination. Without the incorporation of Proxel in these U.S.-manufactured goods—whose estimated market value exceeds \$5 billion—they would be unusable and could even present a health hazard to workers or consumers.

Last year, more than 1 million pounds of technical grade BIT was imported from the United Kingdom for conversion to finished product at ICI's Charlotte, NC, production facility. In 1988 ICI made a substantial capital investment in this facility to establish

the domestic production of Proxel formulations in order to provide improved services to customers.

ICI employs over 500 people at various sites across the State of North Carolina. The import duties associated with BIT imports—1991—exceeds \$1 million. Moneys released through a duty exemption will be rechanneled to accelerate the introduction of ICI's new products, like Proxel, into the United States. This product and those that will follow will offer U.S. manufacturers a greater choice of better, safer products.

I urge my colleagues to support inclusion of this duty suspension for BIT in any duty suspension legislation the Congress may adopt.

By Mr. D'AMATO:

S. 2689. A bill to renew patent number 3,387,268, relating to a quotation monitoring unit, for a period of 10 years; to the Committee on the Judiciary.

PATENT RENEWAL FOR A QUOTATION MONITORING UNIT

• Mr. D'AMATO. Mr. President, today I am introducing the Senate companion to H.R. 2192, legislation introduced in the House of Representatives by Congressman SOLARZ. Our bills seek to undo a serious inequity resulting from 15 years of restrictive Federal regulations.

On September 9, 1963, Prof. Sidney Epstein of Brooklyn, NY, filed for a patent on his invention, the quotation monitoring unit. This invention enables investors to obtain the most recent quotations on selected stock issues directly. Professor Epstein was awarded patent number 3,387,268 for this invention on June 4, 1968.

For this invention to be fully useful, however, a subsidiary communication authorization [SCA] is needed. The SCA permits information to be sent over FM airwaves to the quotation monitoring unit. Unfortunately, for the first 15 years of the life of Professor Epstein's patent, FCC regulations did not permit SCA's to be used with quotation monitoring units.

By the time the FCC's regulations were changed in 1983 to permit SCA's to be used with Professor Epstein's invention, the patent had nearly expired. For more than 10 years Professor Epstein was denied the benefit of this patent by a set of Federal regulations that have since been abandoned.

Only Congress can correct this inequity. I urge my colleagues to support this bill to bring justice to a deserving individual inventor who has had the misfortune of running into a series of bureaucratic regulations that should have been changed long before they were. I urge my colleagues to support this bill in the interests of equity and fair play and I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 2689

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce, acting through the Commissioner of Patents, shall, as soon as possible after the enactment of this Act, renew patent numbered 3,387,268 (relating to a quotation monitoring unit) for a period of ten years beginning on the date of such renewal, with all the rights pertaining thereto.●

By Mr. PELL:

S. 2690. A bill to provide for the continuity of certain benefits for defense workers whose employment is terminated as a result of the cancellation of curtailment of defense contracts, and for other purposes; to the Committee on Finance.

S. 2691. A bill to extend to displaced defense workers the protections against eviction and foreclosure that are provided to members of the Armed Forces under the Soldiers' and Sailors' Civil Relief Act of 1940; to the Committee on the Judiciary.

S. 2692. A bill to amend the Job Training Partnership Act to improve the Defense Conversion Adjustment Program, and for other purposes; to the Committee on Labor and Human Resources.

S. 2693. A bill to provide for loans and other assistance to small business concerns that have suffered economic injury as a result of adjustments in Defense Department spending; to the Committee on Small Business.

DEFENSE ADJUSTMENT LEGISLATION

● Mr. PELL. Mr. President, I am introducing today the first four of a package of bills dealing with several aspects of the complex problem of defense adjustment, particularly as it relates to conditions in my State of Rhode Island and surrounding parts of southeastern New England.

Rhode Island often seems to be a microcosm of national experience, and because of our small size, the State is often able to chart its response to circumstances more swiftly than our larger counterparts. In this case, I hope Rhode Island's experience in dealing with defense adjustment may be helpful in suggesting a national response.

My State is on the bowwave of adjustment problems because it is one of two small States, the other being Connecticut, to absorb one of the first major procurement terminations—namely the cancellation of the *Seawolf* submarine program. The Electric Boat Division of General Dynamics, builder of the *Seawolf*, is the largest private sector employer of Rhode Island workers, who comprise about one-third of the company's work force.

Even if the second and third *Seawolf* are retained in the budget and built, Electric Boat will still be faced with

drastic curtailment of activity because of the long-range effects of the cancellation of the rest of the *Seawolf* Program, which originally had envisioned a 29-ship fleet. Total Electric Boat employment, which stood until recently at about 23,000, will drop to under 20,000 by the end of this year and continue to drop steadily to under 10,000 by 1996.

So the first 2,000 layoffs, announced April 14, were just the harbingers of a swelling exodus which can be expected to continue for most of the decade.

And employment figures tell only part of the story. As the payroll dwindles, so do the purchases from some 423 Rhode Island suppliers of goods and services to Electric Boat, most of them small businesses. In recent years the volume of this business was in the range of \$25 million annually. If it declines in proportion to the work force, the ripple effect could continue to be troublesome as the decade progresses.

Electric Boat is only part of our problems, albeit a big one. Another whole segment of defense-contracting industry, clustered in the Newport area, provides high-technology support in electronics and engineering to the Navy and to Raytheon's Submarine Signal Division, which itself has laid off 1,000, or nearly one-third of its work force in the last year. Here too, the impact is as heavy on small businesses as it is on individuals.

These facts make clear that Rhode Island is one the many enclaves across the country that must take special steps to adjust to the abrupt end of the cold war and the consequent readjustment of our national priorities. And because the end result must be a withdrawal of Federal economic activity as a result of causes far removed from local control. I believe the Federal Government has a special obligation to cushion the adjustment.

With this in mind, members of my staff conducted an intensive on-site review of conditions in the State during the Easter recess to assess the impact and find out where the biggest problems lie. They came back with a number of suggestions for corrective action, some of which are embodied in the bill I am introducing today.

The legislation I am introducing is designed to address, first of all, the most basic and immediate needs of laid-off defense workers, and second the needs of small businesses on the brink of survival. In both cases, I believe the prospective beneficiaries constitute special classes entitled to special Federal consideration.

The four bills are:

COBRA health benefit subsidy.—A bill entitled the Defense Workers' Benefits Protection Act of 1992 to provide a Federal subsidy of 75 percent of an employee's premium for health insurance continued after separation under COBRA, for a period of up to 36 months. The bill would also permit an

employee to switch to a less costly plan than the one he or she participated in at the time of separation. The bill would be financed out of defense adjustment funds provided to the Department of Labor by the 1990 DOD bill. It would remedy what both labor and management see as the biggest single problem confronting laid-off workers.

Mortgage foreclosure protection.—A bill entitled the Defense Workers Bill of Rights Act of 1992 to extend to displaced defense workers the protection against eviction and foreclosure that is provided to members of the armed services under the Soldiers and Sailors' Civil Relief Act of 1940. This no-cost bill simply provides 1 year of protection, contingent on a court finding that the displaced worker or his or her spouse is unable to pay their mortgage or rent. Owners of property rented to eligible defense workers would qualify for the same protection from foreclosure. This is a companion to a bill introduced in the House as H.R. 5028 by my colleague from Rhode Island, Representative JACK REED.

JTPA/EDWAA eligibility.—A bill entitled the Defense Worker Dislocation Act to provide that dislocated defense workers not be held to the prevailing standards of eligibility of these programs, which are basically designed to serve structurally unemployed persons of low skills. The present need is to provide retraining for highly skilled workers who need to expand or redirect their skills to new jobs. But State officials advise us that as they interpret the law, they cannot provide training as authorized by the 1990 DOD bill without a specific revision in the eligibility rules. This bill would simply modify relevant statutes, at no new cost, to enable the funds provided in 1990 to be used for the purposes intended by the Defense Economic, Diversification, Conversion and Stabilization Act of 1990 which was division D of the National Defense Authorization Act for fiscal year 1991.

Small business loans.—A bill entitled the Small Business Defense Adjustment Assistance Act of 1992 to provide direct emergency loans from the SBA to small businesses suffering sudden and severe impact from reductions in defense spending or from based closures. The program would authorize long-term, renewable, low interest loans targeted to small firms needing modest sums, generally less than \$100,000, to tide them over a transition from a DOD contract to new business. This would meet a special need in our area where the banks are reluctant to extend loans even with an SBA guarantee and other nonbank sources, notably credit unions and S&L's, have dried up. This bill would simply revive and expand a highly successful program that was authorized in 1973, to mitigate the impact of base closures in my State at

the time due to a substantial withdrawal of Navy activity there. While that program has since expired, SBA has continued to extend emergency loans for natural causes that are often just as cataclysmic as a sudden cessation of defense spending.

A separate title of the bill I am introducing today would authorize the Small Business Development Center Program to support new entrepreneurial ventures, rather than being bound by existing guidelines which favor supporting established enterprises. The modest \$30 million proposed for the new authority should be financed out of savings in the defense budget.

In addition to the four bills listed above I intend to sponsor other related legislation, including a bill to promote and encourage alternative nondefense uses of defense industrial facilities by requiring defense contractors to set aside a portion of gross annual revenues to support corporate planning for diversification to nondefense, commercial production.

Mr. President, as I have suggested, the experience of the small State of Rhode Island may well have relevance far beyond its borders, and I hope that the legislation I am introducing could be helpful to all sections of the country and therefore acceptable to a majority of Congress. With that in mind, I have recommended these legislative concepts to the Defense Economic Conversion Task Force established by the majority leader and chaired with great distinction by the Senator from Arkansas [Mr. PRYOR]. I hope that vehicle will provide additional impetus to the legislation I am introducing today and that these bills will become part of a creative response on the part of the Senate to the challenge of adjustment to the post-cold war world.●

By Ms. MIKULSKI:

S. 2694. A bill to limit the authority of the Secretary of the Army to provide for the incineration of lethal chemical agents at Aberdeen Proving Ground, MD; to the Committee on Armed Services.

LETHAL CHEMICAL AGENT INCINERATION
AUTHORITY

Ms. MIKULSKI. Mr. President, just a little over a month ago, nearly 400 Maryland residents spent a beautiful spring Saturday at historic Washington College on Maryland's Eastern Shore at a symposium on the proposed incineration of mustard gas at Aberdeen Proving Ground, MD.

For 6 hours the local residents voiced their concerns and fears over the building of the mustard gas incinerator.

Mr. President, people should be aware that their concerns now, are absolutely reaching a critical point. I believe those people—who will be the ones most affected by any decision regarding mustard gas—have a right to know the facts, have a right to be

heard, and have a right to a fair decision in the process. That is why, today, I am introducing legislation to protect Maryland's citizens from the premature construction of a mustard gas incinerator at Aberdeen, MD.

The Army was given the mission to destroy our outdated and excessive amounts of chemical agents. And I think we all agree this needs to be done. But it must be done responsibly. Concern for the thousands of people who live within miles of the disposal site must be the driving force behind the disposal program.

There is a very real fear among the local residents, and who can blame them? They fear for their own safety, their families' and neighbors'.

The Army proposes to build an incinerator at Aberdeen, starting in 1994. Will the emissions from this incinerator meet national and State standards? We do not know. We will not know until after the Army conducts a burn at Johnston Island in the Pacific later this year. My bill will prohibit the issuance of a request for proposal [RFP] until after we have the evidence from Johnston and know that safe standards are being met.

Are there better ways of disposing of mustard agent? We are not sure. The Office of Technology Assessment will issue a report later this year. My bill will also prohibit an RFP until after we have studied that report.

I will also be cosponsoring legislation by Senator FORD to create a highly skilled and technologically capable commission to report to the Congress by January 1, 1994, on the complete range of alternative technologies, their costs and safety.

By delaying the construction of the Aberdeen incinerator until we have the facts, we are going to save local citizens concern; we are going to deal with the local environment; and I believe we will save money in the long run because we will do it right the first time.

My bill does not unfairly hold up the Army's chemical weapon destruction program. It just makes sure that we have the right to know before we act.

Mr. President, I thank the Senate for enabling me to do this and I yield.

Mr. WIRTH. Will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Maryland has expired. The Senator from Colorado is recognized for 8 minutes.

Mr. WIRTH. Mr. President, with great interest I was listening to the comments of the distinguished Senator from Maryland and would suggest we had a similar sort of problem with the Pueblo Depot Authority in southern Colorado. We had a number of the Army people come out, had a meeting with a number of technical people.

There are a number of alternative technologies that are available. There is one particularly promising one that deals with cryogenics, freezing the gas,

and then it can be burned in very much of a closed facility. This has been demonstrated in southern California. It is one of the things that is very promising.

We would be happy to work with the distinguished Senator. I know how concerned she is and what a major issue this is in any community. We spent a lot of time going through many of these same issues and I would be happy to work with the Senator on that.

Ms. MIKULSKI. I thank the Senator for his kind offer and, you bet, we need all the help we can get on Kent Island and over there on the western part of the shore.

Mr. WIRTH. I was lucky enough to receive a honorary degree from Washington College in that area. It is a wonderful spot in the world.

By Mr. HELMS:

S. 2695. A bill to extend the existing suspension of duty on machines designed for heat-set, stretch texturing of continuous man-made fibers; to the Committee on Finance.

EXTENSION OF SUSPENSION OF DUTY ON CERTAIN
MACHINES

Mr. HELMS. Mr. President, today I am introducing, on behalf of the yarn spinners industry, legislation to extend for a period of 2 years the existing duty suspension on heat-set stretch texturing textile equipment.

The machinery in question is designed for heat-set, stretch texturing of man-made fibers. The textured yarns are major components in various kinds of apparel and home furnishings, such as hosiery and knitwear.

Mr. President, there are no domestic producers of the texturing equipment. In fact, the last domestic supplier of this machinery ceased production in 1973.

By Mr. DOMENICI (for himself and Mr. DANFORTH):

S. 2696. A bill to establish a comprehensive policy with respect to the provision of health care coverage and services to individuals with severe mental illness, and for other purposes; to the Committee on Labor and Human Resources.

EQUITABLE HEALTH CARE FOR SEVERE MENTAL
ILLNESS ACT

Mr. DOMENICI. Madam President, I am very hopeful tonight that in addition to some Senators and their staffs, that we can begin to bring help to a few thousand Americans who have family members who are schizophrenic, manic-depressive or depressive. Maybe we can even let a few thousand mothers and fathers whose sons or daughters committed suicide because they suffered from depression or were caught in the cycle of depression as manic depressions, or, who had children who were schizophrenic and because we had no idea how to care and provide them treatment or we did not want to, have

committed suicide, maybe we can let these parents know we were listening to their cries for help.

Thousands of American families have tried to get care for the severely mentally ill in their family, only to find that the insurance policies that protected other members of their families for severe illnesses, such as cancer, that when it was schizophrenia, they were limited in what they received as reimbursement because there are normally caps placed on how much is covered for mental illness.

I call this discrimination against the severely mentally ill in the United States by the health care system and by the independent health insurance that exists in America today. I call it a lack of equity and fair play to parents and relatives of the schizophrenic people in our country and to the severely mentally ill who suffer from depression or manic depression or bipolar disease. I think it is time that the U.S. Congress indicated that they want this discrimination to end and that they want equity and fairness for the families of this kind of American who suffers from a severe illness, just as severe as cancer, just as disengaging and disabling as tuberculosis when it is at a severe and chronic stage, just as serious and severe as any of the myriads of physical ailments for which we provide coverage.

Why do I address the Senate and introduce a bill tonight on this subject in behalf of myself and the distinguished Senator from Missouri [Mr. DANFORTH]? Because, Madam President, in the next 2 years we are going to be engaged in a very serious effort called health care reform. I submit, if we do the job right, what is left when we put in place the right kind of system will be very different from the system that delivers health care to our people today.

I say that because clearly we cannot afford the system we have today for another decade, much less covering another 20 or 25 percent of our people who are getting no health care unless it is in the emergency rooms of American hospitals. Many of these people are so ill that they go to emergency rooms to receive treatment if the hospital has not closed its emergency room by then.

Since we are going to be looking at this system in its totality, how we deliver, who we deliver, what we can afford, what we will cover and what we will not cover, this bill says only the following: Put severe mental illness right on the table for consideration, along with other severe illnesses that we either cover by insurance or cover by a health program of the Nation for the American people. Do not enter those negotiations, those hearings, those reform meetings leaving severe mental illness off the table, in the closet, under our feet as we have currently treated that severely mentally ill to

this point in our health delivery history.

Madam President, I believe somewhere between 30 and 40 percent of all of the homeless people in America, and I believe 50 to 60 percent of the homeless people in the big cities of America are severely mentally ill. They are the victims of an American policy that did nothing for the severely mentally ill once we let them out of institutions and deinstitutionalized care. So they are running around with parents who could not afford to take care of them.

If they are adults, they are there because there is no way anyone would give them the kind of care and health treatment that we currently know has a very high potential for cure and stability, for stabilizing the schizophrenic, for minimizing the traumatic effect of manic depression.

We currently do not want to tell those people they will be cared for under our health programs just as we treat severely ill cancer patients or those whom we have to operate on because they have cancer and are going through a curative stage for a long time.

So essentially this bill has a model plan, and it merely says to the Congress when you consider health reform, put severe mental illness on the table right along with other severe illnesses. As you figure out what we can afford and what we cannot, do not leave this off the table, do not put it in the closet, do not continue the stigma because it cries out for treatment and care just as much as other serious illnesses that we spend so much on and give so much comfort and attention to families because we say we will care for that person, we will take care of their health problems.

So I send to the desk today a bill co-sponsored by Senator DANFORTH, a section-by-section analysis and more detailed remarks on the bill.

I ask unanimous consent that it be properly referred and that items I have just indicated I am sending to the desk be printed in the RECORD.

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

S. 2696

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 "Equitable Health Care for Severe Mental Illnesses Act of 1992".

SEC. 2 FINDINGS.

Congress finds that—

(1) American families should have health insurance protection for the costs of treating severe mental illnesses that is commensurate with the protection provided for other illnesses;

(2) currently, many private health insurance policies and public insurance programs discriminate against persons with severe mental illnesses by providing more restric-

tive coverage for treatments of those illnesses compared to coverage provided for treatments of other medical problems;

(3) many health insurance plans limit the number of days allowed for facility care or limit the number of outpatient visits allowed for the treatment of severe mental illnesses while providing no limit for the treatment of other physical illnesses;

(4) only 21 percent of all health insurance policies provide inpatient coverage for severe mental illnesses comparable to coverage for other illnesses, and only two percent have comparable outpatient coverage;

(5) only two percent of Americans with private health care coverage have policies that adequately and fairly cover severe mental illnesses;

(6) over 60 percent of health maintenance and preferred provider organizations specifically exclude treatment for those with severe mental illnesses;

(7) health care reform plans designed to make health care more accessible and affordable often incorporate the policies that are discriminatory with respect to persons with severe mental illnesses which now exist in common private health insurance plans;

(8) unequal health insurance coverage contributes to the destructive and unfair stigmatization of persons with severe mental illnesses, illnesses that are beyond the control of the individuals, just like cancer, diabetes, and other serious physical health problems;

(9) schizophrenia strikes more than 2,500,000 Americans over the course of their lifetimes, and approximately 30 percent of all hospitalized psychiatric patients in the United States suffer from this most disabling group of mental disorders;

(10) left untreated, severe mental illnesses are some of the most disabling and destructive illnesses afflicting Americans;

(11) studies have found that perhaps 90 percent of all persons who commit suicide suffer from a treatable severe mental illness, such as schizophrenia, depression, or manic depressive illness;

(12) some 10 percent of all inmates, or 100,000 people, in prisons and jails in the United States suffer from schizophrenia or manic-depressive psychosis;

(13) severe mental illness places an individual at high risk for homelessness, as approximately one-third of the Nation's 600,000 homeless persons suffer from severe mental illnesses;

(14) many persons suffering from severe mental illnesses can be treated effectively;

(15) eighty to 90 percent of those suffering from depression respond quickly to treatment and 80 percent of the victims of schizophrenia can be relieved of acute symptoms with proper medication;

(16) about 95 percent of what is known about both normal and abnormal structure and function of the brain has been learned in the last 10 years, but millions of severely mentally ill people have yet to benefit from these startling research advances in clinical and basic neuroscience;

(17) ensuring adequate health insurance coverage for the treatment of severe mental illnesses can reduce health and societal costs in the long-run by preventing more costly interventions later in the lives of persons with untreated severe mental illnesses and by helping those with severe mental illnesses, many of whom are young adults, remain productive members of society; and

(18) legislation to reform the health care system should not condone or perpetuate discrimination against persons with severe mental illnesses.

SEC. 3. STATEMENT OF POLICY.

(a) IN GENERAL.—It is the policy of the United States that:

(1) persons with severe mental illnesses must not be discriminated against in the health care system; and

(2) health care coverage, whether provided through public or private health insurance or any other means of financing, must provide for the treatment of severe mental illnesses in a manner that is equitable and commensurate with that provided for other major physical illnesses.

(b) CONSTRUCTION.—Subsection (a) shall not be construed to preclude the adoption of laws or policies requiring or providing for appropriate and equitable coverage for other mental health services.

SEC. 4. NONDISCRIMINATORY AND EQUITABLE HEALTH CARE COVERAGE.

(a) DESCRIPTION.—With respect to persons with severe mental illnesses, to be considered nondiscriminatory and equitable under this Act, health care coverage shall cover services that are essential to the effective treatment of severe mental illnesses in a manner that—

(1) is not more restrictive than coverage provided for other major physical illnesses;

(2) provides adequate financial protection to the person requiring the medical treatment for a severe mental illness; and

(3) is consistent with effective and common methods of controlling health care costs for other major physical illnesses.

(b) A MODEL PLAN.—Health care coverage provided through public or private health insurance or any other means of financing which incorporate the following provisions with respect to the care associated with severe mental illnesses would be consistent with the policy set forth in section 3:

(1) Stop-loss protection for catastrophic expenses.

(2) Coverage of facility based care, with cost control using precertification review, a mixed prospective and cost-based payment method, and a deductible equal to one day's cost at the facility.

(3) Coverage of outpatient medical management with coinsurance and provider reimbursement set on a par with other medical procedures to encourage the use of cost-effective ambulatory treatment, including treatment in non-traditional settings.

(4) Coverage of visits for psychotherapy, with coinsurance and fees set to ensure effective cost control of high demand services.

(5) Coverage of prescription drugs essential to the cost effective treatment of severe mental illnesses.

SEC. 5. COMMITMENT TO POLICY.

It is the purpose of this Act to commit the Congress and the Executive Branch to incorporating the policy set forth in section 3 through efforts, including the enactment of legislation, which are intended to improve access to or control the costs of health care.

EQUITABLE HEALTH CARE FOR SEVERE MENTAL ILLNESSES ACT OF 1992—SECTION BY SECTION ANALYSIS**Section 1. Short Title****Sec. 2. Findings.**

This section provides the basis for the legislation, including data on the prevalence of health insurance that is discriminatory toward persons with severe mental illnesses and the consequences of such discrimination.

Sec. 3. Statement of Policy.

This section establishes as Federal policy non-discrimination in the health care system toward persons with severe mental illnesses and coverage for the treatment of severe

mental illnesses that is equitable and commensurate with the coverage provided for other illnesses.

Sec. 4. Non-Discriminatory and Equitable Health Care Coverage.

This section provides a description and an example of a health plan that is non-discriminatory and equitable.

The example cites coverage for facility based care, medical management, psychotherapy, and prescription drugs.

Sec. 5. Commitment to Policy

This section makes it clear that the Congress and the Executive Branch will incorporate the policy of non-discrimination and equity in health care reforms.

By Mr. MCCAIN:

S. 2697. A bill to provide transitional protections and benefits for Reserves whose status in the Reserve components of the Armed Forces is adversely affected by certain reductions in the force structure of the Armed Forces, and for other purposes; to the Committee on Armed Services.

SELECTED RESERVE TRANSITION BENEFITS ACT

Mr. MCCAIN. Madam President, the issue of conventions is not the reason why I rose today. I want to talk about something far more important. That is how we take care of our National Guard and Reserves at a time when we are making so many cuts in our force structure.

I rise today to introduce a bill that is titled "Selected Reserve Transition Benefits Act of 1992," and I urge all of my colleagues to review this legislation and to join me as cosponsors.

As we make reductions in the National Guard and the Reserves, it is incumbent upon us to provide transition benefits for those members of the Reserve components whose units will be inactivated due to force reductions. We have already provided transition benefits for active duty service members who lose their jobs due to force structure reductions, and it is imperative that we provide some limited benefits for members of the Guard and Reserve.

My bill has four main components dealing with transition benefits and they are as follows:

Section 101 affects any member of the selected Reserve who has more than 15 years of creditable service toward retirement but less than 20 years of creditable service. Any individual in this category who loses his slot in the selected Reserve as a result of force reductions will be transferred to the individual Ready Reserve. After 5 years in the individual Ready Reserve, the service member will be transferred to the Retired Reserve and at age 60 will be eligible to draw retired pay based on the number of creditable years of service. While in the individual Ready Reserve, however, the service member will be free to seek assignment in any other unit of the selected Reserve that has vacancies in the individual's military occupational specialty and grade.

Madam President, I recommend this provision because it is consistent with

current Department of Defense policy regarding active duty service members who have more than 15 years of service. Currently, it is Department policy to protect service members with more than 15 years of service from being separated involuntarily.

Individuals in this category are allowed to complete 20 years of active service and then retire. In the Reserve components, however, this would not be practical because the units will be inactivated and there may be no slot available in the selected Reserve for an individual to complete 20 full years for retirement purposes.

Section 102 of my bill pertains to separation pay for members of the selected Reserve who have completed 6 years of service but less than 15 years of service whose unit is inactivated and cannot cross-level to another unit. The formula for computing separation pay is quite simple. It is 15 percent of the product of the years of service credited to the service member under section 1333 of title 10, United States Code and 62 times the daily equivalent of the monthly basic pay to which the individual is entitled at the time of his or her separation from the selected Reserve.

Section 103 of the Selected Reserve Transition Benefits Act of 1992 addresses the issue of enlisted personnel in the Reserve components who have enlisted for 6 years in the selected Reserve in exchange for educational assistance after completion of their 6 years of service. Currently, if a service member does not complete his 6 years of service, he will lose his benefits. Section 103 of my bill would waive the full 6-year service requirement for those service members who were separated with less than 6 years service as a result of reductions in the selected Reserve.

It has been suggested that we prorate the portion of educational assistance provided over the number of years the individual actually served. In other words, if a service member served 4 of 6 years, pay him two-thirds of his Montgomery GI bill entitlement. Madam President, I do not think this is fair. Service members in good faith enlisted for 6-year commitments. It is no fault of their own that cuts in the selected Reserve are forcing them out with less than 6 years of service.

Section 104 of my bill is quite simple. It would provide 1 year of service group life insurance free of charge to individuals who are separated from the selected Reserve. As you know, Madam President, service group life insurance is a low-cost life insurance premium for members of the Armed Forces that provides up to \$100,000 of life insurance in the event of death.

Section 105 of the bill prohibits individuals who are separated from the selected Reserve under adverse conditions from receiving these benefits.

Section 106 provides definitions for terms contained in the legislation.

Madam President, there is another provision of the bill that I am proposing, which is section 201. This provision would amend section 1175(e)(2) of title 10, United States Code. Under current law, an individual who is a member of the active component who elects to separate from the active component under terms of the voluntary separation initiative is penalized if the service member elects to serve in the selected Reserve. While serving in the selected Reserve, the service members separation incentive payments are offset by the amount of his selected reserve drill pay. Section 201 of my bill quite simply waives the requirement for recoupment while the individual serves in the selected Reserve.

Madam President, I think this is a very important provision because it will encourage highly skilled active duty service members who leave active duty as a result of the reductions in our force structure to affiliate with units in the selected Reserve where that is possible.

Madam President, we have already made a good start toward arranging for the transition for Members of the active duty Armed Forces who are being involuntarily or voluntarily separated as we go through this draconian and dramatic reduction in our forces.

We have the same obligation to those in the selected Guard and Reserve units who will be separated for reasons that are not of their own choosing, and often in spite of great dedication, skill, and patriotism.

I look forward to working with my distinguished colleague Senator GLENN, the chairman of the Manpower and Personnel Subcommittee, as we work together to formulate a package which is both fair and rewarding to those men and women who have volunteered to serve in our Guard and Reserve units. These men and women have served their country well, and they deserve these benefits.

Thank you, Madam President. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 2697

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 "Selected Reserve Transition Benefits Act of 1992".

TITLE I—BENEFITS FOR RESERVE PERSONNEL

SEC. 101. PERSONNEL WITH BETWEEN 15 AND 20 YEARS OF SERVICE.

(a) REQUIREMENT FOR TRANSFER TO THE INDIVIDUAL READY RESERVE.—(1)(A) A Reserve who, after completing at least 15 years of service computed under section 1332 of title 10, United States Code, and before completing 20 years of service computed under that

section, ceases to be a member of the Selected Reserve during the force reduction transition period by reason of the deactivation of his unit of assignment or by reason of involuntarily ceasing to be designated as a member of the Selected Reserve pursuant to section 268(b) of title 10, United States Code, shall be transferred to the Individual Ready Reserve.

(B) Subparagraph (A) shall not be construed to prevent the assignment of a Reserve referred to in that subparagraph to a unit in the Selected Reserve of the Ready Reserve or to be designated as a member of the Selected Reserve pursuant to section 268(b) of title 10, United States Code.

(2)(A) Except as provided in subparagraph (B), when the service of a Reserve transferred to the Individual Ready Reserve under paragraph (1), as computed under section 1332 of title 10, United States Code, and the period of service in the Individual Ready Reserve after the initial transfer to the Individual Ready Reserve under that paragraph equals 20 years, that Reserve shall be transferred to the Retired Reserve.

(B) In the case of a Reserve who, after being transferred to the Individual Ready Reserve under paragraph (1), again becomes a member of the Selected Reserve, subparagraph (A) does not require the transfer of that Reserve to the Retired Reserve while the Reserve continues to be a member of the Selected Reserve.

(b) TEMPORARY SPECIAL RETIREMENT AUTHORITY.—(1)(A) Chapter 67 of title 10, United States Code, is amended by inserting after section 1331 the following new section:

"§ 1331a. Temporary early retirement authority

(a) RETIREMENT WITH 15 YEARS OF SERVICE.—Except as provided in section 1331(c) of this title, the Secretary concerned may grant a person transferred to the Retired Reserve under section 2(a)(2) of the Selected Reserve Transition Benefits Act of 1992, upon the application of such person, retired pay computed under section 1401 of this title if the person satisfies the requirements of paragraphs (1), (3), and (4) of section 1331(a) of this title.

(b) DATE OF ENTITLEMENT.—Notwithstanding section 8301 of title 5, the date of entitlement to retired pay under subsection (a) shall be the date on which the requirements of that subsection have been completed."

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1331 the following new item:

"1331a. Temporary special retirement authority."

(2) The item relating to formula 3 in the table in section 1401(a) of such title is amended by inserting "1331a" below "1331" in the second column.

SEC. 102. SEPARATION PAY.

(a) ELIGIBILITY.—A Reserve who, after completing at least 6 years of service computed under section 1332 of title 10, United States Code, and before completing 15 years of service computed under that section, is involuntarily separated from the Armed Forces during the force reduction transition period is entitled to separation pay.

(b) AMOUNT OF SEPARATION PAY.—The amount of separation pay which may be paid to a person under this section is 15 percent of the product of—

(1) the years of service credited to that person under section 1333 of title 10, United States Code; and

(2) 62 times the daily equivalent of the monthly basic pay to which he was entitled at the time of his separation from the Armed Forces.

(c) RELATIONSHIP TO OTHER SERVICE-RELATED PAY.—Subsections (g) and (h) of section 1174 of title 10, United States Code, shall apply to separation pay under this section.

(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations, which shall be uniform for the Army, Navy, Air Force, and Marine Corps, for the administration of this section.

SEC. 103. WAIVER OF CONTINUED SERVICE REQUIREMENT FOR MONTGOMERY G.I. BILL BENEFITS.

(a) IN GENERAL.—The eligibility of a person referred to in subsection (b)—

(1) to be provided educational assistance under chapter 106 of title 10, United States Code, may not be terminated under section 2134(2) of that title, or

(2) to be provided educational assistance under chapter 30 of title 38, United States Code, may not be terminated under section 3012(a) of that title,

on the basis of the termination of that person's status as a member of the Selected Reserve under the circumstances described in subsection (b).

(b) APPLICABILITY.—Subsection (a) applies to a member of the Selected Reserve who, before completing the years of service in the Selected Reserve agreed to under section 2132(a) of title 10, United States Code, or the years of service required by section 3012(a) of title 10, United States Code, as the case may be, ceases to be a member of the Selected Reserve during the force reduction transition period by reason of the deactivation of his unit of assignment or by reason of involuntarily ceasing to be designated as a member of the Selected Reserve pursuant to section 268(b) of such title.

SEC. 104. TEMPORARY CONTINUATION OF SERVICEMEN'S GROUP LIFE INSURANCE.

(a) CONTINUED COVERAGE.—For the purposes of section 1968(a) of title 38, United States Code, the 120-day period of coverage provided for under paragraph (4) of such section shall be extended to a 365-day period of coverage in the case of a person who involuntarily ceases to be a member of the Selected Reserve during the force reduction transition period.

(b) PAYMENT OF PREMIUMS.—The total amount of the cost attributable to insuring a person in accordance with this section shall be paid from any funds available to the Department of Defense for the pay of reserve component personnel that the Secretary of Defense determines appropriate.

(c) IMPLEMENTATION.—The Secretary of Veterans Affairs shall take any contracting and other actions that are necessary to ensure that the provisions of this section are implemented promptly.

SEC. 105. INAPPLICABILITY TO CERTAIN SEPARATIONS AND REASSIGNMENTS.

The provisions of this title do not apply with respect to a person who ceases to be a member of the Selected Reserve, or is separated from the Armed Forces, as the case may be, under adverse conditions, as characterized by the Secretary of the military department concerned.

SEC. 106. DEFINITIONS.

In this title:

(1) The term "force reduction transition period" means the period beginning on the date of the enactment of this Act and ending on September 30, 1995.

(2) The term "member of the Selected Reserve" means—

(A) a member of a unit in the Selected Reserve of the Ready Reserve; and

(B) a Reserve designated pursuant to section 268(b) of title 10, United States Code.

TITLE II—VOLUNTARY SEPARATION INCENTIVE PROGRAM IMPROVEMENT
SEC. 201. MODIFICATION OF RECOUPMENT REQUIREMENTS.

(a) **ELIMINATION OF RECOUPMENT REQUIREMENT FOR RESERVE DUTY.**—Section 1175(e)(2) of title 10, United States Code, is amended to read as follows:

“(2)(A) Except as provided in subparagraph (B), a member entitled to voluntary separation incentive payments who is also entitled to basic pay for active service shall forfeit an amount of voluntary separation incentive payable for the same period that is equal to the total amount of basic pay received.

“(B) Subparagraph (A) does not apply with respect to—

“(1) annual training; or

“(ii) active duty for training that is not active duty for a period of more than 30 days.”.

By Mr. PRYOR (for himself, Mr. COHEN, Mr. ROCKEFELLER, Mr. RIEGLE, Mr. GRAHAM, Mr. MITCHELL, Mr. BUMPERS, Mr. CONRAD, Mr. BURDICK, AND Mr. GLENN):

S. 2698. A bill to amend title XVII of the Social Security Act to provide for enhanced enforcement of the billing limits established under part B of such title, and for other purposes; to the Committee on Finance.

MEDICARE BENEFICIARY PROTECTION ACT

Mr. PRYOR. Mr. President, I am pleased to be joined by Senators COHEN, ROCKEFELLER, RIEGLE, GRAHAM, MITCHELL, BUMPERS, CONRAD, BURDICK and GLENN in introducing today the Medicare Beneficiary Protection Act of 1992. This legislation will direct the Health Care Financing Administration [HCFA] to enforce the provisions of Medicare Physician Payment Reform designed to protect Medicare beneficiaries from excessive out-of-pocket costs for physician services.

These provisions were passed as part of the Omnibus Budget Reconciliation Act of 1989 almost 3 years ago. Today we find that despite our efforts, untold numbers of older Americans have been subjected to physician overcharges. For many of these people, who live on fixed incomes, the overcharges present a great financial hardship—one that we thought we had taken care of.

This law places new limits on the amount that physicians can bill their patients over and above what Medicare pays. We are introducing this legislation today because HCFA has not held up its end of the deal. Both doctors and patients are often unaware of these billing limitations, and as a result, thousands of Medicare patients pay more than the law requires. Beneficiaries and physicians have received little or no information or guidance from HCFA.

A number of Medicare beneficiaries from my home State of Arkansas have contacted my office for help. One

woman from Greenwood, on a fixed income and facing an overcharge of hundreds of dollars, was afraid to give her name, thinking it might compromise her relationship with her doctor. Because many beneficiaries have similar concerns, we have no idea the extent to which this problem is burdening the elderly. And this is one reason why the Arkansas Seniors Organized for Progress has made this one of their top legislative priorities this year.

Obviously this isn't just a problem in Arkansas. As we heard at a recent Senate Aging Committee hearing, when beneficiaries realize they have been overcharged, they have had to struggle to obtain information from an unresponsive bureaucracy. At the Aging Committee hearing, Stanley Lipson of Bayside, NY, testified about his experience with a doctor's overcharge of more than \$1,000. He told the committee that trying to get useful assistance from Medicare "turned out to be a wild goose chase."

People have had to fight for what was rightfully theirs because HCFA has done little to implement the law. For example, HCFA neglected to change their forms to reflect the new limiting charges. The Explanation of Medicare Benefits [EOMB]—the only information beneficiaries routinely receive from Medicare—contained erroneous information about the amounts they owed their physicians. The beneficiaries who attempted to call the carriers to ask about the information on their EOMB received misinformation or no information at all.

Late this winter, more than two years after Congress passed the law, HCFA finally gave some meaningful instruction to the Medicare carriers. Although HCFA's efforts are a step in the right direction, we want to ensure that these limits provide the protection that Congress intended. For this reason, we are introducing this legislation today.

Our bill strengthens the law by requiring specific monitoring and enforcement efforts by HCFA, and by clarifying that beneficiaries are not liable for overcharges. Our bill would also give beneficiaries increased access to HCFA by creating a beneficiary advisory council to HCFA, much like the existing physician advisory council. Our legislation closely follows the Physician Payment Review Commission's recommendation that Congress make improvements in the law to ensure that limits on balance billing achieve the goal Congress intended.

Mr. President, since our Aging Committee hearing, we have received calls from Medicare beneficiaries from all over the country who are due refunds. At the same time, many organizations representing Medicare beneficiaries have offered their support for this bill, including the American Association of Retired Persons, Families United for

Senior Action, the National Council of Senior Citizens, the National Committee to Preserve Social Security and Medicare, Arkansas Seniors Organized for Progress and the National Association of Retired Federal Employees.

I urge the rest of our colleagues to join us as cosponsors. I am hopeful that we can work quickly to enact this legislation that ensures the Medicare beneficiary protections, which have been the law of the land for almost 3 years, will finally be fairly and adequately enforced and administered by HCFA.

Mr. President, I ask unanimous consent that the text of the bill be inserted in the RECORD.

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

S. 2698

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 "Medicare Beneficiary Protection Act of 1992".

SEC. 2. IMPROVED IDENTIFICATION OF PHYSICIAN CHARGES IN EXCESS OF MEDICARE ESTABLISHED BILLING LIMITS.

(a) **LIMITING BENEFICIARY LIABILITY.**—Section 1848(g)(1) of the Social Security Act (42 U.S.C. 1395w-4(g)(1)) is amended by adding at the end the following sentence: "An individual enrolled under this part shall not be liable to a physician for payment of any charges in excess of the limiting charge described in paragraph (2)."

(b) **SCREENING OF CLAIMS.**—Section 1848(g)(6) of the Social Security Act (42 U.S.C. 1395w-4(g)(6)) is amended—

(1) in subparagraph (A), by striking "Secretary shall monitor" and inserting "Secretary as specified in subparagraph (B) shall monitor";

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting after subparagraph (A) the following new subparagraph:

“(B) **PRE-PAYMENT SCREENING OF CLAIMS.**—“(i) **IDENTIFICATION OF EXCESS CHARGES.**—In monitoring the charges of physicians under this paragraph the Secretary shall provide that each claim submitted by a nonparticipating physician under this part shall be reviewed prior to making payment on such a claim to determine the extent to which the claim includes charges that exceed the limiting charge defined in paragraph (2).

“(ii) **NOTIFICATION.**—The Secretary shall (I) notify a physician within 30 days of any determination that a claim includes excess charges with respect to a claim, and (II) provide an opportunity for the physician to respond in writing to the determination.

“(iii) **BENEFICIARY PROTECTIONS.**—The Secretary shall require that physicians identify under clause (i) as having submitted a charge in excess of the limiting charge shall reimburse to an individual enrolled under this part any amounts paid by the individual to the physician which are determined to be in excess of the limiting charge. In the case where an individual enrolled under this part has not paid at the time the service was furnished, the physician shall correct the actual charge to conform to the limiting charge.

“(iv) **SANCTIONS.**—In the case where a physician is identified as having charged a bene-

ficiary in excess of the limiting charge under this paragraph and who is notified under clause (ii) of such excess charge, and who fails to reimburse an individual as provided under clause (iii), the Secretary shall provide for referral of such physician for application of the sanctions provided for under section 1842(j)(2)."

(c) PROVIDING INFORMATION TO BENEFICIARIES ON LIMITING CHARGES.—Section 1848(h) of such Act (42 U.S.C. 1395w-4(h)) is amended—

(1) in the heading by striking "INFORMATION TO PHYSICIANS" and inserting "INFORMATION TO PHYSICIANS AND BENEFICIARIES";

(2) by inserting "(i) PHYSICIANS.—" before "Before"; and

(3) by adding at the end the following new clause:

"(ii) BENEFICIARIES.—

"(I) IN GENERAL.—The Secretary shall provide limiting charge information on the explanation of medicare benefits that is sent to an individual enrolled under this part after the submission of a claim on an individual's behalf.

"(II) ANNUAL NOTIFICATION.—The Secretary shall send to each individual enrolled under this part, information on the limiting charge for physicians services under this part and on the individuals limitation on liability with respect to charges of nonparticipating physicians under this part."

(d) ANNUAL REPORT TO INCLUDE MONITORING OF CHARGES IN EXCESS OF LIMITING CHARGE.—Section 1848(g)(6) of such Act (42 U.S.C. 1395w-4(g)(6)) is amended in subparagraph (B), by striking "report to the Congress" and inserting "report to the Congress regarding the charges described in subparagraph (A)(i), including the extent to which actual charges exceed limiting charges, the number of claims involved, the average amount of excess charges, and types of services (by category of service) charged in excess of the limiting charge established under this part and".

SEC. 3. PAYMENT TO BENEFICIARIES OF AMOUNTS CHARGED IN EXCESS OF LIMITING CHARGES OUT OF CIVIL MONETARY PENALTIES.

(a) IN GENERAL.—Section 1842(j)(4) of the Social Security Act (42 U.S.C. 1395u(j)(4)) is amended by striking the period at the end and inserting "or a charge in excess of the limiting charge established under section 1848(g)(2)."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to physician services furnished on or after January 1, 1993.

SEC. 4. ESTABLISHMENT OF MEDICARE BENEFICIARY ADVISORY COUNCIL.

(a) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by inserting after section 1889 the following new section:

"SEC. 1890. MEDICARE BENEFICIARY ADVISORY COUNCIL.

"(a) APPOINTMENT OF MEMBERS.—The Secretary shall appoint based on nominations submitted by organizations representing elderly and disabled populations a Medicare Beneficiary Advisory Council to be composed of 15 individuals who are entitled to benefits under part A of title XVIII of the Social Security Act or who are enrolled under part B of such title.

"(b) MEETINGS.—The Council shall meet once during each calendar quarter to discuss proposed regulations, carrier manual instructions, and any other issues with a direct or indirect impact on delivery, cost, quality, or expansion of medicare services. To the ex-

tent feasible and consistent with statutory deadlines, such consultation shall occur before the publication of such proposed changes.

"(c) REIMBURSEMENT OF EXPENSES.—Members of the Council shall be entitled to receive reimbursement of expenses and per diem in lieu of subsistence in the same manner as other members of advisory councils appointed by the Secretary are provided such reimbursement and per diem under this title."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on the date of the enactment of this Act.

Mr. COHEN. Mr. President, I am pleased to join with my colleague, Senator PRYOR, in introducing the Medicare Beneficiary Payment Protection Act of 1992. Enactment of this legislation will help to ensure that Medicare beneficiaries are given the protection they have been promised by law against being terrorized by excessive, out-of-pocket medical expenses.

In 1989, Congress enacted legislation to limit the amount doctors could charge their Medicare patients over and above the Medicare-approved amount. Generally referred to as the "limiting charge," this cap was intended to protect Medicare beneficiaries from excessive, out-of-pocket medical expenses.

However, the limiting charge is like a seat belt: it offers protection, but only if it is used. Unfortunately, it appears that what we have here is an unbuckled seat belt, just as a crash is about to occur.

Last month, at the request of Senator PRYOR, I chaired a Special Committee on Aging hearing which revealed that many doctors are still charging their Medicare patients far more—at times even thousands of dollars more—than the billing limits allow. Many of these overcharges are the result of honest billing errors. Others may be intentional. In either case, however, the Medicare patient is far too often stuck with a very big bill that Congress did not intend him or her to pay.

Testimony presented at the hearing disclosed that the Health Care Financing Administration has been extremely lax about enforcing the new limits on physician charges. With the exception of one small paragraph in the Medicare Handbook—which is sent only to new enrollees, not to all beneficiaries—HCFA has done nothing to notify Medicare beneficiaries about the new limits on physician fees.

Even worse, not only has HCFA failed to inform Medicare beneficiaries about the new limiting charge, it has also routinely provided information to thousands of beneficiaries that was both erroneous and misleading.

Over the past 2 years, thousands of Explanation of Medicare Benefits forms, which are routinely mailed to Medicare beneficiaries after they have seen a physician, have been sent telling

beneficiaries that they owe more—in some cases thousands of dollars more—than they are required by law to pay.

One witness at last month's hearing, Mr. Burton Lee of Sag Harbor, NY, testified that he had received a notice from Medicare stating that he owed his physician the full difference between the amount the doctor billed—\$4,863—and the amount Medicare paid—\$1,527. When he questioned the charge, Medicare actually advised him to pay the full amount billed—more than \$2,500 more than he was required to pay by law.

That's a tremendous difference—a potentially catastrophic difference—for the Medicare beneficiary who is ill, who is living on a fixed income, and who has likely been socked with a multitude of out-of-pocket medical expenses, such as the high cost of prescription drugs.

If Medicare's elaborate computer system is unable to calculate and state correctly what the beneficiary actually owes, how can we possibly expect an elderly Medicare patient, who probably has never even heard of a limiting charge, to catch, much less rectify, this kind of error?

Too often, older people will not challenge the information on a doctor's bill—they will simply feel compelled to pay and deprive themselves of other necessities.

Furthermore, even beneficiaries like Mr. Lee, who have known that they have been overcharged, have been given little or no assistance from Medicare. In fact, in spite of the protection offered by the law, like Mr. Lee, they have actually been advised by Medicare officials that they should go ahead and pay the full amount billed. I find this both incomprehensible and reprehensible.

Because of the recent congressional interest and press attention, HCFA has finally begun to take some positive steps to correct the information it is providing Medicare beneficiaries and to improve its enforcement efforts. However, last month's Aging Committee hearing clearly demonstrated the need for further clarification of the law to better enforce the limiting charges and to ensure that beneficiaries are refunded any money that they may have overpaid in a timely manner.

Senator PRYOR and I are introducing legislation today to do just that.

Among other provisions, the Medicare Beneficiary Payment Protection Act clarifies that beneficiaries should not be held liable for charges in excess of the billing limits. It also requires physicians to make refunds to beneficiaries for charges that exceed the billing limits.

In addition, the legislation requires Medicare to examine each unassigned claim for limiting charge compliance prior to payment and to notify physicians when the limiting charge has been exceeded.

Currently, HCFA monitors physician compliance by looking back at a sampling of claims filed over the past 6 months. Since only a sampling of claims are reviewed for error, the burden of identifying and rectifying excessive bills falls squarely on the back of the beneficiary. Requiring 100-percent prepayment screening before the claims are paid will lift that burden off the back of the beneficiary and put it back on Medicare's shoulders where it belongs.

The legislation also provides for intermediate sanctions when an overcharge has occurred. Currently, physicians who repeatedly, knowingly, and willfully overcharge can be fined \$2,000 and excluded from the Medicare Program for up to 5 years. The legislation we are introducing today requires formal notification to make both the beneficiary and physician aware of the overcharge, giving the physician the opportunity to appeal or refund the overpaid amount, before such drastic measures would be necessary.

Finally, the legislation requires that information on the limiting charge be sent to beneficiaries on an annual basis and also establishes a Medicare Beneficiary Advisory Council to advise HCFA on issues related to Medicare benefits and services.

Mr. President, enactment of this legislation will ensure that the promise of protection against excessive medical bills that Medicare beneficiaries were given with the enactment of the limiting charge in 1989 is fulfilled, and I urge my colleagues to join Senator PRYOR and me as cosponsors.

Mr. MITCHELL. Mr. President, I rise in support of the Medicare Beneficiary Payment Protection Act of 1992. This legislation augments previous congressional efforts to protect Medicare beneficiaries from provider overcharges.

Physician payment reform in OBRA '89 set limits on the amount a physician could charge a Medicare beneficiary above the allowed amount. The Medicare Beneficiary Payment Protection Act of 1992 takes the necessary additional steps to ensure physician adherence to these limitations.

Designed to provide technical clarification to current law, the Medicare Beneficiary Payment Protection Act of 1992 requires specific monitoring and enforcement efforts by the Health Care Financing Administration. This legislation also requires HCFA to disburse information on charge limits to beneficiaries as well as to physicians. Finally, this bill establishes a Medicare beneficiary advisory committee, similar to the current physician advisory council, which will allow Medicare beneficiaries greater access to the Health Care Financing Administration.

I support this legislation, Mr. President, because it furthers our efforts to protect Medicare beneficiaries, particularly low income beneficiaries from

fraudulent billing and financial abuse. The Health Care Financing Administration has recently taken steps to clarify the role of carriers in enforcing the charge limits established in OBRA '89. I am encouraged by HCFA's actions, however, I do not believe it is enough.

On April 3, 1992, I, along with several of my colleagues; Senators ROCKEFELLER, RIEGLE, DURENBERGER, and GRAHAM, sent a letter to the Health Care Financing Administration requesting that all of the beneficiary protections of OBRA 1989 be fully implemented.

My colleagues and I clarified in this letter that it was Congress' intent that no beneficiary be held liable for any amount in excess of the limit. We explained that it was fully intended that, in the event that balance billing limits were exceeded, physicians would be required to provide the Medicare beneficiary with a refund and carriers, through HCFA, would have the authority to enforce this provision.

We further stated that we believed that only through monitoring and enforcing the limiting charge for each claim submitted, that full compliance of the law can be achieved.

This legislation provides the technical clarification to current law to ensure that these concerns are addressed. The Medicare Beneficiary Payment Protection Act of 1992 ensures the full implementation of the Physician Payment Reform Act as it was intended by Congress.

I commend Senator PRYOR for working to protect the rights of Medicare beneficiaries. I urge all of my colleagues to support this legislation.

Mr. RIEGLE. Mr. President, today I am joining in introducing the Medicare Beneficiary Payment Protection Act of 1992 with Senators PRYOR, COHEN, ROCKEFELLER, MITCHELL and many others. This legislation will provide the needed statutory changes to ensure that Medicare beneficiaries receive the financial protection from balanced billing that Congress intended. I commend the chairman of the Aging Committee, Senator PRYOR, for his leadership in this area.

Several years ago, Congress enacted changes intended to protect senior and disabled citizens from high excess charges by limiting the fees a physician may charge a Medicare beneficiary above the amount received from Medicare. Despite this change in the law, many physicians continue to engage in this practice. I have been working to prevent overcharging and to see to it that seniors are refunded. On April 3, I initiated a letter signed by Senators DURENBERGER, ROCKEFELLER, MITCHELL, and GRAHAM to the Acting Administrator of the Health Care Financing Administration asking that this important provision be enforced and that refunds are made by Medicare beneficiaries.

These additional costs that some Medicare beneficiaries pay can be financially burdensome. The out-of-pocket balance billing costs, coupled with monthly premiums beneficiaries pay for part B insurance, the 20-percent copayment for each covered Medicare physician service and the yearly deductible plus any other medical need that is not covered by Medicare such as eyeglasses and prescription drugs make health care unaffordable for many beneficiaries.

Balance billing is the term used when a doctor charges more than the Medicare approved amount and bills this amount to the beneficiary. Some providers have agreed to be Medicare participating physicians. As such, they agree not to balance bill at all in exchange for more prompt reimbursement from Medicare. Other doctors who are not participating physicians can continue to balance bill to a certain extent.

Congress passed legislation, as part of a physician payment reform package in 1989, that established limits on the amount physicians could charge above the Medicare approved amount. In 1992, the limit is 120 percent of the approved Medicare charge and this will fall to 115 percent next year. Despite these limits, there have been numerous reports of physicians charging above the set limits.

Medicare beneficiaries who have been billed in excess of the limit have had little recourse. The Health Care Finance Administration [HCFA] does not have a formal process of notifying physicians or beneficiaries of overcharges.

In many cases both beneficiaries and physicians are unaware of the overcharges. The Health Care Finance Administration currently monitors compliance through use of back sampling of the previous 6 months claims. This compliance monitoring method identifies the problem only when the harm has already been done and only for that sample of claims. Since the Health Care Finance Administration does not have the statutory authority to require physicians to fund Medicare beneficiaries who have been charged in excess of the limits, beneficiaries are left on their own to recoup overcharged services.

Mr. President, the Medicare Beneficiary Payment Protection Act of 1992 would address these problems. This legislation would direct the Secretary of the Department of Health and Human Services to review each non-Medicare-participating physician claim prior to payment. This proactive measure will prevent beneficiaries from being overcharged, and grant the Health Care Finance Administration the authority to require physicians to repay excess charges. The legislation establishes formal procedures by which providers and beneficiaries will be notified of overcharging. The Medicare Bene-

fiary Payment Protection Act also establishes a beneficiary advisory committee to the Health Care Finance Administration to give beneficiaries formal access at the Health Care Finance Administration.

The bill is supported by many groups, including the American Association of Retired Persons, Families U.S.A., the National Council of Senior Citizens, and the National Committee to Preserve Medicare and Social Security.

Mr. President, beneficiary protections, including protection from excessive balance billing, are essential to beneficiaries' ability to obtain affordable health care in the Medicare program. This legislation will provide the needed tools to implement the intent of Congress. I look forward to working with the Members of this distinguished Chamber to enact this worthy piece of legislation.

Mr. GLENN. Mr. President, I am pleased to join Senator PRYOR, chairman of the Aging Committee on which I serve, and several of our colleagues in introducing the Medicare Beneficiary Protection Act of 1992. The purpose of this legislation is to ensure that Medicare beneficiaries are not paying more for their physician care than they are required to pay under current law.

Even with Medicare, older Americans have large out-of-pocket health care expenses for Medicare's deductibles, copayments, and premiums, and to pay for major gaps in Medicare coverage such as prescription drugs and long-term care. These costs are a great burden for many Medicare beneficiaries who are living on limited incomes and who are more likely than younger people to suffer from chronic illnesses thus requiring health care services.

A few years ago, the Congress enacted legislation to reform the way Medicare reimburses physicians and to improve the delivery of health care for the elderly and disabled. Included in this legislation is a provision, which became effective in January 1991, limiting the amount doctors can charge Medicare patients above the amount Medicare allows. In 1992, doctors cannot charge more than 20 percent above the Medicare-allowed amount.

This law to protect Medicare beneficiaries against excessive balance billing by their physicians is not working. Most Medicare beneficiaries do not even know about the law, and this is inexcusable. The Health Care Financing Administration [HCFA], which administers the Medicare program, has done very little to publicize it, and, in fact, has sent out erroneous information to beneficiaries about their liability. In addition, HCFA is not monitoring all claims; and when overcharges are identified, HCFA maintains it does not have the legal authority to require doctors to refund excess charges.

The legislation we are introducing today addresses these problems by re-

quiring that each Medicare claim be screened to determine compliance with the balance billing limits, by requiring physicians to repay any overcharges to beneficiaries, by providing for formal notification to make beneficiaries and physicians aware of overcharges before sanctions are imposed on physicians, and by establishing a beneficiary advisory board to the Health Care Financing Administration.

Medicare is a very important program providing health care services to more than 34 million elderly and disabled Americans. I urge my colleagues to join in supporting the Medicare Beneficiary Payment Protection Act of 1992 to ensure that Medicare beneficiaries are not burdened by unlawful health care expenses.

By Mr. DOLE (for himself, Mr. BURNS, Mr. CHAFEE, Mr. HATFIELD, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DOMENICI, Mr. DURENBERGER, Mr. HATCH, Mr. JEFFORDS, Mrs. KASSEBAUM, Mr. KASTEN, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. PACKWOOD, Mr. PRESSLER, Mr. ROTH, Mr. SEYMOUR, Mr. SIMPSON, Mr. STEVENS, Mr. THURMOND, and Mr. WARNER):

S. 2699. A bill to extend the period for which unemployment benefits are payable under title I of the Emergency Unemployment Compensation Act of 1991, and for other purposes; by unanimous consent, ordered to be held at the desk until close of business on May 13, 1992.

EXTENSION OF UNEMPLOYMENT BENEFITS

Mr. DOLE. Mr. President, I am pleased to introduce, along with the distinguished Senator from Oregon [Mr. PACKWOOD], the distinguished Senator from New Mexico [Mr. DOMENICI], the distinguished Senator from California [Mr. SEYMOUR], and 20 other Republican Senators, legislation which extends the Emergency Unemployment Program.

While some encouragement has been provided by solid signs of economic recovery and by last month's drop in unemployment to 7.2 percent, the unemployment rate is still unacceptably high.

This legislation continues the extended benefit program into next year and gets help to those Americans who are out of work and suffering through no fault of their own.

Announced this morning by President Bush, Senator PACKWOOD, Representative BOB MICHEL, and myself, this proposal would extend the Emergency Unemployment Compensation Program from the current expiration date of July 4, 1992, to March 6, 1993.

In addition to the regular 26 weeks of unemployment benefits, this legislation would provide for added benefits of 20 weeks in States with higher unemployment rates and 13 weeks in all other States until January 2, 1993. This

adds up to a total unemployment benefits package of 46 weeks or 39 weeks depending on a State's unemployment rate.

From January 3, 1993, until March 6, 1993, the legislation provides for emergency extended benefits of 10 or 7 weeks on top of the standard 26 weeks of benefits.

Finally, in order to address concerns that permanent reforms to the current extended benefits system need to be studied, and if appropriate, implemented, this legislation directs the Advisory Council on Unemployment Compensation—established last November when emergency benefits were first provided—to study and report to the President and Congress its recommendations on changes to the system before February 1, 1993.

The Council will be required to look at such important issues as eligibility standards, the triggers used to qualify for benefits and the adequacy and variability of benefit levels. If changes to the current system are warranted, Congress will have time to act on the recommendations of the Council prior to the expiration of the proposed extension of benefits on March 6, 1993.

As with prior extensions of emergency benefits, this package is paid for so we don't have to worry about jacking up the deficit and undermining the economic recovery we are beginning to see.

According to the Office of Management and Budget, this extension of benefits is estimated to cost \$2.5 billion. And through offsets from the President's 1993 budget, the costs of this legislation are 100 percent covered.

These offsets include a prohibition on so-called double-dipping by thrifts receiving Federal financial assistance, a requirement conforming book and tax accounting for securities inventories, a modification to the individual estimated tax safe harbor, and finally certain changes to the taxable year election for partnerships, S corporations, and personal service corporations.

What I continue to hear from taxpayers in my State of Kansas is that the Federal deficit is still public enemy No. 1, and this legislation maintains the discipline of the budget agreement that is so important to exercising some control over an otherwise out-of-control deficit. And it achieves this important goal without raising taxes.

Mr. President, I congratulate the leadership of the President on this issue and look forward to working on a bipartisan or nonpartisan basis to quickly act on this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXTENSION OF UNEMPLOYMENT BENEFITS

SEC. 101. EXTENSION OF PERIOD FOR PAYMENT OF EMERGENCY UNEMPLOYMENT BENEFITS.

(a) EXTENDED PERIODS.—

(1) IN GENERAL.—Clause (ii) of section 102(b)(2)(A) of the Emergency Unemployment Compensation Act of 1991 (Public Law 102-164, as amended) is amended by inserting “, and ending on or before January 2, 1993” after “June 13, 1992”.

(2) REDUCTION FOR WEEKS AFTER JANUARY 2, 1993.—Section 102(b)(2)(A) of such Act is amended by striking the flush paragraph at the end thereof and adding the following new clauses:

“(iii) REDUCTION FOR WEEKS AFTER JANUARY 2, 1993.—In the case of weeks beginning after January 2, 1993, and ending on or before March 6, 1993—

“(I) clause (i) of this subparagraph shall be applied by substituting ‘10’ for ‘33’, and by substituting ‘7’ for ‘26’, and

“(II) subparagraph (A) of paragraph (1) shall be applied by substituting ‘40 percent’ for ‘130 percent’.

“(iv) LIMITATION ON REDUCTIONS.—In the case of an individual who is receiving emergency unemployment compensation for the week which immediately precedes the first week for which a reduction applies under clause (ii) or (iii) of this subparagraph, such reduction shall not apply to such individual for the first week of such reduction or any week thereafter in a period of consecutive weeks for each of which the individual meets the eligibility requirements of this Act.”

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 102(b)(2) of such Act is amended by striking “subparagraph (A)(ii)” and inserting “subparagraph (A)(iv)”.

(2) The heading for clause (ii) of section 102(b)(2)(A) of such Act is amended by inserting “, AND BEFORE JANUARY 3, 1993” after “JUNE 13, 1992”.

(3) Sections 102(f)(1)(B), 102(f)(2), and 106(a)(2) of the such Act are each amended by striking “July 4, 1992” and inserting “March 6, 1993”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks of unemployment beginning after June 13, 1992.

SEC. 102. AUTHORIZATION OF ADVANCES TO THE EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) IN GENERAL.—Section 905(d) of the Social Security Act is amended—

(1) by striking “There are hereby authorized” and inserting “(1) There are hereby authorized”, and

(2) by adding at the end thereof the following new paragraph:

“(2)(A) In the absence of sufficient advances under paragraph (1) of this subsection (as determined by the Secretary of the Treasury in consultation with the Secretary of Labor), the Secretary of the Treasury is directed to advance from time to time from the Federal unemployment account to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary—

“(i) to make payments of emergency unemployment compensation under title I of the Emergency Unemployment Compensation Act of 1991, and

“(ii) to carry out the purposes of the Federal-State Extended Unemployment Compensation Act of 1970.

“(B) The aggregate sum of all repayable advances made under subparagraph (A) shall be repaid by transfers from the extended unemployment compensation account to the Federal unemployment account, at such times as the amount in the extended unemployment compensation account is determined by the Secretary of the Treasury, in consultation with the Secretary of Labor, to be adequate for such purpose. Repayments under the preceding sentence shall be made whenever the Secretary of the Treasury (after consultation with the Secretary of Labor) determines that the amount in the extended unemployment compensation account exceeds the amount necessary to meet the anticipated payments from such account during the next 3 months. Any amount transferred as a repayment under this subparagraph shall be credited against, and shall operate to reduce, any balance of advances repayable under this paragraph.”

(b) EFFECTIVE DATE AND SUNSET.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) SUNSET DATE.—The authority to make repayable advances to the extended unemployment compensation account under section 905(d)(2)(A) of the Social Security Act (as added by subsection (a)) shall terminate, and the provisions for making such repayable advances shall not apply, after the end of the calendar month in which the last compensable week under title I of the Emergency Unemployment Compensation Act of 1991 ends. If, at the end of such calendar month, there is an outstanding balance of repayable advances, such balance shall be repaid in accordance with subparagraph (B) of section 905(d)(2) of the Social Security Act (as so added) as soon thereafter as is possible.

SEC. 103. ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION.

(a) STUDY TOPICS.—Subsection (b) of section 908 of the Social Security Act is amended—

(1) by striking “FUNCTION” in the heading and inserting “FUNCTIONS”,

(2) by striking “It shall be” and inserting “(1) IN GENERAL.—It shall be”, and

(3) by adding at the end thereof the following new paragraph:

“(2) FIRST COUNCIL.—In addition to the functions specified in paragraph (1), the first Council established under subsection (a) of this section shall study and evaluate, and make recommendations to the President and the Congress concerning the following:

“(A) The change or retention of the point at which State ‘on’ and ‘off’ indicators under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 are activated.

“(B) The relative desirability and feasibility of using total unemployment rates and adjusted insured unemployment rates (which include exhaustees) as alternative measures for triggering extended benefit periods ‘on’ and ‘off’.

“(C) The introduction of a multi-tiered extended benefit program, with different trigger rates for each tier and different periods of duration for each tier.

“(D) The elimination or material modification of the special eligibility requirements in paragraphs (3), (4), and (5) of section 202(a) of the Federal-State Extended Unemployment Compensation Act of 1970.

“(E) The desirability and feasibility of determining eligibility for extended benefits on the basis of unemployment statistics for regions, States, or subdivisions of States.”

(b) REPORT OF FIRST COUNCIL.—Paragraph (2) of section 908(f) of the Social Security Act, is amended to read as follows:

“(2) REPORT OF FIRST COUNCIL.—The report of the first Council established under subsection (a) shall be submitted not later than February 1, 1993, and shall include the items described in subsection (b)(2).”

TITLE II—REVENUE PROVISIONS

SEC. 201. 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.

Subtitle A—General Provisions

SEC. 202. MARK TO MARKET ACCOUNTING METHOD FOR SECURITIES DEALERS.

(a) GENERAL RULE.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

“SEC. 475. MARK TO MARKET ACCOUNTING METHOD FOR DEALERS IN SECURITIES.

“(a) GENERAL RULE.—Notwithstanding any other provision of this subpart, the following rules shall apply to securities held by a dealer in securities:

“(1) Any security which is inventory in the hands of the dealer shall be included in inventory at its fair market value.

“(2) In the case of any security which is not inventory in the hands of the dealer and which is held at the close of any taxable year—

“(A) the dealer shall recognize gain or loss as if such security were sold for its fair market value on the last business day of such taxable year, and

“(B) any gain or loss shall be taken into account for such taxable year.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence. The Secretary may provide by regulations for the application of this paragraph at times other than the times provided in this paragraph.

“(b) EXCEPTIONS.—

“(1) IN GENERAL.—Subsection (a) shall not apply to—

“(A) any security held for investment other than as a trader,

“(B) any security described in subsection (c)(2)(C) which is acquired (including by origination) by the taxpayer in the ordinary course of a trade or business of making loans to customers and which is accounted for at cost for purposes of this subtitle, and

“(C) any security which is a hedge with respect to—

“(i) a security to which subsection (a) does not apply, or

“(ii) a position, right to income, or a liability which is not a security in the hands of the taxpayer.

Subparagraph (C) shall not apply to any security held by a person in its capacity as a dealer in securities.

“(2) IDENTIFICATION REQUIRED.—Any security shall not be treated as described in subparagraph (A), (B), or (C) of paragraph (1), as the case may be, unless such security is clearly identified in the dealer's records as being described in such subparagraph before the close of the day on which it was acquired, originated, or entered into (or such other time as the Secretary may by regulations prescribe).

“(3) SPECIAL RULE FOR CERTAIN SECURITIES HELD FOR INVESTMENT.—To the extent pro-

vided in regulations, subparagraph (A) of paragraph (1) shall not apply to any security described in subparagraph (D) or (E) of subsection (c)(2) which is held by a dealer in such securities.

"(c) DEFINITIONS.—For purposes of this section—

"(1) DEALER IN SECURITIES DEFINED.—The term 'dealer in securities' means a taxpayer who—

"(A) regularly purchases securities from or sells securities to customers in the ordinary course of a trade or business; or

"(B) regularly offers to enter into, assume, offset, assign or otherwise terminate positions in securities with customers in the ordinary course of a trade or business.

"(2) SECURITY DEFINED.—The term 'security' means any—

"(A) share of stock in a corporation;

"(B) partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust;

"(C) note, bond, debenture, or other evidence of indebtedness;

"(D) interest rate, currency, or equity national principal contract;

"(E) evidence of an interest in, or a derivative financial instrument in, any security described in subparagraph (A), (B), (C), or (D), or any currency, including any option, forward contract, short position, and any similar financial instrument in such a security or currency (but not including any contract to which section 1256(a) applies); and

"(F) position which—

"(i) is not a security described in subparagraph (A), (B), (C), (D), or (E),

"(ii) is a hedge with respect to such a security, and

"(iii) is clearly identified in the dealer's records as being described in this subparagraph before the close of the day on which it was acquired or entered into (or such other time as the Secretary may by regulations prescribe).

"(3) HEDGE.—The term 'hedge' means any position which reduces the dealer's risk of interest rate or price changes or currency fluctuations, including any position which is reasonably expected to become a hedge within 60 days after the acquisition of the position.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) CERTAIN RULES NOT TO APPLY.—The rules of sections 263(g) and 263A shall not apply to any security which is treated under subsection (a) as sold for, or included in inventory at, its fair market value.

"(2) IMPROPER IDENTIFICATION.—If a taxpayer—

"(A) identifies any security under subsection (b)(2) as being described in subsection (b)(1) and such security is not so described or later ceases to be so described, or

"(B) fails under subsection (c)(2)(F)(iii) to identify any position which is described in such subsection at the time such identification is required,

the provisions of subsection (a) shall apply to such security or position, except that any loss under this section prior to the disposition of the security or position shall be recognized only to the extent of gain previously recognized under this section (and not previously taken into account under this paragraph) with respect to such security or position.

"(e) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including rules—

"(1) to prevent the use of year-end transfers, related parties, or other arrangements to avoid the provisions of this section, and

"(2) to provide for the application of this section to any security which is a hedge which cannot be identified with a specific security, position, right to income, or liability."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 988(d) is amended—

(A) by striking "section 1256" and inserting "section 475 or 1256", and

(B) by striking "1092 and 1256" and inserting "475, 1092, and 1256".

(2) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 475. Mark to market accounting method for dealers in securities."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to all taxable years ending on or after December 31, 1992.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer required by this section to change its method of accounting for any taxable year—

(A) such change shall be treated as initiated by the taxpayer,

(B) such change shall be treated as made with the consent of the Secretary, and

(C) the net amount of the adjustments required to be taken into account by the taxpayer under section 481 of the Internal Revenue Code of 1986 shall be taken into account ratably over the 10-taxable year period beginning with the first taxable year ending on or after December 31, 1992.

If the net amount determined under subparagraph (C) exceeds the net amount which would have been determined under subparagraph (C) if the taxpayer had been required by this section to change its method of accounting for its last taxable year beginning before March 20, 1992, subparagraph (C) shall be applied with respect to such excess by substituting "4-taxable year" for "10-taxable year".

SEC. 203. CLARIFICATION OF TREATMENT OF CERTAIN FSLIC FINANCIAL ASSISTANCE.

(a) GENERAL RULE.—For purposes of chapter 1 of the Internal Revenue Code of 1986—

(1) any FSLIC assistance with respect to any loss of principal, capital, or similar amount upon the disposition of any asset shall be taken into account as compensation for such loss for purposes of section 165 of such Code, and

(2) any FSLIC assistance with respect to any debt shall be taken into account for purposes of section 166, 585, or 593 of such Code in determining whether such debt is worthless (or the extent to which such debt is worthless) and in determining the amount of any addition to a reserve for bad debts arising from the worthlessness or partial worthlessness of such debts.

(b) FSLIC ASSISTANCE.—For purposes of this section, the term "FSLIC assistance" means any assistance (or right to assistance) with respect to a domestic building and loan association (as defined in section 7701(a)(19) of such Code without regard to subparagraph (C) thereof) under section 406(f) of the National Housing Act or section 21A of the Federal Home Loan Bank Act (or under any similar provision of law).

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection—

(A) The provisions of this section shall apply to taxable years ending after March 4, 1991, but only with respect to FSLIC assistance not credited before March 4, 1991.

(B) If any FSLIC assistance not credited before March 4, 1991, is with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991, for purposes of determining the amount of any net operating loss carryover to a taxable year ending after on or after March 4, 1991, the provisions of this section shall apply to such assistance for purposes of determining the amount of the net operating loss for the taxable year in which such loss was sustained or debt written off. Except as provided in the preceding sentence, this section shall not apply to any FSLIC assistance with respect to a loss sustained or charge-off in a taxable year ending before March 4, 1991.

(2) EXCEPTIONS.—The provisions of this section shall not apply to any assistance to which the amendments made by section 1401(a)(3) of the Financial Institution Reform, Recovery, and Enforcement Act of 1989 apply.

SEC. 204. INDIVIDUAL ESTIMATED TAX PROVISIONS.

(a) GENERAL RULE.—Paragraph (1) of section 6654(d) (relating to amount of required installment) is amended—

(1) in subparagraph (B)(ii), by inserting "(115 percent in the case of a taxable year beginning after 1991 and before 1997)" after "100 percent", and

(2) by striking subparagraphs (C), (D), (E), and (F).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1991.

(2) SPECIAL RULE FOR 1ST INSTALLMENT IN 1992.—The amendment made by subsection (a) shall not apply for purposes of determining the amount of the 1st required installment for any taxable year beginning in 1992. Any reduction in an installment by reason of the preceding sentence shall be recaptured by increasing the amount of the 1st succeeding required installment by the amount of such reduction.

Subtitle B—Alternative Taxable Years
SEC. 211. ELECTION OF TAXABLE YEAR OTHER THAN REQUIRED TAXABLE YEAR.

(a) LIMITATIONS ON TAXABLE YEARS WHICH MAY BE ELECTED.—Subsection (b) of section 444 (relating to limitations on taxable years which may be elected) is amended to read as follows:

"(b) TAXABLE YEAR MUST BE SAME AS REPORTING PERIOD.—If an entity has annual reports or statements—

"(1) which ascertain income, profit, or loss of the entity, and

"(2) which are—

"(A) provided to shareholders, partners, or other proprietors, or

"(B) used for credit purposes,

the entity may make an election under subsection (a) only if the taxable year elected covers the same period as such reports or statements."

(b) PERIOD OF ELECTION.—Section 444(d)(2) (relating to period of election) is amended to read as follows:

"(2) PERIOD OF ELECTION.—

"(A) IN GENERAL.—An election under subsection (a) shall remain in effect until the partnership, S corporation, or personal service corporation terminates the election and adopts the required taxable year.

"(B) CHANGE NOT TREATED AS TERMINATION.—For purposes of subparagraph (A), a change from a taxable year which is not a re-

quired taxable year to another such taxable year shall not be treated as a termination."

(c) EXCEPTION FOR TRUSTS.—Section 444(d)(3) (relating to tiered structures) is amended by adding at the end thereof the following new subparagraph:

"(C) EXCEPTION FOR CERTAIN STRUCTURES THAT INCLUDE TRUSTS.—An entity shall not be considered to be part of a tiered structure to which subparagraph (A) applies solely because a trust owning an interest in such entity is a trust all of the beneficiaries of which use a calendar year for their taxable year."

(d) REGULATIONS.—Subsection (g) of section 444 (relating to regulations) is amended to read as follows:

"(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section, including regulations—

"(1) to prevent the avoidance of the provisions of this section through a change in entity or form of an entity,

"(2) to prevent the carryback to any preceding taxable year of a net operating loss (or similar item) arising in any short taxable year created pursuant to an election or termination of an election under this section, and

"(3) to provide for the termination of an election under subsection (a) if an entity does not continue to meet the requirements of subsection (b)."

SEC. 212. REQUIRED PAYMENTS FOR ENTITIES ELECTING NOT TO HAVE REQUIRED TAXABLE YEAR.

(a) ADDITIONAL REQUIRED PAYMENT.—

(1) IN GENERAL.—Section 7519(b) (defining required payment) is amended to read as follows:

"(b) REQUIRED PAYMENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'required payment' means, with respect to any applicable election year of a partnership or S corporation, an amount equal to the excess (if any) of—

"(A) the adjusted highest section 1 rate, multiplied by the net base year income of the entity, over

"(B) the net required payment balance.

For purposes of paragraph (1)(A), the term 'adjusted highest section 1 rate' means the highest rate of tax in effect under section 1 as of the close of the first required taxable year ending within such year, plus 2 percentage points.

"(2) ADDITIONAL PAYMENT FOR NEW APPLICABLE ELECTION YEARS.—

"(A) IN GENERAL.—In the case of a new applicable election year, the required payment shall include, in addition to any amount determined under paragraph (1), the amount determined under subparagraph (C).

"(B) NEW APPLICABLE ELECTION YEAR.—For purposes of this section, the term 'new applicable election year' means any applicable election year—

"(i) with respect to which the preceding taxable year was not an applicable election year, or

"(ii) which covers a different period than the preceding taxable year by reason of a change described in section 444(d)(2)(B).

If any year described in the preceding sentence is a short taxable year which does not include the last day of the required taxable year, the new applicable election year shall be the taxable year following the short taxable year.

"(C) ADDITIONAL AMOUNT.—For purposes of subparagraph (A), the amount determined under this subparagraph shall be—

"(i) in the case of a year described in subparagraph (B)(i), 75 percent of the required payment for the year, and

"(ii) in the case of a year described in subparagraph (B)(ii), 75 percent of the excess (if any) of—

"(I) the required payment for the year, over

"(II) the required payment for the year which would have been computed if the change described in subparagraph (B)(ii) had not occurred.

"(D) REQUIRED PAYMENT.—For purposes of this paragraph, the term 'required payment' means the payment required by this section (determined without regard to this paragraph)."

(2) DUE DATE.—Paragraph (2) of section 7519(f) (defining due date) is amended to read as follows:

"(2) DUE DATE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of any required payment for any applicable election year shall be paid on or before May 15 of the calendar year following the calendar year in which the applicable election year begins.

"(B) SPECIAL RULE WHERE NEW APPLICABLE ELECTION YEAR ADOPTED.—In the case of a new applicable election year, the portion of any required payment determined under subsection (b)(2) shall be paid on or before September 15 of the calendar year in which the applicable election year begins."

(3) PENALTIES.—

(A) IN GENERAL.—Section 7519(f)(4) (relating to penalties) is amended by adding at the end thereof the following new subparagraph:

"(D) FAILURE TO PAY ADDITIONAL AMOUNT.—In the case of any failure by any entity to pay on the date prescribed therefore the portion of any required payment described in subsection (b)(2) for any applicable election year—

"(i) subparagraph (A) shall not apply, but

"(ii) the entity shall, for purposes of this title, be treated as having terminated the election under section 444 for such year and changed to the required taxable year."

(B) CONFORMING AMENDMENT.—Section 7519(f)(4)(A) is amended by striking "in" and inserting "Except as provided in subparagraph (D), in".

(4) REFUNDS.—Section 7519(c)(2)(A) (relating to refund of payments) is amended to read as follows:

"(A) an election under section 444 is not in effect for any year but was in effect for the preceding year, or"

(5) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 7519(c) is amended—

(i) by striking "subsection (b)(2)" and inserting "subsection (b)(1)(B)", and

(ii) by striking "subsection (b)(1)" and inserting "subsection (b)(1)(A)".

(B) Subsection (d) of section 7519 is amended by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(b) OTHER DEFINITIONS AND SPECIAL RULES.—

(1) REFUND.—Paragraph (3) of section 7519(c) (relating to date on which refund payable) is amended in the matter preceding subparagraph (A) by striking "on the later of" and inserting "by the later of".

(2) DEFERRAL RATIO.—The last sentence of paragraph (1) of section 7519(d) is amended to read as follows: "Except as provided in regulations, the term 'deferral ratio' means the ratio which the number of months in the deferral period of the applicable election year bears to the number of months in the applicable election year."

(3) NET INCOME.—Paragraph (2) of section 7519(d) is amended by adding at the end the following new subparagraph:

"(D) EXCESS APPLICABLE PAYMENTS FOR BASE YEAR.—In the case of any new applicable election year, the net income for the base year shall be increased by the excess (if any) of—

"(i) the applicable payments taken into account in determining net income for the base year, over

"(ii) 120 percent of the average amount of applicable payments made during the first 3 taxable years preceding the base year."

(4) DEFERRAL PERIOD.—Paragraph (1) of section 7519(e) (defining deferral period) is amended to read as follows:

"(1) DEFERRAL PERIOD.—Except as provided in regulations, the term 'deferral period' means, with respect to any taxable year of the entity, the months between—

"(A) the beginning of such year, and

"(B) the close of the first required taxable year (as defined in section 444(e)) ending within such year."

(5) BASE YEAR.—

(A) IN GENERAL.—Paragraph (2)(A) of section 7519(e) (defining base year) is amended to read as follows:

"(A) BASE YEAR.—The term 'base year' means, with respect to any applicable election year, the first taxable year of 12 months (or 52-53 weeks) of the partnership or S corporation preceding such applicable election year."

(B) CONFORMING AMENDMENT.—Paragraph (2) of subsection (g) of section 7519 is amended to read as follows:

"(2) there is no base year described in subsection (e)(2)(A) or no preceding taxable year described in section 280H(c)(1)(A)(i)."

(c) INTEREST.—Section 7519(f)(3) (relating to interest) is amended to read as follows:

"(3) INTEREST.—For purposes of determining interest, any payment required by this section shall be treated as a tax, except that interest shall be allowed with respect to any refund of a payment under this section only for the period from the latest date specified in subsection (c)(3) for such refund to the actual date of payment of such refund."

Mr. PACKWOOD. Mr. President, today, along with Senator DOLE and other Republican Senators, I am introducing a bill to extend the emergency compensation program from its current expiration date of July 4, 1992, to March 6, 1993. This bill has the support of the President, and is fully paid for by provisions outlined in the President's budget.

First, the bill will continue immediate help to the long-term unemployed by extending the emergency benefits program from its current expiration date of July 4, 1992, to March 6, 1993. The bill gives workers who exhaust their 26 weeks of regular benefits between July 5, 1992, and January 2, 1993, 20 weeks of emergency benefits in high unemployment States, and 13 weeks in all other States. From January 3, until March 6, 1993, it gives workers who exhaust their 26 weeks of regular benefits 10 weeks of emergency benefits in high unemployment States, and 7 weeks in all other States.

These are workers who have not yet benefited from the recent upturn in the economy, and who are still struggling with the lingering effects of the reces-

sion. For example, in my home State of Oregon, unemployment is now at 8 percent, its highest level since 1986. And we have many pockets where unemployment is above 13 percent, because of layoffs, not just within the timber industry, but within banking, higher education, and State agencies. For the Pacific Northwest, many effects of the recession remain. In the midst of what should be a period of high employment and logging activity, we are seeing instead more unemployed workers in the timber industry, and many others.

But the bill does more than extend emergency benefits into 1993. It also addresses what many see as a pressing need to evaluate the program in terms of permanent reform, especially in how extended benefits are paid. It both speeds up and focuses the work of the newly created Advisory Council on Unemployment Compensation. It requires that the Council report its recommendations for reform a full year earlier, in 1993. A speedy but thorough review by the Advisory Council will ensure that any reforms to the program will make it better able to respond to future periods of high unemployment, without discouraging job creation by putting an unfair burden on employers.

This package is balanced. It addresses both the need to provide immediate help to those still unemployed, and the need to speed up thorough evaluation of the program by the Advisory Council, with an eye to making permanent reforms. It is fully paid for in a way that is consistent with the Budget Act, and that doesn't put a drag on job creation.

Congress passed emergency unemployment benefits to help the long-term unemployed twice so far—in November 1991, and then again in February of this year. I worked hard to ensure passage of both bills. We need to continue to help those who face unemployment by further extending emergency unemployment benefits.

Let's act now in the same expeditious and bipartisan manner we did in February to extend emergency unemployment benefits until next year. By doing this we can ensure that unemployed workers will have something to tide them over until the effects of the economic recovery can be felt across the country.

By Mr. KASTEN:

S.J. Res. 299. Joint resolution to state the finding of Congress that the amendment to the Constitution of the United States relating to compensation for members of Congress has been duly ratified, and for other purposes; to the Committee on the Judiciary.

FINDING OF RATIFICATION OF AMENDMENT TO THE CONSTITUTION

Mr. KASTEN. Mr. President, I rise today to introduce a Senate joint resolution concerning what I trust will become the 27th amendment to the Constitution of the United States.

As my colleagues are well aware, on Wednesday, May 7, 1992 the legislature of the State of New Jersey became the 39th State to ratify the proposed amendment to the Constitution which will prohibit the Congress of the United States from raising its own rate of pay during the mid-term of that Congress. If any proposed constitutional amendment has struck a ground swell of popular support over the last few years, this proposal surely has.

By way of background, my colleagues will recall that it was James Madison, the father of our Constitution, who first proposed amending the Constitution to prevent a Congress from raising its own level of pay. Madison's solution was to provide that an intervening congressional election would have to occur between the authorization for such a pay raise and the actual implementation of the raise for Members of Congress. Quite an elegant solution to the apparent conflict of interest posed when a legislative body raises its own pay.

Madison's proposed amendment was introduced, along with 11 other suggested changes to the Constitution, and was adopted by the Congress on September 25, 1789. Ten of the changes, as proposed by Madison, became the first 10 amendments to the Constitution, or as they have become known, the Bill of Rights. Of the proposed changes authored by Madison, two amendments, though adopted by the Congress, were not ratified as quickly as were the Bill of Rights amendments. However, it is important to understand that Madison's proposed amendments did not contain any time restriction with respect to ratification by the States. Additionally, it is a matter of fact that the Congress did not begin to restrict the time under which the States could ratify proposed amendments until the Congress passed the 18th amendment (prohibition) in 1917.

While it took a bit over 200 years for the requisite number of State legislatures to ratify the proposed pay raise amendment, that long struggle was ended by New Jersey last Wednesday. However, no sooner had the action of New Jersey been announced than critics of the substance of the amendment were quoted in the media to the effect that 200 years was far too long for any constitutional amendment to be under consideration by the States and that any ratification of an amendment by one State must be contemporaneous with the ratification of that amendment by other States. In marking this argument, critics pointed to the U.S. Supreme Court ruling in *Dillon v. Gloss*, 256 U.S. 368 (1920) for their authority with respect to the requirement for a contemporaneous ratification. What these critics fail to point out is that the operative language in the *Dillon* case was legal dicta and that a subsequent Supreme Court case was more dispositive of the issue.

In *Coleman v. Miller*, 307 U.S. 433 (1938), the Supreme Court held that in promulgating the adoption of a constitutional amendment, it is the Congress and not the Federal courts which has the final determination of the question whether by lapse of time its proposal of the amendment has lost its vitality before being adopted by the requisite number of State legislatures.

Therefore, it is time for the Congress to act on this issue. If ever a constitutional amendment has maintained its vitality during the ratification process, this congressional pay raise amendment surely has. From the first ratification by Maryland on December 19, 1789, through Wisconsin's ratification on June 30, 1987, to New Jersey and Michigan's effort on May 7, 1992, there is an unbroken record of popular support for this amendment stretching back over two centuries. But the critics of the substance of this amendment can be expected to raise every conceivable legal argument to thwart the will of the people as expressed through their State legislatures. That is why I rise today to offer this straight forward resolution.

Mr. President, this Senate joint resolution does two simple things: First, it finds that the congressional pay raise amendment proposed by the Congress on September 25, 1789, has been duly ratified, and second, it directs the Archivist of the United States to perform the statutory duties entrusted to him with respect to amendments to the Constitution. The resolution will thus serve as the congressional statement of support for the valid ratification of the amendment by the several States.

It is time to move forward to implement the will of the people as expressed through this amendment to the Constitution. Thirty-nine States have ratified the amendment and the time for change on congressional pay raises is at hand.

By Mr. SIMON (for himself and Mr. DURENBERGER):

S.J. Res. 300. Joint resolution to designate the week commencing October 4, 1992, as "National Aviation Education Week"; to the Committee on the Judiciary.

NATIONAL AVIATION EDUCATION WEEK

• Mr. SIMON. Mr. President, today on behalf of myself and my friend and colleague, Senator DAVE DURENBERGER, of Minnesota, I rise to introduce a resolution that would designate the week of October 4, 1992, as "National Aviation Education Week." One of the major goals of our Nation is to be No. 1 in education by the year 2000, a goal I strongly support. I believe aviation education to be very useful in helping us to reach that goal.

This resolution will encourage schools, at all levels, nationwide, to focus on the aviation industry and its contributions to the United States. I

should point out, Mr. President, that currently 23 States recognize an "Aviation Education Week," and the Federal Aviation Administration is very active in aviation programs.

The FAA established 60 aviation education resource centers throughout the country. These resource centers provide, at no cost to educators, FAA aviation education printed materials, videotapes, slides, and computer software. The FAA, in partnership with the National Association of State Aviation Official/Center for Aviation Research and Education, has established Project Air Bear, which is designed to provide awareness and basic education through aviation instruction to preschool and elementary aged children. Mr. President, these are but two of several programs that the FAA, the States, and the education community have developed to achieve their full educational potential.

I am sure, Mr. President, that we are all aware that the aviation industry makes important contributions to the United States. These contributions are made by commercial, cargo, and general aviation groups. Pilots, engineers, flight attendants, aircraft technicians, electrician technicians, radar and radio operators, are just a few of the hundreds of thousands of people who make up these groups. I am sure that my colleagues are well aware that in March 1992, our trade deficit was at its lowest level in 8 years due in large part to our aviation exports. I should point out that the FAA and the commercial and general aviation industries all project a steady growth beyond the year 2000.

As a result of this projected growth, industry experts project a shortage of pilots, engineers, technicians, and other skilled workers. Also, women and minorities have, in the past, been underrepresented in technical fields such as aviation. We must find ways to encourage the growth of the aviation industry, increasing the opportunity for employment by those traditionally underrepresented in the aviation industry.

Mr. President, the future contribution of aviation to the United States is dependent on an informed and educated public. I am hopeful that schools, at all levels, will actively pursue the advancement of aviation education.

Mr. President, I, and several of my colleagues, support the use of aviation materials, theories, and principles to excite today's youth in their learning. Be it in history lessons, reading classes, art, math, science or whatever the subject area, aviation is one way to help educators turn our youth on to education.

Mr. President, I urge my colleagues to cosponsor the joint resolution to declare October 4 to October 10, 1992, as "National Aviation Education Week." I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S.J. RES. 300

Whereas aviation plays a vital role in the everyday lives of Americans;

Whereas the aviation industry makes important contributions to the economic development of the United States and its rapid growth has created a need for persons trained in the areas of aviation management, operations, and maintenance;

Whereas the aviation industry has increasingly become more complex and technical and the future contributions of aviation to the United States are dependent upon an informed and educated public;

Whereas it is important that schools within the United States actively encourage students to become interested in aviation theories and principles, particularly students that have often been underrepresented in technical fields relating to aviation such as women and minorities; and

Whereas a number of States annually recognize the importance of aviation to our Nation and the value of encouraging students to study aviation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning October 4, 1992, is designated as "National Aviation Education Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.●

By Mr. LAUTENBERG:

S.J. Res. 301. Joint resolution designating July 2, 1992, as "National Literacy Day"; to the Committee on the Judiciary.

NATIONAL LITERACY DAY

● Mr. LAUTENBERG. Mr. President, I am pleased to introduce a joint resolution to designate July 2, 1992, as "National Literacy Day." This day is vital to call attention to the problem of illiteracy, to help others understand the severity of this problem and its detrimental effects on our society, and to reach those who are unaware of the services to help them escape illiteracy.

In this country it is often said that we live in the information age. Yet for many Americans, information is inaccessible. Over 17 million American adults cannot read. An additional 23 to 27 million read below the level needed to function successfully. That means that at least 10 percent of the American population is functionally illiterate. The American Library Association estimates the cost of illiteracy is \$224 billion per year, although, in truth, no value can be put on the cost illiteracy poses on society.

The cost includes the lifetime earnings that will not be realized by men and women who cannot get and hold jobs requiring any reading skills. The cost includes child welfare expenditures for the children of adults who lack the skills to get jobs. The cost also includes prison maintenance for the inmates whose imprisonment can be linked to their illiteracy and on-the-

job accidents and damage to equipment caused by the inability of workers to read and understand instructions for the operation of machines.

And the human cost is even higher. The daily activities that we take for granted—reading a prescription, reading the newspaper, reading a menu, reading a street or subway map—become a nightmare for illiterate people. They devise remarkable strategies of evasion and coping with their shame. The creativity that goes into hiding the inability to read is a terrible waste and a tragic commentary on the losses illiterate people suffer.

It is vital to call attention to the problem of illiteracy. Our society must begin to understand the severity of this problem and its detrimental effects. Perhaps even more essential is the need to reach the people who need help in overcoming their illiteracy and to make them aware of the services that are available. I would like to commend Focus on Literacy and its executive director, Caryl Mackin-Wagner, for their efforts to ensure that no one forgets the devastating impact of illiteracy on America.

Mr. President, for these reasons, I am introducing a joint resolution to designate July 2, 1992, as "National Literacy Day." This is the seventh year I have been privileged to introduce this resolution. I urge my colleagues to support this resolution, and I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 301

Whereas literacy is a necessary tool for survival in our society;

Whereas seventeen million Americans today cannot read;

Whereas there are twenty-three to twenty-seven million adults in the United States who cannot read, whose resources are left untapped, and who are unable to offer their full contribution to society;

Whereas the annual cost of illiteracy to the United States in terms of resulting welfare expenditures, crime, prison expenses, lost revenues, and industrial and military accidents has been estimated by the American Library Association at \$224 billion;

Whereas the competitiveness of the United States is eroded by the presence in the workplace of millions of Americans who are functionally or technologically illiterate;

Whereas the number of illiterate adults unable to perform at the standard necessary for available employment is related to and the money allocated to child welfare and unemployment compensation;

Whereas the percentage of illiterates in proportion to population size is higher for blacks and Hispanics, resulting in increased barriers to economic enhancement by these minorities;

Whereas almost 60% of the prison population cannot read;

Whereas as many as 75% of the unemployed may be illiterate;

Whereas the number of functional illiterates is expected to grow by 2.3 million a year;

Whereas the cycle of illiteracy continues because the children of illiterate parents are often illiterate themselves because of the lack of support they receive from their home environment;

Whereas Federal, State, municipal, and private literacy programs have only been able to reach 9% of the total illiterate population;

Whereas it is vital to call attention to the problem of illiteracy, to understand the severity of the problem and its detrimental effects on our society, and to reach those who are illiterate and unaware of the free services and help available to them; and

Whereas it is also necessary to recognize and thank the thousands of volunteers who are working to promote literacy and provide support to the millions of illiterates in need of assistance: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 2, 1992, is designated as "National Literacy Day", and the President 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.●

ADDITIONAL COSPONSORS

S. 68

At the request of Mr. THURMOND, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 68, a bill to amend title 10, United States Code, to authorize the appointment of chiropractors as commissioned officers in the Armed Forces to provide chiropractic care, and to amend title 37, United States Code, to provide special pay for chiropractic officers in the Armed Forces.

S. 140

At the request of Mr. WIRTH, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 140, a bill to increase Federal payments in lieu of taxes to units of general local government, and for other purposes.

S. 474

At the request of Mr. DECONCINI, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 474, a bill to prohibit sports gambling under State law.

S. 523

At the request of Mr. SIMON, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 523, a bill to authorize the establishment of the National African-American Memorial Museum within the Smithsonian Institution.

S. 1032

At the request of Mr. DANFORTH, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1032, a bill to amend the Internal Revenue Code of 1986 to stimulate employment in, and to promote revitalization of, economically distressed areas designated as enterprise zones, by providing Federal tax relief for employment and investments, and for other purposes.

S. 1045

At the request of Mrs. KASSEBAUM, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1045, a bill to amend the Internal Revenue Code of 1986 to extend treatment of certain rents under section 2032A to lineal descendants.

S. 1423

At the request of Mr. DODD, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1423, a bill to amend the Securities Exchange Act of 1934 with respect to limited partnership rollups.

S. 1614

At the request of Mr. GRAHAM, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1614, a bill to amend the Rehabilitation Act of 1973 to revise and extend the program regarding independent living services for older blind individuals, and for other purposes.

S. 1731

At the request of Mr. MCCONNELL, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Alabama [Mr. SHELBY], and the Senator from North Carolina [Mr. SANFORD] 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 names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors 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. 1883

At the request of Mr. HOLLINGS, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 1883, a bill to provide for a joint report by the Secretary of Health and Human Services and the Secretary of Agriculture to assist in decisions to reduce administrative duplication, promote coordination of eligibility services and remove eligibility barriers which restrict access of pregnant women, children, and families to benefits under the Food Stamp Program and benefits under titles IV and XIX of the Social Security Act.

S. 1972

At the request of Mr. LEAHY, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1972, a bill to amend the Public Health Service Act to provide grants for the establishment of State demonstration projects for comprehensive health care reform, and for other purposes.

S. 1997

At the request of Mr. KASTEN, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of

S. 1997, a bill to amend the Internal Revenue Code of 1986 to exclude from the Social Security tax on self-employment income certain amounts received by insurance salesmen after retirement.

S. 2041

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 2041, a bill to amend the Petroleum Marketing Practices Act to enhance competition, and for other purposes.

S. 2060

At the request of Mr. METZENBAUM, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 2060, a bill to revise the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, and the Orphan Drug Act, and for other purposes.

S. 2109

At the request of Mr. BAUCUS, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 2109, a bill to amend the Internal Revenue Code of 1986 to permit certain entities to elect taxable years other than taxable years required by the Tax Reform Act of 1986, and for other purposes.

S. 2116

At the request of Mr. RIEGLE, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2116, a bill to improve the health of children by increasing access to childhood immunizations, and for other purposes.

S. 2180

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 2180, a bill to provide greater access to civil justice by reducing costs and delay and for other purposes.

S. 2204

At the request of Mr. DURENBERGER, the names of the Senator from Maine [Mr. COHEN], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 2204, a bill to amend title 23, United States Code, to repeal the provisions relating to penalties with respect to grants to States for safety belt and motorcycle helmet traffic safety programs.

S. 2230

At the request of Mr. BREAU, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 2230, a bill to amend title XVIII of the Social Security Act to provide coverage of outpatient education services under part B of the medicare program for individuals with diabetes.

S. 2236

At the request of Mr. SIMON, the name of the Senator from Connecticut [Mr. DODD] 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 name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 2239, a bill to amend the Internal Revenue Code of 1986 to provide additional safeguards to protect taxpayer rights.

S. 2319

At the request of Mr. NICKLES, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 2319, a bill to require analysis and estimates of the likely impact of federal legislation and regulations upon the private sector and state and local governments, and for other purposes.

S. 2327

At the request of Mr. HATFIELD, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2327, a bill to suspend certain compliance and accountability measures under the National School Lunch Act.

S. 2362

At the request of Mr. MCCAIN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 2362, a bill to amend title XVIII of the Social Security Act to repeal the reduced medicare payment provision for new physicians.

S. 2377

At the request of Mr. BURNS, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 2377, a bill to facilitate the development of an integrated, nationwide telecommunications system dedicated to instruction by guaranteeing the acquisition of a communications satellite system used solely for communications among State and local instructional institutions and agencies and instructional resource providers.

S. 2516

At the request of Mr. BINGAMAN, the names of the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 2516, a bill to amend the National Security Act of 1947 to revise the functions of the National Security Council and to add the Secretary of Commerce, the Secretary of the Treasury, and the United States Trade Representative to the statutory membership of the National Security Council.

S. 2517

At the request of Mr. BINGAMAN, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 2517, a bill to amend title 10, United States Code, to rename the Defense Advanced Research Projects Agency as the National Advanced Research Projects Agency, to expand the mission of that agency, and for other purposes.

S. 2522

At the request of Mr. SIMON, the name of the Senator from Washington

[Mr. ADAMS] was added as a cosponsor of S. 2522, a bill to direct the United States Sentencing Commission to make sentencing guidelines for Federal criminal cases that provide sentencing enhancements for hate crimes.

S. 2566

At the request of Mr. GORTON, his name was added as a cosponsor of S. 2566, a bill to establish partnerships involving Department of Energy laboratories and educational institutions, industry, and other Federal agencies, for purposes of development and application of technologies critical to national security and scientific and technological competitiveness.

S. 2579

At the request of Mr. LAUTENBERG, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 2579, a bill to improve battery recycling and disposal.

S. 2609

At the request of Mr. WOFFORD, the name of the Senator from Oregon [Mr. PACKWOOD] was added as a cosponsor of S. 2609, a bill to direct the Comptroller General, in consultation with the Small Business Administration, to conduct a survey to obtain data on the experiences of business firms, and especially the experiences of small business concerns, in obtaining surety bonds from corporate surety companies, and for other purposes.

S. 2624

At the request of Mr. GLENN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2635

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 2635, a bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and assure that each spouse will have Social Security protection in his or her own right.

S. 2656

At the request of Mr. WALLOP, his name was added as a cosponsor of S. 2656, a bill to amend the Petroleum Marketing Practices Act.

At the request of Mr. FORD, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Montana [Mr. BURNS], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 2656, supra.

S. 2667

At the request of Mr. HEFLIN, the names of the Senator from Virginia

[Mr. WARNER], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 2667, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the act with respect to alternate uses of new animal drugs and new drugs intended for human use.

S. 2680

At the request of Mr. PRYOR, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 2680, a bill to amend title XVIII of the Social Security Act to require the Secretary of Health and Human Services to consult with State medical societies in revising the geographic adjustment factors used to determine the amount of payment for physicians' services under part B of the medicare program, to require the Secretary to base geographic-cost-of-practice indices under the program upon the most recent available data, and for other purposes.

SENATE JOINT RESOLUTION 18

At the request of Mr. SIMON, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of Senate Joint Resolution 18, a joint resolution proposing an amendment to the constitution relating to a Federal balanced budget.

SENATE JOINT RESOLUTION 182

At the request of Mr. KASTEN, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of Senate Joint Resolution 182, a joint resolution proposing a Balanced Budget Amendment to the Constitution of the United States.

SENATE JOINT RESOLUTION 236

At the request of Mr. D'AMATO, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Joint Resolution 236, a joint resolution designating the third week in September 1992 as "National Fragrance Week."

SENATE JOINT RESOLUTION 247

At the request of Mr. DOLE, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of Senate Joint Resolution 247, a joint resolution designating June 11, 1992, as "National Alcoholism and Drug Abuse Counselors Day."

SENATE JOINT RESOLUTION 252

At the request of Mr. DIXON, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Joint Resolution 252, a joint resolution designating the week of April 19-25, 1992, as "National Credit Education Week."

SENATE JOINT RESOLUTION 261

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Joint Resolution 261, a joint resolution to designate April 9, 1992, as a "Day of Filipino World War II Veterans."

SENATE JOINT RESOLUTION 273

At the request of Mr. SEYMOUR, the name of the Senator from Louisiana [Mr. BREAU] was added as a cosponsor of Senate Joint Resolution 273, a joint resolution to designate the week commencing June 21, 1992, as "National Sheriffs' Week."

SENATE JOINT RESOLUTION 274

At the request of Mr. DODD, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of Senate Joint Resolution 274, a joint resolution to designate April 9, 1992, as "Child Care Worthy Wage Day."

SENATE JOINT RESOLUTION 277

At the request of Mr. D'AMATO, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of Senate Joint Resolution 277, a joint resolution to designate May 13, 1992, as "Irish Brigade Day."

SENATE JOINT RESOLUTION 285

At the request of Mr. WARNER, the names of the Senator from Montana [Mr. BURNS], the Senator from Arkansas [Mr. BUMBERS], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Joint Resolution 285, a joint resolution to designate September 24, 1992, as "National Patrick Sarsfield Gilmore Day."

SENATE JOINT RESOLUTION 295

At the request of Mr. DECONCINI, the names of the Senator from Minnesota [Mr. WELLSTONE], the Senator from New Jersey [Mr. BRADLEY], the Senator from Wisconsin [Mr. KASTEN], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of Senate Joint Resolution 295, a joint resolution designating September 10, 1992, as "National D.A.R.E. Day."

AMENDMENT NO. 1799

At the request of Mr. SEYMOUR, his name was added as a cosponsor of Amendment No. 1799 proposed to S. 250, a bill to establish national voter registration procedures for Federal elections, and for other purposes.

SENATE CONCURRENT RESOLUTION 117—DECLARING AN ARTICLE OF AMENDMENT TO BE A PART OF THE CONSTITUTION OF THE UNITED STATES

Mr. BYRD submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 117

Whereas it appears that the legislatures of three-fourths of the several States of the Union have ratified the article of amendment to the Constitution of the United States concerning the effective date of laws varying the compensation of Members of Congress, duly proposed by two-thirds of each House of the First Congress; therefore,

Resolved by the Senate (the House of Representatives concurring). That said article is hereby declared to be a part of the Constitution of the United States; and it shall be duly promulgated as such by the Archivist of the United States.

Mr. BYRD. Mr. President, I send to the desk a second resolution on the ratification of the proposed amendment to the Constitution of the United States.

This resolution, a concurrent resolution, would formally declare the amendment regarding the compensation of Members of Congress to be a part of the Constitution of the United States, based on the action of the First Congress in proposing the amendment and the subsequent apparent action of three-fourths of the States in ratifying the amendment. It is premature for the Senate to act on this resolution at this time, as the Senate should first receive a report from the Archivist of the United States formally communicating the ratification actions before the Senate can know whether this amendment has indeed been properly ratified.

The news reports appear to make that so, but we cannot be sure, in my judgment, until we get the report from the Archivist.

The Senate will also need to consider the important constitutional issues presented by the period of ratification about which I have already spoken. If the Archivist reports that the requisite three-fourths of the States have voted to ratify this amendment, then at that time this resolution can be an appropriate vehicle for committee action and for Senate action, to provide a formal answer declaring, in conjunction with the House of Representatives, that this amendment has become a part of the Constitution, or modifying the resolution in relation to any requirements that the committee and the Senate may deem to be wise and justified under the circumstances.

Mr. President, I ask unanimous consent that this resolution be appropriately referred.

SENATE CONCURRENT RESOLUTION 118—DECLARING THE RATIFICATION OF THE 27TH ARTICLE OF AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES

Mr. GRASSLEY (for himself, Mr. NICKLES, Mr. MCCAIN, Mr. SEYMOUR, Mr. SPECTER, Mr. MCCONNELL, Mr. COATS, Mr. HATCH, Mr. HELMS, Mr. HARKIN, and Mr. GARN) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 118

Whereas the legislatures of the States of Alabama, Alaska, Arizona, Arkansas, Colorado, Idaho, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming, being three-fourths of the States of the Union to have ratified the twenty-seventh Article of Amendment to the

Constitution of the United States, duly proposed by two-thirds of each House of the First Congress; and

Whereas that article reads as follows: "No law varying the compensation for the services of the Senators and Representatives shall take effect, until an election of Representatives shall have intervened." Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring).

SECTION 1. DECLARATION OF RATIFICATION.

The twenty-seventh Article of Amendment to the Constitution of the United States is declared to be a part of the Constitution of the United States and shall be duly promulgated as such by the Archivist of the United States.

SEC. 2. TRANSMITTAL OF RESOLUTION.

The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Archivist of the United States.

Mr. GRASSLEY. Mr. President, after standing on this floor numerous times to fight whatever pending pay raise issue was before the Senate, I rise today pleased to affirm the wisdom of our people.

On Thursday of last week, Michigan became the 38th State to ratify the Madison amendment to the Constitution regarding congressional pay raises. The text of that amendment simply reads:

No law varying the compensation for the services of the Senators and Representatives shall take effect, until an election of Representatives shall have intervened.

While we might choose different language to express this thought today, Madison and the First Congress had a good idea and we should affirm it.

I am submitting a concurrent resolution to do exactly that. My concurrent resolution does not add anything to this ratification; it simply affirms what I believe is already true, that this amendment was ratified when the 38th State voted ratification on Thursday of last week.

The Constitution requires that an amendment pass both Houses with a two-thirds supermajority and be ratified by 38 States. That is all the Constitution requires. Well, you might ask, why a resolution if you believe this is already a valid part of the law?

When I heard that Michigan had ratified this amendment to the Constitution, 200 years after it was initiated, I knew the issue of timeliness could be raised.

First, as you know, there is no time limit set in the Constitution on ratification of amendments. As I have already mentioned, it simply says that a proposed amendment must pass both Houses by a two-thirds vote and be ratified by 38 States. When that ratification occurs, it is the law.

In *Coleman versus Miller*, a 1939 Supreme Court decision, the Court stated that ordinarily ratification must be "sufficiently contemporaneous," but that Congress has the authority to determine that the standard has been met.

A similar situation arose concerning the 14th amendment. In that case, the question was not timeliness, but whether the sufficient number of States had ratified the amendment. This was a concern because so many States had seceded from the Union during the Civil War and there were questions remaining about the status of some of those States.

In that situation, Congress passed a concurrent resolution, similar to the one I am introducing today, that declared the amendment to be part of the Constitution and requested that it be promulgated as such.

This resolution is not an attempt to set a precedent that it is necessary for Congress to have the final word in every case of the ratification of a constitutional amendment. I do not believe that is necessary. However, in a case like this where there may be questions regarding the timeliness of this ratification, I believe that congress has a responsibility to positively affirm its faith in the decision of the representatives of 38 State legislatures.

That is what this resolution does. We are affirming our conviction that the people have spoken.

We are affirming our conviction that the will of the people is that congress should not be able to give itself mid-night payraises while giving the people no recourse.

I am pleased that I am able to stand in the line of Madison as a supporter of his good idea. I believe it is the will of the people. I believe it requires more responsible governance. I also believe it will result in a more measured response on the part of Members who might otherwise be hasty.

Mr. MCCAIN. Mr. President, I strongly support the concurrent resolution before the Senate reaffirming the States' ratification of the Madison amendment. The Madison amendment, proposed in 1789 by then-Representative James Madison of Virginia, states:

No law, varying the compensation for the services of the Senator and Representatives, shall take effect, until an election of Representatives shall have intervened.

James Madison had intended for the Madison amendment to be the second amendment to the Constitution. Unfortunately, the measure did not garner enough support at that time. Now, however, 202 years later, the Madison amendment has met the constitutional ratification standard. I am pleased that 38 States have ratified this important amendment to the Constitution.

Consequently, I believe that the Archivist of the United States, in accordance with the rules of the Constitution, must make the Madison amendment the 27th amendment to the Constitution.

Mr. President, according to legal experts, ordinary ratification of amendments to the Constitution must be made in a "sufficiently contempora-

neous" fashion, and Congress has the sole power to determine if this standard has been met.

The measures before us would reaffirm the Congress' support for the Madison amendment.

Mr. President, the most recent payraise the Congress accepted—which I strongly opposed—demonstrated the need for the Madison amendment.

I vehemently objected to the manner in which the Senate handled this pay raise. Congressional quarterly, a Washington DC, magazine that reports on Congress, stated:

[Senator] Mitchell abruptly pulled the VA-HUD bill shortly after 7 p.m. and called up the legislative bill. Harry Reid, D-Nev, chairman of the Appropriations subcommittee in charge of congressional funding, said he did not know when it would come up [until] a half hour before it did. Members had to buy time with a quorum call so Reid could visit the men's room before trapping himself on the floor for several hours.

Mr. President, it is clearly the right of the majority leader to use all parliamentary devices available to him. However, the public was justifiably outraged by the Senate's stealth payraise. The Madison amendment would ensure that legislators do not vote themselves these kinds of instant payraises in the future.

Mr. President, the Congress must be accountable to the public. The Madison amendment is an important step in this direction. I urge the Archivist of the United States to declare the Madison amendment the 27th amendment of the Constitution, and I urge my colleagues to support the concurrent resolution before us reaffirming the States' ratification.

Mr. SEYMOUR. Mr. President, I rise today to join with my good friend from Iowa, Senator GRASSLEY, as an original cosponsor of a concurrent resolution reaffirming the States' ratification of what is known as the Madison amendment.

My vigorous support of what would be the 27th amendment to the U.S. Constitution is based upon two factors: It is sensible and it is timely.

While some may see our Nation as a society full of immediate and impatient gratification, we of the U.S. Congress must not operate on such a crass principle. Instead, the Madison amendment operates under the principle of merit. This amendment puts an end to misguided, unaccountable actions that range from midnight pay hikes to measures that allow Congress to "say 'No' but take the dough." Specifically, it requires the passage of an election before any pay increase takes effect. That makes good sense. After all, who better to judge the performance of Congress than the voters themselves. If members of Congress vote themselves a raise, as they have been compelled to do lately, the American people will decide whether their representatives deserve it. If so, they will send their representative back to collect.

In essence, the Madison amendment operates to insure that we in Congress will earn our pay the old fashioned way. We will earn it.

The Madison amendment is not only sensible, it is timely. In this period of low public esteem for Congress, it's not hard to see why the Madison amendment is an appropriate measure. Contrary to the assertion by some that the amendment's age makes it insufficiently contemporaneous, I believe that the amendment's two-century odyssey is compelling testimony to its enduring concern and relevance to the States and the American people.

After 203 years and 23 congressional pay raises, the seeming indecorum of which James Madison spoke still persists. Numerous instances of congressional error and unaccountability, including late night pay increases, have led to a chasm of misunderstanding and mistrust between the voters and those they elect.

Lately, in the aftermath of the House bank scandal and questions about congressional privileges, this gap of misunderstanding is a thousand miles wide, seemingly unbridgeable. But here is an old Chinese proverb that says a thousand mile journey begins with the first step. Adopting this resolution and ending the legal controversy surrounding the Madison amendment will be the first step in a journey to regain the public's trust in this, the people's institution. Long and arduous as that trip may seem, it is one we must make.

I challenge my colleagues to take the first step with resolve and conviction by supporting the resolution and urging its expeditious adoption.

Mr. NICKLES. Mr. President, when Michigan became the 38th State to ratify the so-called Madison amendment to the Constitution, it set into motion the process of making the amendment a part of this founding document. Today, I am sponsoring a concurrent resolution which calls on the Archivist of the United States, who is the official caretaker of the Constitution, to promulgate this amendment as part of the Constitution.

That amendment, one of the original 12 proposed, reads as follows:

Article II. No law varying the compensation for the services of Senators and Representatives shall take effect, until an election of Representatives shall have intervened.

This is a fair and equitable approach in handling congressional pay. This is attested to by the fact that the framers of our Constitution seriously considered its inclusion. Today, Congress faces a tremendous credibility gap and this is one reform that can help bridge that gap.

By requiring a pay increase to go into effect after the ensuing election of Representatives, members will not benefit from that raise until the voters have spoken.

This so-called Madison amendment was first introduced on September 25, 1789, along with 11 other amendments that were proposed for inclusion in the just-created Constitution. Ten of these amendments were adopted and are known as the Bill of Rights.

When the amendment was first considered by the States, it fell four States short needed for inclusion in the Constitution. We now have the opportunity to see this amendment added as part of the Constitution and restore some of the integrity to our representative form of government.

I also ask that the resolution adopted by the Oklahoma State Legislature and transmitted to the U.S. Senate Judiciary Committee on October 17, 1985, be inserted in the RECORD at this point:

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

RESOLUTION NO. 1016

"Whereas, a resolution of the First Congress of the United States, proposing an amendment to the Constitution of the United States to restrict the effective date of any law which would change the amount of compensation received by United States Senators and Representatives, was approved by the Congress, two-thirds (2/3) of each house concurring therein, in the following words:

"(An ARTICLE) in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the Legislatures of the several States, pursuant to the fifth Article of the original Constitution.

"Article . . . No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened."

"Now, therefore, be it resolved by the House of Representatives and the Senate of the 1st session of the 40th Oklahoma Legislature:

"Section 1. The amendment to the Constitution of the United States to restrict the effective date of any law which would change the amount of compensation received by United States Senators and Representatives, proposed by a resolution of the First Congress of the United States, is hereby ratified.

"Section 2. Pursuant to 75 O.S. 1981, Section 26.42, this resolution shall expire on December 31, 1995.

"Section 3. Duly authenticated copies of this resolution shall be transmitted to the Governor of the State of Oklahoma, to the President of the United States, to the Administrator of General Services of the United States, to the President Pro Tempore of the Senate of the United States, and to the Speaker of the House of Representatives of the United States."

SENATE RESOLUTION 295—REQUESTING THE ARCHIVIST OF THE UNITED STATES TO REPORT ON RATIFICATION BY THE STATES OF A PROPOSED CONSTITUTIONAL AMENDMENT

Mr. BYRD (for himself, Mr. MITCHELL, and Mr. DOLE) submitted the following resolution; which was considered and agreed to.

S. RES. 295

Resolved, That the Archivist of the United States be, and he is hereby, requested to communicate to the Senate, without delay, a list of the States of the Union whose legislatures have ratified the article of amendment to the Constitution of the United States proposed to the States in 1789 as the second article of amendment to the Constitution, on the effective date of laws varying the compensation of Members of Congress, with copies of all the resolutions of ratification in his office.

SECTION 2. That the Archivist communicate to the Senate copies of all resolutions of ratification of said amendment which he may hereafter receive as soon as he shall receive the same, respectively.

SECTION 3. The Secretary of the Senate shall provide a copy of this resolution to the Archivist of the United States and to the House of Representatives.

Mr. BYRD. Mr. President, I shall shortly send to the desk a Senate resolution and, at that point, I shall ask for it to remain at the desk, pending further action, until the close of business today.

Mr. President, more than 200 years ago, the first Congress of the United States, meeting at its first session, submitted an article of amendment to the Constitution on September 25, 1789, requiring a delay in the date that any law varying the compensation of Members of Congress could become effective to permit an intervening election of Members of the House of Representatives.

This amendment was the original second amendment proposed to the States as part of the Bill of Rights, and only 6 of the original States voted to ratify, short of the 10 necessary for ratification at that time. Accordingly the amendment did not become part of the Constitution.

Over the past decade-and-a-half there has been renewed interest among the States in this proposal. This interest culminated last week in the actions of both the Michigan and New Jersey legislatures voting to ratify the amendment. If each State, beginning with the first 6 States that have voted in support of this amendment over the past 200 years, were to be counted as having ratified the amendment, the amendment will have, of course, received the requisite three-fourths approval to become part of the Constitution.

Important questions of constitutional law must be considered, however, in regard to this series of ratification actions because of the length of time that it has taken for the States to approve this measure.

In this century, the Congress has placed a strict time limit of 7 years, or, in connection with the equal rights amendment, a total of 10 years on the ratification for amendments, to ensure that the States consider the constitutional amendment sufficiently contemporaneously with each other and with the Congress that proposes the amendment.

Indeed, the Supreme Court has stated that some measure of contemporaneous action is required under the Constitution. In a case concerning the 18th amendment, Dillon versus Gloss, 1921, the Court reasoned that the purpose of the amending process that the framers of our Constitution crafted so carefully is to ensure that an amendment is favored by a strong majority of the people as measured by both their congressional representatives and their State legislatures.

As the actions of the States become more and more separated in time from each other and from the Congress that promulgated the amendment, the question can be raised about whether their actions truly represent the will of the people. Because of this doubt, the Supreme Court, in language not strictly necessary to its decision in the case before it, and therefore not necessarily binding precedent, rejected the motion that amendments to the Constitution proposed 100 or 200 years ago but never ratified, remain out for ratification indefinitely into the centuries. The Court noted that such dormant proposals include an amendment proposed in 1861 to protect slavery as an institution.

While article V of the U.S. Constitution is silent about the issue of the contemporaneity of the constitutional amendment ratifications, the Court in Dillon versus Gloss was concerned with the validity of the 18th amendment—the prohibition of intoxicating liquors—especially as to the provision that limited ratification by the requisite three-fourths of the States to a period of 7 years.

The Court noted that there is no provision in article V that suggests that a proposed constitutional amendment is open to ratification for all time. The Dillon court found that the proposal and ratification processes of a constitutional amendment under article V are not unrelated acts but a single act not to be widely separated in time.

Moreover, the court in Dillon asserted that "as ratification is but the expression of the approbation of the people and is to be effective when had in three-fourths of the States, there is a fair implication that it must be sufficiently contemporaneous in that the number of States to reflect the will of the people in all sections at relatively the same period, which of course ratification scattered throughout a long series of years would not do." And Dillon specifically addressed the contemporaneity of the two amendments proposed in 1789—namely, the congressional pay and apportionment amendment—that are still pending, and found that such amendments should be considered waived since they are not sufficiently contemporaneous unless Congress should propose them again for ratification by the States.

Thus, the Court in Dillon concluded that it was the intent in article V of

the Constitution that the ratification of a proposed constitutional amendment must occur within some reasonable period of time after its proposal.

The Supreme Court in *Coleman v. Miller*, 1939, has also recognized that under the Constitution, the Congress—not the courts, and not the executive—has the final say over whether an amendment has received the required votes for ratification in a reasonable time as contemplated in the amending provisions of the Constitution.

The precise issue presented in this case, whether an amendment that was initially proposed with no deadline for ratification remains subject to ratification after so long a period of time, has never been decided, and is therefore a question of first impression for the Congress.

The Coleman Court reasserted the holdings in *Dillon*, namely, that Congress in proposing a constitutional amendment may fix a reasonable time for ratification; that there was no provision in article V that suggested that a proposed amendment would be open for ratification forever; that, since constitutional amendments were deemed to be prompted by some type of necessity, they should be dealt with presently; that there is a fair implication that ratification under article V by the States should be sufficiently contemporaneous so as to reflect the will of the people in all sections of the country and in relatively the same time period; and that ratification of a proposed constitutional amendment must occur within some reasonable time period after proposal.

However, when Congress has not specified a reasonable time period within which ratification of a proposed constitutional amendment is to occur, it would not be the responsibility of the Court, according to the *Coleman* case, to decide what constitutes a reasonable time period for the validity of the ratifications by the States since such questions are essentially political in nature and nonjusticiable, and since such questions should be decided by Congress in its powers in proposing an amendment or in controlling the promulgation of the adoption of an amendment.

On my own part, although I favor the thrust and content of the amendment in question, I have reached no position on whether the 1789 pay amendment has remained open for ratification, and whether it now has been validly ratified.

As to the merits of the proposal, as opposed to the questions presented about its ratification, I am convinced that the amendment is sound and that its provisions should become part of our Constitution. The constitutional Framers recognized that Congress has something of a conflict in setting its own pay, but they could find no better alternative. The First Congress pro-

posed this amendment to the States to seek to ameliorate that inherent conflict by deferring the effective date of any law altering Congress' pay until after the people have had an opportunity to communicate to their elected representatives through a congressional election.

I raise the points which I have mentioned because it is now our obligation to give the most serious consideration to the significant issues involved. Although the question for the Congress to consider is a new one, we have looked to the prior precedent to suggest the appropriate mechanisms through which Congress can undertake to make this question.

Back in 1868, a serious question existed about whether the votes of two States, which had first voted to ratify and then voted to withdraw their votes of ratification, should be counted toward ratification. Recognizing that the executive branch performs the ministerial duty of receiving ratification documents from the States, and promulgating amendments once ratified, but that Congress has the constitutional responsibility to decide the substantive issues relative to the ratification process, the Senate in that case agreed to a resolution requesting the Secretary of State, who, at that time, had the duty of receiving the ratification papers from the States, to report to the Senate on the actions of the various States and to forward to the Senate copies of the ratifying papers for Congress' consideration.

In response to this request, the Secretary of State reported the facts to the Senate, and the Senate joined the House in enacting a concurrent resolution finding that the required number of States had voted to ratify the 14th amendment, and that it should be declared part of the Constitution. The Secretary of State then certified the amendment's ratification in accordance with Congress' formal decision.

That precedent, it seems to me, is the sound and appropriate model for use in this instance. In the intervening years, the Secretary of State's duties with regard to constitutional amendments have been transferred to the Archivist of the United States.

Accordingly, in order to permit the Congress to begin the important task of considering the constitutional issues raised by the recent actions in the States, the resolution I am about to introduce on behalf of myself and the distinguished majority leader and the distinguished minority leader would request the Archivist to report to the Senate on the States' actions and to furnish copies of the States' ratifying documents for the Senate's consideration and subsequent action.

As was done in 1868, once the report is received from the Archivist, it should be referred to the Committee on the Judiciary, in order that the com-

mittee may consider the constitutional issues presented and report back to the Senate, on a timely basis, on an appropriate course of action.

Mr. President, this resolution which I am introducing on behalf of myself and the two leaders will carry out the action that I have just suggested.

I ask unanimous consent that the resolution remain at the desk until the close of business today, pending further action.

AMENDMENTS SUBMITTED

NATIONAL VOTER REGISTRATION ACT OF 1991

BREAUX AMENDMENTS NOS. 1801 THROUGH 1804

(Ordered to lie on the table.)

Mr. BREAUX submitted four amendments intended to be proposed by him to the bill (S. 250) to establish national voter registration procedures for Federal elections, and for other purposes, as follows:

AMENDMENT NO. 1801

On page 3, line 7, before the semicolon insert “, which in the case of a general election shall be held on the Saturday next after the 1st Monday in November, in every even numbered year, in each of the States and territories of the United States”.

AMENDMENT NO. 1802

On page 3, line 25, after “office” insert “, which in the case of a general election shall be held on the Saturday next after the 1st Monday in November, in every even numbered year, in each of the States and territories of the United States”.

AMENDMENT NO. 1803

At the appropriate place, insert the following:

SEC. . SATURDAY ELECTIONS.

It is the sense of the Senate that section 1 of title 3, United States Code, and section 25 of the Revised Statutes (2 U.S.C. 7) should be amended to establish the Saturday next after the first Monday in November of even numbered years as the date for elections for Federal office.

AMENDMENT NO. 1804

At the appropriate place, insert the following:

SEC. . SATURDAY ELECTIONS.

(a) ELECTION OF THE PRESIDENT.—Section 1 of title 3, United States Code, is amended by striking “Tuesday” and inserting “Saturday”.

(b) ELECTION OF SENATORS, REPRESENTATIVES, AND DELEGATES.—Section 25 of the Revised Statutes (2 U.S.C. 7) is amended by striking “Tuesday” and inserting “Saturday”.

MCCONNELL AMENDMENT NO. 1805

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed to the bill S. 250, supra, as follows:

At the end of the bill add the following:

SEC. 14. SUNSET PROVISION.

After the date on which the chief election official of a State certifies to the Federal election Commission that the percentage of persons who were eligible to vote in that State in the general election for Federal office in 1996 that voted in the 1996 election did not exceed by at least 2.0 percentage points the percentage of persons who were eligible to vote in that State in the general election for Federal office in 1992 who voted in the 1992 election, this Act shall not apply in that State.

MCCONNELL AMENDMENT NO. 1806

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed to the reported amendment (in the nature of a substitute) to the bill S. 250, supra, as follows:

At the end of the amendment, add the following:

TITLE II—PUBLIC CORRUPTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Anti-Corruption Act of 1992".

SEC. 202. PUBLIC CORRUPTION.

(a) OFFENSES.—Chapter 11 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 226. Public corruption

"(a) STATE AND LOCAL GOVERNMENT.—

"(1) HONEST SERVICES.—Whoever, in a circumstance described in paragraph (3), deprives or defrauds, or endeavors to deprive or to defraud, by any scheme or artifice, the inhabitants of a State or political subdivision of a State of the honest services of an official or employee of the State or political subdivision shall be fined under this title, imprisoned not more than 10 years, or both.

"(2) FAIR AND IMPARTIAL ELECTIONS.—Whoever, in a circumstance described in paragraph (3), deprives or defrauds, or endeavors to deprive or to defraud, by any scheme or artifice, the inhabitants of a State or political subdivision of a State of a fair and impartially conducted election process in any primary, run-off, special, or general election—

"(A) through the procurement, casting, or tabulation of ballots that are materially false, fictitious, or fraudulent or that are invalid, under the laws of the State in which the election is held;

"(B) through paying or offering to pay any person for voting;

"(C) through the procurement or submission of voter registrations that contain false material information, or omit material information; or

"(D) through the filing of any report required to be filed under State law regarding an election campaign that contains false material information or omits material information,

shall be fined under this title, imprisoned not more than 10 years, or both.

"(3) CIRCUMSTANCES IN WHICH OFFENSE OCCURS.—The circumstances referred to in paragraphs (1) and (2) are that—

"(A) for the purpose of executing or concealing a scheme or artifice described in paragraph (1) or (2) or attempting to do so, a person—

"(i) places in any post office or authorized depository for mail matter, any matter or thing to be sent or delivered by the Postal Service, or takes or receives therefrom any such matter or thing, or knowingly causes to

be delivered by mail according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing;

"(ii) transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce any writings, signs, signals, pictures, or sounds;

"(iii) transports or causes to be transported any person or thing, or induces any person to travel in or to be transported in, interstate or foreign commerce; or

"(iv) uses or causes the use of any facility of interstate or foreign commerce;

"(B) the scheme or artifice affects or constitutes an attempt to affect in any manner or degree, or would if executed or concealed affect, interstate or foreign commerce; or

"(C) in the case of an offense described in paragraph (2), an objective of the scheme or artifice is to secure the election of an official who, if elected, would have any authority over the administration of funds derived from an Act of Congress totaling \$10,000 or more during the 12-month period immediately preceding or following the election or date of the offense.

"(b) FEDERAL GOVERNMENT.—Whoever deprives or defrauds, or endeavors to deprive or to defraud, by any scheme or artifice, the inhabitants of the United States of the honest services of a public official or a person who has been selected to be a public official shall be fined under this title, imprisoned not more than 10 years, or both.

"(c) OFFENSE BY AN OFFICIAL AGAINST AN EMPLOYEE OR OFFICIAL.—

"(1) CRIMINAL OFFENSE.—Whoever, being an official, public official, or person who has been selected to be a public official, directly or indirectly discharges, demotes, suspends, threatens, harasses, or in any manner discriminates against an employee or official of the United States or of a State or political subdivision of a State, or endeavors to do so, in order to carry out or to conceal a scheme or artifice described in subsection (a) or (b), shall be fined under this title, imprisoned not more than 5 years, or both.

"(2) CIVIL ACTION.—(A) Any employee or official of the United States or of a State or political subdivision of a State who is discharged, demoted, suspended, threatened, harassed, or in any manner discriminated against because of lawful acts done by the employee or official as a result of a violation of this section or because of actions by the employee on behalf of himself or herself or others in furtherance of a prosecution under this section (including investigation for, initiation of, testimony for, or assistance in such a prosecution) may bring a civil action and obtain all relief necessary to make the employee or official whole, including—

"(i) reinstatement with the same seniority status that the employee or official would have had but for the violation;

"(ii) 3 times the amount of backpay;

"(iii) interest on the backpay; and

"(iv) compensation for any special damages sustained as a result of the violation, including reasonable litigation costs and reasonable attorney's fees.

"(B) An employee or official shall not be afforded relief under subparagraph (A) if the employee or official participated in the violation of this section with respect to which relief is sought.

"(C)(1) A civil action or proceeding authorized by this paragraph shall be stayed by a court upon certification of an attorney for the Government that prosecution of the ac-

tion or proceeding may adversely affect the interests of the Government in a pending criminal investigation or proceeding.

"(ii) The attorney for the Government shall promptly notify the court when a stay may be lifted without such adverse effects.

"(d) DEFINITIONS.—As used in this section—

"(1) the term 'official' includes—

"(A) any person employed by, exercising any authority derived from, or holding any position in the government of a State or any subdivision of the executive, legislative, judicial, or other branch of government thereof, including a department, independent establishment, commission, administration, authority, board, and bureau, and a corporation or other legal entity established and subject to control by a government or governments for the execution of a governmental or intergovernmental program;

"(B) any person acting or pretending to act under color of official authority; and

"(C) any person who has been nominated, appointed, or selected to be an official or who has been officially informed that he or she will be so nominated, appointed, or selected;

"(2) the term 'person acting or pretending to act under color of official authority' includes a person who represents that he or she controls, is an agent of, or otherwise acts on behalf of an official, public official, and person who has been selected to be a public official;

"(3) the terms 'public official' and 'person who has been selected to be a public official' have the meanings stated in section 201 and also include any person acting or pretending to act under color of official authority;

"(4) the term 'State' means a State of the United States, the District of Columbia, Puerto Rico, and any other commonwealth, territory, or possession of the United States; and

"(5) the term 'uses any facility of interstate or foreign commerce' includes the intrastate use of any facility that may also be used in interstate or foreign commerce."

(b) TECHNICAL AMENDMENTS.—(1) The chapter analysis for chapter 11 of title 18, United States Code, is amended by adding at the end the following new item:

"226. Public corruption."

(2) Section 1961(1) of title 18, United States Code, is amended by inserting "section 226 (relating to public corruption)," after "section 224 (relating to sports bribery)."

(3) Section 2516(1)(c) of title 18, United States Code, is amended by inserting "section 226 (relating to public corruption)," after "section 224 (bribery in sporting contests)."

SEC. 203. INTERSTATE COMMERCE.

(a) IN GENERAL.—Section 1343 of title 18, United States Code, is amended—

(1) by striking "transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds" and inserting "uses or causes to be used any facility of interstate or foreign commerce"; and

(2) by inserting "or attempting to do so" after "for the purpose of executing such scheme or artifice".

(b) TECHNICAL AMENDMENTS.—(1) The heading of section 1343 of title 18, United States Code, is amended to read as follows:

"§ 1343. Fraud by use of facility of interstate commerce"

(2) The chapter analysis for chapter 63 of title 18, United States Code, is amended by amending the item relating to section 1343 to read as follows:

"1343. Fraud by use of facility of interstate commerce."

SEC. 204. NARCOTICS-RELATED PUBLIC CORRUPTION.

(a) OFFENSES.—Chapter 11 of title 18, United States Code, is amended by inserting after section 219 the following new section:

"§ 220. Narcotics and public corruption

"(a) OFFENSE BY PUBLIC OFFICIAL.—A public official who, in a circumstance described in subsection (c), directly or indirectly, corruptly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally or for any other person in return for—

- "(1) being influenced in the performance or nonperformance of any official act; or
- "(2) being influenced to commit or to aid in committing, or to collude in, or to allow or make opportunity for the commission of any offense against the United States or any State,

shall be guilty of a class B felony.

"(b) OFFENSE BY PERSON OTHER THAN A PUBLIC OFFICIAL.—A person who, in a circumstance described in subsection (c), directly or indirectly, corruptly gives, offers, or promises anything of value to any public official, or offers or promises any public official to give anything of value to any other person, with intent—

- "(1) to influence any official act;
- "(2) to influence the public official to commit or aid in committing, or to collude in, or to allow or make opportunity for the commission of any offense against the United States or any State; or
- "(3) to influence the public official to do or to omit to do any act in violation of the official's lawful duty,

shall be guilty of a class B felony.

"(c) CIRCUMSTANCES IN WHICH OFFENSE OCCURS.—The circumstances referred to in subsections (a) and (b) are that the offense involves, in part of, or is intended to further or to conceal the illegal possession, importation, manufacture, transportation, or distribution of any controlled substance or controlled substance analogue.

"(d) DEFINITIONS.—As used in this section—

- "(1) the terms 'controlled substance' and 'controlled substance analogue' have the meanings stated in section 102 of the Controlled Substances Act (21 U.S.C. 802);
- "(2) the term 'official act' means any decision, action, or conduct regarding any question, matter, proceeding, cause, suit, investigation, or prosecution which may at any time be pending, or which may be brought before any public official, in such official's official capacity, or in such official's place of trust or profit; and
- "(3) the term 'public official' means—

"(A) an officer or employee or person acting for or on behalf of the United States, or any department, agency, or branch of Government thereof in any official function, under or by authority of any such department, agency, or branch of Government;

"(B) a juror;

"(C) an officer or employee or person acting for or on behalf of the government of any State, territory, or possession of the United States (including the District of Columbia), or any political subdivision thereof, in any official function, under or by the authority of any such State, territory, possession, or political subdivision; and

"(D) any person who has been nominated or appointed to a position described in subparagraph (A), (B), or (C), or has been officially informed that he or she will be so nominated or appointed."

(b) TECHNICAL AMENDMENTS.—(1) Section 1961(1) of title 18, United States Code, is amended by inserting "section 220 (relating to narcotics and public corruption)," after "Section 201 (relating to bribery)."

(2) Section 2516(1)(c) of title 18, United States Code, is amended by inserting "section 220 (relating to narcotics and public corruption)," after "section 201 (bribery of public officials and witnesses)."

(3) The chapter analysis for chapter 11 of title 18, United States Code, is amended by inserting after the item for section 219 the following new item:

"220. Narcotics and public corruption."

MCCAIN AMENDMENTS NOS. 1807 AND 1808

(Ordered to lie on the table.)

Mr. MCCAIN submitted two amendments intended to be proposed to the bill S. 250, supra, as follows:

AMENDMENT NO. 1807

At the end of Section 7 of the Act, add:

(d) RESTRICTIONS ON AGENCY REGISTRATION.—No agency designated under this Act shall register any individual who receives direct financial aid from that agency.

(1) If an agency described in paragraph (d) is requested by an individual to register that person to vote, the agency must refer that individual to an agency designated in this section and from which the individual does not receive direct financial aid.

(2) Exception to paragraph (d).—If the individual noted in paragraph (d) has or claims to have a disability as defined by the Americans With Disabilities Act of 1990 (P.L. 101-332), that individual must be

(A) referred to another agency designated in this section and from which the individual does not receive direct financial aid, that is both convenient and accessible under the standards of the Americans With Disabilities Act of 1990 (P.L. 101-336), or

(B) if no such agency designated under (d)(2)(A) exists any agency designated by this Act may register such individual.

(3) Direct financial aid is defined as food or nutrition aid or income assistance aid dispersed by any agency.

AMENDMENT NO. 1808

In section 13 of the Act, paragraph 2, strike "1993" and insert in lieu thereof "1994".

GRAHAM AMENDMENT NO. 1809

(Ordered to lie on the table.)

Mr. GRAHAM submitted an amendment intended to be proposed to the reported amendment (in the nature of a substitute) to the bill S. 250, supra, as follows:

On page 19, strike line 3 and all that follows through "(1)" on line 8.

SIMPSON AMENDMENTS NOS. 1810 AND 1811

Mr. SIMPSON proposed two amendments intended to be proposed to the bill S. 250, supra, as follows:

AMENDMENT NO. 1810

Section 5 is amended by inserting at the end the following new subsection:

"(e) EFFECTIVE DATE.—The provisions of this section shall not take effect until the Attorney General certifies that sufficient

procedures exist to prevent voting by ineligible noncitizens."

AMENDMENT NO. 1811

Insert at the end of the bill the following new section:

"SEC. . PILOT PROGRAM ON USE OF CERTAIN DRIVERS' LICENSES AS DOCUMENTS ESTABLISHING BOTH EMPLOYMENT AUTHORIZATION AND IDENTITY.

"(a) IN GENERAL.—The Attorney General shall establish a pilot program under which, in the case of up to 3 States which provide for the issuance of drivers' licenses (and related identification documents) in accordance with subsection (b) shall be treated, for purposes of section 274A(b) of the Immigration and Nationality Act, as a document described in paragraph (1)(B) of such section.

(b) SYSTEM REQUIREMENTS.—The system for the issuance of licenses or documents must—

(1) be consistent with the biometric identification system developed pursuant to section 9105 of the Anti-Drug Abuse Act of 1988 (49 U.S.C. App. 2706 note), and

(2) require that an applicant for a driver's license or other form of identification be issued a temporary driver's license or other form of identification upon demonstrating qualification therefore, and that the driver's license or other form of identification be mailed to the residence address of the applicant after a waiting period of no more than 30 days in which the State has used the biometric identification system and other means to confirm the identification information presented by the applicant.

(c) REPORT.—Not later than 3 years after the date of the enactment of this Act, the Attorney General shall report to the Congress on the performance of the pilot program under this section and on whether such program should be extended (on a voluntary or mandatory basis) to all States."

STEVENS (AND DOLE) AMENDMENT NO. 1812

(Ordered to lie on the table.)

Mr. STEVENS (for himself and Mr. Dole) submitted an amendment intended to be proposed to the bill S. 250, supra, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Voter Registration Act of 1992".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the right of citizens of the United States to vote is a fundamental right;

(2) it is the duty of the Federal, State, and local governments to promote the exercise of that right; and

(3) discriminatory and unfair registration laws and procedures can have a direct and damaging effect on voter participation in elections for Federal office and disproportionately harm voter participation by various groups, including racial minorities.

(b) PURPOSES.—The purposes of this Act are—

(1) to establish procedures that will increase the number of eligible citizens who register to vote in elections for Federal office;

(2) to make it possible for Federal, State, and local governments to implement this

Act in a manner that enhances the participation of eligible citizens as voters in elections for Federal office;

(3) to protect the integrity of the electoral process; and

(4) to ensure that accurate and current voter registration rolls are maintained.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) the term "election" has the meaning stated in section 301(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(1));

(2) the term "Federal office" as the meaning stated in section 301(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(3));

(3) the term "motor vehicle driver's license" includes any personal identification document issued by a State motor vehicle authority;

(4) the term "State" means a State of the United States and the District of Columbia; and

(5) the term "chief State election official" means, with respect to a State, the officer, employee, or entity with authority, under State law, for election administration in the State.

SEC. 4. NATIONAL PROCEDURES FOR VOTER REGISTRATION FOR ELECTIONS FOR FEDERAL OFFICE.

(a) **ELIGIBILITY FOR REDUCED POSTAL RATES.**—To be eligible to use the mails at reduced rates under section 5, a State shall certify that the State—

(1) has in place legislative authority and a plan to implement procedures to promote and facilitate voter registration for Federal elections in connection with applications for driver's licenses;

(2) has in place a general program that makes a reasonable effort to remove the names of ineligible voters from the official lists of eligible voters by reason of—

(A) the death of the registrant; or
(B) a change in the residence of the registrant;

(3) agrees to use the mails at reduced rates under section 5 in to achieve the purposes of this section;

(4) agrees that the reduction of mailing costs realized as a result of the use of reduced mailing rates under section 5 during any period will be used to supplement and increase any State, local, or other non-Federal funds that would, in the absence of such use, be made available for the programs and activities conducted to achieve the purposes of this section and will in no event supplant such State, local, and other non-Federal funds; and

(5) has established fiscal control and fund accounting procedures to ensure the proper disbursement of, and accounting for, the use of reduced mailing rates under section 5.

(b) **VOTER REMOVAL PROGRAMS.**—(1) A State may meet the requirement of subsection (a)(2) by establishing a program under which—

(A) change-of-address information supplied by the Postal Service through its licensees is used to identify registrants whose addresses may have changed; and

(B) if it appears from information provided by the Postal Service that—

(1) a registrant has moved to a different residence address in the same registrar's jurisdiction in which the registrant is currently registered, the registrar changes the registration records to show the new address and sends the registrant a notice of the change by forwardable mail and a postage prepaid pre-addressed return form by which the registrant may verify or correct the address information; or

(2) the registrant has moved to a different residence address not in the same registrar's jurisdiction, the registrar uses the notice procedure described in subsection (d)(2) to confirm the change of address.

(2)(A) A State shall complete, not later than 90 days prior to the date of a primary or general election for Federal office, any program the purpose of which is to systematically remove the names of ineligible voters from the official lists of eligible voters.

(B) Subparagraph (A) shall not be construed to preclude—

(i) the removal of a name from an official list of a voter—

(I) at the request of the registrant;
(II) by reason of the death of the registrant; or

(III) as provided by State law, by reason of criminal conviction or mental incapacity; or
(ii) correction of registration records pursuant to this Act.

(c) **REPORTS.**—(1) The chief State election official of a State that uses reduced mail rates under section 5 shall submit to the Federal Election Commission annual reports on its activities under this section.

(2) A report required by paragraph (1) shall be in such form and contain such information as the Federal Election Commission, after consultation with chief State election officials, determines to be necessary to—

(A) determine whether reduced mail rates were used in accordance with this section;

(B) describe activities under this section; and

(C) provide a record of the progress made toward achieving the purposes for which reduced mail rates are authorized by this section.

(d) **ADMINISTRATIVE REQUIREMENTS.**—The Federal Election Commission shall by regulation establish administrative requirements necessary to carry out this section.

SEC. 5. REDUCED POSTAL RATES.

(a) **AMENDMENT OF TITLE 39, UNITED STATES CODE.**—Subchapter II of chapter 36 of title 39, United States Code, is amended by adding at the end the following new section:

"§ 3629. Reduced rates for voter registration purposes

"The Postal Service shall make available to a State or local voting registration official the rate for any class of mail that is available to a qualified nonprofit organization under section 3626 for the purpose of making a mailing that the official certifies is required or authorized by the National Voter Registration Act of 1992."

(b) **APPROPRIATIONS.**—Section 2401(c) of title 39, United States Code, is amended by striking "and 3626(a)-(h)" and inserting "3626(a)-(h), and 3629".

(c) **ADJUSTMENT OF RATES.**—Section 3627 of title 39, United States Code, is amended by striking "or 3626 of this title," and inserting "3626, or 3629 of this title".

(d) **TECHNICAL AMENDMENT.**—The chapter analysis for chapter 36 of title 39, United States Code, is amended by inserting after the item relating to section 3628 the following new item: "3629. Reduced rates for voter registration purposes."

SEC. 6. CRIMINAL PENALTIES.

A person, including an election official, who in any election for Federal office—

(1) knowingly and willfully intimidates, threatens, or coerces, or attempts to intimidate, threaten, or coerce, any person for—

(A) registering to vote, or voting, or attempting to register or vote;

(B) urging or aiding any person to register to vote, to vote, or to attempt to register or vote; or

(C) exercising any right under this Act; or

(2) knowingly and willfully deprives, defrauds, or attempts to deprive or defraud the residents of a State of a fair and impartially conducted election process, by—

(A) the procurement or submission of voter registration applications that are known by the person to be materially false, fictitious, or fraudulent under the laws of the State in which the election is held; or

(B) the procurement, casting, or tabulation of ballots that are known by the person to be materially false, fictitious, or fraudulent under the laws of the State in which the election is held,

shall be fined in accordance with title 18, United States Code, or imprisoned not more than 5 years, or both.

SPECTER AMENDMENT NO. 1813

Mr. SPECTER submitted an amendment intended to be proposed to the bill S. 250, supra, as follows:

Strike section 8(a)(2) and insert the following:

(2) require that—

(A) the appropriate State election official shall send notice to each applicant of the disposition of the application, which notice—

(i) if the State election official determines that the applicant has properly completed the application and is legally qualified to register, shall indicate that the application has been accepted and indicate the effective date of the applicant's registration; and

(ii) if the State election official determines that the applicant has not properly completed the application or is not legally qualified to register, shall indicate that the application has been rejected and state the reason for rejection; and

(B) if a notice of acceptance of an application is returned undelivered with 10 days after it is mailed, the State election official shall reject the application;

COATS (AND KASTEN) AMENDMENT NO. 1814

(Ordered to lie on the table.)

Mr. COATS (for himself and Mr. KASTEN) submitted an amendment intended to be proposed to amendment No. 1799 proposed by Mr. KASTEN to the bill S. 250, supra, as follows:

After section 307, insert the following:

SEC. 308. MISUSE OR ALTERATION DEFENSE.

(a) **IN GENERAL.**—Except as provided in subsection (c), in a product liability action, the damages for which a manufacturer or product seller is otherwise liable under State law shall be reduced by the percentage of responsibility for the claimant's harm that is attributable to misuse or alteration of a product by any person if the manufacturer or product seller establishes by a preponderance of the evidence that such percentage of the claimant's harm was proximately caused by—

(1) a use or alteration of a product in violation of, or contrary to, the manufacturer's or product seller's express warnings or instructions if the warnings or instructions are adequate as determined pursuant to applicable State law; or

(2) a use or alteration of a product involving a risk of harm that was known or should have been known by the ordinary person who uses or consumes the product with the knowledge common to the class of persons

who used or would be reasonably anticipated to use the product.

(b) STATE LAW.—Subsection (a) supersedes State law concerning misuse or alteration of a product only to the extent that State law is inconsistent.

(c) WORKPLACE INJURY.—Notwithstanding subsection (a), the damages for which a manufacturer or product seller is otherwise liable under State law shall not be reduced by the percentage of responsibility for the claimant's harm attributable to misuse or alteration of the product by the claimant's employer or coemployees who are immune from suit by the claimant pursuant to the State law applicable to workplace injuries.

DECONCINI AMENDMENTS NOS. 1815 AND 1816

(Ordered to lie on the table.)

Mr. DECONCINI submitted two amendments intended to be proposed by him to amendment No. 1799 proposed by Mr. KASTEN to the bill S. 250, supra, as follows:

AMENDMENT NO. 1815

In the amendment numbered 1799, strike out that part of the amendment designated as section 310.

AMENDMENT NO. 1816

In the amendment numbered 1799, strike out subsection (c) of that part of the amendment designated as section 233.

SPECTER AMENDMENT NO. 1817

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment intended to be proposed to the bill S. 250, supra, as follows:

At the appropriate place insert the following:

Each State shall

(2) require that—

(A) the appropriate State election official send notice to each applicant of the disposition of the application, which notice—

(i) if the State election official determines that the applicant has properly completed the application and is legally qualified to register, shall indicate that the application has been accepted and indicate the effective date of the applicant's registration; and

(ii) if the State election official determines that the applicant has not properly completed the application or is not legally qualified to register, shall indicate that the application has been rejected and state the reason for rejection; and

(B) if a notice of acceptance of an application is returned undelivered within 10 days after it is mailed, the State election official shall reject the application;

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a joint oversight hearing with the House Education and Labor Committee on Wednesday, May 13, 1992, beginning at 9:30 a.m., in 485 Russell Senate Office Building on budgeting for the Indian School Equalization Program, 1991-93, to be followed by a markup on the Native Hawaiian Health Care Improvement Act beginning at 2 p.m.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Thursday, May 14, 1992, beginning at 2 p.m. in 485 Russell Senate Office Building on a substitute bill to S. 1687, the Indian Tribal Government Waste Management Act.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on the Price Waterhouse Study on the Small Business Administration's 7(a) Guaranteed Business Loan Program. The hearing will take place on Tuesday, May 19, 1992, at 2:30 p.m., in room 428A of the Russell Senate Office Building. For further information, please call Patricia Forbes, counsel to the Small Business Committee at 224-5175.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, the Rules Committee will meet on Wednesday, May 20, 1992, at 9:30 a.m., in SR-301, to mark up pending legislative and administrative business. The proposed agenda includes the following: Senate Concurrent Resolution 57, to establish a Joint Committee on the Organization of Congress; Senate Resolution 273, to amend the standing rules of the Senate to provide guidance to Members of the Senate, and their employees, in discharging the representative function of Members with respect to communications from petitioners; an original bill to authorize appropriations for the American Folklife Center for fiscal years 1993 through 1997; Senate Joint Resolutions 221, 259, and 275, providing for the appointments of Hanna Holborn Gray, Barber B. Conable, Jr., and Wesley Samuel Williams, Jr., respectively, as citizen regents of the Board of Regents of the Smithsonian Institution; S. 523, to authorize the establishment of the National African-American Memorial Museum within the Smithsonian; S. 1598, to authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and for other purposes; Senate Concurrent Resolution 112, to authorize printing of "Thomas Jefferson's Manual of Parliamentary Practice", as prepared by the Office of the Secretary of the Senate; and an original resolution authorizing the Senate to participate in State and local government transit programs pursuant to section 629 of the Treasury, Postal Service and General Government Appropriations Act, 1991.

The administrative agenda includes the following: Regulations for payment for telecommunications equipment and

services furnished by the Sergeant at Arms and Doorkeeper of the Senate as provided by Public Law 100-123; policy for use of balconies, Russell Senate Office Building; use of entrances to Senate Office Buildings; regulations governing use of the Senator's dining room; regulations for the Senate Health Care Program by the Office of the Attending Physician; regulations for the Senate health and fitness facility by the Office of the Architect of the Capitol; regulations governing Senators' official personnel and office expense accounts regarding payee signatures on vouchers; regulations governing the office accounts of Senators, committees, and administrative offices regarding certifications of Senate recording studio and photographic studio expenses; regulations governing use of bicycle racks, Hart Office Building garage; proposal for designation of permanent office suites for the State of California; and regulations on public transportation subsidy by the U.S. Senate.

For further information regarding this markup, please contact Carole Blessington of the Rules Committee staff on 224-0278.

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. PRYOR. Mr. President, I would like to announce that the Subcommittee on Federal Services, Post Office, and Civil Service, of the Committee on Governmental Affairs, will hold a hearing on Wednesday, May 13, 1992. The focus of the hearing will be S. 1981, reauthorization of the Office of Special Counsel. The subcommittee will hear witnesses from: the Office of Special Counsel, the Merit Systems Protection Board, and outside witnesses.

The hearing is scheduled for 9:30 a.m., in room 342 of the Senate Dirksen Office Building. For further information, please contact Ed Gleiman, subcommittee staff director, on 224-2254.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. BINGAMAN. Mr. President, I would like to announce for my colleagues and the public that a hearing has been scheduled before the Mineral Resources Development and Production Subcommittee of the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on S. 907, legislation to amend section 7 of the Mineral Leasing Act governing certain Federal coal lease royalty rates.

The hearing will take place on Monday, May 18, 1992, at 2 p.m. in room SD-366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the printed hearing record should send their comments to the Committee

on Energy and Natural Resources, U.S. Senate, Washington, DC. 20510, Attention: Lisa Vehmas.

For further information, please contact Lisa Vehmas of the subcommittee staff at 202/224-7555.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON SMALL BUSINESS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Tuesday, May 12, 1992, at 10:30 a.m. The committee will hold a full committee hearing on the Small Business Administration's Investment Advisory Council's report on revitalizing the Small Business Investment Company Program.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Tuesday, May 12, at 9 a.m. for a hearing on Senate Joint Resolution 282, the Assassination Materials Disclosure Act of 1992.

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

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate, Tuesday, May 12, 1992, at 10 a.m. to conduct a hearing on the Treasury Department's report to Congress on international economic and exchange rate policy.

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

SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Copyrights and Trademarks of the Committee on the Judiciary, be authorized to meet Tuesday, May 12, 1992, at 10 a.m. to hold a hearing on the Patent and Trademark Office oversight.

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

COMMITTEE ON SMALL BUSINESS

Mr. DASCHLE. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on the Small Business Administration's Investment Advisory Council's analysis of the Small Business Investment Company Program. The hearing will take place on Tuesday, May 12, 1992, at 10:30 a.m., in room 428A of the Russell Senate Office Building. For further information, please call Patricia Forbes, counsel to

the Small Business Committee at 224-5175.

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

SUBCOMMITTEE ON READINESS, SUSTAINABILITY AND SUPPORT

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Subcommittee on Readiness, Sustainability and Support of the Committee on Armed Services be authorized to meet on Tuesday, May 12, 1992, at 2:30 p.m., in open session, to receive testimony on the environmental programs of the Department of Defense in review of S. 2629, the Department of Defense authorization bill for fiscal year 1993 and S. 2628, the military construction authorization bill for fiscal year 1993.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DASCHLE. 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, May 12, 1992, at 10 a.m. for a hearing on the High Skills, Competitive Workforce Act: Business, Labor and Community Perspectives.

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

SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., May 12, 1992, to receive testimony on S. 2021, to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in New Mexico as a component of the National Wild and Scenic Rivers System, and for other purposes; S. 2045, to authorize a study of the prehistoric Casas Grandes culture in the State of New Mexico, and for other purposes; S. 2178 and H.R. 2502, to establish the Jemez National Recreation Area in the State of New Mexico, and for other purposes; and S. 2544, to establish in the Department of the Interior the Colonial New Mexico Preservation Commission, and for other purposes.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 12, at 10 a.m. to hold a hearing on seven communications treaties.

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

COMMITTEE ON ENERGY AND NATIONAL RESOURCES

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Commit-

tee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9 a.m., May 12, 1992, to receive testimony on energy policy implications of global climate change and international agreements regarding carbon dioxide emissions.

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

COMMITTEE ON FINANCE

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on May 12, 1992, at 10 a.m. to hold a hearing on ways to improve the competitiveness of U.S. industry.

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

ADDITIONAL STATEMENTS

SONY STUDENTS ABROAD PROGRAM

● Mr. FOWLER. Mr. President, I rise today to recognize the accomplishment of a young woman in my State, Jamie S. Ballengee, of Columbus, GA, has been selected to participate in the "Sony Student Project Abroad." This program offers high school students across the country a rare opportunity to get an up close look at Japanese manufacturing facilities, presentations on design and technology, and cultural and historical points of interest. At the end of their visit, each student will stay with a Japanese family to see first-hand the similarities and differences in our respective family lives.

Miss Ballengee is a very bright sophomore at Carver High School who has a strong interest in mathematics and science. With the challenges of global competitiveness, it is refreshing to see a talented student of Jamie's caliber strive for excellence in these fields. I know she will make the most of her visit to Japan and bring back valuable insights into a different culture she will share with her friends.

In closing, I want to congratulate Jamie and her family for achieving such a high honor. Fewer than 50 students throughout the United States were chosen. She truly is one of America's shining stars of the future. I wish her an exciting trip, full of excitement and interesting people and ideas.●

TRIBUTE TO ED NAPOLEON AND EMPLOYEES AT OVEN SYSTEMS, INC., MILWAUKEE, WI

● Mr. KASTEN. Mr. President, I rise today to recognize the achievement of Ed Napoleon and his employees at Oven Systems, Inc., of Milwaukee, WI. Oven Systems has been selected by the U.S. Small Business Administration to be the "1992 Small Business Subcontractor of the Year for Region Five."

Ed and the workers at Oven Systems are a perfect example of how small

business subcontractors across the country are using quality work and reliability to succeed in the business community.

Oven Systems faced many hurdles when they started. Just like thousands of small business owners across the country, Ed had to steer his company past numerous pitfalls. New companies need to build up a solid base of clients, move with changing business conditions, and ensure a steady stream of investment capital. Ed managed this, and was able to foster a good relationship between management and labor.

Ed's formula paid off. Today Oven Systems employs over 160 people, and last year did approximately \$22 million in sales. Ed estimates that over 80 percent of his customers come back. That is the sign of a good business.

I am very proud of Ed Napoleon and all of the people at Oven Systems, and applaud their accomplishments. I believe that they are very deserving of SBA's award for "1992 Subcontractor of the Year for Region Five."•

BETHEL BIBLE VILLAGE

• Mr. GORE. Mr. President, I want to take this opportunity to bring to your attention an important effort in my State to help needy children. Bethel Bible Village in Chattanooga, TN, is a nondenominational Christian program for boys and girls—the first and only home in the United States founded for children whose parents are incarcerated. Since 1954, children have benefited from this unique and highly-acclaimed effort.

The annual "Pat Boone/Bethel Celebrity Spectacular" is being held May 7 through 9 in Chattanooga, TN. This benefit will feature a great Tennessean, Pat Boone, who will be honored for his 15 years of service to Bethel Bible Village. Mr. Boone began hosting the annual spectacular in 1978 and has returned every year bringing his own special talents to this event.

As a world-renowned entertainer, Pat Boone must juggle incredible demands on his time. Yet, he continues to give unselfishly to make the world a better place to live. For some of the children at Bethel Bible Village, his efforts have produced their only opportunity for secure living facilities.

Bethel Bible Village is licensed by the Tennessee Department of Human Services as a child caring and placement agency. It is a member of the Evangelical Council of Financial Responsibility, the Association of North American Missions, and the National Association of Homes and Services for Children.

More than 90 percent of Bethel Bible Village's operating funds come from private donations. On average, children will live there 2 to 3 years. They are placed voluntarily by family members, the Department of Human Services, or

by order of the courts. This home has served children from all areas of the United States.

Mr. President, I commend Bethel Bible Village for the great work it does, and I congratulate and thank Pat Boone for his tireless efforts on behalf of this worthy program.•

TRIBUTE TO WILMA GRAMS

• Mr. DURENBERGER. Mr. President, I believe truly outstanding Americans are those who make meaningful contributions to their communities. In Minnesota, we do not have to look far to find these people. Wilma Grams grew up in the farmlands of McLeod County in south central Minnesota and has devoted countless hours to local, State and national elections.

Wilma comes from a long line of political activists, and can recall political discussions she had with her father, William, in the days of Franklin Delano Roosevelt. Wilma's first involvement in politics came in 1952, when she attended a Republican Party meeting at the old Jorgensen Hotel in Hutchinson, MN.

In April, the Glencoe-McLeod County Chronicle featured Wilma as an outstanding individual in her community. I would like to share with you their recognition of her achievements.

For years, Wilma Grams suspected she might devote herself to a cause, if only she found a cause worth devoting herself to. Grams grew up on a farm 12 miles west of Hutchinson where she and her father, William, (who she describes as a "Republican through and through") spent much of their time talking politics.

"I remember Dad was angry at (President) Roosevelt when he got the welfare program started," Grams said. "It wasn't so much because my father was against people getting help when they needed it, but he just thought people should work for what they have."

In 1952, Grams attended a meeting of Republicans at the old Jorgensen Hotel in Hutchinson. Grams' next door neighbor asked if she wanted to attend.

"From that day on, I was a full-fledged Republican," Grams says.

Today, many of Grams' friends say no one in Minnesota works harder for the I-R party than she does.

Grams herself has been a familiar voice among I-Rs. Friends describe her as a tireless worker who refuses to slow down.

"I don't know where Wilma gets her energy; I don't know where it comes from. She is always on the go. She seems to know what's going on all the time," said Glencoe resident Barb Monson, who also is involved in I-R politics.

Grams, who talks a mile a minute when she is on the go, said she has raised \$12,000 since January, and she hopes to raise \$20,000 or more for the I-R party by November.

Grams has been a delegate to the Republican National Convention on three occasions, and she is hoping to be nominated once again, when the I-R party has its district convention on April 25. She says she plans to slow down after the November election.

"I said I was going to slow down in '90, and now I'm saying I'm going to slow down after

the '92 election," she said. "I just have to do it."

Mr. President, I consider Wilma Grams one of those cherished individuals without whom the American political process would quickly grind to a halt. And yet these persons, whose work is rarely noted beyond the drab surrounds of campaign headquarters and government corridors, form the backbone of the politics in America.

Politics is not held in the highest esteem by many of our citizens, with some justification. But people like Wilma Grams, regardless of their party affiliation, are the positive side of the picture. Without their commitment and integrity, we would surely be a whole lot worse off.

I commend her and thank her for her service to the people of Minnesota.•

SONY STUDENTS ABROAD PROGRAM

• Mr. FOWLER. Mr. President, I rise today to recognize the accomplishment of a young woman in my State. Micca Pace, of Atlanta, GA, has been selected to participate in the "Sony Student Project Abroad." This program offers high school students across the country a rare opportunity to get an up close look at Japanese manufacturing facilities, presentations on design and technology, and cultural and historical points of interest. At the end of their visit, each student will stay with a Japanese family to see first-hand the similarities and differences in our respective family lives.

Miss Pace is a very bright sophomore at Westlake High School who has a strong interest in mathematics and science. With the challenges of global competitiveness, it is refreshing to see a talented student of Micca's caliber strive for excellence in these fields. I know she will make the most of her visit to Japan and bring back valuable insights into a different culture she will share with her friends.

In closing, I want to congratulate Micca and her family for achieving such a high honor. Fewer than 50 students throughout the United States were chosen. She truly is one of America's shining stars of the future. I wish her an exciting trip, full of excitement and interesting people and ideas.•

JUSTICE FOR ALL

• Mr. SIMON. Mr. President, in the aftermath of the Rodney King verdict in Los Angeles, many Americans, black and white, Anglo, Hispanic and Asian-American, are asking what we can do to bring hope and to fulfill promise. There will be many answers, some of which will be debated here on the Senate floor, others in corporate boardrooms, churches and other places of worship, street corners, schoolhouses, and elsewhere.

Wall Street Journal reporters Ellen John Pollock and Stephen J. Adler last week looked at one aspect of the overall picture: Whether the justice system reflects the diversity of America. They carefully documented what we know. It does not.

This is in part what they found. "Of the 365 judges sitting on States' highest courts, only 4.2 percent are black—and there's only one Hispanic. Of the 837 judges on the Federal bench, 5.2 percent are black. President Carter appointed 37 black judges and 16 Hispanics in his 4 years in office; President Reagan named only 8 black judges and 13 Hispanics in 8 years. President Bush has appointed 8 blacks and 4 Hispanics to the bench as of December."

And, I would add, in contrast to President Reagan, Carter, Ford, and Nixon before him, President Bush has not appointed a single Asian-American to the Federal bench.

Mr. President, in the Judiciary Committee, we devote extraordinary time to Supreme Court nominees and review their record and writings in great detail, and we should. In a single decision, a Supreme Court justice can change the life of every American. Every American looks to the Court for equal justice.

For the most part, however, the average American will not see the inside of the Supreme Court building. When confronted with the legal system, he or she will most likely be interacting with local judges and lawyers. To them, this is the justice system. That is why it is of special importance that we have judges and lawyers that truly understand the people who come into the courtroom.

In the remaining months of this administration and the 102d Congress, the President and Congress must do many things to restore hope to America's cities. Among the steps that ought to be taken are appointing more women and minorities to the bench and ending the fight against minority scholarships.

There are well trained and experienced women and minority attorneys the President can appoint to fill the vacancies on the district and appellate courts. Scholarships for minority students opened the college and law school doors to many of them. Ensuring access to colleges and universities will enable us to produce excellence and increase the commitment to equality for all Americans.

Mr. President, I ask that the previously mentioned news article "Justice for All: Legal System Struggles to Reflect Diversity, but Progress is Slow" be printed in the RECORD.

The article follows:

JUSTICE FOR ALL?—LEGAL SYSTEM STRUGGLES TO REFLECT DIVERSITY, BUT PROGRESS IS SLOW

(By Ellen Joan Pollock and Stephen J. Adler)

Can minorities get justice in America?

Ironically, in the wake of the Rodney King furor in Los Angeles, juries are a relative bright spot in the American judicial system's struggle to reflect diversity. Juries are more often racially integrated than not. But the same can't be said for the nation's corps of judges and lawyers.

Courtrooms remain dominated by whites, and blacks most often enter as crime victims or criminal defendants, leaving some blacks with the feeling that they're foreigners in their own court system. "Suppose you were transposed over to China or Tibet and you had hit somebody in your car and you were sitting in their court. How would you feel?" asks Detroit lawyer Cornelius Pitts.

Of the 356 judges sitting on states' highest courts, only 4.2% are black—and there's only one Hispanic. Of the 837 judges on the federal bench, 5.2% are black. President Carter appointed 37 black judges and 16 Hispanics in his four years in office; President Reagan named only eight black judges and 13 Hispanics in eight years. President Bush has appointed eight blacks and four Hispanics to the bench as of December.

'NO FUN BEING A TOKEN'

LaDoris Hazzard Cordell has been a judge for 10 years, but when the bailiff asks spectators to rise as the 43-year-old black woman enters a courtroom, she still feels that people are staring "in horror or in shock" that she is wearing "a black robe saying, 'Hey, I'm in charge.'" Judge Cordell, a Superior Court judge in San Jose, Calif., is the only black judge among 47 judges in Santa Clara County. "It's no fun being a token," she says. "That's not what this should be about."

Nationally, chances are a defendant's lawyer and prosecutor won't be black, either: Fewer than 4% of lawyers are. Many blacks feel that adds up to a court system that is stacked against them. Black men, who represent about 6% of the U.S. population, make up 44% of its inmate population, according to Marc Mauer of the Sentencing Project, a Washington, D.C., research and advocacy group.

And the reason isn't, many blacks insist, that blacks are committing such a disproportionate share of all crime. They point to a new Federal Judicial Center report finding that blacks get 49% longer sentences for equivalent federal drug offenses than do whites. The Center, the research arm of the federal courts, said the disparity was actually lower—28%—eight years ago.

MORE SERIOUS CHARGES

In addition, prosecutors are often issuing more serious felony charges to minorities than to whites for the same drug-related activities, according to Barbara Melehoef, who conducted the federal study.

Some argue that the judicial system has made more progress in race than it's given credit for. "The criminal justice system has made great strides in addressing the rights of minorities or the economically disadvantaged at tremendous and necessary cost," says Robert W. Merkle, a former U.S. attorney in Florida. "Change comes slowly to any social institution, but the last 25 years have brought dramatic change to the criminal justice system." A senior Justice Department official denies that significant racial disparities remain in the system. He cites a 1985 researcher's report that said that, discounting for who actually commits the crimes and other legitimate factors, there were only about 5% more blacks in prison than one would expect.

And to be sure, many white judges, lawyers and officials make every effort to administer

justice fairly. But perceptions count, too, in the calculus of whether justice is being done. And if blacks think the system is skewed, few rulings are likely to be accepted as fair. The death penalty has long been a stark symbol of the seeming disparity: Last September, for the first time in 47 years, a white person was executed for killing a black. "The fact is that minorities do not trust the court system. They don't trust it to resolve their disputes or administer justice fairly," says Desiree Leigh of Seattle, who is coordinating a national conference of commissions studying bias in the state courts.

Consider the case of Cassandra Rutherford, an 18-year-old black Detroit woman arrested after her friends participated in a flurry of brief but violent melees at a fireworks display last summer. An amateur cameraman captured the beatings of three suburban white women, and the fuzzy videotape was displayed on evening news broadcasts.

Five young women pleaded no contest to criminal charges. But Ms. Rutherford insisted she was innocent and refused to make a deal with prosecutors. Spurred by the public outcry and armed with the videotape, Wayne County prosecutors went forward. The problem, it turned out, was that they couldn't conclusively prove that Ms. Rutherford appeared on the tape. She was quickly vindicated by the juries that considered the charges against her in two of the incidents.

A judge stopped a third trial before it was turned over to the jury. Nonetheless, Ms. Rutherford had already served four months in jail because she couldn't make bail. Meanwhile, several white teen-agers accused of murder in a neighboring county had recently been released on their own recognizance. (The judge ultimately reduced her bail, citing the other case.)

Wayne County Prosecutor John O'Hair, who is white, denies that race has anything to do with decisions to prosecute.

But widespread concerns over the pace of racial progress in the courts are reflected in studies that several states have conducted in recent years. In New York, for example, a commission appointed by the state's chief judge concluded that over the course of 25 years "little has changed for minority users of the courts. . . ."

"There are two justice systems at work in the courts of New York State, one for whites, and a very different one for minorities and the poor."

'TREATED MORE HARSHLY'

The report found support for the notion that in New York black defendants are held without bail more frequently than whites. It also said blacks were given harsher sentences than whites, on the whole. And it painted an unappealing portrait of "assembly-line justice" and "ghetto courts," where 14% of all trial lawyers surveyed said that judges, lawyers or other courtroom personnel often "use racial epithets or make demeaning remarks about a minority group." A similar study in Florida came to parallel conclusions and noted particularly that "minority juveniles are being treated more harshly than non-minority juveniles at almost all stages of the juvenile justice system."

One of the problems for blacks, some lawyers say, is that rising crime rates have focused far more attention on getting criminals off the streets, and lessened concerns for civil liberties. Daniel W. Kinard, for example, was accused in Washington, D.C., of murdering a white man who had just graduated from college and moved to the city from Omaha, Neb. The case of Mr. Kinard,

who is black, captured the attention of the media and federal officials, despite the fact that 489 murders, mostly of black victims, were committed that year in Washington.

During the trial, Mr. Kinard's lawyer fell ill and the public defender's office asked for a mistrial. A young lawyer with no experience handling trials was assisting the public defender in the case as part of her graduate education. Despite the assistant's pleas that she had no trial experience and was not up to the job of defending an alleged murderer, Superior Court Judge A. Franklin Burgess Jr. insisted that the student carry on with the help of a legal-clinic instructor at Georgetown Law. Her client is now appealing a guilty verdict, partly on the ground that he was denied his constitutional right to effective counsel. (Judge Burgess declines to comment.)

DIFFICULT TASK

"I can't help think that had this case not been a high-publicity case, had it not been a white male who had been the decedent in this case, the decision would have been different," says Angela Jordan Davis, head of Washington's public defender's office, who came into the case to ask for a mistrial. "The lives of these young black men are simply not valued the same way as the lives of white men," she charges.

John M. Copacino, the Georgetown instructor who helped finish the case, says he didn't think that "racism had much to do with the judge's decision." But saying that many defense lawyers were outraged by the judge's decision to continue, he adds, "I don't know, it's hard to tell. I may be naive politically."

Getting more black prosecutors, defense lawyers and judges into the system won't be an easy task. Juries were integrated largely through Supreme Court and congressional fiat. The ranks of lawyers can't be increased the same way. In 1960, about 1% of lawyers were black; in 1970, the figure was 1.4%, according to a study by the minority National Bar Association based on U.S. Census figures. Although law schools say they recruit aggressively for minorities, blacks still make up just 3.4% of lawyers.

One reason, claims Sharon McPhail, president of the National Bar Association, is that scholarships and loans have been cut in the past decade, which has deeply affected blacks. In addition, she says, "there are not a lot of opportunities out there for black lawyers—not anywhere."

Moreover, those blacks who are landing law jobs may be steering away from gritty legal aid and prosecutorial work because of the notoriously low pay. In New York City, the Legal Aid Society represents mostly black and Hispanic clients and has made special efforts to hire minority lawyers. Next fall, minorities will constitute 38% of the office's new lawyers, but fewer than one-fifth of its current lawyers are non-white.

Robert Baum, the head of the criminal-justice division of that office, says the pool of minority law graduates is too small. But he disputes the notion that job opportunities aren't available for blacks in law. "My sense is there's a great competition to have minorities employed, especially in the private field," he says.

The judiciary poses an even more complicated problem. Judges not only have to reach a high level of legal proficiency, they usually also have to be well-connected politically. Like many elected judges, Judge Cordell was first appointed (by then-Gov. Jerry Brown) to fill a vacancy before standing for election. "Generally, when appointments are made, the governor will try to find

people who are of the same ilk," she says. "It's a very politicized process."

Michigan Court of Appeals Judge Harold Hood, who has sat on his state's courts for 18 years, says that as "a general proposition," when blacks or members of other minority groups run against white candidates, the blacks don't win. As evidence, he points to Wayne County, which includes heavily black Detroit but also enough suburban communities to register roughly 65% white. Of the 35 circuit judges in the county, according to Judge Hood, seven are minorities. Only two of the seven, he adds, ran for election without first being appointed to their posts to fill vacancies.

CHANGE IN JURIES

In terms of race, the most dramatic change in the courtroom in the past 30 years has been in the composition of juries. Until the mid-1960s, courts routinely kept blacks off juries by limiting service to property owners, requiring impossible to pass qualification exams or letting civic-club leaders pick suitable jurors from among their all-white ranks.

When blacks did find their way into the jury pool, they were often systematically removed from actual juries through prosecutors' use of peremptory challenges, which required no explanation. An instruction book used by the Dallas County prosecutors' office in the 1970s explicitly told prosecutors to try to eliminate "any member of a minority group." As recently as 1983 and 1984, 90% of black jurors in Dallas were being eliminated by prosecutors in felony trials.

But federal court rulings in the mid-1960s and a 1968 federal statute required that jury pools be chosen from a representative cross section of the community. In 1985, the Supreme Court barred prosecutors from basing peremptory challenges on race. A survey involving eight state and federal courts in 1990 found that blacks now are heavily represented in the jury room in many of the locations. In Washington, D.C., for example, about two-thirds of the jurors were black. In Dallas state court, 19% were black, 5% Hispanic. In Montgomery, Ala., the figure for blacks was 22%.

An added boost to black representation on juries has been the effort of a majority of states to pull prospective jurors from drivers' lists, which in most places include 90% to 95% of adults, in addition to voting records, which only located about 70% of the community. The percentage of Americans called for jury duty has leapt from 32% in 1983 to 45% in 1989, reflecting in part an increase in minority representation.

Still, not every state has made an effort to widen the jury pool, and the data on jury composition reflects this failure. In Seattle, which is more than 10% black, only 5% of jurors are black, according to one study. Last year, a state bill that would merge voter registration and driver's license lists to create a more diverse jury pool was signed into law. But the state legislature, facing budgetary problems, has yet to fund the effort.

In New York, attorney Colin Moore, who represented one defendant in what was known as the Central Park jogger case, contends that use of voter registration and driver's license data to select juries means "there is a built-in bias against blacks and Hispanics," many of whom do not drive. He believes calling names from lists of utility customers would be fairer.

Norman Goodman, clerk of New York County, responds that he uses three lists—voter registration, driver's and state income-tax records, which he says are more inclusive

than utility records. "Demographers have told us we reach 85% of the community with these lists. We'll never get to 100%, although that is a desirable goal," he says, adding that his office doesn't keep records of juries' racial composition.

Many defense lawyers complain that the urban poor, many of them minorities, are more mobile than the middle class and thus less easy for jury commissioners to find. Therefore, fewer are located and called to jury service. Yet having even a few members of a minority group on a jury panel helps enormously, lawyers and social scientists say, because racist discussions are less likely to occur in a mixed-race setting. Also, even a small number of jurors can hold together to block a verdict they consider unjust.

A DIFFERENT CASE

Lawyers acknowledge that, particularly when individual juries aren't well integrated, much of the burden is on them to screen out prospective jurors who appear biased and to remind jurors during trial of the dangers of relying on racial stereotypes. Whites are more likely to be fair to blacks, and vice versa, if they are forced to face the race issue squarely, the lawyers say.

Shortly before the trial in the Rodney King case began, Travis Burch went on trial in Cambridge, Mass. His case proved to be a counterpoint. Mr. Burch, a learning-disabled black man living in an otherwise all-white neighborhood, was charged with brutally killing a white woman in her home. White neighbors reported seeing Mr. Burch "loitering" near the crime scene and "hiding" in the bushes in the days after the murder. Then came the supposedly irrefutable piece of evidence: Mr. Burch's bloody palm print taken from a door frame in the victim's house.

But Mr. Burch's lawyer, Nancy Gertner, showed the all-white jury that the victim's estranged son and his drug-dealer friends seemed to have much more compelling motives for the crime than did Mr. Burch, and that neighbors' testimony was street gossip, tinged with racial stereotyping, not direct evidence of wrongdoing. The palm print was Mr. Burch's, but what of it? Perhaps Mr. Burch, who was a frequent visitor to the victim's house, had left the print before the murder occurred. Perhaps he had stumbled onto the crime scene and then fled in panic.

In jury selection and in closing statements, Ms. Gertner, unlike the Los Angeles prosecutor in the King case, emphasized the race issue, rather than avoiding it. "I told the jury, 'You may want to say it's a horrible crime, someone must pay for it, but you can't do that. You may want to say a black shouldn't be in the neighborhood. But that would be racist.'"

The government's proof proved insufficient. The jurors deliberated briefly, agreed it was their duty to set Mr. Burch free and, with scant public attention, went their separate ways home.●

KENYA'S MOI CYNICALLY EMPLOYS TERROR TO SLOW DEMOCRACY

● Mr. DECONCINI. Mr. President, for years Kenya's President Daniel arap Moi refused to allow political parties, other than his ruling party KANU, to debate the nation's affairs. He and other African dictators often justified such undemocratic behavior on the ground that political pluralism would

lead to tribalism and violence. After intense international pressure was brought to bear on the government of President Moi late last year, he and his rubber-stamp Parliament agreed to amend the Kenyan Constitution to allow the formation of alternative political parties.

In the wake of what should have been a welcome step forward for democracy, Mr. Moi has instead cynically set out to fulfill his off-repeated prophecy of tribal violence instead of allowing the democratic process to take root in Kenya. In an effort to discredit political pluralism and justify postponement or cancellation of elections which by law must occur by March 1993, he and his supporters have unleashed a plague of violence throughout the country. Members of Moi's Kalenjin tribe, supported by thugs associated with the ruling KANU Party, have descended upon villages killing over 100 people and leaving thousands of others homeless.

While the National Council of Churches of Kenya has long been critical of the Moi government, the Catholic Church in Kenya has—until now—maintained a “studious silence even in the face of a storm.” However, in their March 22 pastoral letter entitled “A Call to Justice, Love and Reconciliation,” all 18 of Kenya's Roman Catholic bishops decried the Moi government's attempts to sow dissent among the Kenyan people. The letter said that “Eye-witness accounts strongly suggest that the arsonists and bandits are well trained and transported to the scenes of crime from outside areas so that they cannot be identified by the local people.” Only the government has the means to provide such logistical support. The letter also states that “The whole issue is officially presented to the public as a clear sign of the failure of the multi-party system in this country.” The government has a vested interest in discrediting the multiparty system. Despite this confirmed government role in fomenting the violence, Mr. Moi continues to place blame upon the largest opposition party, the Forum for the Restoration of Democracy [FORD].

Mr. President, I believe it is imperative that our Government, in no uncertain terms, condemn the conduct of President Moi and his supporters for their complicity in fomenting the ongoing violence. We cannot allow our resolve to slacken to the face of official denials and public statements that President Moi is doing all he can to stop the carnage. It is true that the tragic violence in Los Angeles 2 weeks ago demonstrates that we in the United States must also immediately address some of these same issues. But, as the Kenyan bishops, led by the archbishop of Nairobi, Maurice Cardinal Otunga, declared in their pastoral mis- sive, “we appeal to the government and

to the KANU Party to accept the fact that Kenya today is a multiparty state. Every citizen of this country has an inalienable right to join any political party of his or her choice and has the right to protection and security by the State.”

Mr. President, as other countries in Africa move toward democracy, it is imperative that Kenya reclaim its role as a regional model for political and economic systems. However, this will be difficult as long as President Moi continues to subvert the democratic process. Last November, I was joined by a bipartisan group of Senators in sponsoring an amendment to the emergency supplemental appropriations bill cutting off all but humanitarian aid to Kenya. Regrettably, I have concluded that this provision of law should be kept on the books until President Moi has ceased his efforts to destabilize Kenya for his and his party's selfish political interests and has publicly announced firm dates for true multiparty elections under international supervision.

What does President Moi win in the long term by attempting to divide his country tribe-against-tribe in order to prevent elections from being held? Will his legacy be one of leading Kenya out of its present darkness or will he cynically plunge his nation further into ethnic chaos and violence for a short-lived political gain?

I ask that the complete text of the March 22 pastoral letter, as it appeared in the April 6 issue of *Society* magazine, be printed at this point in the RECORD.

The letter follows:

CRYING FOR JUSTICE

(The following pastoral letter entitled “A Call to Justice, Love and Reconciliation” was on March 22 issued by the Kenyan Catholic Bishops, calling on President Daniel arap Moi to call it quits.)

We, the Catholic Bishops, in exercise of our prophetic role do once again address this letter to you, all people of Kenya and particularly to our leaders, during this difficult political situation in our country. Urged by the word of God we feel that the words of the prophet Ezekiel are relevant to all of us in Kenya today. We as shepherds of the Catholic church and in union with all the religious leaders in our country are challenged by the words of the prophet Ezekiel.

“Son of man, I have appointed you as a watchman for the house of Israel. When you hear a word from my mouth, warn them from me. If I say to someone wicked, “You will die,” and you do not warn this person; if you do not speak to warn someone wicked to renounce evil and so save his life, it is the wicked person who will die for the guilt, but I shall hold you responsible for that death.” (Ezekiel 3:17-18)

Inspired by this text, we who are gathered here from every part of Kenya want to convey the anguish and expectations of our people. In our previous pastoral letter “Looking towards the future with hope” (January 1992), we have spoken about, among other things, the lack of respect for human rights in our country and proposed various remedies to the various shortcomings. Not-

withstanding the short time which has elapsed since the publication of that pastoral letter, certain disturbing events have taken place about which we cannot remain silent.

REALITY OF THE CLASHES

Since October 1991 we have experienced the existence of “inter-tribal conflicts”, especially concentrated there where the Nyanza and Western Province border with Rift Valley Province. Initially those in authority did not treat the situation with the seriousness it deserved. This resulted in an escalation of violence.

The country has been led to believe that these conflicts are tribally based or in some way connected with land tenure. A careful analysis, however, leads us to conclude that this is all part of a wider political strategy:

The attacks on civil servants, school-children, business people, tea-pickers and other workers in rift Valley are a clear sign that the land is not always the issue.

Eye-witness accounts strongly suggest that the arsonists and bandits are well trained and are transported to the scenes of crime from outside the areas so that they cannot be identified by the local people.

Neighbours of different tribes who have been living together for many years can hardly be in conflict at the same time and in different regions.

Some victims were warned in advance of a forthcoming attack by their neighbours who volunteered to keep their property safe in their own houses. This attitude clearly shows no tribal conflicts.

The whole issue is officially presented to the public as a clear sign of the failure of the multi-party system in this country.

There has been no impartiality on the part of the security forces in trying to restore peace. On the contrary, their attitude seems to imply that orders from above were given in order to inflict injuries only on particular ethnic groups.

It goes without saying that it is the duty of any government to safeguard the lives and property of its citizens. The government alone has all the necessary means at its disposal to achieve this. It is difficult for the government to exonerate itself from the responsibility of these violent clashes. The passivity of the forces of public order, sometimes just watching the events, as is the case of the public disturbances in February 1992 in Ngong, is a confirmation of this. It would be better for the police to be deployed to protect innocent people from arsonists and bandits, rather than to beat unarmed citizens.

This situation is a man-made disaster, injustice has been done by Kenyans themselves. The government should take responsibility in alleviating the suffering and rehabilitating those who have lost their homes and property. So far, only the churches and non-governmental organisations have taken care of the victims of the clashes.

We wholeheartedly sympathize with those innocent people who have been wounded indiscriminately, including school children and relatives of those who have died. But we condemn the planners, organisers and implementors of such violence as well as those who have taken advantage of the civil unrest to loot and destroy property.

MULTIPARTYISM: FROM THEORY TO PRACTICE

The advent of multi-partyism as the result of the scrapping of the Section 1(A) of our Constitution was greeted with enthusiasm and hope for a brighter future. The hope of every Kenyan was that the constitutional change would be far reaching and not something merely theoretical. This means that

every Kenyan should have full freedom of association with all its practical consequences. Every Kenyan should enjoy equal rights before the law, wherever he/she lives or works. It is with this in mind that we are disturbed by statements made by some high-ranking politicians, declaring certain zones to be exclusively for the Kanu party and demanding that certain ethnic groups should leave the districts. The results of these utterances is that people have been forced out of their schools, jobs, houses, and even from their land. We are further concerned by lack of impartiality on the part of radio and television media in the coverage of different political parties. Equal coverage has to be given to all.

In a multi-party state civil servants should be seen to be servants of the government rather than of a particular political party. In our situation today, this is not very often the case. We admire those of our civil servants who, in following their conscience, refuse to be used by any political party. We condemn at the same time, all those who have allowed themselves to be politically manipulated in suppressing political freedom and hampering the development of the multi-party system in some districts by not granting licenses for the meetings.

POLITICAL PRISONERS

There are political prisoners languishing in our prisons today who should not be there. If their only crime was of a political nature before the amendment of the constitution's Section 2(A), why should they be kept in prison?

This situation has led various groups of citizens to campaign for their release. Prominent among these has been the group of mothers of prisoners who started a fast at the "Freedom Corner" in Uhuru Park. Kenyans were moved by the sight of defenceless women provoked through their helplessness and frustration to react in a manner that showed the depth of pain of a mother.

The handling of the situation by the security forces in this case and others thereafter has left us speechless. We support the cause of these mothers, assuring them of our solidarity with them and with all those who have helped them. In the meantime, we appeal to those in authority to be more open to the protection of human dignity.

JUSTICE AND LOVE FOR RECONCILIATION

All these events are unfolding themselves at the favourable time of Lent. This is the time that we are all called to reconciliation as a fitting way to prepare ourselves for the great feast of Easter.

Now we want to shed the light of our Christian faith on this sad situation by recalling the teaching of Christ our Master and Teacher.

"If you are bringing your gift to the altar and there remember that your brother has something against you, leave your gift there before the altar, and go and be reconciled with your brother first, and then come back and present your gift" (Matthew 5:23-24).

As Christians we must pay heed to the words of Christ:

"If you forgive others the wrongs they have done to you, your Father in heaven will also forgive you. But if you do not forgive others, then your Father will not forgive you the wrongs you have done." (Matthew 6:14-15).

We can never support the principle of "an eye for an eye and a tooth for a tooth." If such a principle were applied, violence would never end. We therefore urge the government

to arrest and charge in courts of law those politicians who have fuelled trouble by irresponsible public utterances and deeds.

In view of this call to reconciliation, we appeal to the government and to the Kanu party to accept the fact that Kenya today is a multi-party state. Every citizen of this country has an inalienable right to join any political party of his or her choice and has the right to protection and security by the State.

Reconciliation demands that the various parties respect each other's manifestos and that all the parties in turn recognize and respect the government as an institution. Political dissent and constructive criticism should not be labelled as seditious and subversive opposition.

Reconciliation is called for, especially in the current situation of the clashes. People have been killed or displaced, houses burnt, property looted and destroyed. Both the government and the parties must be fully aware of their responsibilities. Counter accusations must really come to an end, and more time be spent on seeking ways and means to improve the quality of life of our people. Justice demands that those who have been rendered homeless or who have had their property looted be rehabilitated and compensated.

We confirm the need to uphold and respect the dignity of every person for each one is:

"Created in the image and likeness of God." (Genesis 1:26)

In virtue of this, each person, man or woman is "sacred", enjoying the personal love of God.

In the words of the prophet we make now a fervent appeal to our leaders and especially those in government to work sincerely for the good and justice for all our people without any prejudice to any tribal group.

"The Lord says, 'Cease to do evil, learn to do good, search for justice, help the oppressed, be just to the orphan, plead for the widow'" (Isaiah 1:17)

We admire the courage and self-control of our Kenyan people who have resisted the provocation to fall in the trap of violence. We call upon the people in the affected areas and indeed in the whole country not to take revenge but rather to be reconciled with one another. We appeal to them to hold reconciliation barazas so that the peace and harmony that existed between them may be restored. Those who hold property belonging to others are morally bound in conscience to restore it to its lawful owners. We further call upon you all, of whatever religious confession: Muslims, Hindus, Traditionalists or other creeds, but particularly you Christians, not to allow yourselves to be divided by tribal disputes.

"For you are all sons and daughters of one and the same Heavenly Father." (Colossians 3:30).

Following the example of the Holy Father John Paul II when he prayed for peace at Assisi together with the leaders of the main religious confessions of the world, we conclude by quoting part of the well-known prayer composed by St. Francis of Assisi:

Lord, make me an instrument of your peace.

Where there is hatred . . . let me sow love.
Where there is injury . . . pardon
Where there is discord . . . unity
Where there is error . . . truth
Where there is despair . . . hope
Where there is sadness . . . joy
Where there is darkness . . . light
We bless you and remain always,
Yours devotedly in Christ.

H.E. Maurice Cardinal Otunga—Archbishop of Nairobi.

Most Rev Z Okoth—Chairman, KEC and Archbishop of Kisumu.

Rt Rev J Njue—Vice chairman, KEC.

Most Rev J. Njenga—Archbishop of Mombasa.

Most Rev N Kirima—Archbishop of Nyeri.

Most Rev W Dunne—Bishop of Kitui.

Rt Rev R Ndingi Mwana'a Nzeki—Bishop of Nakuru.

Rt Rev T Mugendi—Bishop of Kisii.

Rt Rev U Kioko—Bishop of Machakos.

Rt Rev P Sulumeti—Bishop of Kakamega.

Rt Rev S Njiru—Bishop of Meru

Rt Rev C Davies—Bishop of Ngong.

Rt Rev J Mohan—Bishop of Lodwar.

Rt Rev Ravasi—Bishop of Marsabit.

Rt Rev P Kairo—Bishop of Murang'a.

Rt Rev P Darmanin—Bishop of Garissa.

Rt Rev L Atundo—Bishop of Bungoma.

Rt Rev C K arap Korir—Bishop of Eldoret.●

NATIONAL LONG-TERM CARE

● Mr. SIMON. Mr. President, it is interesting how many times one incident makes a lasting impression and helps move us to consensus on needed action. The recent picture of an elderly man clutching a teddy bear at a dog racing track in Idaho, stripped of identification and abandoned, may turn out to be such an incident. I hope this is the case.

This picture, more than all the statistics and rhetoric of the past several years, has brought to our attention the critical need in this country for a national long-term care program. This need, and the desperation of families who abandon their fathers and mothers, is not a new reality. The late Congressman Claude Pepper and I introduced House/Senate companion long-term care bills in 1987 to try to address the problem. That legislation, providing help to those caring for the chronically ill and disabled at home, came close to passing. A near consensus on long-term care emerged.

Since then, the focus has shifted to the general crisis in health care, and it is a true crisis we must solve. But we continue to face a growing problem of long-term care. In just 9 years, an estimated million more seniors will be going into nursing facilities. Millions more will need care at home. Long-term care still belongs at the top of our health care reform agenda.

On November 22, 1991, I introduced the Long-Term Care Family Protection Act, S. 2017. It would provide protection to families and individuals from the catastrophic costs of long-term care and provide a base of funding through a one-half cent increase in Social Security taxes. It includes assistance for both home and community care and nursing facility care through a new part C of Medicare. It recognizes the need to give a reliable floor of support to families to plan for the future, including through the wise purchase of long-term care insurance.

I have also joined my colleagues Senators MITCHELL, ROCKEFELLER, and

KENNEDY as a cosponsor of the Long-Term Care Security Act of 1992. There are differences between these bills, but the intent is the same: to put our Nation on the path to providing, along with all other industrialized nations outside of South Africa, necessary support for long-term care—the support our citizens need to protect them from the personal tragedies illustrated by an elderly man abandoned at a race track.

I believe there is sufficient broad-based support for long-term care legislation to enable us to enact legislation in the near future. The picture and stories about 82-year-old John Kingery increase that possibility. If that turns out to be the case, this one sad story will have a happy ending for all of us.

I ask that the excellent New York Times editorial on the John Kingery case be placed in the RECORD at this point.

The editorial follows:

GRANNY DUMPING BY THE THOUSANDS

It was a sad and troubling story. John Kingery, 82, suffering from Alzheimer's disease and wearing a sweatshirt inscribed "Proud To Be An American," was abandoned outside the men's room at a dog racing track in Post Falls, Idaho. His wheelchair had been stripped of identification and his clothing labels ripped out; he couldn't remember his own name.

Pictures of him clutching his teddy bear as attendants prepared to send him home to Oregon provoked a national wince. But what turns a wince into an ache is the sudden awareness that John Kingery is no isolated case. The American College of Emergency Physicians estimates that 70,000 elderly Americans were abandoned last year by family members unable or unwilling to care for them or pay for their care.

Social workers call this phenomenon "granny dumping." But they are reluctant to condemn those who do the dumping. Instead, they paint a harrowing portrait of millions of Americans who are near the breaking point with the burden of caring for their ill and elderly parents. One in five families now takes care of an elderly parent. Millions of American women will care for their aging parents longer than they care for their own children.

Nobody yet knows all the pressures that led John Kingery's daughter Sue Gifford to check him out of a nursing home and, presumably, leave him at the track. Nor is it known whether the family first explored all avenues of financial and social assistance. But in all too many cases, the care-giving children feel overwhelmed by mounting bills, bureaucratic hassles, hopelessness. The burden falls heavily on female relatives; three of four people caring for the elderly are women.

When the illness is Alzheimer's, care-givers often veer from despair to burnout. Alzheimer's patients can live 20 years in a state of dementia. They require round-the-clock social rather than medical care. Thus, they are usually best cared for at home, by family and publicly funded care-givers. In New York State, some 40,000 older adults, many with Alzheimer's, are cared for at home with Government help. That eases the burden on care-givers without lifting it.

But until Alzheimer's is cured or a long-term health care program is available, the Sue Giffords of America will be as much the victims of an aging population as the John Kingerys.●

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 Mr. Berkovitz, a member of the staff of Senator QUENTIN N. BURDICK, to participate in a program in the Republic of Singapore, sponsored by the Republic of Singapore, from May 23 to 30, 1992.

The committee has determined that participation by Mr. Berkovitz in this program, at the expense of the Republic of Singapore, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Kenneth Apfel, a member of the staff of Senator BILL BRADLEY, to participate in a program in Hamburg and Berlin, Germany, sponsored by Haus Rissen from August 11 to 19, 1992.

The committee determined that participation by Kenneth Apfel in this program, at the expense of Haus Rissen, is in the interest of the Senate and the United States.●

HUMAN RIGHTS ABUSES CONTINUE IN SYRIA

● Mr. DECONCINI. Mr. President, the state of human rights in Syria is well characterized in the opening line of the State Department's 1991 document, "Country Reports on Human Rights Practices," which declares:

Syria is ruled by an authoritative regime which does not hesitate to use force against its citizens if it feels threatened.

Threatened is how the Syrian regime must have felt when it arrested and convicted 14 Syrian human rights monitors in December of last year.

The defendants were charged "with vague, broadly worded offenses", according to their defense lawyers, based on a 1965 decree that bans any subversive or disorderly acts that could undermine the authority of the ruling socialist Ba'ath party. Sources have added that international standards for fair trial procedures were violated at every stage of the proceedings, including the harassment and intimidation of the defendant's attorneys. Six of the defendants were sentenced to terms ranging from 5 to 10 years hard labor.

Sadly, this is not an isolated case of unacceptable behavior on the part of Syria. Under the control of Hafiz Assad, Syria has a long and consistent history of repression, occupation, drug trafficking, and terrorism.

In 1982, Hafiz Assad demonstrated to the international community how ruthless his regime could be by his brutal attacks on the northern cities of Hama and Aleppo. At these locations an uprising developed, led by a group called the Muslim Brotherhood, which resulted in an enormous use of force by Assad's security forces. When the insurrection was finally subdued, between 10,000 to 20,000 people were dead. The city of Hama was literally bulldozed. But it is not only his own people that President Assad treats in such an appalling fashion.

In 1976, Syrian troops marched into Lebanon and aided in the destabilization of this already war-torn nation. Through its continued occupation of Lebanon, Syria further complicates the extraordinarily difficult Middle East peace process. In May 1989, Hafiz Assad told me personally he believed that Lebanon was a part of Syria because the people were one and the same. To enforce this distortion of brotherhood between the two nations, the Syrians maintain an army of about 40,000 troops inside Lebanon.

Lebanon also provides Syria with much needed infusions of hard currency from its drug trafficking operations. The State Department has estimated that 49 metric tons of opium came from the Syrian controlled Bekaa Valley in Lebanon last year. An article in the New Republic in January of this year reported that, "Between 20 percent and 35 percent of heroin imported into the United States comes from Syrian-occupied Lebanon." In fact, the drug business has become so important to President Assad that the Washington Post reported in January 26 of this year that "to a large extent, the glue that keeps the Syrian machinery together is the personal enrichment of Assad's military from narcotics trafficking."

Terrorism is another nefarious international activity in which Syria continues to be involved. At times Syrian drug trafficking and support for terrorism appear to run hand in hand. According to an April 27 Time magazine article, it was Monzer al-Kassar, a Syrian drug dealer, who planted the bomb on Pan Am flight 103 which exploded over Lockerbie, Scotland. Time's assertions have been supported by Vincent Cannistraro, the former head of the CIA's investigation of the bombing. He was quoted in a New York Times article as saying it was outrageous that Libya could have been fully responsible for the bombing. If this report is true, it is not the first time that Syria has been responsible for the loss of American life.

Published reports have linked Syria to the 1983 attack on the U.S. Marine barracks which killed over 200 soldiers. Syrian intelligence has also been implicated in the unsuccessful 1986 bombing of a El Al airliner in London. In addition to its individual acts of terrorism, Syria has been used as a safe haven and training ground for other terrorist organizations.

The Islamic fundamentalist group, Hezbollah, has been receiving its training in Syria. Upon completion of training in Syria, the Hezbollah have their weapons escorted by the Syrians into Lebanon. Hezbollah is the same group that has declared its purpose to be to destroy the cancerous Zionist entity. It also has made more than a dozen attacks on Israeli civilians between 1990 and 1991. Last October, Syrian Vice President Khaddam described the Hezbollah attacks against Israel as brave actions.

Recently, the Bush administration has applauded Syria's role in the new world order. Combined with its cooperation in the Persian Gulf war and its help in freeing American hostages, some Bush officials would say that Syria has demonstrated a new willingness to behave according to international norms. However, former Ambassador L. Paul Bremer, who headed the State Department's Office For Combating Terrorism from 1986 to 1989, has been quoted as saying:

As far as the release of the hostages [is] concerned, Syria has operated a taxi-service: Ghazi Kanaan (chief of intelligence for Syria) is told where to pick up the hostages by Tehran and the hostages are picked up and delivered to Damascus.

Can one really believe that Syria played a significant role in the release of our Lebanese hostages?

Syria has also failed to expel terrorists, close down their training camps, or even pay lip service to any renunciation of terrorism. The revelation of this information places serious doubt about the credibility of suggestions that Hafiz Assad has, in any way, truly helped the United States in the freeing of the hostages or moderated his policies on terrorism.

A recent Amnesty International report also disputes the proposition that Syria is mitigating its behavior. In its 1991 report, Amnesty stated that it has received descriptions of no less than 35 different methods of torture and has accounted for more than 600 executions in 1990 alone. Reports estimate that as many as 25,000 Syrians have been executed since Assad assumed power.

With Syria spending almost \$2 billion last year on arms purchases, this dangerous country seeks only to become more powerful and disruptive. Terrorism, drug trafficking, human rights abuses, and occupation of foreign lands—that is what Syria stands for. The Bush administration seems to be engaged in a dangerous game of ignor-

ing Syria's appalling behavior in the hopes of including them in some sort of new world order. In a region so vital and so fraught with tension, we cannot afford to allow Syria's actions to go unnoticed and unchallenged.●

THE HEROIC ACTIONS OF CLAYTON P. BUTLER

● Mr. ADAMS. Mr. President, I wish to pay tribute today to a man from Washington State who put the life of another before his own during a rescue of a swamped kayaker. Recognizing his brave and altruistic actions, the Department of the Interior has presented him with an award for his valor. He showed an incredible amount of courage, and I would like to share his story with all of you.

Mr. Clayton P. Butler is a park ranger in the Olympic National Park in western Washington. On May 5, 1991, he received a distress call involving a kayaker sinking in the turbulent waters of the North Pacific Ocean, approximately 100 yards off the coast of the park.

When Ranger Butler arrived at the beach, he realized that the victim had abandoned his kayak and was attempting to swim to the shore. The victim was now fully immersed in the North Pacific Ocean, waters that are so cold that upon contact, it is only minutes before the onset of hypothermia.

Donning a wet suit and tow line, he braved the frigid, violent water and the extremely strong current that could easily pull both the victim and himself out to sea. He swam to the victim, now in the first stages of hypothermia, secured the rescue line to him, and they were both pulled to shore and safety.

Some people claim that heroes are a thing of the past, but I do not agree. Heroes still exist in this day and age. I am proud to pay tribute to Ranger Clayton Butler, who never once hesitated to help another, although it meant putting himself at great risk. He is a man of whom we should all be proud, and from whom we can all learn.●

DOT 25TH ANNIVERSARY ESSAY CONTEST WINNER

● Mr. D'AMATO. Mr. President, I rise today to acknowledge and congratulate one of my constituents who is a winner in the Department of Transportation's high school essay contest on the occasion of their 25th anniversary. I am proud of my constituent, Elizabeth Brill, who wrote 1 of 2 essays selected from a field of 700 to receive this honor. Elizabeth Brill will be traveling to Washington today to join in the festivities of National Transportation Week. I salute her and wish to commend her.

I ask that the full text of Elizabeth Brill's winning paper be printed in the RECORD following my statement.

The text follows:

SUPERCONDUCTIVITY:

A REVOLUTION IN TRANSPORTATION

(By Elizabeth Brill)

Although there are countless possibilities for future developments in the transportation industry, the application of superconductivity to various modes of transportation appears especially auspicious. Superconductivity, the state of matter in which a substance conducts electricity with little or no resistance, has the unique potential to have a far-reaching effect in many areas of the transportation industry. Through the implementation of systems of magnetically levitated trains, rail travel will become an increasingly attractive form of travel. The manufacture and use of automobiles powered by superconducting engines will not only decrease the United States' dependence on scarce oil supplies, but also significantly decrease poisonous exhaust emissions. Finally, superconductivity also has the potential to revolutionize shipboard travel, primarily by reducing energy consumption.

Levitating trains are one salient application of superconductivity in the field of transportation. Magnetically levitated trains, known as maglev trains, were invented by scientists at the Brookhaven Laboratory, and further developed by the Grumman Corporation, both on Long Island. Although several countries, including the United States, are currently researching the feasibility of maglev trains only Germany and Japan have constructed actual systems. Japan's EDS system employs the forces of repulsion between superconducting magnets, while Germany's system uses the forces of attraction between conventional electromagnets.

Although the German system is being researched for implementation in the United States, the Japanese system would probably be more beneficial. According to prominent Japanese engineers, a prototype using superconducting magnets is far superior to one using conventional magnets. Since superconducting magnets have the capacity to produce more intense magnetic fields, they will generate greater lift and thrust. In the EDS system, the train is lifted by the forces produced between the electromagnets on the train's undercarriage and those in the track bed. Alternating currents are then sent to the magnets in the track, which are used both for levitation and propulsion, to control velocity.

Albeit maglev trains are extremely expensive, with track alone costing 2-3 million dollars per mile, they are nonetheless quite advantageous. The high speeds of such trains would allow them to compete effectively with air and automobile travel. Japan's EDS train can travel at speeds up to 321 mph, as opposed to the 200 mph maximum of conventional trains. Additionally, because of its increased passenger capacity, the maglev train would be able to pay for itself in ten years. On the whole, the maglev train would be a feasible and advantageous addition to our transportation system.

A second important application of superconductivity in the transportation industry is a superconducting motor for automobiles. High temperature superconductors increase the efficiency of motors from 75% to 95% and reduce costs by up to 25%. In 1988, a small motor was built utilizing superconducting ceramics. Although too small for practical use, it proved that a superconducting motor is indeed feasible.

Automobiles utilizing superconducting motors would be quiet, non-polluting, and sim-

ple to start. Unlike conventional automobiles, superconducting cars would not use gasoline to run and therefore would not emit poisonous gases, such as carbon monoxide, which are currently destroying the environment as well as creating many health problems. Superconducting automobiles would instead be powered by efficient, light weight batteries thus decreasing the nation's dangerous dependency on foreign oil.

A superconducting ship is also a viable alternative to current technology. Superconducting ships, magships, have been developed by the U.S. Navy and by Yoshiro Saji of Japan. Saji's ship probably has the most potential for use in the United States. It works much like the levitating trains, placing one set of magnets on the ship and sending a current into the water to generate the second magnetic field.

Since such a ship would have no moving parts, maintenance and construction would be simple. It would also be able to move with little noise or vibration, a characteristic especially useful in submarines. Furthermore, magships would be 50% more efficient than conventional ships and would thus further decrease our dependence on scant energy supplies.

Superconductivity certainly has the potential to alleviate the mammoth transportation problems currently facing Long Island. Local businessmen and Congressmen are presently trying to secure funding to construct an experimental maglev train system on Long Island. Such a system would be highly beneficial, as it would help lessen air traffic congestion in the area. The airports are currently so congested that plans have been proposed to enlarge the MacArthur Airport on Eastern Long Island, much to the dismay of many residents. Furthermore, plans are being considered to use the Navy's Calverton Airport as a cargo airport to lighten congestion at Kennedy and LaGuardia airports. The implementation of a maglev system would also decrease congestion on the area's highways, particularly the infamous Long Island Expressway, by providing a viable alternative for medium length trips. The use of superconducting automobiles would significantly decrease the amount of air pollution, a current catastrophe in highly congested New York city and a growing problem in the increasingly populated suburbs. An additional ferry service between shoreham, Long Island and New Haven, Connecticut is presently being studied due to the overwhelming demand on the two existing ferries. Additionally, such a service would reduce traffic on the Long Island Expressway and other highways by diverting traffic across the water. The use of a superconducting ferry would reduce costs, as magships are far more efficient than conventional ships. A magship would also be quieter and more reliable than a conventional ship.

Superconductivity is an important key to the future of transportation, both on the local and national level. Levitating trains will reduce air and highway congestion by improving the efficacy and practicality of train travel. Superconducting automobiles will aid the transportation industry by reducing pollution and energy demands. Shipboard travel could be popularized and modernized through the implementation of magships. Superconductivity may not represent the only answer to the problems of transportation, however it may well prove to be a key factor in the transportation world of tomorrow.

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TRIBUTE TO NORTHGLENN UNITED METHODIST CHURCH BELL CHOIR

● Mr. WIRTH. Mr. President, I would like to use this occasion to recognize the achievements of the Northglenn United Methodist Church Carillon Bell Choir. The bell choir is comprised entirely of volunteers, and has been designated as Colorado's representative at the English Handbell Ringers Symposium to be held in Edmonton, AB, Canada July 29, through August 2, 1992. The symposium is an international event and will feature bell choirs from Europe, Asia, Australia, and North and South America.

The members have been playing together for 6 years and will be 1 of only 13 bell choirs from the United States and 1 of only 2 from the Western United States. They use four octaves of Schlumberich Handbells and three octaves of Suzuki hand chimes.

Mr. President, I want to take this opportunity to wish the best of luck to the director and the 12 members of this remarkable choir, Caroline Mallory, director; Antia Abercrombie, Elizabeth Clark, Betty Culp, Nedra Eastom, Serena Ferrin, Patricia Hodges, Cyndi Cremer, Winifred Lane, Kay McCann, Diana Menapace, Edith Walker, and Twyla Wooley. They make me and all of Colorado proud.●

OLDER AMERICANS MONTH

● Mr. ADAMS. Mr. President, last week, the Senate passed Senate Joint Resolution 276, designating May as "Older Americans Month." I am proud to be the sponsor of this resolution. It provides an opportunity to recognize the experience of our senior Americans and honor their extraordinary contributions to the national good. The commemorative also allows us to reflect on both the unique role seniors play in our society and our obligation to ensure a decent life for all older Americans.

The elderly comprise over 12 percent of our population—and that percent is increasing rapidly. The results of their life-long work are felt in every State and community.

We can take great pride in the fact that so many of our older citizens live much more comfortable and secure lives than in the past. For example, the overall rates of poverty among the elderly have been reduced dramatically. As chairman of the Subcommittee on

Aging, however, I am especially mindful of the great numbers of older Americans who do not live comfortable, healthy and secure lives. Therefore, as legislators, we have a continuing duty to improve the well-being of those who remain at risk.

Mr. President, this is an appropriate moment to remind our colleagues about the Older Americans Act [OAA] which is pending reauthorization. The OAA was originally enacted in 1965 along with Medicare and Medicaid. In spite of the administration's rhetoric over the past few days, I believe we can proudly stand behind the products of the Great Society that have done so much to improve the destitute conditions that huge numbers of the elderly face each day.

For a little over \$1 billion, the OAA furnishes crucial services to a great number of older citizens. The best known program in the act has been the senior nutrition program, which now provides some 260 million meals a year to needy seniors. In addition to meals, the Act provides for: in-home care services for the frail elderly, transportation for essential services, employment for low-income seniors, legal assistance for Social Security and other common problems, and many other programs. These services help senior Americans to maintain their independence, their physical and emotional health and their rights.

Mr. President, the OAA, like most crucial social programs, must improve to reflect changing times, new knowledge, and new priorities. Despite our gains, the elderly still pay more out-of-pocket for health care costs than before Medicare. Elderly women over the age of 80 constitute the poorest segment of our society. Elderly minorities face extraordinary hardships. Much remains to be done. The demographics of aging America alone dictate changes in social programs.

It is essential that we complete action on the OAA promptly. This is going to be an exceptionally difficult year for human services and appropriations. If the OAA is not reauthorized soon, its many programs, such as home-delivered meals, may have a tough time maintaining current funding and will have virtually no chance for desperately needed funding increases.

The fiscal year 1992 agriculture appropriations include adequate funds to increase reimbursement for senior meals programs under the USDA commodities program. The current per meal rate has been at a fixed level since 1987. Both the Senate and House OAA amendments increase the authorization levels commensurate with the appropriated amount. Failure to reauthorize the OAA in the very near future also puts this much-needed increase at great risk. Nutrition programs report growing waiting lists across the coun-

try. Without this increase, the waiting lists will only grow.

Older Americans Month provides the occasion to celebrate the accomplishments of our grandparents and parents, as well as many of our friends and neighbors—and ourselves in many cases. And this resolution will be the basis for celebrations all over the country. Tribute will be made to those who have given so much.

Unfortunately, that tribute is incomplete until we do something concrete and important. Let us do that by enacting the OAA amendments. I urge my colleagues to use this opportunity to end the delay on the OAA. We owe that to our Nation's elderly. Let us use the occasion of Older Americans Month to get this job done.●

PAY EQUITY LEGISLATION SUPPORTED BY VOTERS

● Mr. CRANSTON. Mr. President, I rise today to share with you a recent study that found that 77 percent of voters—male, female, minorities, Republicans, and Democrats—support pay equity legislation that would require the same pay for men, women, and minorities who work in jobs demanding similar skills and responsibilities even if the jobs are different.

The poll found that 67 percent of American voters agree that women are paid less fairly than white males. A majority of the voters, 52 percent, believe that minorities are paid less fairly than white males. Overwhelmingly, voters attribute unfair compensation to discrimination. Seventy-seven percent of the voters polled favor legislation to eliminate this discrimination. Fifty-nine percent of voters believe that both men and women benefit as a result of pay equity because overall household incomes would increase.

This strong voter support for pay equity is attributable, in part, to the shaky economy and the realization that families are hurt when women and minorities are not paid fairly. Most voters recognize that many families need two paychecks to survive. When employers do not pay women a fair day's pay, the whole family suffers. There is also concern about the growing number of low-income households headed by women. If these women are not paid fairly, they will be forced to seek Government assistance which costs society more in taxes.

Over the years, studies have shown that jobs held predominately by women and minorities, when evaluated on the same basis as jobs held predominately by white males, are not compensated in the same manner. Indeed, the wage gap between men and women and minorities is startling. Women and minorities' wages are between three-quarter and one-half of the salaries of average white men. In 1990, white women earned only 69 cents, African-American

women earned only 62 cents, and Hispanic women earned only 54 cents for every dollar earned by white men.

Certainly, part of the wage gap is due to differences in education, experience or time in the work force. However, a large factor that cannot be explained by those factors can only be attributable to inequities in the wage setting system. Personnel systems and wage structures which retain historical and conventional biases and inconsistencies are part of the inequities that contribute to the wage gap.

American working men and minorities need pay equity legislation to eliminate these historical and conventional biases which contribute to the wage gap. Pay equity would require that factors including skill, effort, responsibility, working conditions, merit, and seniority should be the basis of compensation not gender, race, or ethnicity.

All but four States have already undertaken at least initial steps to address the pay equity problem. The California Legislature has passed a number of laws aimed at eliminating the wage inequities between male and female workers; and 24 cities, 13 counties and over 57 school districts have embarked on research, studies, or made adjustment to their wage structures to eliminate discrimination based on sex and/or race.

Earlier this year, I was joined by 17 colleagues in reintroducing legislation that would combat this problem. The Pay Equity Technical Assistance Act, S. 1856, would require the Secretary of Labor to develop a program for the dissemination of information on the steps which employers, in both the public and private sectors, can take to eliminate wage disparities which reflect the sex, race or national origin of employees. An identical bill was introduced in the House of Representatives by Representative MARY ROSE OAKAR, who has been a vigorous leader in the fight to achieve pay equity.

During this time of economic uncertainty, American voters are concerned about their ability to support themselves and their families. Many view inequities in the wage setting system as hurting all American families. American voters are looking to Congress to pass legislation to eliminate the wage gap between men and women and minorities as a way to help American families. The Pay Equity Technical Assistance Act is a modest but positive step in eliminating these discriminatory wage disparities.

I ask that a summary of the recently released survey on pay equity be printed in the RECORD.

The summary follows:

HIGHLIGHTS FROM THE NATIONAL COMMITTEE ON PAY EQUITY'S POLL ON VOTER ATTITUDES TOWARD PAY EQUITY

77 percent of all registered voters would support a pay equity law requiring the same

pay for men, women and minorities who work in jobs requiring similar skills and responsibilities;

67 percent believe women are paid less fairly than men;

52 percent believe blacks and Hispanics are paid less fairly than other people;

59 percent feel that men and women would benefit as a result of pay equity because overall household incomes would increase; and

Support for pay equity is broad across all demographic groups:

72 percent of Republican voters, 81 percent of Democratic voters, and 79 percent of Independent voters support pay equity;

85 percent of working women, 80 percent of homemakers; 81 percent of retired women, and 68 percent of men support pay equity;

86 percent of black voters, 78 percent of Hispanic voters, and 75 percent of white voters support pay equity; and

81 percent of voters with income between \$20,000-\$50,000, 77 percent of voters with income less than \$20,000, and 73 percent of voters with income above \$50,000 support pay equity.

A full 81 percent of respondents plan to vote in the November elections. The poll was conducted by the firm of Greenberg-Lake.

U.S. Census figures indicate that in 1990, white women earned only 69 cents for every dollar earned by white men. African American women earned only 62 cents, and Hispanic women earned only 54 cents. African-American and Hispanic men faced similar pay deficiencies, earning 73 cents and 66 cents respectively, for every dollar a white man earned.

TRIBUTE TO JOHN VINCENT, EAST PROVIDENCE, RI

● Mr. CHAFEE. Mr. President, I rise today to pay tribute to John Vincent, of East Providence, RI. On June 13, Mr. Vincent will be honored by his fellow members of the Veterans of Foreign Wars [VFW] Primmer-Cordeiro Post 5385 in East Providence.

John Vincent has a long and distinguished record of service to his State and county. During World War II, he served with the U.S. Army in Europe. In 1946, he became a charter member of the Primmer-Cordeiro Post, and has been extremely active in it ever since. Presently, he is the post's only active charter member.

John Vincent's special motivation and strength of character have elevated him to numerous leadership positions within the VFW, as well as other organizations. He is a past VFW Rhode Island State commander and a past grand commander of the Cooties, the VFW organization dedicated to hospital volunteer work. In addition, Mr. Vincent has held numerous other offices at the State and district levels and also with the Primmer-Cordeiro Post.

The VFW is an outstanding organization, made even more so by the fine work of individuals such as John Vincent. His dedication to service has en-

riched the lives of his fellow members and made his community, State, and Nation better places in which to live. I applaud the Primmer-Cordeiro Post for recognizing John Vincent's achievements, and I ask my colleagues in the Senate to join me in saluting John and his wife Veronica and extending to them our very best wishes for the future.●

TRIBUTE TO ELIZABETH ESTILL

● Mr. WIRTH. Mr. President, I would like to take a moment to welcome Ms. Elizabeth Estill as the next Regional Forester of the U.S. Forest Service's Rocky Mountain Region headquartered in Lakewood, CO. Ms. Estill takes this post in August, and she will oversee the management of 22 million acres of National Forest System lands in Colorado, Kansas, Nebraska, South Dakota, and Wyoming. Her selection to this position is a significant development as she is the first woman to hold such a distinguished post in the 87-year history of the U.S. Forest Service.

We are indeed fortunate to have her in our region. She has broad understanding and experience in ecology and in developing recreational programs. She holds degrees in ecology from the University of Tennessee and was a Loeb fellow in advanced environmental studies at Harvard. She has been with the Forest Service since 1988 and has worked on recreation and wilderness management issues. She comes here from her position as Associate Deputy Chief of the National Forest System.

These credentials make her ideally suited to her new position. We are entering a new era in forest management in this region that is marked by a shift away from extractive industries and toward greater recreational use and environmental preservation. Her qualifications are aptly suited to address the challenges which lie ahead for forests in this region and throughout the United States—challenges to help communities adjust to new demands and new missions, challenges to adjust forest policy to accommodate recreational demands, and challenges to promote more sustainable resource uses in our forests. She will bring new and exciting perspectives to these issues and will be a valued addition.

Ms. Estill takes over from Mr. Gary Cargill. Gary has been Regional Director for the last 6 years. He has had a distinguished career, both as Regional Director and in other duties with the Forest Service. Although Gary and I have disagreed from time to time on the management of Colorado's forests, he has always been fair and has always emphasized the interests of the forest. We wish Gary well in his future endeavors.

We all look forward to working with Ms. Estill. I hope that her selection to this important post will mark a new

era in Forest Service policy and will be the first in a long series of selecting more women to top administrative posts. I wish to offer my congratulations and welcome her to Colorado and the region.●

CONCERN ABOUT ROMANIAN ELECTIONS

● Mr. DECONCINI. Mr. President, on February 20, 1992, I made a statement regarding the Romanian local elections of February 9. I argued that those elections had been a positive step in Romania's journey toward democracy, and that they provided a solid base to build for the general elections slated for June or July of this year. I also expressed my firm belief that those general elections should be an important factor in considering restoration of most-favored-nation trade status to Romania. This is a timely matter, as the White House is expected to send the new bilateral trade agreement with Romania to the Congress sometime soon.

It was my hope that the Romanian authorities, together with other political forces in Romania, would demonstrate their commitment to reform by using the intervening months to strengthen the electoral process. I am therefore particularly concerned by certain aspects of the draft electoral law now in Parliament—aspects that represent, in my mind, a disappointing step backward.

One of the noteworthy elements of the February 9, 1992, elections was the participation of more than 7,000 domestic observers. These observers, who had been sponsored and trained by a variety of Romanian nongovernmental organizations, helped enhance voter understanding and confidence in the electoral process. Some of them had been involved in voter education program prior to election day, and in the city of Bucharest, they conducted a parallel vote count that proved remarkably accurate. Their reports also helped bolster the impressions of international observers—confirming the spirit of article 8 of the CSCE Copenhagen Document, which states “the presence of observers, both foreign and domestic, can enhance the electoral process for States in which elections are taking place.”

The draft election law originally submitted by the Romanian Government to Parliament did not allow for domestic observers in the upcoming elections. Last month, the Romanian Senate rejected an amendment that would have permitted their participation. On May 5, the Chamber of Deputies voted to adopt an amendment that would provide for domestic observers, but only with severe and limiting restrictions. According to information provided by the International Human Rights Law Group, the restrictions imposed by the amendment include:

Only one observer will be allowed per polling site, hampering the ability of observers to both monitor the polling site and communicate to the poll watching network;

Observers will be selected randomly, providing no assurance that the chosen observers will have the requisite training and experience;

Although accredited by the Central Election Commission, observers may be dismissed entirely at the discretion of local elections bureaus, on election day or before. Violations of accreditation guidelines will also be punishable by a criminal sentence of 1 to 7 years; and

Domestic organizations receiving funding from outside Romania will not be permitted to observe the elections.

The discrepancies between the Senate and Chamber versions of the electoral law will be resolved by a mediation commission with representatives from both Houses. Both versions continue to permit international observers without restriction.

Mr. President, the singling out of domestic observers for such restrictive treatment is disturbing. Why discourage Romanian citizens from participating fully and actively in the electoral process? The amendment raises unpleasant suspicions about the motives of our Romanian counterparts—many of whom, like any elected representative, face the possibility of being voted out of office when the elections finally occur.

A wide assortment of individuals and organizations, from the Romanian Minister of the Interior to Romanian human rights organizations to the international observer delegation jointly sponsored by the National Democratic Institute for International Affairs and the International Republican Institute, noted the positive role played by domestic observers in the February 1992 elections. Any effort to prohibit or hinder the domestic observers from playing that role once again can only be viewed as a worrisome step backward.

I would urge my Romanian colleagues to reconsider the import of their actions, and to understand the signal these restrictions transmit to the people of Romania and the international community at large. And I would urge my colleagues in the United States Congress to pay careful attention to the preparation and administration of the upcoming Romanian elections in Romania as the question of restoring most-favored-nation status to that country is raised. The presence of large numbers of unhampered domestic observers during the local elections lent a credibility to the results which the presence of foreign observers alone could not do.●

DR. LARRY A. JACKSON: MISSION ACCOMPLISHED AT LANDER COLLEGE

• Mr. HOLLINGS. Mr. President, for nearly two decades, Dr. Larry A. Jackson has devoted himself to rebuilding Lander College in Greenwood, SC, into a thriving and exciting liberal arts institution. It has been the challenge of a lifetime, and he has persisted, persevered, and finally prevailed.

Eighteen years ago, Dr. Jackson took over an ailing institution of dilapidated buildings and fewer than 900 students. Through his vision and energy, the student body has grown to nearly 2,700 students and the entire campus has been refurbished and expanded.

Dr. Jackson has overseen construction of a new library, classroom building, student center, cultural center, athletic complex, and dormitories. The faculty has grown from 40 to 135. And Lander's endowment has soared from \$250,000 to \$4 million. This revitalization has been so sweeping and remarkable that it is tempting to change the college's name from Lander to Lazarus.

The key to it all has been the leadership and dedication of Larry Jackson: a distinguished academic, a true gentleman, and a good friend. When I consider his tenure at Lander, I am reminded of Dwight Eisenhower's answer when a reporter asked him why he purchased and devoted himself to his farm in Gettysburg. Ike replied that it had always been his aspiration to take just one corner of God's Earth and return it better than when he found it. In that same spirit, 18 years ago Larry Jackson began the great task of rebuilding and rejuvenating Lander College. He has succeeded magnificently.

Mr. President, Dr. Jackson's work at Lander is largely completed. But there is no doubt in my mind that he will remain a leader in higher education for many years to come. I wish him and his wife Barbara the very best.●

SOVIET JEWRY

• Mr. CRAIG. Mr. President, in this time of improved East-West relations and rising hopes for greater freedom in the Soviet Union, there remains a group of people who are still being denied a basic human right: The freedom to emigrate. I am here today to share with my colleagues the case of Igor Gopp, a Soviet Jewish refusenik.

Mr. Gopp, A resident of St. Petersburg, has been trying to emigrate since 1990. He is a software engineer and, until 1988, worked at Leningrad Optico-Mechanical Amalgamation, which was attached to the Ministry of Defense industry. His work there was considered to be of a confidential nature, and his application for emigration has been refused a number of times on the grounds of state secrecy. While Mr. Gopp's application was refused, his family was permitted to leave. They will not agree

to leave until he is also allowed to emigrate.

Mr. President, it is outrageous that this man should continue to be denied the right to emigrate because of a job he held 4 years ago. Despite the many political changes in the Soviet Union, there is little change in the fate of the hundreds of known Jewish refusenik cases that remain—and there is little change in the fate of Mr. Gopp.

Mr. Gopp is currently very involved in the St. Petersburg Jewish refusenik organization. He is offering his talents as a software engineer to assist the organization in setting up programming to gather information and track refusenik cases. His dedication to helping others facing the same fate is commendable.

This Congress is currently considering legislation to provide substantial assistance to the Soviet Union. I have several concerns about this proposal, the most critical of which is the cost to the American taxpayer—but I am also concerned about providing this kind of aid to the newly independent states when restrictions on immigration are still occurring. A good-faith effort needs to be made by the new leadership in the former Soviet Republics.

I would like to take this moment to urge the Republic governments to demonstrate that glasnost is for everyone. If there is going to be real change in this quickly changing area of the world, then the rights of these refuseniks must be addressed.

It is my hope that, through the efforts of my colleagues and the congressional call to conscience, Mr. Gopp and the other Jewish refuseniks will be released before the end of the year.●

CONGRATULATING THE MYNDERSE ACADEMY VARSITY BOYS BASKETBALL TEAM

• Mr. D'AMATO. Mr. President, I rise today to congratulate the Mynderse Academy varsity boys basketball team and Coach Scott Smith on their outstanding season and overall team record. They have competed in and captured their league, section, State, and federation championship title, posting an undefeated record at 26-0. I ask my colleagues to pause in its deliberations to congratulate the Mynderse Academy varsity boys basketball team, its members, coach, and assistant coach on their outstanding season and overall team record.

It is common knowledge that excellence and success in competitive sports can only be achieved through practice, practice, practice, nurtured by dedicated coaching and strategic planning. This is the type of excellence exhibited by the Mynderse Academy varsity boys basketball team, who are the New York State Public High School Athletic Association Class C State Champions for 1992.

The athletic proclivity displayed by this team is due in great measure to the efforts of Coach Scott Smith, a skilled and inspirational tutor. He is responsible for guiding, molding, and inspiring the team members toward their ultimate goal of the 1992 title.

The Mynderse Academy varsity boys basketball team is one of only two teams in New York State to finish the season undefeated. The team's overall record of 26-0 has rendered them the New York State Federation Tournament Champions, the Section V Class CC Champions, and the Finger Lakes East Champions. These team players are second to none, as demonstrated by their brotherhood of athletic ability, good sportsmanship, honor, and scholarship. Athletically and academically, the team members have proven themselves to be an unbeatable combination of talents, reflecting favorably on their school.

Athletic competition enhances the moral and physical development of the young people of our Nation. Athletics prepares students for the future by instilling in them the value of teamwork, encouraging a standard of healthy living, imparting a desire for success, and developing a sense of fair play and competition. I am proud to represent such a fine group of athletes, who have had the most successful season imaginable. Congratulations to the Mynderse Academy varsity boys basketball team. I wish you many more successes.●

JAMES T. MCCAIN: HONORING AN ELDER STATESMAN

• Mr. HOLLINGS. Mr. President, later this month, James T. McCain will be honored as the 1992 Outstanding Older South Carolinian of the Year. The immediate reason for this award is Mr. McCain's continuing, vigorous work on behalf of his community of Sumter, SC. But, in truth, the broader purpose of this award is to honor a man whose life and career have contributed so much to building the modern South Carolina that we take so much pride in today.

In one respect, Mr. McCain contributed to his community the traditional way, by serving as a teacher, high school principal, college professor, and dean, and by devoting countless hours to local church and service organizations. But, in the eyes of historians, perhaps more significant is his courageous role in the civil rights movement, both in South Carolina and nationally.

Mr. McCain founded the Sumter branch of the NAACP, and because of his civil rights activism, was barred from teaching in 1955. He helped lead the sit-ins and freedom rides of the 1960's, and was looked up to by idealistic young civil rights volunteers, both black and white. Dating back to the 1940's, he was instrumental in filing

and winning landmark lawsuits to equalize teacher salaries among blacks and whites, and to open up the South Carolina primary election system to black voters. Through it all, Mr. McCain's trademarks were quiet leadership, eloquent persuasion, and a compelling sense of dignity.

Mr. President, James McCain is a proud son of South Carolina, a man who has contributed mightily to our State's progress across five decades. He has my utmost respect, as well as my deep appreciation.●

RECOGNITION OF A LIFETIME OF ACHIEVEMENT BY THEODORE RASBERRY

● Mr. RIEGLE. Mr. President, I rise today to pay tribute to one of Grand Rapids' most outstanding citizens, Mr. Theodore Rasberry, who is being honored on May 22.

The second of six children born to Randeale and Gertrude Rasberry in West Point, MS, Ted moved to Grand Rapids in the early 1940's. This move would benefit the untold thousands of people he would influence in his various athletic, civic, and professional activities.

Ted Rasberry is the city's consummate sportsman. For more than 50 years, he has been involved in area baseball as a player, coach, scout, and owner. He owned the Grand Rapids Black Sox and in 1955 purchased the rights to the Kansas City Monarchs of the Negro Baseball League. In addition to those two organizations, Rasberry's Negro American League Detroit Stars, based in Grand Rapids, sent many team members on to major league baseball franchises. Ted Rasberry also formed the Harlem Satellites basketball team in 1958, providing opportunities for area fans to enjoy and local players to be part of this international competition.

Fortunately for Grand Rapids, Ted Rasberry's efforts went far beyond athletics. He was a founding member of the Goodwill Club, one of the first black political action committees in Grand Rapids. He also served as New Hope Baptist Church Sunday school superintendent under the late Rev. John V. Williams, and his visionary spirit helped organized and lead the successful growth, achievement and progress program.

Reflecting his love of children, Ted Rasberry started GAP's Little League Baseball while serving as director of the Sheldon Complex. He shared his love for the game and knowledge of baseball with hundreds of area children.

Ted Rasberry holds active memberships today at New Hope Missionary Baptist Church, the Grand Rapids Branch of the National Association for the Advancement of Colored People, Masons Lodge No. 1323, Victory Lodge No. 1029 of the IBPOE of the World,

Madison Square Business Association, Madison Square Co-Op, and the Coalition for Representative Government. He has received numerous awards, including commendations from the NAACP and the Grand Rapids Community College Giants Committee.

I am pleased to join Mr. Rasberry's many friends and admirers in commending him for his many contributions to the people of Michigan and I wish him well.●

NATIONAL SMALL BUSINESS WEEK

● Mr. KASTEN. Mr. President, I rise today to proudly announce that this week, May 11-15, is National Small Business Week, 1992. Small businesses are an essential component of our Nation's economic growth and prosperity. It is only fitting that we acknowledge the small business community for their invaluable contributions.

As ranking Republican on the Small Business Committee, I am particularly honored to participate in this week's activities. The efforts made by the small business entrepreneurs from the State of Wisconsin, along with small businesses across the Nation are truly commendable.

With small businesses creating over 80 percent of the jobs in Wisconsin and accounting for two out of every three jobs in the United States, it is clear that we need to continue supporting pro-growth policies that strengthen the backbone of our Nation's economy. I am sure my colleagues will agree, and join me in praising their achievements.●

TWENTY-FIFTH ANNIVERSARY OF THE POLISH LEGION OF AMERICAN VETERANS: POST 169

● Mr. RIEGLE. Mr. President, I rise to salute the members of the Polish Legion of American Veterans, Post 169, on the occasion of their 25th anniversary. Founded on May 25, 1965, the post was later named in honor of Pfc. James W. Pawlak, who, on December 28, 1966, became the first Polish-American of northeast Detroit to give his life in the Vietnam war. Within 10 years this organization grew to more than 300 members and quickly became involved in charitable community activities. Today this group, which represents many of the more than 1,500,000 patriotic Polish Americans who have served in the Armed Forces since World War II, continues the spirit of dedication that its founding members embodied.

Located in the Metropolitan Detroit area, and operating from the Polish Century Club in Detroit, Post 169 has participated in the traditional veterans parades, memorial services, and social events which emphasize camaraderie as well as an understanding of the values of American independence. In addition, annual pilgrimages are made to veter-

ans hospitals, where participants bring gifts, music, and understanding to convalescing men and women. The generous wives of the veterans of Post 169 have also donated their time to making lap-ropes, comfort pillows, and blankets for long-term patients. Moreover, hundreds of thousands of dollars have been collected on behalf of Post 169 to fund various humanitarian projects for the patients in these facilities.

The remarkable contributions of this patriotic organization are also highlighted by the dedication of its individual members. Matt Urban, a most decorated soldier and Mr. Stanley Dominick, the organizational treasurer since its inception, are just two illustrations of the upstanding citizens who are part of this organization. Names like Osowski, Kania, Czeski, Bykowski, Wietchy, Szymanski, Skorka, and Koltowicz represent only a handful of individuals who provide important leadership both within Post 169 and in the community.

As we celebrate the military service and ethnic heritage of the Polish veterans of Michigan, we salute them, and know that the members of the Pfc. James W. Pawlak Polish Legion of American Veterans Post 169 will continue this tradition of dedication and contribution for the next 25 years and beyond.●

THE FAIR TRADE ASSURANCES ACT OF 1992

● Mr. RIEGLE. Mr. President. On May 7, I introduced the Fair Trade Assurances Act of 1992. This legislation, which compliments S. 2145, the Trade Enhancement Act of 1992 and H.R. 5100, the Trade Expansion Act of 1992, will move us toward passage of a trade bill that is essential to the strength of and export opportunities for many U.S. industries.

With the proper tools and congressional direction on U.S. trade policy, the administration will be compelled to be more aggressive in opening foreign markets and promoting compliance with U.S. trade laws. Mr. President, I ask that the full text of S. 2685 be included in the RECORD at the end of my remarks.

The text of S. 2145 follows:

S. 2685

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 "Fair Trade Assurances Act of 1992".

TITLE I—RESPONSE TO PRIORITY FOREIGN PRACTICES THAT ADVERSELY AFFECT UNITED STATES SECTORAL COMPETITIVENESS

SEC. 101. REFERENCE.

Whenever in this title an amendment is expressed in terms of an amendment to a section, subsection, or other provision, the reference shall be considered to be made to a

section, subsection, or other provision of the Trade Act of 1974.

SEC. 102. SPECIFICATION OF SECTORAL PRIORITY PRACTICES.

Section 181(a) (19 U.S.C. 2241) is amended—

(1) by striking out "and" at the end of paragraph (1)(B);

(2) by striking out the period at the end of paragraph (1)(C) and inserting ";;"; and

(3) by inserting after paragraph (1)(C) the following:

"(D) identify, if for such calendar year the United States merchandise trade balance (excluding crude petroleum imports) was in deficit, each foreign country that—

"(i) accounted for not less than 15 percent of such deficit, and

"(ii) had a global current account surplus for such year in an amount not less than such deficit; and

"(E) specify each act, policy, or practice identified under subparagraph (A) that was implemented by a foreign country identified under subparagraph (D) with respect to any goods sector or service sector that accounted for not less than 10 percent of the merchandise trade and current account deficit between the United States and such foreign country during such calendar year."

(4) by striking out "paragraph (1)," in paragraph (2) and inserting "paragraph (1) (A), (B), or (C)."; and

(5) by striking out "analysis and estimate" in paragraph (3) and inserting "analyses, estimates, identifications, and specifications".

SEC. 103. PERMANENT STATUS OF "SUPER 301" PROGRAM; APPLICATION OF PROGRAM TO SECTORAL PRIORITY PRACTICES.

Section 310(a) (19 U.S.C. 2420(a)) is amended—

(1) by striking out "calendar year 1989, and also the date in calendar year 1990," in paragraph (1) and inserting "any calendar year";

(2) by amending subparagraphs (A) and (B) of paragraph (1) to read as follows:

"(A) priority practices;

"(B) priority foreign countries;"; and

(3) by amending paragraphs (2) and (3) to read as follows:

"(2)(A) For purposes of this section, the term 'priority foreign country' means—

"(i) any foreign country identified under section 181(a)(1)(D); and

"(ii) any other foreign country that, on the basis of the report required under section 181, satisfies the criteria in subparagraph (B).

"(B) In identifying priority foreign countries under subparagraph (A)(ii), the Trade Representative shall take into account—

"(i) the number and pervasiveness of the acts, policies, and practices described in section 181(a)(1)(A), and

"(ii) the level of United States exports of goods and services that would be reasonably expected from full implementation of existing trade agreements to which that foreign country is a party, based on the international competitive position and export potential of such products and services.

"(3)(A) For purposes of this section, the term 'priority practices' means—

"(i) acts, policies, and practices specified under section 181(a)(1)(E); and

"(ii) other major barriers and trade distorting practices, the elimination of which are likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent.

"(B) In identifying priority practices under subparagraph (A)(ii) the Trade Representative shall take into account—

"(i) the international competitive position and export potential of United States products and services;

"(ii) circumstances in which the sale of a small quantity of a product or service may be more significant than its value, and

"(iii) the measurable medium-term and long-term implications of government procurement commitments to United States exporters."

SEC. 104. MANDATORY ACTION TO OBTAIN THE ELIMINATION OF SECTORAL PRIORITY PRACTICES.

Section 301(a) (19 U.S.C. 2411(a)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively;

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following new paragraph:

"(1)(A) If the United States Trade Representative determines under section 304(a)(1) that a foreign practice identified under section 181(a)(1)(E)—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under any trade agreement; or

"(ii) is unjustifiable and burdens or restricts United States commerce;

the response of the United States to that practice shall be undertaken in accordance with subparagraph (B).

"(B) If the Trade Representative makes a determination referred to in subparagraph (A), the President, within 30 days after the date of the determination—

"(i) shall direct the Trade Representative to implement the action recommended by the Trade Representative under section 304(a)(1)(B) to obtain the elimination of the foreign practice; or

"(ii) shall, if the President considers that there is an alternative (hereinafter referred to as the 'alternative plan') for obtaining the elimination of such practice and that the alternative plan is preferable to the action recommended by the Trade Representative, transmit to the Congress a document that meets the requirements in subparagraph (D).

"(C) To the extent feasible, an alternative plan submitted under subparagraph (B)(ii) should provide, in the case of unsatisfactory progress by the priority foreign country in eliminating the priority practice, for the implementation, for such time as may be appropriate, by the President of a restriction, limitation, or other action that is reciprocal in scope and effect to such priority practice.

"(D) A document referred to in subparagraph (B)(ii) shall—

"(i) describe the action recommended by the Trade Representative under section 304(a)(1)(B) to eliminate the foreign practice;

"(ii) describe the alternative plan in detail, including—

"(I) any reciprocal limitation, restriction, or action of the kind referred to in subparagraph (C) provided for under the plan; and

"(II) the period of time that will be required to implement fully the plan and the specific interim results that should be achieved under the plan from time-to-time during that period;

"(iii) cite the legal authorities for taking the measures contemplated by the alternative plan;

"(iv) contain, if the President considers that statutory authority is necessary for the implementation of any part of the alternative plan (including the implementation of any reciprocal limitation, restriction, or action described under clause (ii)), appropriate suggested legislative proposals; and

"(v) state the reasons why the alternative plan is preferable to the taking of the action recommended by the Trade Representative.

"(E) If the President transmits an alternative plan to the Congress under subparagraph (B) and a joint resolution described in section 152(a)(1)(C) is not enacted within the 60-day period beginning on the date on which the alternative plan was transmitted, the alternative plan shall take effect and the President shall commence implementation of the plan.

"(F) If the President transmits an alternative plan to Congress under subparagraph (B) and a joint resolution described in section 152(a)(1)(C) is enacted within the 60-day period beginning on the date on which the alternative plan was transmitted, the alternative plan shall not take effect and the President shall direct the Trade Representative to implement the action recommended by the Trade Representative under section 304(a)(1)(B) to obtain the elimination of the priority foreign practice."; and

(3) by striking out "foreign country—" in subparagraph (B) of paragraph (2) (as redesignated by paragraph (1)) and inserting "foreign country (other than a priority foreign practice identified under section 181(a)(1)(E))—".

SEC. 105. INITIATION OF INVESTIGATIONS UPON RESOLUTION OF CONGRESSIONAL COMMITTEES.

Section 302(b) is amended by inserting after paragraph (2) the following new paragraph:

"(3) Upon the adoption by either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate of a resolution that—

"(A) describes an act, policy, or practice of the foreign country; and

"(B) states that it is the opinion of the Committee that such act, policy, or practice is an act, policy, or practice that is described in section 301(a)(1)(A) or (2)(B);

the Trade Representative shall initiate an investigation under this chapter to determine whether the matter is actionable under section 301."

SEC. 106. CONFORMING AMENDMENTS.

(a) Section 301 (as amended by section 104) is further amended—

(1) by striking out that part of subsection (a)(3) (as redesignated by section 104) that precedes subparagraph (A) and inserting "The President is not required to take action under paragraph (1)(B) (i) or (ii) and the Trade Representative is not required to take action under paragraph (2) in any case in which—";

(2) by striking out "paragraph (1)" in subsection (a)(4) (as redesignated by section 104(1)) and inserting "paragraph (1)(B)(i) or (F) or paragraph (2)"; and

(3) by striking out "subsection (a) or (b)" each place it appears in paragraphs (1), (2)(A), (3), and (5) of subsection (c) and inserting "subsection (a)(1)(B)(i) or (F) or (2) or subsection (b)".

(b) Section 304(a)(1) (19 U.S.C. 2414(a)(1)) is amended—

(1) by striking out "(a)(1)(B) or" in subparagraph (A)(ii) and inserting "(a) (1)(A) or (2)(B) or subsection"; and

(2) by striking out subparagraph (B) and inserting the following:

"(B) If the determination under subparagraph (A) is affirmative with respect to a practice described in section 301(a)(1)(A), determine, and submit to the President, a recommendation for action by the Trade Representative under section 301(c) to obtain the elimination of such practice; or

"(C) if the determination under subparagraph (A) (other than with respect to an action described in section 301(a)(1)(A)) is affirmative, determine what action, if any, the Trade Representative should take under subsection (a)(2) or (b) of section 301."

(c) Section 305 (19 U.S.C. 2414) is amended—

(1) by amending paragraph (1) of subsection (a) to read as follows:

"(1) Except as provided in paragraph (2), the Trade Representative shall—

"(A) implement the action directed by the President under subparagraph (B)(i) or (F) of section 301(a)(1) by no later than the date that is 30 days after the date such direction is received; and

"(B) implement the action the Trade Representative determines under section 304(a)(1)(C) to take under section 301, subject to the specific direction, if any, of the President regarding any such action, by no later than the date which is 30 days after the date on which such determination is made."

(2) by striking out "section 301" in subsection (a)(2)(A) and inserting "subsection (a)(1) (B) or (F) or (2) or subsection (b) of section 301";

(3) by inserting "or (3)" after "302(b)(1)" in subsection (a)(2)(A)(i)(II); and

(4) by striking out "section 301" in subsection (b)(1) and inserting "section 301(b)";

(d) Section 306(a) (19 U.S.C. 2416(a)) is amended—

(1) by striking out "section 301(a)(2)(B)" and inserting "section 301(a)(3)(B)"; and

(2) by striking out "subsection (a)(1)(B)" and inserting "subsection (a) (1)(A) or (2)(B)";

(e) Section 307(a)(1)(A) (19 U.S.C. 2417(a)(1)(A)) is amended by striking out "301(a)(2)" and inserting "301(a)(3)";

(f) Section 152(a)(1) (19 U.S.C. 2192(a)(1)) is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting "; and"; and

(3) by inserting after subparagraph (B) the following:

"(C) a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the Congress does not approve the alternative plan transmitted under section 301(a)(1)(B)(ii) of the Trade Act of 1974 to the Congress on . . . the blank space being filled with the appropriate date.'"

(g) Section 154 is amended—

(1) by inserting "301(a)(1)(B)(ii)," after "203(b)," in subsection (a); and

(2) by inserting ", and for purposes of section 301(a)(1) (E) and (F), the 60-day period referred to in such section," after "such sections" in subsection (b).

TITLE II—TRADE AGREEMENTS COMPLIANCE

SEC. 201. REQUESTS FOR REVIEW OF FOREIGN COMPLIANCE.

Chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq.) is amended by inserting after section 306 the following new section:

"SEC. 306A. REQUESTS FOR REVIEW OF FOREIGN COMPLIANCE.

"(a) DEFINITIONS.—For purposes of this section—

"(1) The term 'interested person' means any person that has a significant economic interest that is being, or has been, adversely affected by the failure of a foreign country to comply materially with the terms of a trade agreement.

"(2) The term 'trade agreement' means any bilateral trade agreement to which the United States is a party; except—

"(A) the United States-Canada Free-Trade Agreement entered into on January 2, 1988, and

"(B) the Agreement on the Establishment of a Free Trade Area between the Government of the United States of America and the Government of Israel entered into on April 22, 1985.

"(b) REQUEST FOR REVIEW.—

"(1) An interested person may request the Trade Representative to undertake a review under this section to determine whether a foreign country is in material compliance with the terms of a trade agreement.

"(2) A request for the review of a trade agreement under this section may be made only during—

"(A) the 30-day period beginning on each anniversary of the effective date of the trade agreement; and

"(B) the 30-day period ending on the 90th day before the termination date of the trade agreement, if the first day of such 30-day period occurs not less than 180 days after the last occurring 30-day period referred to in subparagraph (A).

"(3) The Trade Representative shall commence a review under this section if the request—

"(A) is in writing;

"(B) includes information reasonably available to the petitioner regarding the failure of the foreign country to comply with the trade agreement;

"(C) identifies the economic interest of the petitioner that is being adversely affected by the failure referred to in subparagraph (B); and

"(D) describes the extent of the adverse effect.

"(4) If 2 or more requests are filed during any period described in paragraph (2) regarding the same trade agreement, all of such requests shall be joined in a single review of the trade agreement.

"(c) REVIEW.—

"(1) If 1 or more requests regarding any trade agreement are received during any period described in subsection (b)(2), then within 90 days after the last day of such period the Trade Representative shall determine whether the foreign country is in material compliance with the terms of the trade agreement.

"(2) In making a determination under paragraph (1), the Trade Representative shall take into account—

"(A) the extent to which the foreign country has adhered to the commitments it made to the United States;

"(B) the extent to which that degree of adherence has achieved the objectives of the agreement; and

"(C) any act, policy, or practice of the foreign country, or other relevant factor, that may have contributed directly or indirectly to material noncompliance with the terms of the agreement.

The acts, policies, or practices referred to in subparagraph (C) may include structural policies, tariff or nontariff barriers, or other actions which affect compliance with the terms of the agreement.

"(3) In conducting any review under paragraph (1), the Trade Representative may, if the Trade Representative considers such action necessary or appropriate—

"(A) consult with the Secretary of Commerce and the Secretary of Agriculture;

"(B) seek the advice of the United States International Trade Commission; and

"(C) provide opportunity for the presentation of views by the public.

"(d) ACTION AFTER AFFIRMATIVE DETERMINATION.—

"(1) If, on the basis of the review carried out under subsection (c), the Trade Representative determines that a foreign country is not in material compliance with the terms of a trade agreement, the Trade Representative shall determine what action to take under section 301(a).

"(2) For purposes of section 301, any determination made under subsection (c) shall be treated as a determination made under section 304.

"(3) In determining what action to take under section 301(a), the Trade Representative shall seek to minimize the adverse impact on existing business relations or economic interests of United States persons, including products for which a significant volume of trade does not currently exist.

"(e) INTERNATIONAL OBLIGATIONS.—Nothing in this section may be construed as requiring actions that are inconsistent with the international obligations of the United States, including the General Agreement on Tariffs and Trade."

SEC. 202. CONFORMING AMENDMENTS.

(a) CONGRESSIONAL NOTIFICATION.—Section 309(3)(A) of the Trade Act of 1974 (19 U.S.C. 2419(3)(A)) is amended by striking out "section 302," and inserting "sections 302 and 306A(c)";

(b) TABLE OF CONTENTS.—The table of contents of the Trade Act of 1974 relating to chapter 1 of title III is amended by inserting after the item relating to section 306 the following:

"Sec. 306A. Requests for review of foreign compliance."

TITLE III—NEGOTIATIONS AND OTHER ACTIONS

SEC. 301. NEGOTIATIONS OF AGREEMENTS PROVIDING FOR MUTUALLY ADVANTAGEOUS INTERNATIONAL TRADE IN MOTOR VEHICLE PARTS AND MOTOR VEHICLES.

(a) BILATERAL NEGOTIATIONS WITH JAPAN.—Not later than 45 days after the date of the enactment of this Act, the Trade Representative shall enter into negotiations with the Government of Japan for the purpose of entering into a bilateral agreement that facilitates—

(1) a phased-in increase in the utilization by motor vehicle manufacturers that are transplanted vehicle manufacturers of motor vehicle parts produced by domestic parts manufacturers so that such parts constitute 60 percent or more of the total value of all motor vehicle parts used in the production in the United States of motor vehicles by each transplanted vehicle manufacturer; and

(2) the elimination of those aspects of the Japanese automotive distribution system that impedes the access of motor vehicles and motor vehicle parts made by domestic manufacturers to the Japanese market.

(b) MULTILATERAL NEGOTIATIONS.—Not later than 180 days after the date of the enactment of this Act, the Trade Representative shall enter into negotiations with representatives of the European Community, the Government of Japan, and the governments of other major motor vehicle producing countries for the purpose of entering into a multilateral agreement that equalizes world-wide market access and rationalizes world-wide production of motor vehicles and motor vehicle parts.

SEC. 302. ACTIONS UNDER UNITED STATES TRADE REMEDY LAWS WITH RESPECT TO CERTAIN UNFAIR ACTS, POLICIES, AND PRACTICES.

(a) "301" ACTION WITH RESPECT TO BARRIERS TO THE MARKET ACCESS OF UNITED STATES-PRODUCED MOTOR VEHICLES AND MOTOR VEHICLE PARTS.—

(1) **IN GENERAL.**—On the 45th day after the date of the enactment of this Act, all acts, practices, and policies of Japan that affect the access to the Japanese market of motor vehicles and motor vehicle parts produced by domestic manufacturers (including, but not limited to, the acts, policies, and practices utilized in the Japanese automotive distribution system and the relationships commonly known as "Keiretsu") shall, for purposes of title III of the Trade Act of 1974, be considered as being acts, practices, and policies of a foreign country that are unjustifiable and burden or restrict United States commerce. The Trade Representative shall immediately proceed to determine, in accordance with section 304(a)(1) of such Act, what action to take under section 301(a) of such Act to obtain the elimination of such acts, practices, and policies.

(2) **ADDITIONAL RESPONSE AUTHORITY.**—The scope of authority for action that may be taken under section 301(a) of the Trade Act of 1974 with respect to any act, policy, or practice referred to in paragraph (1) includes an increase in the percentage set forth in section 305(2)(C)(ii) for the purpose of the qualification of Japanese sources as domestic vehicle manufacturers.

(3) **NEGOTIATION AGENDA.**—If the Trade Representative decides to take action referred to in section 301(c)(1)(C) of the Trade Act of 1974 with respect to an act, practice, or policy referred to in paragraph (1), the agenda for negotiations shall include, but is not limited to—

(A) guarantees for sales in the Japanese market of motor vehicle and motor vehicle parts produced by domestic manufacturers in an aggregate amount equal to the percentage of such market that would be held by motor vehicles and motor vehicle parts produced by such manufacturers in the absence of unfair Japanese acts, practices, and policies;

(B) the elimination or modification of those aspects of the Japanese automotive distribution system and Keiretsu relationships that act as barriers to the access to the Japanese market of motor vehicles and motor vehicle parts produced by domestic manufacturers; and

(C) the establishment of procedures for the exchange of information between the appropriate agencies of the United States and Japanese governments that will permit the accurate assessment of the bilateral trade in motor vehicles and motor vehicle parts, particularly with respect to the extent of the purchase of motor vehicles and motor vehicle parts produced by domestic manufacturers for use by Japanese sources in the Japanese market.

(4) **ADDITIONAL ESTIMATES AND CONSEQUENTIAL EFFECT.**—The Trade Representative shall promptly estimate, on the basis of the best information available—

(A) the percentage share of the Japanese market for motor vehicles and motor vehicle parts that is currently accounted for by motor vehicles and motor vehicle parts produced by domestic manufacturers;

(B) the percentage share of the Japanese market for motor vehicles and motor vehicle parts which would be accounted for by motor vehicles and motor vehicle parts but for acts, practices, or policies of the kind referred to in subsection (a); and

(C) the dollar value of the difference between the percentage shares estimated under subparagraphs (A) and (B).

If the negotiations referred to in paragraph (3) are unsuccessful, any action subsequently taken under section 301 of the Trade Act of 1974 in response to the Japanese acts, prac-

tices, or policies involved shall be substantially equivalent in effect to the dollar value estimated under subparagraph (C).

(5) **DEFINITION OF JAPANESE MARKET.**—For purposes of this subsection, the term "Japanese market" means the market for motor vehicles or motor vehicle parts (whether for original equipment or aftermarket purposes) to be used in the production or repair of motor vehicles manufactured by Japanese sources, whether in Japan or in the United States.

(b) **ANTIDUMPING INVESTIGATION REGARDING JAPANESE MOTOR VEHICLES AND MOTOR VEHICLE PARTS.**—The Secretary shall commence an investigation under section 732(a) of the Tariff Act of 1930 to determine whether imports of motor vehicles and motor vehicle parts that are products of Japan into the United States, or sales (or the likelihood of sales) of such motor vehicles and parts for importation into the United States, constitute the elements for the imposition of antidumping duties under section 731 of such Act.

SEC. 303. STUDY REGARDING APPLICATION OF INTERNAL REVENUE LAWS.

Notwithstanding any other provision of law, the Secretary of the Treasury shall submit a report to the Congress by January 1, 1994, regarding the extent to which—

(1) "Keiretsu" operations within the United States by related sources are in compliance with the internal revenue laws, particularly those relating to transfer pricing; and

(2) the Internal Revenue Service is auditing such operations.

SEC. 304. DEFINITIONS.

For purposes of this title:

(1) **MOTOR VEHICLES AND MOTOR VEHICLE PARTS.**—

(A) The term "motor vehicle" means any article of a kind described in heading 8703 or 8704 of the Harmonized Tariff Schedule of the United States.

(B) The term "motor vehicle parts" means articles of a kind described in the following provisions of the Harmonized Tariff Schedule of the United States if suitable for use in the manufacture or repair of motor vehicles:

(i) Subheadings 8407.31.00 through 8407.34.20 (relating to spark-ignition reciprocating or rotary internal combustion piston engines).

(ii) Subheading 8408.20 (relating to the compression-ignition internal combustion engines).

(iii) Subheading 8409 (relating to parts suitable for use solely or principally with engines described in subparagraphs (A) and (B)).

(iv) Subheading 8483 (relating to transmission shafts and related parts).

(v) Subheadings 8706.00.10 and 8706.00.15 (relating to chassis fitted with engines).

(vi) Heading 8707 (relating to motor vehicle bodies).

(vii) Heading 8708 (relating to bumpers, brakes and servo brakes, gear boxes, drive axles, non-driving axles, road wheels, suspension shock absorbers, radiators, mufflers and exhaust pipes, clutches, steering wheels, steering columns, steering boxes, and other parts and accessories of motor vehicles).

The Secretary shall by regulation include as motor vehicle parts such other articles (described by classification under such Harmonized Tariff Schedule) that the Secretary considers appropriate for the purposes of this title.

(C)(i) The term "foreign motor vehicle" means—

(I) a motor vehicle that is a product of Japan; and

(II) a motor vehicle treated as a product of Japan under clause (ii).

(ii) The Secretary of the Treasury shall also treat as motor vehicles that are products of Japan those motor vehicles manufactured in a foreign country (other than Japan or Canada) with respect to which the Secretary finds that—

(I) the vehicles were manufactured in such foreign country by a related source, and

(II) motor vehicle parts that were produced by, or purchased or otherwise obtained (directly or indirectly) from, related sources constitute 50 percent or more of the export value of the vehicles.

(D) The term "United States motor vehicle" means a motor vehicle that is produced by a domestic vehicle manufacturer.

(2) **VEHICLE AND PARTS MANUFACTURERS.**—

(A) **DOMESTIC MANUFACTURER.**—The term "domestic manufacturer" means a domestic parts manufacturer or a domestic vehicle manufacturer.

(B) **DOMESTIC PARTS MANUFACTURER.**—The term "domestic parts manufacturer" means a manufacturer of motor vehicle parts that—

(i) has one or more motor vehicle parts manufacturing facilities located within the United States; and

(ii) either—

(I) is not a related source,

(II) is not affiliated with a related source,

or

(III) is affiliated with a related source, but with respect to its production of motor vehicle parts in the facilities referred to in clause (i) during the most recent full calendar year, utilized materials and components produced by, or purchased or otherwise obtained (directly or indirectly) from, related sources to an extent not exceeding 25 percent of the total value of such production.

(C) **DOMESTIC VEHICLE MANUFACTURER.**—The term "domestic vehicle manufacturer" means a manufacturer (whether or not a related source) of motor vehicles that—

(i) has one or more motor vehicle manufacturing facilities located within the United States that produce motor vehicles for interstate sale or export, or both, and

(ii) with respect to its production of motor vehicles in the facilities referred to in clause (i) during the calendar year immediately preceding the current calendar year, utilized motor vehicle parts produced by domestic parts manufacturers that constituted 60 percent or more of the total value of all motor vehicle parts used in such production.

(D) **TRANSPLANTED VEHICLE MANUFACTURER.**—The term "transplanted vehicle manufacturer" means a manufacturer of motor vehicles that is a related source and—

(i) has one or more motor vehicle manufacturing facilities located within the United States that produce motor vehicles for interstate sale or export, or both; and

(ii) with respect to its production of motor vehicles in the facilities referred to in clause (i) during the calendar year immediately preceding the current calendar year, either—

(I) did not utilize motor vehicle parts produced by domestic parts manufacturers; or

(II) utilized motor vehicle parts produced by domestic parts manufacturers that constituted less than 60 percent of the value of all motor vehicle parts used in such production.

(E) **TREATMENT OF CANADIAN MOTOR VEHICLES AND MOTOR VEHICLE PARTS.**—The Secretary may, in applying clause (ii) of subparagraphs (C) and (D), treat motor vehicle parts that are articles of Canadian origin under the United States-Canada Free-Trade Agreement and are used in the motor vehicle production referred to in clause (ii) of subparagraphs (C) and (D) as being motor vehi-

cle parts produced by domestic parts manufacturers, if such treatment is consistent with the purposes of this title.

(3) RELATED SOURCES, OWNERSHIP, AND AFFILIATION.—

(A) RELATED SOURCE.—The term "related source" means—

(i) a natural person who is a citizen of Japan; and

(ii) a corporation or other legal entity, wherever located, if owned or controlled by—

(I) natural persons who are citizens of Japan, or

(II) another corporation or other legal entity that is owned or controlled by natural persons who are citizens of Japan.

(B) OWN OR CONTROL.—For purposes of this section, the term "own or control" means—

(i) in the case of a corporation, the holding of at least 50 percent (by vote or value) of the capital structure of the corporation; and

(ii) in the case of any other kind of legal entity, the holding of interests representing at least 50 percent of the capital structure of the entity.

(C) AFFILIATED.—For purposes of this section, a domestic parts manufacturer shall be considered to be affiliated with a related source if—

(i) in the case of a domestic parts manufacturer that is a corporation, a related source holds at least 2.5 percent but less than 50 percent (by vote or value) of the capital structure of the corporation; and

(ii) in the case of a domestic parts manufacturer that is any other kind of legal entity, a related source holds interests representing at least 2.5 percent, but less than 50 percent, of the capital structure of the entity.

(4) ENTERED.—The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(5) SECRETARY.—The term "Secretary" means the Secretary of Commerce.

(6) TRADE REPRESENTATIVE.—The term "Trade Representative" means the United States Trade Representative.

(7) VALUE.—The term "value" when applied to—

(A) materials and components used in production of motor vehicle parts; or

(B) motor vehicle parts used in the production of motor vehicles;

refers to the cost of such materials, components, or parts to the manufacturer of such parts or vehicles as determined for purposes of applying the Federal income tax laws (including, in the case of purchases of materials, components, and parts involving related sources, entities owned or controlled by related sources, or entities affiliated with related sources, determinations based on the application of the transfer price rules).

TITLE IV—MISCELLANEOUS

SEC. 401. TARIFF CLASSIFICATION OF LIGHT TRUCKS.

(a) IN GENERAL.—The Additional United States Notes to chapter 87 of the Harmonized Tariff Schedule of the United States is amended by redesignating note 2 as note 3 and by inserting after note 1 the following new note:

"2. Any passenger van, multipurpose van, sport utility vehicle, and other Jeep-type vehicle with a G.V.W. not exceeding 5 metric tons and a basic vehicle frontal area of 4.1805 square meters or less which is—

"(a) designed primarily for purposes of transportation of property or is a derivation of such a vehicle;

"(b) equipped with special features enabling off-street or off-highway operations and uses; or

"(c) suitable for cargo-carrying purposes or other nonpassenger-carrying purposes through the removal of seats by means installed for that purpose by the manufacturer of the vehicle or with simple tools, such as screwdrivers or wrenches, so as to create a flat, floor level surface extending from the forwardmost point of installation of such seats to the rear of the vehicle's interior, shall be classified in heading 8704."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to merchandise entered, or withdrawn from warehouse for consumption, after the 15th day after the date of the enactment of this Act.

SEC. 402. AUTHORIZATIONS OF APPROPRIATIONS.

Section 141(g) of the Trade Act of 1974 (19 U.S.C. 2171(g)) is amended by adding at the end thereof the following new paragraph:

"(3) In addition to any amount authorized to be appropriated under this subsection, there are authorized to be appropriated to the Office, \$220,000,000 for each of the fiscal years 1993 through 1997."•

ORDER OF PROCEDURE

Mr. DASCHLE. Mr. President, I ask unanimous consent the Republican leader be recognized to address the Senate, and that, at the conclusion of his remarks, the Senate stand in recess as ordered.

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

Mr. DASCHLE. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. Mr. President, are we in morning business?

The PRESIDING OFFICER. Yes. The Senator from Kansas is recognized.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. DOLE pertaining to the introduction of S. 2699 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

ORDERS FOR TOMORROW

Mr. DASCHLE. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:30 a.m., Wednesday, May 13; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the

day; that there be a period for morning business not to extend beyond 1:30 p.m., with Senators permitted to speak therein for up to 5 minutes each with the first hour of morning business under the control of the majority leader or his designee; that there be 1 hour under the control of Senator SANFORD or his designee; that Senator SIMPSON or his designee be recognized for up to 15 minutes, Senator GORE for up to 20 minutes, Senator GORTON for up to 10 minutes; that at 1:30 p.m., Wednesday, the Senate resume consideration of the veto message on S. 3, the campaign finance reform bill, with 4 hours remaining for debate on the message, with time equally divided and controlled between the majority and minority leaders or their designees; that when all time is used or yielded back, without intervening action or debate, the Senate proceed to vote on passage of the bill, the objections of the President notwithstanding.

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

RECESS UNTIL 10:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 10:30 a.m., Wednesday, May 13.

Thereupon, the Senate, at 6:34 p.m., recessed until tomorrow, Wednesday, May 13, 1992, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 12, 1992:

DEPARTMENT OF STATE

WILLIAM GRAHAM WALKER, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO ARGENTINA.

ALEXANDER FLETCHER WATSON, OF MASSACHUSETTS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERATIVE REPUBLIC OF BRAZIL.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12, 1992:

EXECUTIVE OFFICE OF THE PRESIDENT

JOHN P. WALTERS, OF MICHIGAN, TO BE DEPUTY DIRECTOR FOR SUPPLY REDUCTION, OFFICE OF NATIONAL DRUG CONTROL POLICY.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

ROBERT E. PAYNE, OF VIRGINIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF VIRGINIA.

RICHARD H. KYLE, OF MINNESOTA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MINNESOTA.

JOE KENDALL, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF TEXAS.

LEE H. ROSENTHAL, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF TEXAS.